



29 September 2020

TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS

CONSULTATION ON CONFIDENTIALITY OF KEY ADI METRICS

APRA is resuming consultation on confidentiality of data submitted to APRA by Authorised Deposit-taking Institutions (ADIs) and is now proposing a list of key data items to be determined non-confidential, and inviting feedback from stakeholders. On 5 December 2019, APRA published a letter advising that APRA was proposing to determine data sources for its ADI quarterly publications to be non-confidential and to provide an opportunity to ADIs to make submissions on these proposals.¹ This consultation was paused in response to COVID-19.

A common theme in the ADI industry submissions to the December consultation was to break up and slow down the proposed publication of ADI data into more manageable stages. In response to this, APRA is now re-consulting on a much shorter list of key ADI metrics, sourced almost entirely from the *Quarterly Authorised Deposit-taking Institution Performance Statistics* (QADIP). Publication of these data will assist in providing the public with a centralised and consistent data source on individual ADIs. APRA also intends to use this publication as a foundation to reduce the burden of disclosure requirements for smaller ADIs.

This proposal, outlined in Attachment 1, is a major step in improving the transparency of the risk profiles of ADIs and will aid in the public's understanding of these institutions.

APRA invites feedback on the proposals in Attachment 1, which will be subject to an eight-week public consultation period. Written submissions on the proposals should be sent to dataconsultations@apra.gov.au by 20 November 2020 and addressed to:

General Manager, Data Analytics and Insights
Cross-Industry Insights and Data Division
Australian Prudential Regulation Authority

APRA will then finalise its response to both the December 2019 ADI data confidentiality consultation and this consultation. APRA is proposing to continue to consult the ADI industry in manageable phased stages and in further depth in the future.

Yours sincerely,

Sean Carmody
Executive Director
Cross-Industry Insights and Data Division

¹ Consultation On The Confidentiality Of Data Used In ADI Quarterly Publications And Additional Historical Data' (Letter, 5 December 2019): <<https://www.apra.gov.au/consultation-on-confidentiality-of-data-used-adi-quarterly-publications-and-additional-historical>>

Important disclosure notice – publication of submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the FOIA. APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA-regulated entity that is not in the public domain and that is identified as confidential will be protected by section 56 of the APRA Act and will therefore be exempt from production under the FOIA.

ATTACHMENT 1 – PROPOSALS FOR ADI DATA NON-CONFIDENTIALITY

APRA is seeking stakeholder feedback on the following proposals for consultation.

Proposal 1: Key ADI Metrics consultation

APRA is proposing to determine key ADI metrics data non-confidential with the intent of publishing entity level data in 2021, with one exception detailed in Proposal 2 below.

APRA proposes that the key ADI Metrics data would be determined non-confidential 56 calendar days (eight weeks) after the end of the period to which the disclosure relates. Under the proposed timeframe, the data would be non-confidential within 40 business days (if there were no public holidays during the eight-week period) and may be published after that date.

The key ADI metrics subject to this consultation are listed in Attachment 2 and relate to:

- Capital adequacy;
- Liquidity;
- Asset quality;
- Financial statements; and
- Financial performance.

With the exception of three key items which can be found at the end of the table, these key line items can all be found in QADIP as industry aggregates. The data to be published at entity-level would be based on the definitions and calculations used in QADIP.

Similar metrics are already published by ADIs and/or are required to be disclosed by larger ADIs. *Prudential Standard APS 330 Public Disclosure (APS 330)* requires some of these metrics, notably for capital adequacy and liquidity, to be disclosed within 40 business days after the end of the period to which the disclosure relates.²

As has been consulted on previously, APRA is proposing to reduce the Pillar 3 disclosure burden for smaller ADIs.³ Publication of these ADI key metrics by APRA would be an enabler of this initiative.

Specific areas where feedback would assist APRA in finalising its proposals are:

- Should any of these data items remain confidential? Please provide specific information on how the disclosure of these data items would lead to commercial detriment.
- What are the estimated costs and benefits of aligning the timing of the proposed non-confidentiality with 56 calendar days after the end of the period to which the disclosure relates?

² <https://www.legislation.gov.au/Details/F2018L00509>

³ See Chapter 8 of Revisions to the capital framework for authorised deposit-taking institutions (Discussion Paper, 14 February 2018) <https://www.apra.gov.au/sites/default/files/2020-06/Revisions%2520to%2520the%2520capital%2520framework%2520for%2520ADIs_0.pdf>

Proposal 2: Certificates of deposit consultation

In response to requests from market participants, APRA is also proposing to add Economic and Financial Statistics (EFS) sourced Australian-issued Negotiable Certificates of Deposit (NCDs) from *Reporting Standard ARS 720.6 ABS/RBA Securities on Issue* (ARS 720.6) into its *Monthly ADI Statistics* (MADIS) publication.⁴

Certificates of deposit (CD) data series was previously published in *Monthly Banking Statistics* (MBS) from June 2002 to June 2019. This publication was replaced by EFS-sourced MADIS from July 2019, with historical data published from March 2019.

The aggregate of the following four EFS Australian-issued NCDs data series sourced from ARS 720.6 is similar to the previously published MBS CD series:

- Short-term negotiable certificates of deposit issued in Australia (AUD)
- Short-term negotiable certificates of deposit issued in Australia (FX (AUD equivalent))
- Long-term negotiable certificates of deposit issued in Australia (AUD)
- Long-term negotiable certificates of deposit issued in Australia (FX (AUD equivalent))

APRA is proposing to determine these data items non-confidential from when they are due to APRA, and publish the aggregated Australian-issued NCD data series from March 2019, in line with the data currently published in MADIS.

APRA plans to release the amended MADIS publication by the end of the year.

Request for cost-benefit analysis information

APRA requests that all interested stakeholders use this consultation opportunity to provide information on the compliance impact of the proposed changes and any other substantive costs associated with the changes. Compliance costs are defined as direct costs to businesses of performing activities associated with complying with government regulation. Specifically, information is sought on any increases or decreases to the compliance costs incurred by businesses as a result of APRA's proposal.

Consistent with the Government's approach, APRA will use the methodology behind the Regulatory Burden Measurement Tool to assess compliance costs. This tool is designed to capture the relevant costs in a structured way, including a separate assessment of upfront costs and ongoing costs. It is available at: <https://rbm.obpr.gov.au/home.aspx>.

Respondents are requested to use this methodology to estimate costs to ensure that the data supplied to APRA can be aggregated and used in an industry-wide assessment. When submitting their cost assessment to APRA, respondents are asked to include any assumptions made and, where relevant, any limitations inherent in their assessment. Feedback should address the additional costs incurred as a result of complying with APRA's requirements, not activities that institutions would undertake regardless of regulatory requirements in their ordinary course of business.

⁴ <https://www.legislation.gov.au/Details/F2019L00093>

ATTACHMENT 2 – TABLE OF KEY ADI METRICS

| Item sourced from QADIP | Category | Form | Attribute Code |
|---|------------------|-------------------------------|-------------------------------------|
| Common Equity Tier 1 capital (\$m) | Capital Adequacy | ARF_110_0_1/2 | CS23805 |
| Total capital base (\$m) | Capital Adequacy | ARF_110_0_1/2 & ARF_110_0_C/L | CS02034 |
| Common Equity Tier 1 capital ratio | Capital Adequacy | ARF_110_0_1/2 | CS23805 & CS17744 |
| Capital-adequacy ratio | Capital Adequacy | ARF_110_0_1/2 | CS02034 & CS17744 |
| | | | CS02034, CS17745, CS17744 |
| | | ARF_110_0_C/L | CS02034, CS02055, CS02056 & CS02061 |
| Total Tier 1 capital | Capital Adequacy | ARF_110_0_1/2 & ARF_110_0_C/L | CS02011 |
| Total risk-weighted assets (\$m) - RWA | Capital Adequacy | ARF_110_0_1/2 | CS17744 |
| | | | CS17745, CS17744 |
| | | ARF_110_0_C/L | CS02055, CS02056 & CS02061 |
| RWA – Credit risk | Capital Adequacy | ARF_110_0_1/2 & ARF_110_0_C/L | CS02055 |
| RWA – Market risk | Capital Adequacy | ARF_110_0_1/2 & ARF_110_0_C/L | CS02056 |
| RWA – Operational risk | Capital Adequacy | ARF_110_0_1/2 | CS17743 |
| RWA – Other charges by APRA | Capital Adequacy | ARF_110_0_1/2 & ARF_110_0_C/L | CS02061 |
| | | ARF_110_0_1/2 | CS17745, CS17744 |
| Total LCR liquid assets (\$m) | Liquidity | ARF_210_1A | BSAO24320 |
| Net cash outflows (\$m) | Liquidity | ARF_210_1A | BSL20744 |
| Liquidity coverage ratio (LCR) | Liquidity | ARF_210_1A | BSAO24442, BSAO24443 & BSL20744 |

| Item sourced from QADIP | Category | Form | Attribute Code |
|--|---------------|-----------------------|--|
| Total adjusted minimum liquidity holdings (\$m) | Liquidity | ARF_210_0 & ARF_210_2 | BSAO16011 |
| Adjusted liability base (\$m) | Liquidity | ARF_210_0 & ARF_210_2 | BSL15010 |
| Minimum liquidity holdings (MLH) ratio | Liquidity | ARF_210_0 & ARF_210_2 | BSAO16011 & BSL15010 |
| Minimum MLH requirement | Liquidity | ARF_210_0 & ARF_210_2 | BSAO16013 |
| Total Impaired facilities (\$m) | Asset quality | ARF_220_0_C/L | R00001, R00011, R00002, R00012, R00003, R00013, R00004, R00014, R00005, R00015, R00006, R00016 |
| Gross loans and advances (\$m) | Asset quality | ARF_720_0A/B | BSAO27487 |
| | | ARF_320_0 & ARF_323_0 | BSAO11182 |
| | | ARF_322_0 | BSAO11044 |
| | | ARF_320_0 | BSAO17247 |
| Impaired facilities to loans and advances | Asset quality | ARF_220_0_C/L | R00001, R00011, R00002, R00012, R00003, R00013, R00004, R00014, R00005, R00015, R00006, R00016 |
| | | ARF_720_0A/B | BSAO27487 |
| | | ARF_320_0 & ARF_323_0 | BSAO11182 |
| | | ARF_322_0 | BSAO11044 |
| | | ARF_320_0 | BSAO17247 |
| Past due items (\$m) | Asset quality | ARF_220_0_C/L | R00985, R00986, R00987, R00988, R00989, R00990, R00991, R00992, R00993, R00994, |

| Item sourced from QADIP | Category | Form | Attribute Code |
|--|----------------------|----------------------------------|--|
| | | | R00995, R00996, R00997, R00998, R00999, R01000, R01001, R01002, R01003, R01004, R01005, R01006, R01007, R01008 |
| Past due to total loans and advances | Asset quality | ARF_220_0_C/L | R00985, R00986, R00987, R00988, R00989, R00990, R00991, R00992, R00993, R00994, R00995, R00996, R00997, R00998, R00999, R01000, R01001, R01002, R01003, R01004, R01005, R01006, R01007, R01008 |
| | | ARF_720_0A/B | BSAO27487 |
| | | ARF_320_0 & ARF_323_0 | BSAO11182 |
| | | ARF_322_0 | BSAO11044 |
| | | ARF_320_0 | BSAO17247 |
| Provisions held (\$m) (or subcomponent) | Asset quality | ARF_220_0_C/L | R00909, R00910, R00911, R00912, R00950, R00951, R00952, R00953, R01033, R01034, R01035, R01036, R01037, R01038, R01039, R01040, R01041, R01042, R01043, R01044, R01045, R01046, R00913, R00914, R00915, R00916, R00954, R00955, R00956, R00957 |
| Total assets (\$m) | Financial statements | ARF_320_0, ARF_322_0 & ARF_323_0 | BSAO11072 |
| | | ARF_320_0 | BSAO11278 & BSAO11280 |
| | | ARF_720_0A/B | BSAO27545 |
| Total shareholders' equity (\$m) | Financial statements | ARF_320_0, ARF_322_0 & ARF_323_0 | BSE00400 |
| | | ARF_720_0A/B | BSE11775 |

| Item sourced from QADIP | Category | Form | Attribute Code |
|-------------------------------------|---------------------------------------|--|---|
| Total liabilities | Financial statements | ARF_320_0, ARF_322_0 & ARF_323_0 | BSL10016 |
| | | ARF_320_0 | BSL11074 & BSL11077 |
| | | ARF_720_0A/B | BSL22022 |
| Total deposits | Financial statements | ARF_320_0 | BSL10909, BSL11052, BSL11053, BSL16036 |
| | | ARF_320_0, ARF_322_0 & ARF_323_0 | BSL10902 & BSL10900 |
| | | ARF_322_0 & ARF_323_0 | BSL10911 |
| | | ARF_720_0A/B | BSL21944 |
| | | ARF_720_6 | BSL22384*, BSL22385*, BSL22390, BSL22391, BSL22404*, BSL22406*, BSL22416 & BSL22418 |
| Return on assets (after tax) | Financial statements & performance | ARF_330_0_C/L | PL10297 |
| | | ARF_320_0, ARF_322_0 & ARF_323_0 | BSAO11072 |
| | | ARF_320_0 | BSAO11278 & BSAO11280 |
| | | ARF_720_0A/B | BSAO27545 |
| Return on equity (after tax) | Financial statements & performance | ARF_330_0_C/L | PL10297 |
| | | ARF_320_0, ARF_322_0 & ARF_323_0 | BSE00400 |
| | | ARF_720_0A/B | BSE11775 |

| Item sourced from QADIP | Category | Form | Attribute Code |
|-----------------------------------|-----------------------|---------------|----------------|
| Net interest income (\$m) | Financial performance | ARF_330_0_C/L | PL10220 |
| Other operating income (\$m) | Financial performance | ARF_330_0_C/L | PL10080 |
| Total operating income (\$m) | Financial performance | ARF_330_0_C/L | PL10290 |
| Operating expenses (\$m) | Financial performance | ARF_330_0_C/L | PL10291 |
| Net profit (loss) after tax (\$m) | Financial performance | ARF_330_0_C/L | PL10297 |
| Charge for bad or doubtful debts | Financial performance | ARF_330_0_C/L | PL10084 |

* Included in Certificates of Deposit consultation proposal

| Other key Items (not sourced from QADIP) | Category | Form | Attribute Code |
|--|------------------|---------------|------------------|
| IRRBB RWA | Capital Adequacy | ARF_110_0_1/2 | CS17740 |
| TMR RWA | Capital Adequacy | ARF_110_0_1/2 | CS17741, CS17742 |
| Net Stable Funding Ratio (NSFR) | Liquidity | ARF_210_6 | CS26456 |

A list of Forms and Attribute codes subject to consultation is available at <[Key ADI Metrics consultation - list of attribute codes](#)>

Further information about the specific items involved can be found at <https://www.apra.gov.au/sites/default/files/Attachment%20%20-%20Detailed%20items%20proposed%20for%20non-confidentiality%20specified%20in%20ADI%20forms.pdf>