



4 July 2012

To all Australian-resident banks and selected registered financial corporations

## CONFIDENTIALITY OF INTERNATIONAL EXPOSURES DATA

APRA proposes to determine that data provided in the International Exposures forms are non-confidential. The proposed determinations will facilitate transparency and public access to aggregated international banking statistics published by the Bank for International Settlements (BIS) and the Reserve Bank of Australia (RBA). They will also address some of the issues noted by the International Monetary Fund (IMF) in its G-20 data gaps initiative report on Australia.

APRA provides the BIS and RBA with international exposures data submitted by banks and registered financial corporations (RFCs). The proposed determinations will enable the BIS and RBA to publish more industry-level statistics than they currently do and will also allow APRA to disclose data to other external parties.

The purpose of this letter is to provide banks and RFCs with the opportunity to make representations on APRA's proposal to determine international exposures data to be non-confidential.

### Background on the International Banking Statistics

APRA currently collects data on the international assets, liabilities and international claims of Australian-resident banks through the *ARF 231 International Exposures* forms<sup>1</sup>. The forms are segregated into two sets to capture the cross-border activities of Australian-resident banks. The first set of data, termed *locational data*, measures international assets and liabilities of all banks located in Australia using standard balance of payments concepts. The main purpose of the locational data is to provide information on the role of the Australian financial sector in the intermediation of international capital flows. The second set of data, termed *consolidated data*, covers the financial claims of Australian-resident banks on the rest of the world and provides a measure of the Australian banking system's country risk exposures. Unlike the locational data, the consolidated data captures the foreign claims of the head office and all its branches and subsidiaries on a worldwide consolidated basis.

Every quarter, APRA provides the data collected in the international exposures forms, in summary, to the BIS. The BIS uses these data, along with summarised data from other reporting countries, to compile its *International Banking Statistics* (IBS). The BIS publishes

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<sup>1</sup> APRA ceased collecting international exposures data from RFCs from September 2010.

the IBS at national and global levels as part of the *BIS Quarterly Review*, which is available on its website<sup>2</sup>.

APRA uses the international exposures data for prudential purposes, including assessing banks' credit exposures to specific countries (or regions) and counterparty sector, and measuring banks' funding risk. APRA also provides the data to the RBA, which uses the data in its financial stability role. The RBA publishes summarised data in its *Statistical Tables* (B11 - B13) and often includes IBS data and analysis in its half-yearly *Financial Stability Review*.

### Constraints on the release of data

International exposures data are collected under the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act). These data are protected under section 56 of the *Australian Prudential Regulation Authority Act 1998* (APRA Act). Currently, APRA ensures that aggregated data published by the BIS and RBA are sufficiently masked so that no cell can be attributed to an individual entity.

In 2011, approximately 25 per cent of the IBS publication was masked, restricting the usefulness of the publication. An example of consolidated data published by the BIS is shown in Attachment 1. This example highlights the difference masking data makes to the usefulness of Australia's statistics compared to another major reporting country with no masked data.

The usefulness of the data published by the RBA is also severely affected as approximately 50 per cent of its published data is masked.

### Determining data to be non-confidential

In terms of Section 57 of the APRA Act, APRA may, by legislative instrument, determine whether international exposures data submitted to it by banks and RFCs under section 13 of the FSCOD Act contain confidential information. Where determined not to be confidential, APRA can release the data under subsection 56(5C) of the APRA Act. APRA must not make a determination unless it has:

- given all relevant banks and RFCs a reasonable opportunity to make representations as to whether information of the kind that is proposed to be released is confidential; and
- taken any such representations into account.

APRA is proposing to make determinations, described below, that will result in data being released under subsection 56(5C) of the APRA Act. This letter invites banks and RFCs to make representations regarding the proposed determinations.

### Proposed determinations

APRA proposes to determine under section 57 of the APRA Act that data collected under the following reporting standards (including equivalent prior reporting standards as described in Attachment 2) are not confidential:

- *ARS 231.1a International Exposures: Locational (Assets) Part 1*
- *ARS 231.1b International Exposures: Locational (Liabilities) Part 1*
- *ARS 231.2 International Exposures: Locational Part 2*

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<sup>2</sup> See <http://www.bis.org/statistics/bankstats.htm>

- *ARS 231.3a International Exposures: Consolidated (Domestic Entity)*
- *ARS 231.3b International Exposures: Consolidated (Foreign Entity)*
- *RRS 231.1a International Exposures: Locational (Assets) Part 1*
- *RRS 231.1b International Exposures: Locational (Liabilities) Part 1*
- *RRS 231.2 International Exposures: Locational Part 2*
- *RRS 231.3a International Exposures: Consolidated (Domestic Entity)*
- *RRS 231.3b International Exposures: Consolidated (Foreign Entity)*

The first determinations would apply to international exposures data collected from the 31 March 2003 reporting period.

### **Benefits of determining data to be non-confidential**

By determining the data to be non-confidential, APRA will be able to release complete datasets. The BIS and RBA would not need to mask the data for publication purposes. A complete dataset will allow third parties interested in the IBS statistics, such as central banks, monetary authorities, international organisations, academics and researchers to better understand and conduct analysis on cross-border financial linkages in the global financial system.

The proposed determinations will also assist Australia to fulfil its responsibilities as a G-20 member. In particular, the determinations will address the IMF's comments that Australia is one of the most restrictive BIS reporting countries in terms of availability of detailed international banking statistics, noted in its G-20 data gaps initiative report on Australia of March 2011.

The proposed determinations will not limit the disclosure or use of international exposures data to the statistics published by the BIS and RBA. Individual entity data (or analysis based on those data) would be publishable by APRA, although APRA has no immediate plans to publish these data.

### **Representations on the proposed determinations**

APRA requests that any representations that seek to have the data remain confidential include:

- specifications on exactly which data items should be considered confidential; and
- justification on why these specific data items should be considered confidential.

Written submissions should be forwarded by close of business on 31 July 2012, preferably by email to:

Manager, Banking Statistics  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001  
Email: [adi\\_rfc@apra.gov.au](mailto:adi_rfc@apra.gov.au)

Any questions related to this consultation letter should be directed to David Connolly on 02 9210 3446 or via email at [david.connolly@apra.gov.au](mailto:david.connolly@apra.gov.au)

Yours sincerely

A handwritten signature in black ink that reads "S.J. Davies". The signature is written in a cursive, slightly slanted style.

Dr Steve Davies  
General Manager - Statistics

### **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 *Freedom of Information Act 1982* (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 which is not in the public domain and which is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and therefore will ordinarily be exempt from production under the FOIA.

## ATTACHMENT 1 - EXAMPLES OF SELECTED DATA ON BIS WEBSITE FOR AUSTRALIAN BANKS AND GERMAN BANKS

## BIS Quarterly Review: June 2012

Table 9B: Consolidated foreign claims of reporting banks - immediate borrower basis  
On individual countries by nationality of reporting banks / Amounts outstanding

In millions of US dollars

## Australian banks

Name	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
All countries	501,174	498,955	504,080	546,630	588,244	577,225	652,681	657,469	658,990
Developed countries	452,533	...	443,199	478,089	510,496	498,077	559,587	557,923	556,623
Europe	161,162	156,484	155,959	172,437	176,055	177,481	184,904	195,068	185,860
Austria	204	...	...	...	...	...	...	...	...
Andorra	-	-	-	-	-	-	-	-	-
Belgium	2,488	1,907	1,198	1,058	1,665	1,113	1,186	742	736
Cyprus	5	12	...	18	...	...	...	...	...
Denmark	475	296	454	634	465	746	718	432	411
Estonia	-	-	-	-	...	-	-	-	-
Finland	362	...	357	388	466	315	407	369	390
France	11,571	8,586	7,967	9,475	10,605	9,216	12,539	11,626	8,592
Germany	...	...	...	...	...	...	...	...	...
Greece	28	1	2	2	...	...	...	...	...
Iceland	-	-	-	-	-	-	...	...	...
Ireland	...	...	...	...	...	...	...	...	...
Italy	...	...	758	502	586	696	1,197	...	...
Liechtenstein	...	...	-	-	-	-	-	-	-
Luxembourg	1,785	2,267	2,358	2,365	2,426	2,504	3,905	2,750	2,789
Malta	...	...	...	...	...	...	...	...	8
Netherlands	5,181	4,183	5,742	7,863	8,636	7,554	9,100	7,780	8,296
Norway	551	571	494	578	445	696	866	1,892	940
Portugal	108	...	...	...	...	...	...	...	...
Slovakia	-	-	-	-	-	-	-	-	-
Slovenia	-	-	-	-	...	...	-	-	...
Spain	1,601	1,182	...	...	...	...	691	212	226

Sweden	538	604	532	528	578	692	991	1,639	913
Switzerland	1,841	2,305	1,898	2,473	2,770	2,348	2,429	3,416	2,892
United Kingdom	123,903	...	...	...	...	...	...	...	...
Vatican	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Australia	-	-	-	-	-	-	-	-	-
Canada	...	...	...	...	...	...	...	...	...
Japan	6,093	3,657	...	...	...	...	...	...	...
New Zealand	233,881	229,453	...	...	255,896	241,857	267,945	253,042	254,770
United States	40,617	46,090	47,702	50,113	57,319	58,266	81,700	79,371	84,442
Offshore centres	21,312	24,264	29,686	33,003	37,721	36,165	38,839	43,539	42,664
Aruba	-	-	-	-	-	-	-	...	...
Bahamas	13	41	50	...	110	103	109	...	...
Bahrain	143	...	196	249	259	270	204	163	166
Barbados	...	...	...	...	...	...	...	...	...
Bermuda	358	...	...	...	629	616	475	747	1,182
Cayman Islands	901	1,005	1,268	680	807	1,132	810	1,171	1,413
Curacao	...	...	...	...	...	-	-	-	-
Gibraltar	...	...	...	...	...	...	...	...	...
Guernsey	...	...	...	...	...	...	...	...	...
Hong Kong SAR	9,234	9,712	10,378	12,813	15,623	13,820	14,287	12,485	13,118

## Legend:

... = not available or masked

. = not applicable

- = nil

## BIS Quarterly Review: June 2012

**Table 9B: Consolidated foreign claims of reporting banks - immediate borrower basis  
On individual countries by nationality of reporting banks / Amounts outstanding**

In millions of US dollars

## German Banks

Name	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
All countries	3,302,125	3,196,437	3,064,108	3,209,215	2,998,437	3,125,574	3,193,623	3,092,710	2,793,229
Developed countries	2,744,893	2,630,259	2,528,467	2,633,879	2,441,974	2,560,144	2,608,205	2,541,066	2,284,361
Europe	2,060,049	1,968,032	1,826,953	1,983,571	1,821,358	1,922,649	1,914,991	1,820,829	1,637,211
Austria	101,105	95,612	85,842	92,496	84,883	90,413	90,044	81,997	73,349
Andorra	63	62	60	71	74	84	105	78	71
Belgium	40,684	37,975	35,141	41,280	44,024	35,234	37,494	34,657	27,878
Cyprus	11,285	10,966	10,339	10,361	9,058	9,699	9,683	9,203	8,355
Denmark	45,057	41,974	38,637	41,268	34,909	33,985	30,024	24,371	21,762
Estonia	626	603	514	519	582	526	535	480	448
Finland	14,135	15,418	13,808	14,092	13,773	14,629	17,316	15,975	15,813
France	195,642	187,968	196,838	208,504	189,401	206,789	223,285	217,000	174,862
Germany	...	...	...	...	...	...	...	...	...
Greece	45,003	44,219	36,840	40,253	33,974	35,704	33,513	36,798	32,977
Iceland	8,559	7,200	6,147	6,234	4,857	4,559	4,536	4,210	3,817
Ireland	183,757	173,965	138,567	154,059	118,154	116,527	110,509	101,565	95,329
Italy	189,675	176,233	153,721	177,329	162,285	164,932	161,757	144,686	133,954
Liechtenstein	1,432	1,333	1,233	1,354	1,492	1,677	1,763	1,231	1,140
Luxembourg	145,074	149,115	147,790	158,559	154,166	171,676	162,917	150,097	142,267
Malta	2,154	2,219	2,233	2,152	2,103	1,961	2,213	2,896	2,580
Netherlands	155,648	150,943	148,624	166,219	158,102	167,245	170,266	166,082	154,651
Norway	29,345	29,521	27,570	32,139	28,529	28,457	28,009	24,171	21,058
Portugal	47,377	44,522	37,240	39,970	36,421	38,862	35,852	29,993	30,208
Slovakia	3,853	3,629	3,451	3,924	3,619	3,980	4,238	3,774	3,778
Slovenia	5,640	5,522	4,568	4,941	4,575	4,811	4,231	3,841	3,507
Spain	237,983	213,113	181,648	200,939	181,895	177,859	177,465	160,865	146,096

Sweden	36,598	38,315	38,053	36,905	34,244	34,569	37,563	34,014	34,203
Switzerland	58,430	54,817	55,927	55,706	54,542	58,543	60,420	62,978	50,230
United Kingdom	500,618	482,585	462,070	494,258	465,682	519,866	511,202	509,804	458,789
Vatican	-	23	-	-	-	-	-	-	-
Other	306	180	92	39	14	62	51	63	89
Australia	52,468	50,509	42,731	38,377	39,286	43,984	41,633	43,243	38,605
Canada	39,734	36,663	29,672	28,891	28,558	29,334	29,147	29,145	28,904
Japan	50,300	52,031	60,171	61,495	57,074	55,472	57,282	55,483	46,947
New Zealand	8,991	6,643	6,755	5,590	4,562	6,302	6,521	5,943	5,826
United States	533,351	516,381	562,185	515,955	491,136	502,403	558,631	586,423	526,868
Offshore centres	195,253	193,311	186,490	187,240	187,699	177,293	180,455	170,914	149,579
Aruba	-	1	-1	1	1	4	4	4	9
Bahamas	5,735	1,499	5,020	5,069	5,010	5,360	6,244	5,936	6,131
Bahrain	3,252	2,853	3,015	3,770	3,215	2,293	2,409	2,088	1,835
Barbados	656	640	585	536	523	542	651	632	681
Bermuda	7,483	7,313	8,099	7,883	7,422	6,925	7,678	7,000	6,554
Cayman Islands	75,995	77,569	75,854	70,315	63,624	66,191	67,255	62,094	51,804
Curacao	...	...	...	...	934	...	...	...	...
Gibraltar	634	651	596	950	669	708	730	603	551
Guernsey	6,499	6,163	5,541	6,232	5,932	5,650	4,807	4,776	4,738
Hong Kong SAR	11,729	12,241	10,021	13,968	13,551	13,448	13,731	14,091	12,137

## Legend:

... = not available or masked

. = not applicable

- = nil



## ATTACHMENT 2 - DETAILED INFORMATION ON AFFECTED REPORTING STANDARDS

Reporting standard number	Determination/Standard	Date of application
ARS 231.1a	Reporting Standard ARS 231.1a - International Exposures: Locational (Assets) Part 1	14 March 2003
	Financial Sector (Collection of Data) determination No. 77 of 2005 - Reporting Standard ARS 231.1a (2005) - International Exposures: Locational (Assets) Part 1	5 August 2005
	Financial Sector (Collection of Data)(reporting standard) determination No. 13 of 2006 - Reporting Standard ARS 231.1a - International Exposures: Locational (Assets) Part 1	1 July 2006
	Financial Sector (Collection of Data) (reporting standard) determination No. 25 of 2008 - ARS 231.1a - International Exposures: Locational (Assets) Part 1	1 April 2008
ARS 231.1b	Reporting standard ARS 231.1b - International Exposures: Locational (Liabilities) Part 1	14 March 2003
	Financial Sector (Collection of Data) determination No. 78 of 2005 - Reporting Standard ARS 231.1b (2005) - International Exposures: Locational (Liabilities) Part 1	8 August 2005
	Financial Sector (Collection of Data) (reporting standard) determination No. 14 of 2006 - Reporting standard ARS 231.1b - International Exposures: Locational (Liabilities) Part 1	1 July 2006
	Financial Sector (Collection of Data) (reporting standard) determination No. 26 of 2008 - ARS 231.1b - International Exposures: Locational (Liabilities) Part 1	1 April 2008
ARS 231.2	Reporting standard ARS 231.2 - International Exposures: Locational Part 2	14 March 2003
	Financial Sector (Collection of Data) determination No. 79 of 2005 - Reporting Standard ARS 231.2 (2005) - International Exposures: Locational Part 2	4 August 2005
	Financial Sector (Collection of Data) (reporting standard) determination No. 15 of 2006 - Reporting standard ARS 231.2 - International Exposures: Locational Part 2	1 July 2006
	Financial Sector (Collection of Data) (reporting standard) determination No. 27 of 2008 - ARS 231.2 - International Exposures: Locational Part 2	1 April 2008
ARS 231.3a	Reporting Standard ARS 231.3a - International Exposures: Consolidated (Domestic Entity)	14 March 2003
	Financial Sector (Collection of Data) determination No. 80 of 2005 - Reporting Standard ARS 231.3a (2005) - International	5 August 2005

Reporting standard number	Determination/Standard	Date of application
	Exposures: Consolidated (Domestic Entity)	
	Financial Sector (Collection of Data) (reporting standard) determination No. 16 of 2006 - Reporting Standard ARS 231.3a - International Exposures: Consolidated (Domestic Entity)	1 July 2006
	Financial Sector (Collection of Data) (reporting standard) determination No. 28 of 2008 - ARS 231.3a - International Exposures: Consolidated (Domestic Entity)	1 April 2008
	Reporting Standard ARS 231.3b - International Exposures: Consolidated (Foreign Entity)	14 March 2003
	Financial Sector (Collection of Data) determination No. 81 of 2005 - Reporting Standard ARS 231.3b (2005) - International Exposures: Consolidated (Foreign Entity)	5 August 2005
ARS 231.3b	Financial Sector (Collection of Data) (reporting standard) determination No. 17 of 2006 - Reporting Standard ARS 231.3b - International Exposures: Consolidated (Foreign Entity)	1 July 2006
	Financial Sector (Collection of Data) (reporting standard) determination No. 29 of 2008 - ARS 231.3b - International Exposures: Consolidated (Foreign Entity)	1 April 2008
	Reporting Standard RRS 231.1a - International Exposures: Locational (Liabilities) Part 1	14 March 2003
RRS 231.1a <sup>3</sup>	Financial Sector (Collection of Data) (reporting standard) determination No. 44 of 2006 - Reporting Standard RRS 231.1a - International Exposures: Locational (Assets) Part 1	1 July 2006
	Reporting Standard RRS 231.1b - International Exposures: Locational (Assets) Part 1	14 March 2003
RRS 231.1b <sup>4</sup>	Financial Sector (Collection of Data) (reporting standard) determination No. 45 of 2006 - Reporting Standard RRS 231.1b - International Exposures: Locational (Liabilities) Part 1	1 July 2006
	Reporting standard RRS 231.2 - International Exposures: Locational Part 2	14 March 2003
RRS 231.2	Financial Sector (Collection of Data) (reporting standard) determination No. 46 of 2006 - Reporting standard RRS 231.2 - International Exposures: Locational Part 2	1 July 2006
RRS 231.3a	Reporting Standard RRS 231.3a - International Exposures:	14 March 2003

<sup>3</sup> The 2003 standard was concerned with liabilities, this was later changed to assets.

<sup>4</sup> The 2003 standard was concerned with assets, this was later changed to liabilities.

Reporting standard number	Determination/Standard	Date of application
	Consolidated (Domestic Entity)	
	Financial Sector (Collection of Data) (reporting standard) determination No. 47 of 2006 - Reporting Standard RRS 231.3a - International Exposures: Consolidated (Domestic Entity)	1 July 2006
	Reporting Standard RRS 231.3b - International Exposures: Consolidated (Foreign Entity)	14 March 2003
RRS 231.3b	Financial Sector (Collection of Data) (reporting standard) determination No. 48 of 2006 - Reporting Standard RRS 231.3b - International Exposures: Consolidated (Foreign Entity)	1 July 2006

The information on the ADI reporting framework, the forms collected under each reporting standard and the data items that are collected is provided on APRA's website:  
<http://www.apra.gov.au/adi/ReportingFramework/Pages/ADI-Reporting.aspx>