



29 October 2014

Mr Pat Brennan
General Manager, Policy Development
Policy, Statistics and International Division
Australian Prudential Regulation Authority
Level 26
400 George Street
SYDNEY 2000

By email: APS330@apra.gov.au

Dear Mr Brennan

Prudential Standard APS 330 – Public Disclosure
Prudential Standard APS 110 – Capital Adequacy

The Australian Financial Markets Association (AFMA) welcomes the opportunity to comment on proposed amendments to Prudential Standard APS 330 – Public Disclosure and Prudential Standard APS 110 – Capital Adequacy.

AFMA has consulted with its authorised deposit-taking institution (ADI) members on the proposed amendments. No substantive issues have been raised other than to seek clarification from APRA, which was provided in consultations, that APRA's intention is for the disclosure requirements, including disclosure of the Liquidity Coverage Ratio (LCR), to apply only to locally incorporated ADIs. As a result, under the proposed amendments branches of foreign banks will not need to disclose the LCR.

As a matter of record AFMA notes that no reasons have been raised which would be a barrier to APRA proceeding with its proposals to –

1. With regard to disclosure in relation to the leverage ratio, only ADIs with approval from APRA to use the internal ratings-based approach to credit risk under Prudential Standard APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk (APS 113) (IRB ADIs) need to disclose.

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2. With regard to disclosure in relation to the liquidity coverage ratio (LCR), ADIs subject to the LCR requirement should also comply with public disclosure requirements on their liquidity risk position from 1 January 2015.
3. With regard to disclosure for the identification of potential global systemically-important banks (G-SIBs), such disclosures will be limited to a subset of ADIs which, while currently not identified as G-SIBS, presently meet the EUR 200 billion threshold for disclosure, i.e. the four largest Australian ADIs.

We note APRA is also taking the opportunity make a number of minor amendments to APS 110 and APS 330 to remedy several areas where the standards inadvertently deviate from the Basel framework. There are no identified issues with these amendments.

Please contact me at mregan@afma.com.au or on (02) 9776 7992 if further clarification or elaboration is desired.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Murray Regan', written in a cursive style.

Murray Regan
Director – Markets and Rates