



19 February 2013

Manager
Banking Statistics
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001
Email: statistics@apra.gov.au

Dear Sir / Madam

Consultation – Changes to ADI statistical publications

The Australian Financial Markets Association (AFMA) welcomes the opportunity to comment on the Australian Prudential Regulation Authority's (APRA) proposed changes to Authorised Deposit-taking Institutions (ADI's) statistical publications.

AFMA agrees with the proposition that there is public benefit that can flow from making banking statistics easier to analyse and we commend APRA's endeavours in this regard and in particular support efforts to consolidate existing multiple stream reporting into the ADI quarterly statistical publication.

Our comment below is made in the context of the following three proposed changes to ADI statistical publications:

- 1. Consolidation of bank and CUBS publications** - APRA proposes to consolidate the quarterly bank and CUBS publications into a combined ADI industry publication: the Quarterly ADI Performance Statistics. Through consolidation of the two publications, users will be able to access statistics for banks and CUBS in one publication and more easily perform ADI industry analysis.
- 2. Introduction of aggregate statistics for mutual ADIs** - APRA, in response to requests from users, and to reflect the changing nature of the ADI industry, proposes to publish selected aggregate statistics for mutual ADIs in the Quarterly ADI Performance Statistics, further proposing that a mutual (whether a bank, CUBS or ADI) will be defined as an institution where each member is issued one share and each member has one vote. This definition is consistent with ASIC Regulatory Guide PS 147 on Mutuality – Financial.

3. **Introduction of a Quarterly ADI Property Exposure Statistics publication** - APRA proposes to introduce a new Quarterly ADI Property Exposure Statistics publication, which will include statistics on commercial property exposures, residential property exposures and new housing loan approvals.

APRA proposes to publish a breakdown of residential property exposures and new housing loan approvals into owner-occupied and investment loans, as well as by loan type.

APRA also proposes to publish a breakdown of new housing loan approvals by loan-to-value ratio buckets.

Comment

AFMA generally supports APRA's initiatives represented by these proposed changes and in particular it's initiative to consolidate the publication of bank and CUBS publications, which will enhance users' ability to readily perform industry analysis.

In one area there is potential to improve the effectiveness of the proposed reporting framework to enable users to interpret with greater accuracy the maturity profile of ADI's short term borrowings. To this end, AFMA recommends that APRA gives consideration to collecting a more granular maturity profile within *ARF 320.0 Statement of Financial Position (Domestic Books)*.

In particular, AFMA asks that maturity reporting for *Short-term denominated Certificates of Deposit* be expanded to enable the observation (in arrears via APRA's monthly and quarterly statistics) of the remaining maturity of debt instruments referenced in the calculation of AFMA's BBSW rates. Currently this reporting consolidates exposure with maturities of 12 months or less, whereas a more-granular three step maturity reporting profile of for example, ≤ 3 months, >3 months ≤ 6 months and >6 months ≤ 1 year would provide users with data sufficient to allow an accurate calculation of the aggregate amount of Prime Bank paper on issue.

Thank you for considering this comment. I would be happy to meet to discuss any related matter with you, or arrange a meeting between you and our ADI members. I can be contacted on _____ or at _____

Yours sincerely



Murray Regan
Director – Markets and Rates