

# Reporting guidance

## International Exposures

This guidance is to assist banks in reporting the information required by the international exposures forms:

- *Reporting Form ARF 731.1 International Banking Statistics – Locational Data* (ARF 731.1);
- *Reporting Form ARF 731.3a International Banking Statistics – Immediate and Ultimate Risk Exposures – Domestic Entity* (ARF 731.3a);
- *Reporting Form ARF 731.3b International Banking Statistics – Immediate and Ultimate Risk Exposures – Foreign Entity* (ARF 731.3b); and
- *Reporting Form ARF 731.4 International Banking Statistics – Balance Sheet Items* (ARF 731.4).

### Revisions

This guidance was last revised on 6 July 2018.

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### Relationship with other APRA forms

#### *Locational Data – ARF 731.1*

As defined in Section B.3.1. of the BIS' [Guidelines for reporting BIS international banking statistics](#), the aggregate locational international banking statistics are intended to capture all balance sheet positions which represent financial claims or liabilities. These positions are to be fully broken down by instrument into the following categories:

1. Loans and deposits;
2. Debt securities; and
3. Other instruments.

Below are some examples of categorisation of assets/liabilities into the three categories:

<b>Asset/liability</b>	<b>Category</b>
Securities sold not delivered/security settlements	Other instruments
Securities purchased not delivered/security settlements	Other instruments
Nostro / Vostro accounts	Loans and deposits
Margin accounts relating to collateral paid or received for initial/variation margin	Loans and deposits
Exchange Settlement Account maintained with the Reserve Bank of Australia	Other instruments
Operational settlement balances including balances owed to the reporting bank pending settlement (including foreign currency balances not yet settled)	Other instruments
Amounts owing to or from other banks relating to payment systems including items in the course of collection	Other instruments

Locational claims and liabilities with Australian counterparties should generally align with domestic book data across all APRA forms. Specifically:

- total claims on Australian counterparties in all currencies on ARF 731.1 should be equal to total resident financial assets (total resident assets less fixed assets, intangible assets and other non-financial assets) in *Reporting Form ARF 320.0 Statement of Financial Position (Domestic Books)* (ARF 320.0).
- total liabilities to Australian counterparties in all currencies on ARF 731.1 should be equal to total resident financial liabilities in ARF 320.0.

Below are some examples of the categorisation of assets/liabilities from ARF 320.0:

<b>Asset/Liabilities</b>	<b>Categorisation</b>	<b>Included/Excluded from ARF 731.1</b>
Interest receivables/payable	Financial	Included
Capital expenses	Non-financial	Excluded
Derivatives	Financial	Included
Receivables related to securities borrowed under securities lending arrangements or purchased under repurchase agreements	Financial*	Included*
Receivables/payable related to securities sold not delivered/outstanding security settlements	Financial	Included
Deferred tax assets	Non-financial	Excluded
Income tax liability	Non-financial	Excluded
Loan and finance lease servicing rights	Non-financial	Excluded
Defined benefit assets / liabilities	Non-financial	Excluded
Non-current assets and disposal groups classified as held for sale	Non-financial	Excluded
Liabilities included in disposal groups classified as held for sale	Non-financial	Excluded
Items in suspense	Non-financial	Excluded
Fees and commissions receivable	Financial	Included
Commodities	Non-financial	Excluded
Assets under operating lease	Financial	Included
Prepayments	Non-financial	Excluded
Tax receivables	Non-financial	Excluded

\* Securities transactions with non-financial collateral are excluded as per the ARF 731.1 reporting instructions.

**Consolidated Data – ARF 731.3a, ARF 731.3b, ARF 731.4**

Consolidated data are slightly different to the locational data in the international exposures forms.

Positions in ARF 731.4 relate to the Level 1 or Level 2 ADI, as defined in *Prudential Standard APS 001 Definitions*, and with the effects of the securitisation deconsolidation principle applied. This is on a different basis to other APRA reporting:

- *Reporting Form ARF 322.0 Statement of Financial Position (Consolidated Group)* refers to the consolidated group of the ADI, not the Level 1 or Level 2 ADI; and
- *Reporting Form ARF 210.3.1 Balance Sheet Maturity - Assets* and *Reporting Form ARF 210.3.2 Balance Sheet Maturity - Liabilities and Capital* are based on the Level 1 and Level 2 ADI, however have a different securitisation deconsolidation principle to other APRA reporting. The data on these forms will not necessarily align with ARF 731.4.

There is no direct reconciliation between ARF 731.4 and *Reporting Form ARF 110.0 Capital Adequacy*.

**Survey of International Investments**

The data reported on ARF 731.1 is similar to Australian Bureau of Statistics' *Form 90 Survey of International Investment* (Form 90).

The ABS publishes a range of statistics on Australia's financial position with the rest of the world to aid its mission and as part of its international obligations. Much of this information is reported directly to the ABS on Form 90. Form 90 is reported by Australian financial and non-financial entities that have international investment activity.

There is no direct overlap of data items between Form 90 and the ARF 731.1. Form 90 collects data split by relationship with the counterparty, while the locational forms collect data by economic sector of the counterparty.

The two collections are designed to meet the respective needs of the ABS and APRA. While every effort is made to harmonise definitions, some differences are necessary. Table 1 shows a high-level comparison of the concepts in both forms and the breakdowns of these concepts required. For most concepts, the members (breakdowns of data to be provided) do not align.

There are only a small number of data items common to both collections. Each of these data items are derived, and are not directly reported to the ABS or APRA. Table 2 shows a detailed analysis of overlaps of data to be provided at the most granular level. Table 2 includes details of interactions ('splits') of positions reported on each form. For example, a two-way interaction by country and currency means the position is reported by currency of position for each country.

**Table 1: High-level overview of concepts in Form 90 and ARF 731.1**

Comparisons of dimension members		
Concept	Members	
	Form 90	ARF 731.1
Financial positions (stocks)	<ul style="list-style-type: none"> <li>• Opening position</li> <li>• Closing position</li> </ul>	Closing position
Changes in positions (flows)	<ul style="list-style-type: none"> <li>• Transactions increasing position</li> <li>• Transactions decreasing position</li> <li>• Market price changes</li> <li>• Exchange rate changes</li> <li>• Other changes</li> </ul>	Not collected
Income and expenses	<ul style="list-style-type: none"> <li>• Interest</li> <li>• Dividends</li> <li>• Net profit</li> </ul>	Not collected
Country counterparties	All countries excluding Australia	All countries including Australia
Currency of positions	All currencies	AUD, USD, GBP, EUR, JPY, CHF, NZD, CNY, Other
Original maturity	<ul style="list-style-type: none"> <li>• Short-term (<math>\leq 1</math> year)</li> <li>• Long-term (<math>&gt; 1</math> year)</li> </ul>	Not collected
Residual maturity	<ul style="list-style-type: none"> <li>• <math>\leq 90</math> days</li> <li>• <math>&gt; 90</math> days, <math>\leq 6</math> months</li> <li>• <math>&gt; 6</math> months, <math>\leq 1</math> year</li> <li>• <math>&gt; 1</math> year, <math>\leq 5</math> years</li> <li>• <math>&gt; 5</math> years</li> </ul>	Debt security liabilities only: <ul style="list-style-type: none"> <li>• Short-term (<math>\leq 1</math> year)</li> <li>• Long-term (<math>&gt; 1</math> year)</li> </ul>
Counterparty relationship	<ul style="list-style-type: none"> <li>• Direct investors</li> <li>• Direct investment groups abroad</li> <li>• Fellow enterprises</li> <li>• Other non-residents</li> </ul>	Not collected
Counterparty sector	<ul style="list-style-type: none"> <li>• Financial intermediaries (sum of ADIs, investment funds and securities). Positions with financial intermediaries are excluded from counterparty relationship splits for loans and deposits.</li> <li>• All other counterparties</li> </ul>	<ul style="list-style-type: none"> <li>• Banks: related offices</li> <li>• Banks: central banks</li> <li>• Banks: Other</li> <li>• Non-bank financial institutions</li> <li>• General Government</li> <li>• Non-financial corporations</li> <li>• Households and non-profits</li> <li>• Unallocated</li> </ul>

Table 2: Comparison of data reported on Form 90 and ARF 731.1

Instrument and position	No interaction			One-way interaction by...															s															Three-way interaction by...				
	Total balance sheet		Total to non-residents			Counterparty country			Currency	Original maturity			Residual maturity	Counterparty relationship				Counterparty sector			Country					Original maturity			Currency			Country		Currency				
Stock	Income	Stock	Flows	Income	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Flows	Income	Stock	Stock	Stock				
Liabilities and Equity																																						
Equity			b	b	b	b	b	b						b	b	b						b	b	b														
Direct investment equity			a	a	a	b	b	b						b	b	b						a	a	a														
Other equity			a	a	a	b	b	b						b	b	b						a	a	a														
Total equity on issue	a	a																																				
Equity not evidenced by securities			a	a	a																																	
Direct investment equity in Australian subsidiary			a	a	a	b	b	b														a	a	a														
Other equity in Australian Subsidiary			a	a	a	b	b	b						b	b	b						a	a	a														
Total equity of Australian subsidiary on issue	a	a																																				
Equity of Australian subsidiary not evidenced by securities			a	a	a																																	
Total liabilities²	x		yb	b	b	yb	b	b	yb							y					y											x						
Derivative contracts			a	a		a	a		a				b																			a						
Debt securities	x		yb	b	b	yb	b	b	yb	a	a	a	xb	b	b	b	y				y	a	a	a	x	b	b	b			a	a	a		yb		b	
Domiciled in Australia			b	b	b					a	a	a																										
Bills of Exchange (short-term only)			a	a	a																																	
Other liabilities																																						
Trade credit			a	a	a	b	b	b	b	a	a	a	b	b	b	b						a	a	a								a						
Loans			b	b	b	b	b	b	b	b	b	b	b	b	b	b	a	a	a			b	b	b														
Deposits	x		yb	b	b	yb	b	b	yb	b	b	b	b				y				y	a	a	a					a	a	a		b	x	a			
Transferable deposits			b	b	b												a	a	a																			
Other liabilities			a	a	a	b	b	b	b	a	a	a	b	b	b	b																	a					
Assets																																						
Total assets²	x		yb	b	b	yb	b	b	y							y					y												x					
Equity assets			b	b	b	b	b	b														b	b	b														
Equity held in direct investors			a	a	a	b	b	b														a	a	a														
Equity held in others			a	a	a	b	b	b														a	a	a														
Not evidenced by securities			a	a	a																																	
Pooled investment funds			a	a	a																																	
Derivative contracts			a	a		a	a		a	a																						a						
Debt securities	x		yb	b	b	yb	b	b	yb	a	a	a	b	b	b	b	y				y	a	a	a		b	b	b	x			a	a	a		x		b
Other assets																																						
Trade credit			a	a	a	b	b	b	b	a	a	a	b	b	b	b										a	a	a	a	a	a			b		x	a	
Loans	x		yb	b	b	yb	b	b	yb	b	b	b	b	b	b	b	yb¹	b	b		y	a	a	a		b	b	b	ya¹					a	x			
Deposits			a	a	a	a	a	a	a	a	a	a	b																									
Transferable deposits			a	a	a																																	
Foreign currency note and coin			a			a			a																													
Other assets			a	a	a	b	b	b	b	a	a	a	b	b	b	b										a	a	a					a					

1. These items are not comparable between the two collections as they each have different members for the counterparty sector dimension.

2. Difference in reporting may arise due to different reporting requirements for derivative contracts in Form 90 compared to ARF 731.1