



28 May 2013

To users of APRA's ADI statistical publications

Improvements to the ADI statistical publications

On 20 December 2012, APRA released a discussion paper outlining proposed changes to authorised deposit-taking institution (ADI) statistical publications. APRA proposed to revise its ADI statistical publications to include more statistics and to make some statistics available to users sooner.

In particular, the discussion paper contained three proposals. First, APRA proposed to combine the quarterly bank, and credit union and building society (CUBS), statistical publications into a quarterly ADI statistical publication. Second, APRA proposed to publish selected aggregate statistics for either mutual banks or mutual ADIs in the quarterly ADI statistical publication. And third, APRA proposed to introduce a new quarterly publication on ADI property exposures and new housing loan approvals.

APRA received eight submissions from interested parties in response to the proposals in the discussion paper. Four of these submissions are available on APRA's website at the address below. The other four submissions were marked as confidential.

<http://www.apra.gov.au/adi/PrudentialFramework/Pages/Submissions-Consultation-on-changes-to-ADI-statistical-publications-December-2012.aspx>

All respondents generally supported the proposed changes to the ADI statistical publications.

Based on the feedback received in submissions, APRA will implement the improvements as proposed. By publishing the *Quarterly ADI Performance Statistics* and *Quarterly ADI Property Exposure Statistics* publications, APRA aims to promote a better understanding of the ADI industry and assist research and public discussion on ADI policy issues.

APRA released the new *Quarterly ADI Performance Statistics* today for the March 2013 reference period. The new quarterly publication, *Quarterly ADI Property Exposure Statistics* will be released for the first time on 27 August 2013.

This letter sets out APRA's response to the submissions received on the proposals in the discussion paper.

Introduction of *Quarterly ADI Performance Statistics*

In the discussion paper, APRA sought feedback on the usefulness of a consolidated quarterly ADI statistical publication. Respondents supported the proposal to combine the quarterly bank and CUBS statistical publications into the *Quarterly ADI Performance Statistics* publication.

APRA also sought feedback on how masking the most recent period of certain performance statistics for some bank segments would impact the usefulness of the statistics. None of the respondents expressed concern that masked data would adversely impact the usefulness of the statistics.

APRA proposed to publish selected financial performance statistics for banks three months earlier than previously published. Two respondents expressed concern about the timing of the publication of these statistics and the preservation of the confidentiality of market sensitive information. APRA will continue to apply its confidentiality protection measures to ensure that information relating to an individual institution cannot be derived from summary statistics where the data have not already been determined non-confidential or otherwise been made available to the public.

APRA will publish financial performance and financial position data for the ‘all banks’ segment three months earlier than previously available in the quarterly bank publication. To ensure that individual banks’ performance data cannot be derived from *Quarterly ADI Performance Statistics* before they are made public, APRA will only publish financial performance and financial position data for the ‘all banks’ segment two months after the end of the reference period. APRA will publish selected financial position data and selected capital data, and all financial performance data, for the other bank segments (‘major banks’, ‘other domestic banks’, ‘foreign subsidiaries’ and ‘foreign branches’) five months after the end of the reference period, which is consistent with APRA’s current publication schedule.

Aggregate statistics for mutual ADIs

APRA sought feedback on the preferred presentation of supplementary statistics on mutuals and the proposed definition of a mutual.

Respondents supported publication of a ‘mutual ADI’ category over a ‘mutual banks’ category. APRA will publish supplementary statistics on the financial performance and position of mutual ADIs in the *Quarterly ADI Performance Statistics*.

APRA proposed that a mutual would be defined as an institution where each member is issued one share and each member has one vote, which is consistent with ASIC *Regulatory Guide PS 147 on Mutuality - Financial*.

Based on respondents’ feedback, APRA will define a mutual ADI as “an ADI operating under a mutual corporate structure in accordance with ASIC *Regulatory Guide 147*”.

APRA also received a suggestion to “include retrospective publication of data for mutual ADIs back to the start of the 2007-8 financial year”. APRA has published statistics for mutual ADIs back to September 2004 in the *Quarterly ADI Performance Statistics* released today. APRA will continue to include mutual banks in the bank segments for the purposes of its statistical publications. Further information about the methodology supporting the *Quarterly ADI Performance Statistics* can be found in the explanatory notes of the publication.

Introduction of *Quarterly ADI Property Exposure Statistics*

APRA sought feedback on the proposed publication of property exposure statistics. Respondents supported the introduction of the *Quarterly ADI Property Exposure Statistics*.

APRA will implement the *Quarterly ADI Property Exposure Statistics* as proposed in the discussion paper.

Requests for additional statistics

Some respondents suggested that APRA publish additional statistics, including selected mutual ADI statistics. APRA will include additional statistics on the sum of impaired facilities and past due items, and the common equity tier 1 ratio in the *Quarterly ADI Performance Statistics* for June 2013.

APRA will include two additional ratios in the *Quarterly ADI Property Exposure Statistics* to be released on 27 August 2013: commercial property impaired assets as a proportion of commercial property exposures, and commercial property specific provisions as a proportion of commercial property exposures.

Over the course of the next year, APRA will consider publishing additional statistics on off-balance sheet risk-weighted assets, impaired and past due items by type, collective provisions, newly impaired assets and investor and owner-occupied housing approvals.

APRA will release the *Quarterly ADI Performance Statistics* and *Quarterly ADI Property Exposure Statistics* on a quarterly basis, in accordance to the timetable published on the APRA website. APRA welcomes feedback on the publication, or any suggestions for future improvements.

For further information please contact David Connolly (02 9210 3446) or statistics@apra.gov.au.

Yours sincerely

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