



03 March 2022

Alison Bliss
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Australian Prudential Regulation Authority
1 Martin Place, Sydney, NSW, 2000

Dear Ms Bliss

Proposed changes to quarterly ADI statistical publications

Thank you for the opportunity to provide feedback to the changes to the templates of quarterly ADI statistics due to the associated changes with APRA Reporting Standards 220, 223 and 230. We understand that a June 14 publication would mean a continuation of the current rhythm of quarterly reporting, however we suggest you consider postponing the first publication until later in the year, possibly waiting until the third quarter publication period (i.e. September) to release both the March and June quarter statistics. Another option is to release the March statistics later in June, as outlined below:

Table with 2 columns: Reporting period / Action, Date. Includes a callout box: 'Use this period to delay the publication to allow APRA and ADIs time to finalise any potential resubmissions due to the implementation of the new reporting forms.'

We suggest that APRA delays the first publication of quarterly reporting due to the updates made to the ARS 220.0. There are reputational and market risks associated with immediate reporting of new regulatory returns without sufficient time given to identify and correct any underlying data issues. These risks are exacerbated by the uncertainty in some conceptual definitions.

As with any new data project, there is always a risk of data quality issues. Should any occur, it will first require APRA to identify errors, then for banks to understand and resolve data issues before providing resubmissions. This may lead to a delay in the first publication. Pre-empting the possibility of such an occurrence, and acknowledgment to the broader community that relies on quarterly data, will allow users to plan around a delay in June quarterly publication.

Further, the interim 220.0 reporting publication captures some entirely new concepts including well-secured / not well-secured and performing / non-performing. Given these concepts are now being taken from banks' own credit policies, rather than centrally defined, there may be some unexpected differences arising in what is observed in the data. This may require additional time for APRA familiarise themselves with any discrepancies between banks and ensure they are due to genuine variations in credit policies and not misinterpretations of the concepts or errors in data collection.

Yours sincerely

Director, Research and Data Management