

PROCEDURES & DEFINITIONS

Guidance for Supplementary Commentary on the Bank Financial Strength Dashboard

May 2018

Please contact the Reserve Bank Statistics Unit (statsunit@rbnz.govt.nz) to discuss these procedures and definitions if in any doubt about their meaning or if following them will produce an internal inconsistency with your available financial data. Phone contact details are available in the "Contacts" tab of the Balance Sheet Survey template. Please ensure your contact information is the latest available.

General Requirements

Supplementary commentary for the Bank Financial Strength Dashboard (Dashboard) is collected under section 93 of the Reserve Bank of New Zealand Act 1989. Supplementary commentary must be submitted on the template provided on the Reserve Bank's website: <https://www.rbnz.govt.nz/statistics/surveys>. This template must be sent to the Reserve Bank of New Zealand by the due date using the Reserve Bank of New Zealand's secure upload facility (linked on web page above). The deadline for submission for supplementary commentary is 35 working days after quarter end.

This note provides guidance on written supplementary commentary that banks will be able to, at their discretion, submit for publication on the Dashboard. If banks do not submit any supplementary commentary or if the supplementary commentary does not comply with Reserve Bank guidelines, the text 'No commentary provided' will appear on Dashboard.

Frequently Asked Questions:

1. *What is the purpose of written commentary?*

To help users better understand the Dashboard metrics and facilitate comparisons across banks.

2. *Who owns the commentary?*

Written comments will be attributed to banks. The Reserve Bank does not make any warranty as to the accuracy or relevance of the commentary. Publication of commentary from reporting banks shall not signify that the Reserve Bank has verified or confirmed the accuracy of the information contained therein. A statement to this effect will appear alongside the published commentary from banks.

3. *Will the Reserve Bank review any of the commentary?*

Notwithstanding the guidance about who owns the commentary above, the Reserve Bank will review Dashboard commentary to ensure that banks are adhering to the guidelines, and to ensure that the Dashboard commentary is not inconsistent with Dashboard data being published. The RBNZ will require banks to revise or remove commentary that does not meet these guidelines.

4. *What time period should commentary address?*

Dashboard commentary should primarily focus on explaining data in the current reporting period and relevant changes from the previous period. In some limited circumstances it might be useful

for banks to comment on more distant historical periods, for instance when revisions to distant historical data are required. Where possible, commentary should not include recurring statements unless they are essential to help understand the data.

5. What should be included in commentary?

All written commentary must be factual, accurate and not misleading. Appropriate efforts shall be taken by the submitting bank to ensure the accuracy of all written commentary.

Only written text should be included in written commentary. Banks shall not include tables, charts or figures as part of their commentary because we are not able to accommodate any visuals when publishing commentary.

There are three categories available to provide written commentary that will be published alongside the Dashboard on the Reserve Bank's website. These categories are: significant variation, revisions and changes in practice. Some guidance on the type of information that should be covered under each category is provided below.

Note: commentary in each category is exclusive, that is, an event should be reported just once and under a single category.

Significant variations
Provide details of any significant variances in data between the previous quarters and the current quarter. For example: one off business factors, such as mergers and acquisitions, or large-scale transactions such as a dividend payment that reduces capital adequacy ratios.
Revisions
Provide details of any revisions made to data previously published. Revisions are defined as changes or corrections to data previously published.
Changes in practice
Provide details of changes in practice (such as changes to reporting standards (e.g. IFRS)).

6. What should be excluded from commentary?

A bank's commentary should not contain the names or other identifications of individual bank customers, any information that they are not willing to have made public or that would compromise the privacy of their customers.

Reconciliations to disclosure statements are not to be included in supplementary commentary. The dashboard website will contain explanatory material to clarify the differences between dashboard data and disclosure statements.

As the supplementary commentary provided by banks will be published alongside banks data, text should be suitable for display to the public. Any notes that a bank wishes to make to the

RBNZ with respect to the data should not be included in the commentary. Instead, please email dashboard@rbnz.govt.nz with this information.

7. *How to indicate that no commentary is provided?*

The updated commentary template cells have been pre-filled with “No commentary provided” for each category. If you do not have commentary please upload this template through the secure upload area with your banks name and date updated for the relevant quarter. You must upload this template even if you do not have commentary.

8. *Are there limits on the amount of text that can be published?*

We expect it would be unlikely for banks to put more than a paragraph into each of the commentary categories. We believe that keeping commentary to a reasonable length will allow us to better present the text on the website and make it easier for users to make use of the information.

If you have any further questions please contact dashboard@rbnz.govt.nz