

GRF_112_3_G Related Party Exposures (G)

These instructions must be read in conjunction with the general instruction guide.

Explanatory notes

Joint operations

For the purposes of this form, a joint operation as defined under *Australian Accounting Standard AASB 11 Joint Arrangements* (AASB 11) is to be treated as a joint venture.

Instructions for specific items

Section 1: Interest in consolidated entities of the Level 2 insurance group - Australian

'Consolidated entities - Australian' includes only the Australian reporting entities included in the Level 2 insurance group. Do not include international reporting entities here. Consolidated entities which are not insurers within the Level 2 insurance group but are incorporated in Australia should also be reported here.

(1) Name

This column reports the registered business name of the entity.

(2) ACN / ABN

Where relevant, this column reports the Australian Company Number (ACN) of the reported entity. In cases where an entity doesn't have an ACN but it does have an Australian Business Number (ABN) or an Australian Registered Body Number (ARBN), the ABN or ARBN should be reported. If an entity does not have an ACN, ABN, or ARBN the column should be left blank.

Input the number without spaces.

(3) APRA regulated general insurer

Indicate whether the entity is an insurer as defined under the *Insurance Act 1973* (the Act) by inputting 'Y' or 'N'.

(4) Ownership percentage (%)

This is the percentage of the Level 2 insurance group's ownership of shares or units of the entity.

Report this as a number between zero and 100.

(5) Value of investment net of goodwill and other intangibles

This column reports the value of the investment as reported on the Level 2 insurance group's balance sheet, adjusted for goodwill and intangible assets.

(6) Goodwill

This is the value of goodwill reported on the balance sheet of the consolidated entity, net of adjustments to profit or loss reflecting changes arising from any impairment. The amounts reported must be net of any associated deferred tax liability that would be extinguished if the assets involved become impaired or derecognised under Australian Accounting Standards.

(7) Other intangibles

This is the value of intangible assets, other than goodwill, reported on the balance sheet of the consolidated entity, net of adjustments to profit or loss reflecting changes arising from any impairment and amortisation. The amounts reported must be net of any associated deferred tax liability that would be extinguished if the assets involved become impaired or derecognised under Australian Accounting Standards.

(8) Net tangible assets

This column reports the net assets of the entity as reported on the balance sheet, adjusted for goodwill and intangible assets.

Section 2: Interest in consolidated entities of the Level 2 insurance group - International

'Consolidated entities - International' includes only the international reporting entities included in the Level 2 insurance group. Do not include Australian reporting entities here. Consolidated entities which are not insurers within the Level 2 insurance group but are incorporated outside of Australia should also be reported here.

Columns 1 and 4 to 8 of this section have the same definition as the corresponding columns in Section 1.

(2) Region (for which net tangible assets are reported)

Report the region which most appropriately reflects the location of the assets and liabilities of the entity. This item is to be reported according to the following geographical regions: New Zealand; South East Asia; Asia Pacific; USA Americas; UK/Europe; and Other.

(3) Country of incorporation

This column reports the country in which the entity is incorporated.

Section 3: Interest in non-consolidated controlled entities of the Level 2 insurance group

Report controlled entities that are consolidated under Australian Accounting Standards but are treated, for prudential reporting purposes, as non-consolidated subsidiaries of the Level 2 insurance group under *Prudential Standard GPS 001 Definitions*.

Columns 8 to 11 do not apply to a non-consolidated controlled entity that:

- is operationally independent;
- represents a genuine arm's-length investment;
- is not subject to regulatory capital requirements; and
- does not undertake insurance business or business related to insurance business.

Unless otherwise specified below, the columns in this section have the same definition as corresponding columns in previous sections. References to 'consolidated entities' in the previous sections must be read as references to 'non-consolidated controlled entities' in this section.

(3) Description / Nature of business

This column provides a brief description of the main business conducted by the entity.

(4) APRA regulated

Indicate whether the entity is regulated by APRA by inputting 'Y' or 'N'.

(11) Adjustment for investment in non-consolidated subsidiaries

This corresponds to the regulatory adjustment to Common Equity Tier 1, for Level 2 insurance groups, for equity exposures and other capital investments in non-consolidated subsidiaries or controlled entities as per Attachment I of *Prudential Standard GPS 112 Capital Adequacy: Measurement of Capital* (GPS 112).

It is automatically calculated as Column 7 plus the sum of Columns 8 and 9 multiplied by Column 6 divided by 100.

(12) Adjustment for undercapitalisation of non-consolidated subsidiaries

This corresponds to the regulatory adjustment to Common Equity Tier 1, for Level 2 insurance groups, to cover undercapitalisation of a non-consolidated subsidiary (or subsidiaries) as required by APRA in accordance with Attachment I of GPS 112.

Section 4: Interest in associates and joint ventures

Report for associates and joint venture entities / operations of the Level 2 insurance group.

Unless otherwise specified below, the columns in this section have the same definition as corresponding columns in previous sections. References to 'consolidated entities' in the previous sections must be read as references to 'associates and joint ventures' in this section.

Columns 8 to 13 do not apply to investment in a joint venture or associate that:

- is operationally independent; and
- represents a genuine arm's-length investment; and
- is not subject to regulatory capital requirements; and
- does not undertake insurance business or business related to insurance business.

(10) Adjustment for goodwill / other intangibles

This column reports the amount of regulatory adjustments applied in respect of the goodwill and other intangible assets (net of impairment) in relation to the investment in the joint venture or associate.

This adjustment is calculated automatically as Column 6 divided by 100, multiplied by the sum of Columns 8 and 9.

(11) Nature of regulatory capital requirement

This column reports the nature of the regulatory capital requirement (if any) of the joint venture or associate. An appropriate category is to be selected from the drop-down box, which is either:

- the prescribed capital amount if the investment is an insurer as defined under the Act; or
- the equivalent amount to the prescribed capital amount if the investment is an entity carrying on insurance business in a foreign jurisdiction; or
- a comparable regulatory capital requirement as agreed with APRA; or
- no regulatory capital requirement.

(12) Regulatory capital requirement

This column reports, where applicable, the regulatory capital requirement of the joint venture or associate.

Where such capital requirements do not exist, this item should be reported as zero.

(13) Adjustment for regulatory capital requirements

This column reports the regulatory adjustment to Common Equity Tier 1 for investment in joint ventures and associates that are subject to regulatory capital requirements. As per Attachment B of GPS 112, this adjustment is determined as the lesser of the Level 2 insurance group's share of the regulatory capital requirements and the value of the investment that is recorded on the Level 2 insurance group's balance sheet after adjustment for any intangible component as reported in column 10.