~~April 2018~~June 2021

Reporting Standard ARS 220.0

~~Impaired Facilities~~

Credit Quality

Objective of this Reporting Standard

> This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001* and outlines the overall requirements for the provision of information to APRA relating to an authorised deposit-taking institution's ~~impaired facilities.~~credit quality. It should be read in conjunction with the versions of *Reporting Form ARF 220.0 ~~Impaired Facilities~~Credit Quality* designated for a ~~'~~Licensed ~~ADI'~~ADI and ~~'~~Consolidated ~~Group'~~Group and the associated instructions (all of which are attached and form part of this Reporting Standard).

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. Data collected in *Reporting Form ARF 220.0 ~~Impaired Facilities~~Credit Quality* (ARF 220.0) is used by APRA for the purpose of prudential supervision. It may also be used by the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS).

Application and commencement

3. This Reporting Standard applies to all authorised deposit-taking institutions (ADIs).

4. This Reporting Standard commences on 1 ~~April 2018~~ January 2022.

Information required

5. An ADI to which this Reporting Standard applies must provide APRA with the information required by the version of ARF 220.0 designated for a ~~‘~~Licensed ~~ADI’~~ADI for each reporting period.

6. An ADI to which this Reporting Standard applies that is a highest parent entity in relation to a consolidated ADI group must also provide APRA with the information required by the version of ARF 220.0 designated for a ~~‘~~Consolidated ~~Group’~~Group for each reporting period.

Form and method of submission

~~7.~~ The information required by this Reporting Standard must be given to APRA in electronic format~~,~~ using ~~the ‘Direct to APRA’ application~~an electronic method available on APRA’s website or by a method notified by APRA~~, in writing,~~ prior to submission.

~~8.~~7. ~~*Note*: the Direct to APRA application software (also known as D2A) may be obtained from APRA.~~

Reporting periods and due dates

~~9.~~8. Subject to paragraph 9, an ADI to which this Reporting Standard applies must provide the information required by this Reporting Standard for each quarter based on the financial year (within the meaning of the *Corporations Act 2001*) of the ADI.

~~10.~~9. APRA may, by notice in writing, change the reporting periods, or specified reporting periods, for a particular ADI, to require it to provide the information required by this Reporting Standard more frequently, or less frequently, having regard to:

(a) the particular circumstances of the ADI;

(b) the extent to which the information is required for the purposes of the prudential supervision of the ADI; and

(c) the requirements of the RBA or the ABS.

~~11.~~10. ~~The~~Subject to paragraph 11, the information required by this Reporting Standard must be provided to APRA ~~in accordance with the table below. The right hand column~~ within 35 calendar days of the ~~table sets out the number of business days after the~~ end of the ~~reporting period~~quarter to which the information relates ~~within which information must be submitted to APRA by an ADI in the classes set out in the left hand column.~~ .

~~Class of ADI~~	~~Number of business days~~
~~Australian-owned Bank~~	~~20~~
~~Foreign Subsidiary Bank~~	~~20~~
~~Branch of a Foreign Bank~~	~~20~~
~~Building Society~~	~~15~~
~~Credit Union~~	~~15~~

~~Other ADI[1]~~	~~15~~

~~12.~~11. APRA may ~~grant an ADI an extension of a due date~~ , by notice in writing, extend the due date by which an ADI must provide the information required by this Reporting Standard, in which case the new due date for the provision of the information will be the date specified on the notice of extension.

Quality control

~~13.~~12. All information provided by an ADI under this Reporting Standard (except for the information required under paragraph 6) must be the product of systems, processes and controls that have been reviewed and tested by the external auditor of the ADI as set out in *Prudential Standard APS 310 Audit and Related Matters*. Relevant standards and guidance statements issued by the Auditing and Assurance Standards Board provide information on the scope and nature of the review and testing required from external auditors. This review and testing must be done on an annual basis or more frequently if required by the external auditor to enable the external auditor to form an opinion on the accuracy and reliability of the information provided by an ADI under this Reporting Standard.

~~14.~~13. All information provided by an ADI under this Reporting Standard must be subject to processes and controls developed by the ADI for the internal review and authorisation of that information. These systems, processes and controls are to assure the completeness and reliability of the information provided.

Authorisation

~~15.~~14. When an officer or agent of an ADI submits information under this Reporting Standard using ~~the D2A application, or other~~a method notified by APRA, ~~it will be necessary for~~ the officer ~~to~~or agent must digitally sign the relevant information using a digital certificate acceptable to APRA.

Minor alterations to forms and instructions

~~16.~~15. APRA may make minor variations to:

(a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or

(b) the instructions to a form, to clarify their application to the form

without changing any substantive requirement in the form or instructions.

~~[1] The definitions of 'credit union' and 'other ADI' in paragraph 177 of this Reporting Standard provide that Cairns Penny Savings & Loans Limited is to be treated in accordance with the reporting period requirements applicable to credit unions for the purposes of paragraph 10.~~

~~17.~~16. If APRA makes such a variation it must notify in writing each ADI that is required to report under this Reporting Standard.

Interpretation

~~18.~~17. In this Reporting Standard:

AASB has the meaning in section 9 of the *Corporations Act 2001*.

ADI means an authorised deposit-taking institution within the meaning of the *Banking Act 1959.*

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998.*

~~***Australian-owned bank*** means a locally incorporated ADI that assumes or uses the word 'bank' in relation to its banking business and is not a foreign subsidiary bank.~~

~~***branch of a foreign bank*** means a 'foreign ADI' as defined in section 5 of the *Banking Act 1959*,.~~

~~***building society*** means a locally incorporated ADI that assumes or uses the expression 'building society' in relation to its banking business.~~

~~***business days*** means ordinary business days, exclusive of Saturdays, Sundays and public holidays.~~

~~***class of ADI*** means each of the following:~~

~~(i) Australian-owned bank;~~

~~(ii) foreign subsidiary bank;~~

~~(iii) branch of a foreign bank;~~

~~(iv) building society;~~

~~(v) credit union; and~~

~~(vi) other ADI.~~

consolidated ADI group means a group comprising:

(a) an ADI that is a highest parent entity; and

(b) each subsidiary (within the meaning of Accounting Standard AASB 127) of that ADI, whether the subsidiary is locally-incorporated or not, other than a subsidiary that is excluded by the instructions attached to this standard.

~~***credit union*** means a locally incorporated ADI that assumes or uses the expression 'credit union' in relation to its banking business and includes Cairns Penny Savings & Loans Limited.~~

due date means the relevant due date under paragraph 10 or, if applicable, paragraph 11.

foreign ADI has the meaning in section 5 of the *Banking Act 1959.*

~~***foreign subsidiary bank*** means a locally incorporated ADI in which a bank that is not locally incorporated has a stake of more than 15 per cent.~~

highest parent entity means an ADI that satisfies all of the following conditions:

(a) it is locally-incorporated;

(b) it has at least one subsidiary (within the meaning of Accounting Standard AASB 127); and

(c) it is not itself a subsidiary (within the meaning of Accounting Standard AASB 127) of an ADI that is locally-incorporated.

locally incorporated means incorporated in Australia or in a State or Territory of Australia, by or under a Commonwealth, State or territory law.

~~***other ADI*** means an ADI that is not an Australian-owned bank, a branch of a foreign bank, a building society, a credit union or a foreign subsidiary bank but does not include Cairns Penny Savings & Loans Limited.~~

reporting period means a period mentioned in paragraph 8 or, if applicable, paragraph 9.

~~***stake*** means a stake determined under the *Financial Sector (Shareholdings) Act 1998*, as if the only associates that were taken into account under paragraph (b) of subclause 10(1) of the Schedule to that Act were those set out in paragraphs (h), (j) and (l) of subclause 4(1).~~

Reporting Category A has the meaning given by *Reporting Standard ARS 701.0 ABS/RBA Definitions for the EFS Collection* (ARS 701.0).

Reporting Category B has the meaning given by ARS 701.0.

~~19.~~18. Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard is a reference to the instrument as in force from time to time.

ARF 220.0: Impaired Facilities

Australian Business Number	
Institution Name	
Reporting Period	
Scale Factor	Millions to one decimal place for banks Whole dollars no decimal place for other ADIs
Reporting Consolidation	Consolidated Group

Part 1A: IMPAIRED FACILITIES

	Australia					Overseas				
	Balance outstanding	Specific provisions	Security held	Interest/ Income received	Interest/ Income forgone	Balance outstanding	Specific provisions	Security held	Interest/ Income received	Interest/ Income forgone
Non-accrual items with provisions										
(i) No performance										
(ii) Partial performance										
(iii) Full performance										
(iv) Total										
Non-accrual items without provisions										
(i) No performance										
(ii) Partial performance										
(iii) Full performance										
(iv) Total										
Restructured items with provisions										
Restructured items without provisions										
Other real estate owned										
Other assets acquired through security enforcement										
New impaired facilities										

Part 1B: IMPAIRED FACILITIES

	Balance outstanding
Residents	
Households	
of which: Owner-occupied housing	
of which: Investor housing	
of which: Credit cards	
of which: Other personal	
Community service organisations	
Non-financial corporations	
of which: Private trading corporations	
of which: Private unincorporated businesses	
Financial corporations	
of which: ADIs	
of which: Registered financial corporations	
of which: Insurance corporations	
of which: Pension funds	
of which: Other financial institutions	
Other	
Non-residents	
TOTAL	

Part 2A: PAST DUE ITEMS

	Past due amount		Total portfolio size		Provisions	
	Australia	Overseas	Australia	Overseas	Australia	Overseas
Individually managed facilities						
(i) Revolving credit						
(ii) Credit cards						
(iii) Housing loans						
(iv) Term loans						
(v) Lease financing						
(vi) Other loans						
Portfolio managed facilities						
(i) Revolving credit						
(ii) Credit cards						
(iii) Housing loans						
(iv) Term loans						
(v) Lease financing						
(vi) Other loans						
Provisions for portfolio facilities less than 90 days past due						

Part 2B: PAST DUE ITEMS

	Past due amount
Residents	
Households	
of which: Owner-occupied housing	
of which: Investor housing	
of which: Credit cards	
of which: Other personal	
Community service organisations	
Non-financial corporations	
of which: Private trading corporations	
of which: Private unincorporated businesses	
Financial corporations	
of which: ADIs	
of which: Registered financial corporations	
of which: Insurance corporations	
of which: Pension funds	
of which: Other financial institutions	
Other	
Non-residents	
TOTAL	

ARF 220.0: Impaired Facilities

Australian Business Number	
Institution Name	
Reporting Period	
Scale Factor	Millions to one decimal place for banks Whole dollars no decimal place for other ADIs
Reporting Consolidation	Licensed ADI

Part 1A: IMPAIRED FACILITIES

	Australia						
	Balance outstanding	Specific provisions	Security held	Interest/ Income received	Interest/ Income forgone	Balance outstanding	p
Non-accrual items with provisions							
(i) No performance							
(ii) Partial performance							
(iii) Full performance							
(iv) Total							
Non-accrual items without provisions							
(i) No performance							
(ii) Partial performance							
(iii) Full performance							
(iv) Total							
Restructured items with provisions							
Restructured items without provisions							
Other real estate owned							
Other assets acquired through security enforcement							
New impaired facilities							

Part 1B: IMPAIRED FACILITIES

	Balance outstanding
Residents	
Households	
of which: Owner-occupied housing	
of which: Investor housing	
of which: Credit cards	
of which: Other personal	
Community service organisations	
Non-financial corporations	
of which: Private trading corporations	
of which: Private unincorporated businesses	
Financial corporations	
of which: ADIs	
of which: Registered financial corporations	
of which: Insurance corporations	
of which: Pension funds	
of which: Other financial institutions	
Other	
Non-residents	
TOTAL	

Part 2A: PAST DUE ITEMS

	Past due amount		Total portfolio size		Provisions	
	Australia	Overseas	Australia	Overseas	Australia	Overseas
Individually managed facilities						
(i) Revolving credit						
(ii) Credit cards						
(iii) Housing loans						
(iv) Term loans						
(v) Lease financing						
(vi) Other loans						
Portfolio managed facilities						
(i) Revolving credit						
(ii) Credit cards						
(iii) Housing loans						
(iv) Term loans						
(v) Lease financing						
(vi) Other loans						
Provisions for portfolio facilities less than 90 days past due						

Part 2B: PAST DUE ITEMS

	Past due amount
Residents	
Households	
of which: Owner-occupied housing	
of which: Investor housing	
of which: Credit cards	
of which: Other personal	
Community service organisations	
Non-financial corporations	
of which: Private trading corporations	
of which: Private unincorporated businesses	
Financial corporations	
of which: ADIs	
of which: Registered financial corporations	
of which: Insurance corporations	
of which: Pension funds	
of which: Other financial institutions	
Other	
Non-residents	
TOTAL	

ARF 220 0: Credit Quality

Australian Business Number	**Institution Name**
Reporting Period	**Scale Factor**
Quarterly	Millions to one decimal place for Reporting Category B ADIs Whole dollars no decimal place for Reporting Category A ADIs
Reporting Consolidation	
Licensed ADI/Consolidated Group	

Section A: Credit quality

	Australia		Overseas	
	Balance outstanding (1)	**Total provisions (2)**	**Balance outstanding (3)**	**Total provisions (4)**
1. Credit exposures				
1.1. >=90 days past due				
1.1.1. Well secured				
1.1.2. Not well secured or unsecured				
1.2. Stage 2				
1.2.1. Well secured				

1.2.2. Not well secured or unsecured				
1.3. Non-performing				
1.3.1. Well secured				
1.3.2. Not well secured or unsecured				
1.4. Restructured				

Section B: Non-performing exposures

	Balance outstanding	
	Well secured (1)	Not well secured or unsecured (2)
2. Non-performing exposures		
2.1. Residents		
2.1.1. Households		
2.1.1.1. Owner-occupied housing		
2.1.1.2. Investor housing		
2.1.1.3. Credit cards		
2.1.1.4. Other personal		
2.1.2. Community service organisations		
2.1.3. Non-financial corporations		
2.1.3.1. Private trading corporations		
2.1.3.2. Private unincorporated businesses		
2.1.4. Financial corporations		
2.1.4.1. ADIs		
2.1.4.2. Registered financial corporations		
2.1.4.3. Insurance corporations		
2.1.4.4. Pension funds		
2.1.4.5. Other financial institutions		
2.1.5. Other		
2.2. Non-residents		
2.3. Total		

Section C: >=90 days past due items that are well secured

	Past due amount		Total portfolio size		Provisions	
	Australia (1)	Overseas (2)	Australia (3)	Overseas (4)	Australia (5)	Overseas (6)
3. Individually managed facilities						
3.1. Revolving credit						
3.2. Credit cards						
3.3. Housing loans						
3.4. Term loans						
3.5. Lease financing						
3.6. Other loans						
4. Portfolio managed facilities						
4.1. Revolving credit						
4.2. Credit cards						
4.3. Housing loans						
4.4. Term loans						
4.5. Lease financing						
4.6. Other loans						
5. Provisions for credit exposures less than 90 days past due						

Section D: >=90 days past due items

	Past due amount	
	Well Secured (1)	Not well secured or unsecured (2)
6. >=90 days past due items		
6.1. Residents		
6.1.1. Households		
6.1.1.1. Owner-occupied housing		
6.1.1.2. Investor housing		
6.1.1.3. Credit cards		
6.1.1.4. Other personal		
6.1.2. Community service organisations		
6.1.3. Non-financial corporations		
6.1.3.1. Private trading corporations		
6.1.3.2. Private unincorporated businesses		
6.1.4. Financial corporations		

6.1.4.1. ADIs		
6.1.4.2. Registered financial corporations		
6.1.4.3. Insurance corporations		
6.1.4.4. Pension funds		
6.1.4.5. Other financial institutions		
6.1.5. Other		
6.2. Non-residents		
6.3. Total		

Reporting Form ARF 220.0

~~Impaired Facilities~~

~~Instruction Guide~~

~~General directions and notes~~

Credit Quality

Instructions

Reporting ~~entity~~level

This form is to be completed by all ***authorised deposit-taking institutions (ADIs)*** on both a ***licensed ADI*** and ***consolidated ADI group*** basis (where applicable).

~~Branches of foreign banks~~***Foreign ADIs*** operating through branches in Australia are required to complete this form for the Australian branch only.

~~Licensed ADI~~

~~This refers to the operations of the reporting ADI on a stand-alone basis.~~

Securitisation deconsolidation principle

Except as otherwise specified in these instructions, the following applies:

1. Where an ***ADI*** (or a member of its Level 2 consolidated group) participates in a securitisation that meets APRA's operational requirements for regulatory capital relief under *Prudential Standard APS 120 Securitisation* (APS 120):

   (a) special purpose vehicles **(**SPVs) holding securitised assets may be treated as non-consolidated independent third parties for regulatory reporting purposes, irrespective of whether the SPVs (or their assets) are consolidated for accounting purposes;

   (b) the assets, liabilities, revenues and expenses of the relevant SPVs may be excluded from the ***ADI's*** reported amounts in APRA's regulatory reporting returns; and

   (c) the underlying exposures (i.e. the pool) under such a securitisation may be excluded from the calculation of the ***ADI's*** regulatory capital (refer to APS 120). However, the ***ADI*** must still hold regulatory capital for the securitisation exposures[1] that it retains or acquires and such exposures are to be reported in *Reporting Form ARF*

[1] Securitisation exposures are defined in accordance with APS 120.

120.1 Securitisation – Regulatory Capital. The risk-weighted assets (RWA) relating to such securitisation exposures must also be reported in *Reporting Form ARF 110.0.1 Capital Adequacy* (Level 1) and *Reporting Form ARF 110.0.2 Capital Adequacy* (Level 2).

2. Where an ADI (or a member of its ***Level 2*** consolidated group) participates in a securitisation that does not meet APRA's operational requirements for regulatory capital relief under APS 120, or the ADI undertakes a funding-only securitisation or synthetic securitisation, such exposures are to be reported as on-balance sheet assets in APRA's regulatory reporting returns. In addition, these exposures must also be reported as a part of the ADI's total securitised assets within *Reporting Form ARF 120.2 Securitisation – Supplementary Items*.

~~Consolidated ADI group~~

~~This refers to the consolidated group of the reporting ADI at Level 2 (i.e. the consolidated banking group level) defined in accordance with the *ADI Prudential Standard APS 110 Capital Adequacy*.~~

~~The basis of consolidation required in this form is in accordance with the prudential consolidated ADI group. The prudential consolidated group should also be determined in accordance with Australian accounting standards, notably *AASB 127 Consolidated and Separate Financial Statements* with the following modifications:~~

~~1. Include the following:~~

- ~~all controlled banking entities, securities entities and other financial entities (e.g. finance companies, money market corporations, stockbrokers and leasing companies).~~

~~2. Exclude subsidiary entities involved in the following business activities:~~

- ~~insurance businesses (including friendly societies and health funds);~~
- ~~acting as manager, responsible entity, approved trustee, trustee or similar role in relation to funds management or the securitisation of assets;~~
- ~~non-financial (commercial) operations; and~~
- ~~special purpose vehicles whose assets have satisfied the clean sale requirements in APS 120).~~

Reporting ~~period~~basis and ~~timeframes for lodgement~~

~~The form is to be completed as at the last day of the stated reporting quarter. Australian-owned banks, foreign subsidiary banks, branches of foreign banks and other ADIs should submit the completed form to APRA within 20 business days after the end of the relevant reporting quarter. Credit Unions, Cairns Penny Savings & Loans Limited, and Building Societies should submit the completed form to APRA within 15 business days after the end of the relevant reporting quarter.~~

~~Unit~~units of measurement

~~Banks~~ ***Reporting Category B ADIs*** are ~~asked~~ to ~~complete the form~~report amounts in millions of Australian dollars rounded to one decimal place, and ~~for other~~***Reporting Category A ADIs***, in whole Australian dollars (no decimal place).

Amounts denominated in foreign currency are to be converted to AUD in accordance with *AASB 121 The Effects of Changes in Foreign Exchange Rates* (AASB 121).

~~The general requirements of AASB 121 for translation are:~~

1. ~~foreign currency monetary items outstanding at the reporting date must be translated at the spot rate at the reporting date;~~[2]

2. ~~foreign currency non-monetary items that are measured at historical cost in a foreign currency must be translated using the exchange rate at the date of the transaction;~~[3]

3. ~~foreign currency non-monetary items that are measured at fair value will be translated at the exchange rate at the date when fair value was determined.~~

   ~~Transactions arising under foreign currency derivative contracts at the reporting date must be prepared in accordance with *AASB 139 Financial Instruments: Recognition and Measurement* (AASB 139). However, those foreign currency derivatives that are not within the scope of AASB 139 (e.g. some foreign currency derivatives that are embedded in other contracts) remain within the scope of AASB 121.~~

   ~~For APRA purposes, equity items must be translated using the foreign currency exchange rate at the date of investment or acquisition. Post acquisition changes in equity are required to be translated on the date of the movement.~~

   ~~As foreign currency derivatives are measured at fair value, the currency derivative contracts are translated at the spot rate at the reporting date.~~

   ~~Exchange differences should be recognised in profit and loss in the period which they arise. For foreign currency derivatives, the exchange differences would be recognised immediately in profit and loss if the hedging instrument is a fair value hedge. For derivatives used in a cash flow hedge, the exchange differences should be recognised directly in equity.~~

   ~~The ineffective portion of the exchange differences in all hedges would be recognised in profit and loss;~~

4. ~~translation of financial reports of foreign operations.~~

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[2] ~~Monetary items are defined to mean units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. Spot rate means the exchange rate for immediate delivery.~~

[3] ~~Examples of non-monetary items include amounts prepaid for goods and services (e.g. prepaid rent); goodwill; intangible assets; physical assets; and provisions that are to be settled by the delivery of a non-monetary asset.~~

~~A foreign operation is defined in AASB 121 as meaning an entity that is a subsidiary, associate, joint venture or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.~~

- ~~Exchange differences relating to foreign currency monetary items that form part of the net investment of an entity in a foreign operation, must be recognised as a separate component of equity.~~

- ~~Translation of financial reports should otherwise follow the requirements in AASB 121.~~

~~Reporting basis~~

~~Parts 1A and 2A are to be completed on an "audited" basis while Parts 1B and 2B are to be completed on a "best endeavours" basis.~~

~~Guidance~~

~~Please refer to *APS 220 Credit Quality* (APS 220) when completing this form.~~

~~Classification schema~~

~~The classification scheme used in *Reporting Form ARF 220.0 Impaired Facilities* (ARF 220.0) is consistent with the classification scheme used in *Reporting Form ARF 320.0 Statement of Financial Position (Domestic Books)* (ARF 320) and *Reporting Form ARF 323.0 Statement of Financial Position (Licensed ADI)* (ARF 323.0).~~

~~Resident/non-resident classification~~

- ~~An Australian resident is any individual, business or other organisation domiciled in Australia. Australian branches and Australian subsidiaries of foreign businesses are regarded as Australian residents.~~

- ~~A non-resident is any individual, business or other organisation domiciled overseas. Foreign branches and foreign subsidiaries of Australian businesses are regarded as non-residents.~~

~~Sector definitions~~

~~Households~~

~~This comprises individuals, or groups of individuals, resident in Australia whose dealings with other sectors are for personal or household purposes.~~

~~Exclude:~~

- ~~sole proprietors, partnerships, family trusts, and any other unincorporated enterprises owned by households (record as private unincorporated businesses).~~

~~Community service organisations (CSOs)~~

~~Include:~~

- ~~institutions financed mostly by members' contributions, e.g. trade unions, professional societies, consumer associations, political parties, churches and religious societies, and social, cultural, recreational and sports clubs; and~~
- ~~charities and aid organisations financed by voluntary transfers.~~

~~Exclude:~~

- ~~CSOs and non-profit institutions controlled and mainly financed by government (record as other).~~

~~Non-financial corporations~~

~~This comprises private trading corporations and private unincorporated businesses.~~

~~Private trading corporations~~

~~Private trading corporations are those owned and controlled by the private sector whose main activity is producing goods or non-financial services for sale.~~

~~Include:~~

- ~~all resident private corporate trading enterprises, and non-profit institutions that are market producers of goods or non-financial services;~~
- ~~intra-group financiers (*Financial Sector (Collection of Data) Act 2001* category I), retailers (*Financial Sector (Collection of Data) Act 2001* category H) and parent companies with significant holdings of shares in private trading companies;~~
- ~~privately owned schools and hospitals;~~
- ~~any unincorporated unit that is a branch in Australia of a non-resident company and which is not included in the financial sector; and~~
- ~~any unincorporated business owned and operated by trading corporations (e.g. joint ventures).~~

~~Exclude:~~

- ~~unincorporated businesses, except for branches of non-resident companies and joint ventures or partnerships owned by corporations; and~~
- ~~non-resident enterprises.~~

~~Private unincorporated businesses~~

~~This comprises individuals acting as sole proprietors or in partnerships, for commercial or professional purposes. The major businesses to be included in this sub-sector are unincorporated farms, unincorporated retailers, unincorporated professional practices (medical, legal, dental, accounting, etc.), unincorporated businesses of tradesmen such as plumbers, carpenters, etc.~~

~~Financial corporations~~

~~ADIs~~

~~ADIs refers to corporations in relation to which an authority under subsection 9(3) is in force.~~

~~Include:~~

- ~~development banks; and~~
- ~~foreign banks licensed to operate in Australia under the *Banking Act 1959*.~~

~~Exclude:~~

- ~~merchant banks (record as Registered Financial Corporations (RFCs)); and~~
- ~~non-resident banks (record as non-resident counterparties).~~

~~RFCs~~

~~RFCs refers to corporations registered under the *Financial Sector (Collection of Data) Act 2001* that are classified to Categories D through G and cash management trusts.~~

~~Include:~~

- ~~money market corporations (also referred to as "merchant banks") (D);~~
- ~~pastoral finance companies (E);~~
- ~~finance companies (F);~~
- ~~general financiers (G); and~~
- ~~cash management trusts.~~

~~A list of corporations registered under the *Financial Sector (Collection of Data) Act 2001* and their classification are available on request.~~

~~Exclude:~~

- ~~intra group financiers and retailers registered under the *Financial Sector (Collection of Data) Act 2001* Categories H and I (record as private trading corporations); and~~
- ~~other financial corporations registered under the *Financial Sector (Collection of Data) Act 2001* Category J (record as other financial institutions).~~

~~Insurance corporations~~

~~The insurance corporations sector includes all corporations that provide insurance. Included are life, general, fire, accident, employer liability, household and consumer credit insurers and health insurance funds. These companies must be registered with APRA.~~

~~Include:~~

- ~~benefit fund friendly societies that are regulated under the *Life Insurance Act 1995*; and~~
- ~~Export Finance Insurance Corporation.~~

~~Exclude:~~

- ~~health benefit funds of friendly societies that are regulated under the *National Health Act 1959*.~~

~~Pension funds~~

~~The pension funds sub-sector includes all superannuation funds that are regarded as complying funds for the purposes of the *Superannuation Industry Supervision Act 1993* and other autonomous funds established for the benefit of public sector employees. Superannuation funds with all of their assets invested with insurance offices are included.~~

~~Superannuation funds and approved deposit funds (ADFs) are established to provide benefits for their members on retirement, resignation, death or disablement. Superannuation funds and ADFs usually take the legal form of trust funds.~~

~~Include:~~

- ~~Pooled Superannuation Trusts;~~
- ~~public sector superannuation funds (including SIS-exempt funds);~~
- ~~private sector superannuation funds;~~
- ~~ADFs; and~~
- ~~superannuation funds established by life insurance companies.~~

~~Exclude:~~

- ~~retirement savings accounts.~~

~~Other financial institutions~~

~~The other financial institutions sector includes all financial institutions not recorded in the above financial corporations categories.~~

~~Include:~~

- ~~financial auxiliaries such as fund managers as principal, stock brokers and insurance brokers;~~
- ~~securitisers;~~
- ~~mortgage, fixed interest and equity unit trusts;~~
- ~~economic development corporations owned by governments;~~
- ~~co-operative housing societies;~~
- ~~other financial corporations registered under the *Financial Sector (Collection of Data) Act 2001* Category J;~~
- ~~investment companies; and~~
- ~~common funds including cash common funds.~~

~~Exclude:~~

- ~~cash management trusts (record as RFC); and~~
- ~~property and trading trusts (record as private trading corporations).~~

~~Other~~

~~This comprises all other entities not classified as households, CSOs, non-financial corporations, and financial corporations.~~

Definitions

Terms highlights in ***bold italics*** indicated that the definition is provided in this Reporting Standard.

>=90 days past due	An exposure subject to a regular repayment schedule is considered 90 days past-due when: • at least 90 calendar days have elapsed since the due date of a contractual payment which has not been met in full; and • the total amount unpaid outside contractual arrangements is equivalent to at least 90 days' worth of contractual payments. This includes all fees and any charges that are due but unpaid as a result of missed payments.

	Overdrafts are considered past-due once the borrower has breached an advised limit or been advised of a limit smaller than current outstandings. Non-authorised overdrafts are considered to have a zero limit for regulatory capital purposes. An ADI must, therefore, treat days past-due as commencing once any credit is granted to an unauthorised borrower and if such credit is not repaid within 90 days, the exposure must be considered to be in default
Community service organisations (CSOs)	Include: • institutions financed mostly by members' contributions, e.g. trade unions, professional societies, consumer associations, political parties, churches and religious societies, and social, cultural, recreational and sports clubs; and • charities and aid organisations financed by voluntary transfers. Exclude: • CSOs and non-profit institutions controlled and mainly financed by government (record as other).
Credit cards	Credit cards are a common consumer credit arrangement that allows the consumer the option of borrowing against a pre-approved line of credit. They are typically unsecured.
Financial corporations	Means ***ADIs***, ***RFCs***, ***insurance corporations***, ***pension funds***, and ***other financial institutions***.
Households	This comprises individuals, or groups of individuals, resident in Australia whose dealings with other sectors are for personal or household purposes. Exclude sole proprietors, partnerships, family trusts, and any other unincorporated enterprises owned by households (record as private unincorporated businesses).
Housing (loans)	Means facilities, both amortising and line of credit that are primarily secured by a registered mortgage over a residential property. They may be for any purpose including the construction, purchase of dwellings for owner occupation or investment or commercial ventures.
Individually managed	These are troublesome exposures that are managed on a transaction basis and typically subject to individual review.
Insurance corporations	Means general insurers within the meaning of the *Insurance Act 1973* and life companies within the meaning of the *Life Insurance Act 1995,* and

	private health insurers within the meaning of the *Private Health Insurance (Prudential Supervision) Act 2015*. Include: • friendly societies that are regulated under the *Life Insurance Act 1995*; and • Export Finance Insurance Corporation despite it not being a general insurer, life company or private health insurer.
Lease financing	Lease financing is a method of financing the acquisition of an asset (e.g. motor vehicle or business equipment) by the user under which the ***ADI*** buys the asset from a third party and leases it to the user in return for lease rental payments. A component of the lease rental payment relates to interest and another component to the reduction of principal.
Non-financial corporations	This comprises ***private trading corporations*** and ***private unincorporated businesses***.
Non-performing	As defined in *Prudential Standard APS 220 Credit Risk Management* (APS 220).
Non-resident	A non-resident is any individual, business or other organisation domiciled overseas. Foreign branches and foreign subsidiaries of Australian businesses are regarded as non-residents.
Not well-secured	An exposure that is for which the ADI judges that the fair value of associated security, discounted to allow for reasonable realisation costs, is not sufficient to cover payment of principal and any accrued interest.
Other (sector classification)	This comprises all other entities not classified as ***households***, ***CSOs***, ***non-financial corporations***, or ***financial corporations***.
Other financial institutions	The other financial institutions sector includes all financial institutions not recorded in the above financial corporation categories. Include: • financial auxiliaries such as fund managers as principal, stock brokers and insurance brokers; • securitisers; • mortgage, fixed interest and equity unit trusts; • economic development corporations owned by governments; • co-operative housing societies;

	• other financial corporations registered under the *Financial Sector (Collection of Data) Act 2001* Category J; • investment companies; and • common funds including cash common funds. Exclude: • cash management trusts (record as ***RFCs***); and • property and trading trusts (record as ***private trading corporations***).
Other loans	Means loans that are not ***revolving credit***, ***credit cards***, ***housing loans***, ***term loans***, or ***lease financing***.
Past-due	As defined in APS 220.
Pension funds	The pension funds sub-sector includes all superannuation funds that are regarded as complying funds for the purposes of the *Superannuation Industry (Supervision) Act 1993* and other autonomous funds established for the benefit of public sector employees. Superannuation funds with all of their assets invested with insurance offices are included. Superannuation funds and approved deposit funds (ADFs) are established to provide benefits for their members on retirement, resignation, death or disablement. Superannuation funds and ADFs usually take the legal form of trust funds. Include: • Pooled Superannuation Trusts; • public sector superannuation funds (including SIS-exempt funds); • private sector superannuation funds; • ADFs; and • superannuation funds established by life insurance companies. Exclude: • retirement savings accounts.
Portfolio managed	Exposures managed on a portfolio basis are typically homogenous and often approved and managed using statistical management techniques. ***Portfolio managed*** exposures are often not subject to formal regular review other than in cases where payments are behind agreed repayment schedules or indebtedness is outside approved limits.

Private trading corporations	Private trading corporations are those owned and controlled by the private sector whose main activity is producing goods or non-financial services for sale. Include: • all resident private corporate trading enterprises, and non-profit institutions that are market producers of goods or non-financial services; • intra-group financiers (*Financial Sector (Collection of Data) Act 2001* category I), retailers (*Financial Sector (Collection of Data) Act 2001* category H) and parent companies with significant holdings of shares in private trading companies; • privately owned schools and hospitals; • any unincorporated unit that is a branch in Australia of a non-resident company and which is not included in the financial sector; and • any unincorporated business owned and operated by trading corporations (e.g. joint ventures). Exclude: • unincorporated businesses, except for branches of non-resident companies and joint ventures or partnerships owned by corporations; and • non-resident enterprises.
Private unincorporated businesses	This comprises individuals acting as sole proprietors or in partnerships, for commercial or professional purposes. The major businesses to be included in this sub-sector are unincorporated farms, unincorporated retailers, unincorporated professional practices (medical, legal, dental, accounting, etc.), unincorporated businesses of tradesmen such as plumbers, carpenters, etc.
Registered financial corporations (RFCs)	Means corporations registered under the *Financial Sector (Collection of Data) Act 2001* that are classified to Categories D through G and cash management trusts. Include: • money market corporations (also referred to as merchant banks) (D); • pastoral finance companies I; • finance companies (F); • general financiers (G); and • cash management trusts.

	Exclude: • intra group financiers and retailers registered under the *Financial Sector (Collection of Data) Act 2001* Categories H and I (record as ***private trading corporations***); and • other financial corporations registered under the *Financial Sector (Collection of Data) Act 2001* Category J (record as ***other financial institutions***).
Resident	An Australian resident is any individual, business or other organisation domiciled in Australia. Australian branches and Australian subsidiaries of foreign businesses are regarded as Australian residents.
Restructured	As defined in APS 220.
Revolving credit	Means a credit facility that is typically approved for a given period of time but does not have a fixed repayment schedule. Exclude loans to Australian householders for the purpose of housing (e.g. equity lines of credit secured by residential property). Facilities of this nature should be reported under ***housing loans***.
Stage 2	The impairment stage where provisions on exposures are calculated on a lifetime expected credit loss basis but are not credit impaired in accordance with *AASB 9 Financial Instruments* (AASB 9).
Term loans	Means loans that have a fixed term. Exclude loans to householders for the purpose of ***housing***.
Unsecured	An exposure for which there is no associated security.
Well-secured	An exposure for which the ADI judges that the fair value of associated security, discounted to allow for reasonable realisation costs, is sufficient to cover payment of principal and any accrued interest. Prescribed provisioning ADIs may also refer to Attachment B of APS 220 for the purposes of defining well secured when reporting.

Scope

The form covers the ~~full range of problem~~credit exposures, which ADIs hold, and is not limited to problem loans.

In measuring off balance sheet credit exposures the following measurement policies should be adopted:

1. Include under balances outstanding for the appropriate ~~impaired~~non-performing asset category~~ (i.e. non-accrual or restructured items),~~, the following:

   - Any direct credit substitutes (e.g. guarantees, letters of credit, credit derivatives and endorsed bills of exchange as described in the ADI Off Balance Sheet Business Form). For example, where an ADI has guaranteed the financial obligations of a client, and there is reasonable doubt about the ultimate collectability of principal or interest, which the ADI has a contractual obligation to pay under the guarantee, it should be included in the appropriate ~~impaired~~non-performing asset category.

   - Any commitments, as described in the ADI Off Balance Sheet Business Form. For example, where there is reasonable doubt about the ultimate collectability of principal and interest relating to such commitments, or a provision established, then the balance of the outstanding commitment should be included in the appropriate ~~impaired~~non-performing asset category.

   - ~~The credit equivalent amounts of market related off balance sheet transactions in the ADI Off Balance Sheet Business Form, which meet the definitions of impaired facilities. The credit equivalent amount must be calculated using the current exposure or mark-to-market method unless another method has been approved in advance by APRA. Potential credit add-ons should reflect the nature of the individual exposure involved. Derivative transaction exposures should be revalued regularly so as to maintain reasonably current assessments of the extent of credit risk attaching to those transactions.~~

~~2. When reporting the extent of specific provisions raised against all off balance sheet credit exposures, include those recorded in the notes to ADIs' published financial statements as "other liabilities".~~

~~3.~~2. Unless otherwise instructed report:

   - outstanding balances net of interest and other income not taken to profit, and net of any amounts written off;

   - all items without any adjustment for credit conversion factors (except for market related off balance sheet transactions), risk weights, provisions, and/or collateral arrangements; and

   - amounts net of offsetting balances available under legally eligible netting arrangements as outlined in *Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk*.

~~4.~~3. Separately report amounts, where requested, recorded on Australian and overseas books. ~~Guidance on the meaning of "on Australian and overseas books" is provided in the Instruction Guide ARF 320.0.~~

Specific instructions

~~Part 1A – Impaired facilities~~

~~Impaired facilities are defined (refer to APS 220) as those items for which the ultimate collectability of principal and interest is compromised. Impaired facilities include all problem facilities, off-balance sheet exposures and assets brought on to an ADI's balance sheet through enforcement of security provisions. They do not include any assets that have been accepted for regulatory purposes as having been cleanly sold for the purposes of APS 120.~~

~~Where a facility to a customer or group of related customers is impaired, all other exposures to that customer/group should be aggregated and classified as impaired, subject to exceptions in APS 220.~~

~~APRA's prudential standard on credit quality requires ADIs to classify their impaired facilities as (1) non accrual items, (2) restructured items or (3) other assets acquired through security enforcement (including other real estate owned)~~

~~Non-accrual items~~

~~For the purposes of this return, non-accrual items are those impaired facilities where estimates of future interest income are zero.~~

~~Please refer to APS 220 for more details.~~

~~Performance~~

~~The return asks ADIs to separately report those non-accrual items that are subject to no (or immaterial), partial or full performance. APRA's intention is to better understand the nature of items that ADIs might report as non-accrual and to enable it to assess the potential impact on the ADI's overall performance.~~

~~No performance – report those exposures on which the ADI is not receiving any material payments. This category should also capture exposures on which an ADI is receiving only sporadic payments.~~

~~Partial performance – report those exposures on which the ADI is receiving partial payments relative to the required contractual obligations. Where partial performance is disclosed, ADIs should be able to identify a threshold of performance that defines this category. While it is not APRA's intention to specify a minimum, the threshold chosen by the ADI should be sufficient to provide a meaningful distinction from the previous category (no performance).~~

~~Full performance – report those exposures on which full payments are being received, but which have been placed on a non-accrual basis for another reason. That is, because some reasonable doubt exists about ultimate collectability of the exposure, a specific provision has been raised, or write down taken or some other reasons has prompted this action.~~

~~Non-accrual items – with and without provisions~~

~~ADIs should separately report those facilities classified as non-accrual against which specific provisions have been created and those non-accrual items against which no specific provision is held. For those ADIs applying the prescribed provisioning methodology described in Attachment C of APS 220 and reported in terms of *ARF 220.3 Prescribed Provisioning*, provisions so created are regarded as specific in nature and should be reported as such on ARF 220.0.~~

~~Restructured items~~

~~A restructured item is defined as one in which the original contractual terms have been modified to provide for concessions of interest or principal for reasons related to the financial difficulties of a customer rendering the facility non-commercial to the ADI. In considering whether a facility is non-commercial, an ADI needs to consider whether it would extend credit on similar terms and conditions to a new borrower exhibiting similar risk characteristics. A formal (written) agreement must exist between the ADI and borrower before a facility can be classified restructured.~~

~~It is APRA's general expectation that restructured facilities will not represent a substantial part of an ADI's total assets.~~

~~Restructured items – with and without provisions~~

~~Restructured items should be split into those against which there are no specific provisions held and those with provisions that have arisen as part of the restructuring arrangement. The value of specific provisions held against the latter should also be reported. Report only those specific provisions raised prior to, or at the time of, the restructuring. If specific provisions are raised subsequent to the restructuring, the facility should be classified as non-accrual. The category of restructured with specific provision is primarily designed to address those few instances where ADIs, in employing their problem asset management strategies, create a specific provision ahead of virtually certain write-off. Please refer to APS 220 for more details.~~

~~It is APRA's general expectation that the extent of facilities reported in this category will be minor and unlikely to continue to be reported in this category for a long period of time.~~

~~Other real estate owned (OREO)~~

~~OREO is defined as real estate acquired by an ADI in full or partial settlement of a loan or similar facility through enforcement of security arrangements. This category excludes real estate acquired for occupation by ADI staff, and property controlled under "mortgagee in possession" rights. Please refer to APS 220 for more details.~~

~~Report holdings of OREO at fair value. The assets should continue to be reported until the ADI has disposed of the holding.~~

~~Other assets acquired through security enforcement~~

~~This category covers assets, other than real estate assets, acquired by an ADI in full or partial settlement of a loan or similar facility through enforcement of security arrangements (e.g. debt-for-equity swaps). Report the value of other assets acquired through security enforcement at fair value after taking into account any appropriate discount factor attributable to uncertain market liquidity conditions. This latter point reflects the likely lack of demand for the asset that has resulted in the ADI holding the asset as a consequence of its exposure recovery activity. Continue to report these assets until they have been sold or the entire exposure is written off.~~

~~New impaired facilities~~

~~Report the value of exposures newly classified as impaired during the quarter.~~

~~Specific provisions~~

~~As noted above, report the amount of specific provisions held against the relevant categories for non-accrual items, restructured items, OREO and other assets acquired through security enforcement.~~

~~Security held against non-accrual items~~

~~Report separately the total value of security held against non-accrual items depending upon whether specific provisions are held or not (items R00913 and R00914 respectively). Should any security held exceed the outstanding balance of an individual non-accrual item the excess should be excluded.~~

~~Security held against restructured items~~

~~Report separately the total value of security held against restructured items depending upon whether specific provisions are held or not (items R00915 and R00916 respectively). Should any security held exceed the outstanding balance of an individual restructured item the excess should be excluded.~~

~~Interest/income received~~

~~ADIs are asked to report interest, fees, etc. actually received during the quarter from borrowers/counterparties in relation to those exposures classified as impaired (non-accrual, restructured and assets acquired through security enforcement).~~

~~In some cases, ADIs may deem to have received income if there has been a debit to some form of working account. However, in order for this income to be recognised for the purposes of this return, the working account must:~~

- ~~not be established for the sole purpose of meeting interest obligations;~~
- ~~remain within approved limits; and~~
- ~~exhibit the character of a working account implying that the account balance will fluctuate and not result in interest being continuously capitalised.~~

~~ADIs should calculate the effective interest rate being earned on restructured items by reference~~

~~to the principal outstanding following restructuring (i.e. after taking into account write-offs, provisions that arise as part of the restructuring arrangement or repayments in the form of assets or equity). A restructured facility must be earning a rate of interest that is equal to or greater than the ADI's average cost of funds at the date of the restructuring. If this is not the case, the facility should be classified as non-accrual.~~

~~Report the value of income brought to account during the quarter from assets acquired through security enforcement (including other real estate owned). Any income received should be reported net of identifiable expenses (apart from funding costs) incurred in generating such income. Where, in aggregate, expenses exceed income received, report a negative balance.~~

~~Interest/income forgone~~

~~For all categories of impaired facilities, report all interest/income foregone during the quarter. Interest/income foregone is defined as the difference between what the ADI would have received had the exposure performed as contracted and that interest/income actually received. ADIs are asked to report the extent of interest/income foregone on non-accrual and restructured items for the relevant quarter covered by the return.~~

~~Part 1B – Impaired facilities~~

~~Part 1B classifies the total balance of impaired facilities by sector.~~

~~**Part 2A –**~~Refer to *APS 220 Credit Risk Management* (APS 220) when completing this form.

Section A: Credit Quality

Column 1	Report the balance outstanding for exposures recorded in Australia.
Column 2	Report total provisions for exposures recorded in Australia. This should include the credit loss reserve held as part of retained earnings.
Column 3	Report the balance outstanding for exposures recorded overseas.
Column 4	Report total provisions for exposures recorded overseas. This should include the credit loss reserve held as part of retained earnings.

Item 1.1	Report ***90 days past due*** exposures.
Item 1.2.1	Report ***well-secured Stage 2*** exposures.
Item 1.2.2	Report ***not well secured*** or ***unsecured Stage 2*** exposures.
Item 1.3.1	Report ***well-secured non-performing*** exposures.
Item 1.3.2	Report ***not well secured*** or ***unsecured non-performing*** exposures.

Item 1.4	Report total ***restructured*** exposures.

Section B: Non-performing exposures

Item 2. Non-performing exposures

Column 1	Report the balance outstanding of ***well-secured*** exposures.
Column 2	Report the balance outstanding of ***not well-secured*** or ***unsecured*** exposures.

Item 2.1.1	Report ***non-performing*** exposures to ***households***. Item 2.1.1 is a derived item and is calculated as the sum of items 2.1.1.1 to 2.1.1.4.
Item 2.1.1.1	Report ***non-performing*** owner-occupied ***housing*** exposures.
Item 2.1.1.2	Report ***non-performing*** investor ***housing*** exposures.
Item 2.1.1.3	Report ***non-performing credit card*** exposures.
Item 2.1.1.4	Report ***non-performing*** other personal exposures.
Item 2.1.2	Report ***non-performing*** exposures to ***CSOs***.
Item 2.1.3	Report ***non-performing*** exposures to ***non-financial corporations***. Item 2.1.3 is a derived item and is calculated as the sum of item 2.1.3.1 and 2.1.3.2.
Item 2.1.3.1	Report ***non-performing*** exposures to ***private trading corporations***.
Item 2.1.3.2	Report ***non-performing*** exposures to ***private unincorporated business***.
Item 2.1.4	Report ***non-performing*** exposures to ***financial corporations***. Item 2.1.4 is a derived item and is calculated as the sum of items 2.1.4.1 to 2.1.4.5 inclusive.
Item 2.1.4.1	Report ***non-performing*** exposures to ADIs. Include: • development banks even if they are not authorised to carry on banking business under the *Banking Act 1959*.

	Exclude: • merchant banks (record as ***RFCs***); and • non-resident banks (record as resident counterparties).
Item 2.1.4.2	Report ***non-performing*** exposures to ***RFCs***.
Item 2.1.4.3	Report ***non-performing*** exposures to ***insurance corporations***.
Item 2.1.4.4	Report ***non-performing*** exposures to ***pension funds***.
Item 2.1.4.5	Report ***non-performing*** exposures to ***other financial institutions***.
Item 2.1.5	Report ***non-performing*** exposures to ***other*** counterparties.
Item 2.2	Report ***non-performing*** exposures to ***non-residents***.
Item 2.3	Report total ***non-performing*** exposures. Item 2.3 is a derived item and is calculated as the sum of items 2.1.1 to 2.1.5 inclusive and item 2.2.

Section C: Past ~~due items~~

~~As items that are 90 days past~~ -due ~~but well-secured[4] represent a higher degree of risk than facilities meeting contractual arrangements, APRA requires ADIs to separately report these items. A facility subject to a regular repayment schedule is regarded as "90 days past due" when: (a) at least 90 calendar days have elapsed since the due date of a contractual payment which has not been met in full; and (b) the total amount outside contractual arrangements is equivalent to at least 90 days worth of contractual payments. Such a facility is regarded as *well-secured* when the ADI judges that the *fair value* of associated security is sufficient to ensure that the ADI will recover the entire amount owing. By way of example, and assuming monthly repayment instalments, if a contractual payment was made on 30 March, the facility is past due when the payment on 30 April is not made. Assuming no further payments and monthly instalments, the facility should be classified as 90 days past due on 30 July. ADIs will note that this represents 120 days since a payment was made but the equivalent of 90 days worth of contractual payments being past due.~~items

~~An item ceases to be classified as past due when arrears have been reduced so that the exposure is no longer 90 days past due.~~

~~In the case of facilities that do not have a preset repayment schedule (e.g. overdrafts and~~

[4] ~~A "well-secured" exposure is defined as one that is 90 days past due for which the ADI judges that the fair value of associated security, discounted to allow for reasonable realisation costs, is sufficient to cover payment of principal and any accrued interest.~~

~~revolving credit facilities), 90 days past due refers to the period where facilities have remained continuously outside approved arrangements but are well-secured.~~

~~The return asks ADIs to separately report those exposures that are individually managed and those that are managed on a portfolio basis.~~

Column 1	Report the ***past-due*** amount for exposures recorded in Australia.
Column 2	Report the ***past-due*** amount for exposures recorded overseas.
Column 3	Report the total portfolio size for exposures recorded in Australia.
Column 4	Report the total portfolio size for exposures recorded overseas.
Column 5	Report provisions for exposures recorded in Australia.
Column 6	Report provisions for exposures recorded overseas.

Item 3. Individually managed facilities

~~These are troublesome exposures that are managed on a transaction basis and typically subject to individual review. As discussed below, ADIs should separately report those facilities 90 days past due but well-secured in terms of different credit products common in the Australian financial system. That is, separately report these troublesome exposures as revolving credit, credit cards, housing loans, term loans, lease financing or other loans.~~

Item 3.1	Report ***revolving credit*** facilities.
Item 3.2	Report ***credit card*** facilities.
Item 3.3	Report ***housing*** loan facilities.
Item 3.4	Report ***term loan*** facilities.
Item 3.5	Report ***lease financing*** facilities.
Item 3.6	Report other loan facilities.

Item 4. Portfolio managed facilities

~~Exposures managed on a portfolio basis are typically homogenous and often approved and managed using statistical management techniques. Portfolio managed exposures are often not subject to formal regular review other than in cases where payments are behind agreed repayment schedules or indebtedness is outside approved limits.~~

~~Any past due facilities managed on a portfolio basis can be excluded from the definition of impaired facilities and remain on an accrual basis until the dollar value of contractual payments is up to 180 days past due (i.e. six months worth of repayments). The commencement of the 180 days is to take place from the date on which the contractual payment of principal and/or interest is not met. Once the dollar amount of past due amounts represent 180 days of contractual payments, an ADI should decide whether it is prepared to subject the accounts to individual review or to write them off. If the ADI chooses to conduct individual reviews, then the facilities can remain on an accrual basis if the ADI is satisfied that the facility is well-secured. Where the facility is not well-secured, the ADI should immediately create an appropriate specific provision and move the facility to a non-accrual basis.~~

~~ADIs managing facilities on a portfolio basis should report the total value of facilities 90 days past due but less than 180 days past due. As for individually managed facilities, ADIs should separately report in terms of loan type. For all category of loan product sought, distinguish between those exposures that are recorded on Australian or overseas books.~~

~~To provide APRA with a basis upon which to gauge the degree of delinquency in facilities managed on a portfolio basis, ADIs should separately report the total portfolio size in terms of the individual credit product type specified below. APRA also asks those ADIs managing facilities on a portfolio basis to indicate the extent of portfolio-related provisions that have been created with respect to those facilities that are less than 90 days past due.~~

~~Revolving credit~~

~~A revolving credit is a credit facility that is typically approved for a given period of time but does not have a fixed repayment schedule.~~

~~Report the total outstanding balance of loans of a revolving credit nature that fall within the definition of the relevant category of past due reporting. Exclude loans to Australian householders for the purpose of housing (e.g. equity lines of credit secured by residential property). Facilities of this nature should be reported under "Housing loans".~~

~~Credit cards~~

~~Credit cards are a common consumer credit arrangement that allows the consumer the option of borrowing against a pre-approved line of credit. They are typically unsecured.~~

~~Report the total outstanding balance of credit card facilities that are outside contractual arrangements for more than 90 consecutive days but are well-secured under the heading "Individually managed facilities". Any credit card facility that is not well-secured but is outside contractual arrangements for more than 90 consecutive days should be classified as non-accrual unless it is managed as part of a portfolio as described in APS 220.~~

~~Report the total outstanding balance of credit card facilities that are managed on a portfolio basis but are more than 90 days past due and less than 180 days past due.~~

~~Housing loans~~

~~For the purpose of this return, housing loans are those facilities, both amortising and line of credit that are primarily secured by a registered mortgage over a residential property. They may be for any purpose including the construction, purchase of dwellings for owner occupation or investment or commercial ventures.~~

~~Report the total outstanding balance of housing loans that are past due in accordance with whether facilities are managed on an individual or portfolio basis.~~

~~Term loans~~

~~Report the total outstanding balance of loans that have a fixed term and are past due in terms of the above guidance. Exclude loans to householders for the purpose of housing.~~

~~Lease financing~~

~~Leasing finance is a method of financing the acquisition of an asset (e.g. motor vehicle or business equipment) by the user under which the ADI buys the asset from a third party and leases it to the user in return for lease rental payments. A component of the lease rental payment relates to interest and another component to the reduction of principal.~~

~~Report the total outstanding balance of lease financing that is outside contractual arrangements in line with the preceding guidance.~~

~~Other loans~~

~~Report the total outstanding balance of loans that satisfy the preceding criteria with respect to being 90 days past due or more that cannot be readily classified in the other credit product types.~~

~~Facilities for which a prescribed provision is raised~~

~~All facilities against which an ADI is required to raise a prescribed provision in terms of APS 220 will need to be recognised as a non-accrual item for the purposes of this return and in its financial accounts. ADIs applying the prescribed provisioning methodology should be particularly alert to those Category Four Facilities that are irregular for more than 14 days. Facilities in this category must be reported as non-accrual from the date that the prescribed provision is struck (i.e. once the facility is irregular for more than 14 days).~~

~~Part 2B – Past~~

Item 4.1	Report ***revolving credit*** facilities.
Item 4.2	Report ***credit card*** facilities.
Item 4.3	Report ***housing*** loan facilities.
Item 4.4	Report ***term loan*** facilities.
Item 4.5	Report ***lease financing*** facilities.
Item 4.6	Report other loan facilities.

Item 5. Provisions for credit exposures less than 90 days past due

Item 5	Report provisions for credit exposures less than 90 days past due. This should include the credit loss reserve held as part of retained earnings.

Item 9. 90 days past-due items

~~Part 2B classifies the total amount of past due items by sector.~~

Column 1	Report the ***past-due*** amount.

Item 6.1.1	Report ***90 days past-due*** exposures to ***households***. Item 6.1.1 is a derived item and is calculated as the sum of items 6.1.1.1 to 6.1.1.4.
Item 6.1.1.1	Report ***90 days past-due*** owner-occupied ***housing*** exposures.
Item 6.1.1.2	Report ***90 days past-due*** investor ***housing*** exposures.
Item 6.1.1.3	Report ***90 days past-due credit card*** exposures.
Item 6.1.1.4	Report ***90 days past-due*** other personal exposures.
Item 6.1.2	Report ***90 days past-due*** exposures to ***CSOs***.
Item 6.1.3	Report ***90 days past-due*** exposures to ***non-financial corporations***. Item 6.1.3 is a derived item and is calculated as the sum of item 6.1.3.1 and 6.1.3.2.
Item 6.1.3.1	Report ***90 days past-due*** exposures to ***private trading corporations***.
Item 6.1.3.2	Report ***90 days past-due*** exposures to ***private unincorporated business***.
Item 6.1.4	Report ***90 days past-due*** exposures to ***financial corporations***. Item 6.1.4 is a derived item and is calculated as the sum of items 6.1.4.1 to 6.1.4.5 inclusive.
Item 6.1.4.1	Report ***90 days past-due*** exposures to ***ADIs***. Include: • development banks even if they are not authorised to carry on banking business under the *Banking Act 1959*. Exclude:

	• merchant banks (record as ***RFCs***); and • non-resident banks (record as resident counterparties).
Item 6.1.4.2	Report ***90 days past-due*** exposures to ***RFCs***.
Item 6.1.4.3	Report ***90 days past-due*** exposures to ***insurance corporations***.
Item 6.1.4.4	Report ***90 days past-due*** exposures to ***pension funds***.
Item 6.1.4.5	Report ***90 days past-due*** exposures to ***other financial institutions***.
Item 6.1.5	Report ***90 days past-due*** exposures to ***other*** counterparties.
Item 6.2	Report ***90 days past-due*** exposures to non-residents.
Item 6.3	Report total ***90 days past-due*** exposures. Item 6.3 is a derived item and is calculated as the sum of item 6.1 and item 6.2.