

Reporting Form ARF 120.2

Securitisation – Supplementary Items

Instruction Guide

This instruction guide is designed to assist in the completion of the *Securitisation – Supplementary Items* form. This form collects information on the involvement of an authorised deposit-taking institution (ADI) in securitisation programs it has itself established. It also collects information on securitisation programs established by third parties to which the ADI sells assets, provides other facilities, or in which it invests.

The information collected in this form is not used in calculating the regulatory capital relating to an ADI's securitisation exposures. In completing this form, ADIs should refer to *Prudential Standard APS 120 Securitisation (APS 120)*.

General directions and notes

Reporting entity

This form is to be completed at Level 1 and Level 2¹ by each ADI that satisfies both of the following requirements:

- (a) it participates in any securitisation program, irrespective of whether (or not) the securitisation meets APRA's operational requirements for regulatory capital relief, as detailed in APS 120; and
- (b) it is included in one of the classes of ADI to which this form applies, as set out in the table below.

¹ Level 1 and Level 2 are defined in accordance with *Prudential Standard APS 110 Capital Adequacy*.

Class of ADI	Reporting required
Bank – Advanced or Applicant Advanced ²	Yes
Bank – Standardised	Yes
Branch of a Foreign Bank	Yes ³
Building Society	Yes
Credit Union	Yes
Specialist Credit Card Institution (SCCI)	Yes ⁴
Provider of Purchased Payment Facilities	No
Other ADI	Yes

If an ADI is a subsidiary of an authorised non-operating holding company (**NOHC**), the report at Level 2 is to be provided by the ADI's immediate parent NOHC.⁵

Reporting period and timeframes for lodgement

The form is to be completed as at the last day of the stated reporting period (i.e. the relevant quarter). The table below specifies the number of business days after the end of the relevant reporting period, within which each class of ADI must submit data to APRA.

Class of ADI	Number of business days
Bank – Advanced or Applicant Advanced	30

² When an ADI is seeking APRA's approval to use the internal ratings-based approach to credit risk and/or an advanced measurement approach to operational risk, and is therefore classified as a "Bank – Advanced or Applicant Advanced", the ADI may concurrently be classified as a "Bank – Standardised". In this case, the ADI must comply with the requirements and timeframes for a "Bank – Advanced or Applicant Advanced".

³ A branch of a foreign bank is required to complete this form for the Australian branch only.

⁴ A specialist credit card institution operating through a branch in Australia is required to complete this form for the Australian branch only.

⁵ Refer to paragraph 4 of Reporting Standard ARS 120.2 Securitisation – Supplementary Items.

Bank – Standardised	20
Branch of a Foreign Bank	20
Building Society	15
Credit Union	15
Specialist Credit Card Institution (SCCI)	15
Provider of Purchased Payment Facilities	Not applicable
Other ADI ⁶	20

An immediate parent NOHC must submit data to APRA within the same timeframe as its subsidiary ADI.

Unit of measurement

This form should be completed in Australian dollars (**AUD**) and in accordance with the units set out for each class of ADI in the table below.

Class of ADI	Units
Bank – Advanced or Applicant Advanced	Millions of dollars rounded to one decimal place
Bank – Standardised	Millions of dollars rounded to one decimal place
Branch of a Foreign Bank	Millions of dollars rounded to one decimal place
Building Society	Whole dollars with no decimal place
Credit Union	Whole dollars with no decimal place
Specialist Credit Card Institution (SCCI)	Whole dollars with no decimal place
Provider of Purchased Payment Facilities	Not applicable
Other ADI	Whole dollars with no decimal place

⁶ Cairns Penny Savings and Loans Limited is to be treated in accordance with the reporting period requirements applicable to credit unions.

An immediate parent NOHC must complete this form in AUD and in accordance with the same units as its subsidiary ADI.

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

Definitions

In relation to this instruction guide and its corresponding reporting form (ARF 120.2), refer to APS 120 for the definitions of originating ADI and other securitisation related terminology.

Additionally, in this instruction guide and the reporting form, the following expressions have the defined meanings as set out below:

Trading book

An ADI that wishes to operate a trading book must submit a trading book policy statement to APRA for approval that specifies those activities that belong in the trading book (refer to *Prudential Standard APS 116 Capital Adequacy: Market Risk*) for details.

Banking book

The banking book covers all businesses not included in the trading book.

Specific instructions

The following instructions are applicable at Level 1 and (where relevant) Level 2.

Section A: Securitised assets and assets supporting secured funding arrangements of ADI

For the purposes of section A of this form, ADIs are to include all securitised assets and assets involved in a fundraising arrangement that involves providing an interest in or over assets originated by the ADI. That is, for the reported amounts in this section, an ADI is to include:

- (a) the securitised assets that meet the operational requirements for regulatory capital relief, and are excluded from the calculation of regulatory capital (refer to APS 120);
- (b) assets backing fundraising arrangements, subject to prior notification under paragraph 8 of APS 120, that do not meet the operational requirements for regulatory capital relief, is otherwise considered a non-complying securitisation or a secured funding arrangement which APRA requires to be treated as if on-balance sheet and are included in the on-balance sheet assets of an ADI (or member of its Level 2 consolidated group) for capital adequacy purposes under *Prudential Standard APS 112 Capital Adequacy: Standardised Approach to*

Credit Risk (APS 112) or Prudential Standard APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk (APS 113), as appropriate; and

- (c) the securitised assets that meet the operational requirements for regulatory capital relief, and that the ADI elects to treat as on-balance sheet assets for capital adequacy purposes under APS 112 or APS 113, as appropriate (refer to Attachment B to APS 120).

Column 1. Outstanding principal

Report the outstanding value of securities issued by the securitisation or funding arrangement that are backed by the assets and exposures that the reporting ADI has sold, or otherwise originated, into securitisation programs or secured funding arrangements (collectively transferred assets). Report all amounts regardless of whether they are consolidated or not for the purposes of accounting and regulatory capital treatment.

Column 2. Impaired assets

Report those transferred assets and exposures that would be considered impaired if held by the ADI, in accordance with *Prudential Standard APS 220 Credit Quality*. Report all amounts regardless of whether they are consolidated or not for the purposes of accounting and regulatory capital treatment.

Column 3. Past due assets

Report all transferred assets and exposures that would be considered 90 days past due if held by the ADI, in accordance with paragraph 15 of *Guidance Note AGN 220.1 Impaired Facility Definitions*. Report all amounts regardless of whether they are consolidated or not for the purposes of accounting and regulatory capital treatment.

Column 4. Repurchases of exposures

Report all transferred assets and exposures originated or sold by the ADI to a securitisation program that have been purchased or repurchased by the ADI during the reporting period. Report all amounts regardless of whether they are consolidated or not for the purposes of accounting and regulatory capital treatment.

Column 5. Value of assets in pool

Report the outstanding value (plus accrued interest) of transferred assets. Report all amounts regardless of whether they are consolidated or not for the purposes of accounting and regulatory capital treatment.

1.1 Housing loans

Report the relevant data for all transferred assets that are owner-occupied and investment housing loans.

1.2 Personal loans

Report the relevant data for all transferred assets that are personal loans. Include all loans to households other than housing loans (e.g. credit cards, margin loans, and other personal term loans).

1.3 Commercial loans

Report the relevant data for all transferred assets that are loans to private and public trading corporations, private unincorporated businesses and community service organisations, ADIs and other financial institutions, and loans to government.

1.4 Other

Report the relevant data for all other transferred assets (e.g. leases and receivables) which do not fall into the preceding categories.

1.5 Total

Derived fields that sum the figures reported in each column.

1.5.1 of which: assets backing fundraising arrangements, under APS 120 paragraph 8 which are reported as on-balance sheet assets for prudential reporting purposes

Report the amount of the assets backing secured fundraising arrangements, subject to prior notification under paragraph 8 of APS 120 (even if entered into prior to it coming into effect), that do not meet the operational requirements for regulatory capital relief detailed in Attachment B to APS 120.

1.5.2 of which: assets that meet the operational requirements for regulatory capital relief, and that are treated as on-balance sheet assets for capital adequacy purposes

Report the amount of the securitised assets that meet the operational requirements for regulatory capital relief detailed in Attachment B to APS 120 that the ADI elects to treat as on-balance sheet assets for capital adequacy purposes, under APS 112 or APS 113, as appropriate.

1.5.3 of which: assets that are held by warehouses

Report the amount of the transferred assets that have been placed into securitisation warehouses, other warehouses and other short-term (i.e. less than one year in maturity) funding vehicles, whether or not funded by commercial paper or other arrangements.

Section B: Holdings of securities

2.1 Securitisation securities

Report the closing value of all securities issued by securitisation programs, which are not resecuritisations, that are held by the ADI and reported as assets on the ADI's balance sheet and the ADI meets the due diligence provisions of Attachment B to APS 120 and so can risk weight rather than deduct the exposure.

Column 1. ADI as originator

For both the banking and trading book report the closing value of all securities held by the ADI (which are also reported on its balance sheet and risk weighted) that are issued by securitisation programs with the ADI as originator.

Column 2. Other

For both the banking and trading book report the closing value of all securities held by the ADI (which are also reported on its balance sheet and risk weighted) that are issued by securitisation programs other than with the ADI as originator.

Column 3. Total

Derived field that sums up the total securities held on the balance sheets which are eligible for risk weighting.

Under the due diligence provisions of Attachment B to APS 120 an ADI is required to have detailed information on the pools supporting its exposures.

2.1.1 Securities held in the banking book

Report all relevant data for the securities held in the banking book.

2.1.2 Securities held in the trading book

Report all relevant data for securities held in the trading book.

2.2 Resecuritisation securities

Report the closing value of all securities issued by securitisation programs, which are resecuritisations, that are held by the ADI and reported as assets on the ADI's balance sheet and the ADI meets the due diligence provisions of Attachment B to APS 120 and so can risk weight rather than deduct the exposure.

Column 1. ADI as originator

For both the banking and trading book report the closing value of all securities held by the ADI (which are also reported on its balance sheet and risk weighted) that are issued by resecuritisation programs with the ADI as originator.

Column 2. Other

For both the banking and trading book report the closing value of all securities held by the ADI (which are also reported on its balance sheet and risk weighted) that are issued by resecuritisation programs other than with the ADI as originator.

Column 3. Total

Derived field that sums up the total securities held on the balance sheets which are eligible for risk weighting.

Under the due diligence provisions of Attachment B to APS 120, an ADI is required to have detailed information on the pools supporting its exposures as well as the pools underlying any resecuritisation exposure in a pool.

3.1 Securities held in the banking book

Report all relevant data for the securities held in the banking book.

3.2 Securities held in the trading book

Report all relevant data for securities held in the trading book.

Section C: Provision of facilities

3.1 Facilities categorised as securitisation exposures

Columns 1.1, 2.1 & 3.1 Notional amount

Report the total committed amount or limit of any liquidity, funding, underwriting, lending, credit enhancement or other facility, or the notional principal amount of a swap provided by the ADI to a securitisation program. Do not include facilities that meet the definition of a resecuritisation exposure.

Columns 1.2, 2.2 & 3.2 Drawn amount

Report the principal amount (and any accrued interest) of the facility that has been drawn by the securitisation program or investors, and is currently outstanding at the end of the quarter. For example, if the facility is a liquidity facility and fully drawn by the securitisation program, the entire amount drawn is the outstanding exposure. In the case of a swap, report the credit equivalent amount, as at the end of the reporting quarter.

3.1.1 Liquidity facilities

Refer to paragraph 9(n) of APS 120 for the definition of liquidity facility.

3.1.2 Funding facilities

Refer to paragraph 9(k) of APS 120 for the definition of funding facility. Exclude warehouse funding facilities reported in item 3.1.5.

3.1.3 Underwriting facilities

Refer to paragraph 9(aa) of APS 120 for the definition of underwriting facility.

3.1.4 Lending facilities

Report all facilities that the ADI provides directly to investors for the purpose of investing in securities issued by the program.

3.1.5 Warehouse funding facilities

Report funding facilities that the ADI provides to warehouse SPVs.

3.1.6 Credit enhancements

Refer to paragraph 9(d) of APS 120 for the definition of a credit enhancement.

3.1.7 Basis Swap

Include only basis swaps. All other swaps are to be reported in item 3.1.8.

3.1.8 Other derivatives

Include all other derivatives provided by an ADI to securitisation programs.

3.1.9 Other

Include all facilities⁷ other than those reported in section C of this return.

3.1.10 Total

Derived fields that sum the notional amount or drawn amount for each type of facility.

3.1.10.1 of which: backed by cash collateral lodged by the ADI

Report the amount of cash collateral lodged by the ADI to back its obligations under the facilities it has provided.

3.2 Facilities categorised as resecuritisation exposures

Columns 1.1, 2.1 & 3.1 Notional amount

Report the total committed amount or limit of any liquidity, funding, underwriting, lending, credit enhancement or other facility, or the notional principal amount of a swap provided by the ADI to a securitisation program. Include only facilities that meet the definition of a resecuritisation exposure.

Columns 1.2, 2.2 & 3.2 Drawn amount

Report the principal amount (and any accrued interest) of the facility that has been drawn by the securitisation program or investors, and is currently outstanding at the end of the quarter. For example, if the facility is a liquidity facility and fully drawn by the securitisation program, the entire amount drawn is the outstanding exposure. In the case of a swap, report the credit equivalent amount, as at the end of the reporting quarter.

3.2.1 Liquidity facilities

Refer to paragraph 9(n) of APS 120 for the definition of liquidity facility.

3.2.2 Funding facilities

⁷ Facilities are defined in accordance with paragraph 9(j) of APS 120.

Refer to paragraph 9(k) of APS 120 for the definition of funding facility. Exclude warehouse funding facilities reported in item 3.2.5.

3.2.3 Underwriting facilities

Refer to paragraph 9(aa) of APS 120 for the definition of underwriting facility.

3.2.4 Lending facilities

Report all facilities that the ADI provides directly to investors for the purpose of investing in securities issued by the program.

3.2.5 Warehouse funding facilities

Report funding facilities that the ADI provides to warehouse SPVs.

3.2.6 Credit enhancements

Refer to paragraph 9(d) of APS 120 for the definition of a credit enhancement.

3.2.7 Basis Swap

Include only basis swaps. All other swaps are to be reported in item 3.2.8 provided by an ADI to securitisation programs.

3.2.8 Other derivatives

Include all derivatives other than those reported in section C of the return.

3.2.9 Other

Include all facilities⁸ other than those reported in section C of the return?.

3.2.10 Total

Derived fields that sum the notional amount or drawn amount for each type of facility

3.2.10.1 of which: backed by cash collateral lodged by the ADI

Report the amount of cash collateral lodged by the ADI to back its obligations under the facilities it has provided.

Section D: Securitisation income

4.1 Facility fee income

Report all fee income received by the ADI during the quarter from facilities provided to securitisation programs. Exclude income received from holding the residual units or other excess spread arrangements in a securitisation program.

⁸ Facilities are defined in accordance with paragraph 9(j) of APS 120.

4.2 Servicing fee income

Report all fee income received by the ADI during the quarter from services provided to securitisation programs. Exclude income received from holding the residual units or other excess spread arrangements in a securitisation program.

4.3 Excess spread income

Report all income received during the quarter from residual units or other excess spread arrangements.

4.4 Basis swaps net receipts/payments

Report the net receipts (positive) or payments (negative) on scheduled payments during the quarter arising from basis swaps.

4.5 Basis swaps revaluation and other income

Report the profit and loss impact during the quarter of items, other than scheduled payments reflected in 4.4 above, due to basis swaps.

4.6 Other derivatives net receipts/payments

Report the net receipts (positive) or payments (negative) on scheduled payments during the quarter arising from derivatives other than basis swaps.

4.7 Other derivatives revaluation and other income

Report the profit and loss impact during the quarter of items, other than scheduled payments reflected in 4.6 above, due to derivatives other than basis swaps.

4.8 Other

Report the profit and loss impact during the quarter of items not captured in items 4.1 to 4.7 above.

Section E: Memorandum items: Details of new arrangements entered into during the quarter

ADIs are to report the details of any new securitisation and secured funding arrangements entered into during the reporting quarter. Data should be reported as at the effective date of the transaction.

Table 1. Loans sold or originated into securitisation SPVs /schemes or secured funding arrangement

Column 1. SPV /scheme or secured funding arrangement name

Report the names of the securitisation SPVs /schemes or secured funding arrangements into which the ADI has sold, or otherwise originated, loans during the reporting quarter.

Column 2. Scheme type

Select the relevant scheme type (i.e. securitisation, resecuritisation or secured funding arrangement) and structure type (i.e. warehouse asset-backed commercial paper (ABCP), other warehouse, ABCP, residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), synthetic securitisation, or other) from the dropdown list.

Column 3. Asset type

Select the relevant asset type (i.e. housing, personal, commercial, or other loans) from the dropdown list.

Column 4. Value of loans sold or originated into SPV / scheme or secured funding arrangement

Report the transferred value of loans that were sold, or otherwise originated, into securitisation SPVs or schemes during the reporting quarter.

Column 5. Value of funding received

Report the value of funding provided in exchange for the transferred loans.

Table 2. New facilities provided to securitisation SPVs / schemes or secured funding arrangements

Column 1. SPV / scheme or secured funding arrangement name

Report the names of the securitisation SPVs /schemes or secured funding arrangements to which the ADI has provided new facilities during the reporting quarter.

Column 2. Scheme type

Select the relevant scheme and structure type (refer to the instructions under Table 1, column 2 of this instruction guide)

Column 3. Facility type

Select the relevant facility type (i.e. liquidity, funding, underwriting, lending, credit enhancement, swaps or other facility) from the dropdown list.

Column 4. Notional amount

Report the total committed amount or limit of the liquidity, funding, underwriting, credit enhancement or other facility, or the notional principal amount of a swap provided by the ADI to the securitisation SPV /scheme or secured funding arrangement.

Column 5. Termination date

Report the maturity date of the facility or program, or the next roll-over, extension or renewal date, whichever is earlier, or enter the text “no maturity”.

Column 6. Pool LVR

Report, as a percentage, the weighted average LVR (or similar measure e.g. loan to security ratio) for the pool. For any resecuritisation exposure in the pool an ADI must look through to the underlying pools for that exposure in calculating the overall weighted average LVR.