



Reporting Standard ARS 701.0

ABS/RBA Definitions for the EFS Collection

Objective of this Reporting Standard

This Reporting Standard defines key terms referred to in other reporting standards applicable to authorised deposit-taking institutions (ADIs) and registered financial corporations (RFCs), where these reporting standards form part of the Economics and Financial Statistics (EFS) Collection. All EFS reporting standards applicable to ADIs and RFCs must be read in conjunction with this Reporting Standard.

Authority

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

Application and commencement

2. This Reporting Standard applies in relation to the Economics and Financial Statistics (EFS) collection to all entities which submit data to **APRA** under the ***EFS reporting standards***.
3. Unless the contrary intention appears, definitions in this Reporting Standard apply to all ***EFS reporting standards***.
4. This Reporting Standard commences on 1 January 2019.

General

5. Terms defined in this Reporting Standard appear in ***bold italics***.

Interpretation

6. In this Reporting Standard, unless the contrary intention appears, a reference to an Act, Regulation, Prudential Standard, Prudential Practice Guide, Australian Accounting Standard or Auditing Standard is a reference to the instrument as in force or existing from time to time.

Overview

7. Definitions in this Reporting Standard relating to the categories below are presented in thematic groups:¹

- EFS Collection
- Domestic books
- ADI reporting categories
- Residency
- Sectoral classification of institutional units
- Related parties
- Industry definitions
- Finance purpose
- Steps in the provision of finance

Other definitions are presented alphabetically after the thematic groupings.

EFS Collection

8. The *EFS collection* comprises the *EFS reporting standards* (and data collected under them) as defined below:

<i>EFS reporting standard(s)</i>	<p>Means one or more of the following reporting standards:</p> <ul style="list-style-type: none"> • ARS 701.0 <i>ABS/RBA Definitions for the EFS Collection</i> • ARS 720.0 <i>ABS/RBA Statement of Financial Position (Standard)/(Reduced)</i> • ARS 720.1 <i>ABS/RBA Loans and Finance Leases (Standard)/(Reduced)</i> • ARS 720.2 <i>ABS/RBA Deposits (Standard)/(Reduced)</i> • ARS 720.3 <i>ABS/RBA Intra-group Assets and Liabilities</i> • ARS 720.4 <i>ABS/RBA Debt Securities Held</i> • ARS 720.5 <i>ABS/RBA Equity Securities Held</i> • ARS 720.6 <i>ABS/RBA Securities on Issue</i> • ARS 720.7 <i>ABS/RBA Bill Acceptances and Endorsements</i> • ARS 721.0 <i>ABS/RBA Repurchase Agreements and Securities Lending (Option A)/(Option B)</i> • ARS 723.0 <i>ABS/RBA Margin Lending</i> • ARS 730.0 <i>ABS/RBA Statement of Financial Performance</i> • ARS 731.0 <i>ABS/RBA Fees Charged</i> • ARS 741.0 <i>ABS/RBA Business Finance</i> • ARS 742.0 <i>ABS/RBA Business Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i> • ARS 743.0 <i>ABS/RBA Housing Finance</i> • ARS 744.0 <i>ABS/RBA Housing Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i> • ARS 745.0 <i>ABS/RBA Personal Finance</i>
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¹ The thematic groups listed below are not intended to limit the application of the definitions that fall under them.

	<ul style="list-style-type: none"> • ARS 746.0 ABS/RBA Personal Credit Stocks, Flows and Interest Rates (Standard)/(Reduced) • ARS 747.0 Reporting Standard ARS 747.0 ABS/RBA Deposit Stocks, Flows and Interest Rates (Standard)/(Reduced) • ARS 748.0 ABS/RBA Wholesale Funding Stocks, Flows and Interest Rates (Standard)/(Reduced) • RRS 710.0 Reporting Standard RRS 710.0 ABS/RBA Audit Requirements for Registered Financial Corporations - <u>EFS collection</u>
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ADI reporting categories

9. The *ADI Reporting Categories* are defined as follows:

<i>ADI Category A</i>	Means all <i>credit unions</i> and <i>building societies</i> .
<i>ADI Category B</i>	Means all <i>ADIs</i> (excluding <i>credit unions</i> and <i>building societies</i>).

Domestic Books

10. The '*domestic books*' consolidation is defined as follows:

<i>Domestic books</i>	<p>For an <i>ADI</i>:</p> <p>Means an unconsolidated report of positions, transactions and other information recorded on the Australian books of the body corporate authorised by <i>APRA</i> to carry on banking business as per the <i>Banking Act 1959</i>. Includes transactions and positions with both <i>residents</i> and <i>non-residents</i> that are recorded on the Australian books of these entities.</p> <p>Do not consolidate positions, transactions and other information recorded on the books of Extended Licensed Entities (ELEs), of any other entity not consolidated at Level 1 (for example, <i>related parties</i> such as subsidiaries, <i>SPVs</i> or <i>parent entities</i>) and of overseas-based entities (e.g. overseas-based branches and offshore banking units (within the meaning of section 128AE of the <i>Income Tax Assessment Act 1936</i>)).</p> <p>For an <i>RFC</i>:</p> <p>Means an unconsolidated report of positions, transactions and other information recorded on the Australian books of the registered entity as per the <i>Financial Sector (Collection of Data) Act 2001</i>. Includes transactions and positions with both <i>residents</i> and <i>non-residents</i> that are recorded on the Australian books of these entities.</p> <p>In general, do not consolidate positions, transactions and other information recorded on the books of <i>related parties</i> (such as subsidiaries, <i>SPVs</i> or <i>parent entities</i>) and of overseas-based entities (e.g. overseas-based branches and offshore banking units (within the meaning of section 128AE of the <i>Income Tax Assessment Act 1936</i>)).</p> <p>However, where an <i>RFC</i> elects to report on behalf of a group of <i>RFCs</i>, these</p>
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	entities are to be consolidated for reporting purposes.
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Residency

11. Key terms in the EFS collection relating to residency are defined as follows:

<i>Institutional unit</i>	<p>Means an economic entity that is capable of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.</p> <p>There are two main types of <i>institutional units</i>:</p> <ul style="list-style-type: none"> • individuals or groups of individuals that form <i>households</i>; and • legal entities such as businesses, <i>non-profit institutions</i> or government units.
<i>Resident</i> (individual, enterprise or other organisation)	<p>Means any <i>institutional unit</i> whose centre of predominant economic interest (<i>principal place of residence</i> or principal place of production) is within Australia's economic territory.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>households</i> whose <i>principal place of residence</i> is in Australia; and • Australian branches and Australian subsidiaries of foreign enterprises. <p>It excludes: foreign branches and foreign subsidiaries of Australian enterprises.</p>
<i>Non-resident</i> (individual, enterprise or other organisation)	<p>Means any <i>institutional unit</i> whose centre of predominant economic interest (<i>principal place of residence</i> or principal place of production) is outside Australia's economic territory.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>households</i> whose <i>principal place of residence</i> is overseas; and • foreign branches and foreign subsidiaries of Australian enterprises. <p>It excludes: Australian-based branches and subsidiaries of foreign enterprises.</p>
<i>Resident</i> (financial instrument)	<p>Means financial instruments (debt, equity or hybrids) that are issued by <i>resident institutional units</i>. Neither the place nor the currency of issuance are to be used to determine residency of a financial instrument unless directed otherwise.</p> <p><i>Derivative</i> contracts are considered <i>resident</i> financial instruments if the counterparty is a <i>resident institutional unit</i>.</p>
<i>Non-resident</i> (financial instrument)	<p>Means financial instruments (debt, equity or hybrids) that are issued by <i>non-resident institutional units</i>. Neither the place nor the currency of issuance are to be used to determine residency of a financial instrument unless directed otherwise.</p> <p><i>Derivative</i> contracts are considered <i>non-resident</i> financial instruments if the counterparty is a <i>non-resident institutional unit</i>.</p>

Sectoral classifications of institutional units

12. Key terms in the EFS collection relating to *institutional units* and sectoral classifications are defined as follows:

<i>All other ADIs</i>	Means an <i>ADI</i> that is not a <i>Building Society</i> or a <i>Credit Union</i>
<i>Authorised deposit-taking institutions (ADIs)</i>	Means an <i>authorised deposit-taking institution</i> within the meaning of the <i>Banking Act 1959</i> . It excludes: <ul style="list-style-type: none"> • the <i>RBA</i>. Report these under <i>RBA</i>; and • money market corporations. Report these under <i>registered financial corporations</i>.
<i>Building society</i>	Means a locally incorporated <i>ADI</i> that assumes or uses the expression 'building society' in relation to its banking business.
<i>Central borrowing authorities</i>	Means entities that primarily provide finance for public corporations and notional institutional units and other units owned or controlled by the government. They arrange the investment of surplus funds. <i>Central borrowing authorities</i> raise funds predominantly by issuing securities. They also engage in other intermediation activity for investment purposes, and may participate in the financial management activities of the parent government. It includes all <i>central borrowing authorities</i> established by state and territory governments.
<i>Clearing houses and central counterparties</i>	Means all recognised clearing houses, such as the Australian Stock Exchange Clearing House and Sydney Futures Exchange Clearing House. Central counterparties (CCPs) are clearing houses that interpose themselves between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer. A CCP becomes counterparty to trades with market participants through novation, an open offer system, or another legally binding arrangement. <i>Central counterparties and clearing houses</i> are <i>financial auxiliaries</i> .
<i>Commonwealth general government</i>	Means Australian Commonwealth Government departments and agencies whose principal function is to provide non-market goods and services, principally financed by taxes, for free or at a price well below the cost of production. These entities regulate economic activity, maintain law and order and redistribute income and wealth by means of transfers. It includes: <ul style="list-style-type: none"> • departments and agencies such as Department of Finance, Department of Defence, Australian Broadcasting Corporation, Special Broadcasting Service, Australian Film Commission and CSIRO; • Commonwealth Government unincorporated enterprises that provide goods and services to the Australian Commonwealth Government and/or to the public for free or at prices that are not economically significant (e.g. government employee cafeterias, munitions factories);

	<ul style="list-style-type: none"> • non-profit institutions (NPIs) controlled and mainly financed (other than by grants) by the Commonwealth Government; • Commonwealth Government quasi-corporations that sell their output, at near market prices, exclusively to other government units (e.g. government printers and defence force housing schemes); and • public universities. <p>It excludes:</p> <ul style="list-style-type: none"> • government trading enterprises such as Australia Post. Report these under Commonwealth Government non-financial corporations, state, territory and local government non-financial corporations or financial institutions as appropriate; and • departments of the state and territory governments. Report these as state, territory and local general government; • the RBA and Commonwealth Government financial institutions such as Australian Industry Development Corporation and Export Finance and Insurance Corporation. Report these under financial institutions as appropriate; and • NPIs credited for philanthropic purposes that are financed mainly from donations or government grants. Report these under community service organisations.
Commonwealth Government non-financial corporations	<p>Means those businesses that are owned and controlled by the Australian Commonwealth Government and that produce goods or non-financial services for sale at market prices.</p> <p>It includes: all resident trading enterprises owned 50% or more by the Commonwealth Government or controlled by the Commonwealth Government through legislation, decree or regulation (e.g. Australia Post, Australian Government Solicitor, Snowy Hydro Ltd, NBN Co Limited and Air Services Australia).</p> <p>It excludes:</p> <ul style="list-style-type: none"> • government departments. Report these as general government; and • government-owned financial institutions. Report these under financial institutions.
Community service organisations	<p>Means non-market operators providing goods and services to households for free or at prices that are not economically significant. Included here are non-profit institutions (NPIs) that are mainly financed from household member subscriptions and produce benefits primarily for the household members and NPIs credited for philanthropic purposes that are financed mainly from donations or government grants.</p> <p>It includes:</p> <ul style="list-style-type: none"> • aid agencies, charities, consumers associations, cultural clubs, learned societies, political parties, recreational clubs, relief agencies, religious institutions, social clubs, sports clubs, trade unions; and • NPIs credited for philanthropic purposes that are financed mainly from donations or government grants. <p>It excludes:</p>

	<ul style="list-style-type: none"> • <i>community service organisations</i> and <i>NPIs</i> controlled and mainly financed (other than by grants) by government. Report these under <i>general government</i>; and- • <i>NPIs</i> that are engaged in market production. Report these in <i>non-financial businesses</i> or <i>financial institutions</i> as appropriate.
<i>Credit union</i>	Means a locally incorporated <i>ADI</i> that assumes or uses the expression 'credit union' in relation to its banking business and includes Cairns Penny Savings & Loans Limited.
<i>Exchange-traded funds (ETFs)</i>	Means investment vehicles that are listed on a stock exchange and provide investors with the return of some benchmark, such as an equity index. <i>ETFs</i> are a type of <i>non-money-market financial investment fund</i> .
<i>Financial auxiliaries</i>	Means corporations and quasi-corporations engaged primarily in activities closely related to financial intermediation, but which do not themselves perform an intermediation role. It includes fund managers as principal, stockbrokers, insurance brokers, investment advisors and corporations providing infrastructure for financial markets.
<i>Financial institutions</i>	Means all corporations and notional institutional units mainly engaged in financial intermediation and the provision of auxiliary financial services. Holding companies with mainly financial corporations as their subsidiaries are also included, as are market <i>non-profit institutions</i> that mainly engage in financial intermediation or the production of auxiliary financial services. <i>Financial institutions</i> include (but are not limited to): the <i>RBA</i> , <i>ADIs</i> , <i>registered financial corporations</i> , <i>central borrowing authorities</i> , <i>life insurance corporations</i> , <i>other insurance corporations</i> , <i>self-managed superannuation funds</i> , <i>other superannuation funds</i> , <i>financial auxiliaries</i> , <i>securitisers</i> , <i>money-market investment funds</i> and <i>non-money-market financial investment funds</i> .
<i>Financial institutions n.e.c.</i>	Means any <i>financial institutions</i> other than the <i>RBA</i> , <i>ADIs</i> , <i>registered financial corporations</i> , <i>central borrowing authorities</i> , <i>life insurance corporations</i> , <i>other insurance corporations</i> , <i>self-managed superannuation funds</i> , <i>other superannuation funds</i> , <i>financial auxiliaries</i> , <i>securitisers</i> , <i>money-market investment funds</i> and <i>non-money-market financial investment funds</i> . It includes: <ul style="list-style-type: none"> • warehouses; • structured investment vehicles (SIVs); and • non-traditional lenders.
<i>General government</i>	Means <i>Commonwealth general government</i> and <i>state, territory and local general government</i> .
<i>Households</i>	Means persons whose dealings with other sectors are for <i>personal</i> or <i>housing</i> purposes. It excludes:

	<ul style="list-style-type: none"> • persons whose dealings with other sectors are for <i>business</i> purposes. Report these under <i>non-financial businesses</i> or <i>financial institutions</i>; • sole proprietors, partnerships, and any other unincorporated enterprises owned by <i>households</i>. Report these under <i>private unincorporated businesses</i> or the relevant sector in <i>financial institutions</i>; • companies owned by <i>households</i>. Report these under <i>private non-financial corporations</i>; • family trusts. Report these under <i>private unincorporated businesses</i> or <i>financial institutions</i> as appropriate; • <i>self-managed superannuation funds</i>. Report these as <i>self-managed superannuation funds</i>; and • incorporated businesses. Report these under <i>non-financial businesses</i> (other than <i>unincorporated businesses</i>) or <i>financial institutions</i>.
Insurance corporations	Means <i>life insurance corporations</i> and <i>other insurance corporations</i> .
Life insurance corporations	<p>Means life insurance companies and friendly societies that are registered under the <i>Life Insurance Act 1995</i> and are regulated by <i>APRA</i>. They offer insurance for death or disability and also offer investment and superannuation products.</p> <p>It includes: life insurance companies, life reinsurance companies and friendly societies.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • insurance companies offering house, car and marine insurance. Report these under <i>other insurance corporations</i>; and • health benefit funds that are regulated under the <i>Private Health Insurance (Prudential Supervision) Act 2015</i>. Report these under <i>other insurance corporations</i>.
Money-market investment funds	<p>Means collective investment schemes, such as cash management trusts and cash common funds, that are constituted as legal entities. They raise funds by issuing shares or units to the public, either via a prospectus or a distribution channel such as a platform.</p> <p>The proceeds are invested primarily in money-market instruments, money-market shares/units, and transferable debt instruments with a <i>residual maturity</i> of less than or equal to 12 months, <i>deposits</i> at banks, and instruments that pursue a rate of return that approaches the interest rates of money-market instruments.</p> <p>It includes:</p> <ul style="list-style-type: none"> • cash common funds; • money-market funds; and • cash management trusts.
	<p>∴</p> <p>● —</p>
Non-financial businesses	Means <i>private non-financial investment funds</i> , <i>other private non-financial corporations</i> , <i>private unincorporated businesses</i> , <i>Commonwealth</i>

	<i>Government non-financial corporations and state, territory and local government non-financial corporations.</i>
<i>Non-money-market financial investment funds</i>	<p>Means collective investment schemes, such as trusts or corporations, that are constituted as legal entities. They raise funds by issuing shares or units to the public, either via a prospectus or a distribution channel such as a platform.</p> <p>The proceeds are used to purchase financial assets. The assets are owned by the investment fund and usually managed by licensed fund managers external to the fund. Investors are able to dispose of their units/shares on a well-developed secondary market such as a stock exchange or through readily accessible redemption facilities.</p> <p>It includes:</p> <ul style="list-style-type: none"> • funds with predominantly overseas property or infrastructure holdings; • listed and unlisted equity trusts (domestic and international); • listed and unlisted mortgage trusts; • listed investment companies; and • non-cash common funds. <p>It excludes: investment funds that predominately invest in non-financial assets. Report these in <i>private non-financial investment funds</i>.</p>
<i>Non-resident banks</i>	Means any <i>non-resident financial institution</i> whose business is to receive <i>deposits</i> (or close substitutes for <i>deposits</i>) and to extend credit or invest in securities on their own account.
<i>Non-resident superannuation funds</i>	Means any <i>non-resident</i> funds designed specifically for the purpose of providing a pension or other income stream on retirement.
	<p>It excludes:</p> <ul style="list-style-type: none"> • <i>other superannuation funds</i> that are <i>residents</i>; and • <i>self-managed superannuation funds</i> that are <i>residents</i>.
<i>Non-profit institutions (NPIs)</i>	Means any legal entity which: <ul style="list-style-type: none"> • is created for the purpose of producing goods and services, and; • whose articles of association prohibit it from being a source of income, profit or other financial gain to the units that establish, control or finance the legal entity.
<i>Other insurance corporations</i>	Means all insurance corporations registered as a general insurance company or private health insurance company with <i>APRA</i> under <i>the Insurance Act 1973</i> (or by virtue of determinations made by <i>APRA</i> under the <i>General Insurance Reform Act 2001</i>) or the <i>Private Health Insurance (Prudential Supervision) Act 2015</i> , respectively. This includes general, fire, accident, employer liability, household and consumer credit insurers and health insurance funds. They mainly offer house, car and marine insurance.
	<p>It includes the following even though these are not registered with <i>APRA</i>:</p> <ul style="list-style-type: none"> • Export Finance Insurance Corporation; and • private sector and government-owned general and health insurance

	<p>enterprises, both proprietary and mutual.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • life insurance companies, life reinsurance companies and friendly societies. Report these under <i>life insurance companies</i>; and • insurance brokers. Report these under <i>financial auxiliaries</i>.
Other private non-financial corporations	<p>Means corporations that are owned and controlled by the non-government sector, whose main activity is producing goods or non-financial services for sale at market prices. They may be listed on stock exchanges or unlisted.</p> <p>It includes:</p> <ul style="list-style-type: none"> • all private corporate non-financial enterprises, and <i>non-profit institutions</i> that are market producers of goods or non-financial services, other than <i>private non-financial investment funds</i>; • intra-group financiers (<i>Financial Sector (Collection of Data) Act 2001</i> Category I) and parent companies with significant holdings of shares in private trading companies; • privately owned schools and hospitals; • corporations that meet the above description that are owned by <i>households</i> (family companies); • any <i>private unincorporated business</i> that is a branch in Australia of a <i>non-resident</i> company and which is not a <i>financial institution</i>; • any <i>private unincorporated business</i> owned and operated by trading corporations (e.g. <i>joint ventures</i>); • holding companies with mainly non-financial corporations as subsidiaries; and • non-financial investment syndicates that are not open to public subscription. <p>It excludes:</p> <ul style="list-style-type: none"> • publicly listed property trusts. Report these under <i>private non-financial investment funds</i>; and • unincorporated businesses that are <u>not</u> branches of <i>non-resident</i> companies or joint ventures, or partnerships owned by corporations. Report unincorporated businesses other than those listed above under <i>private unincorporated businesses</i>.
Other superannuation funds	<p>Means funds established to provide benefits for their members on retirement, resignation, death or disablement that are regulated by <i>APRA</i>. A superannuation fund usually takes the legal form of a trust fund.</p> <p>This includes all superannuation funds that are regarded as complying funds for the purposes of the <i>Superannuation Industry (Supervision) Act 1993</i> (SIS Act) and other autonomous funds established for the benefit of public sector employees.</p> <p><i>Superannuation funds</i> with all of their assets invested with insurance offices are included.</p> <p>It includes:</p> <ul style="list-style-type: none"> • pooled superannuation trusts;

	<ul style="list-style-type: none"> public sector superannuation funds (including exempt public sector superannuation schemes (EPSSS); private sector superannuation funds; approved deposit funds; and superannuation funds established by <i>life insurance corporations</i>. <p>It excludes:</p> <ul style="list-style-type: none"> <i>self-managed superannuation funds</i>. Report these under <i>self-managed superannuation funds</i>; <i>retirement savings accounts</i>. Report these under <i>households</i>; and the Future Fund. Report this under <i>Commonwealth general government</i>.
<i>Private and public sector businesses</i>	<p>Means <i>community service organisations, non-financial businesses</i> and <i>financial institutions</i>.</p> <p>It excludes:</p> <ul style="list-style-type: none"> <i>households</i>; and <i>general government</i>.
<i>Private non-financial businesses</i>	<p>Means <i>private non-financial investment funds, other private non-financial corporations</i> and <i>private unincorporated businesses</i>.</p>
<i>Private non-financial corporations</i>	<p>Means <i>private non-financial investment funds</i> and <i>other private non-financial corporations</i>.</p>
<i>Private non-financial investment funds</i>	<p>Means collective investment schemes, such as trusts or corporations, in which investment funds are pooled and invested in predominantly long-term non-financial assets such as <i>property</i> or infrastructure. They raise funds by issuing shares or units to the public, either via a prospectus or a distribution channel such as a platform. Investors are able to dispose of their holdings through well-developed secondary markets such as a stock exchange or through readily accessible redemption facilities. Usually the management of funds is undertaken by a licensed fund manager external to the fund.</p> <p>It includes:</p> <ul style="list-style-type: none"> infrastructure funds (e.g. airports, pipelines); listed and unlisted property trusts (where the funds are predominantly invested in Australian property); and property common funds. <p>It excludes:</p> <ul style="list-style-type: none"> film funds. Report these in <i>other private non-financial corporations</i>; non-financial investment syndicates that are not open to public subscriptions. Report these under <i>other private non-financial corporations</i>; agricultural investment funds. Report these under <i>other private non-financial corporations</i>; funds predominantly investing in financial assets. Report these under <i>financial institutions</i>; and

	<ul style="list-style-type: none"> funds with overseas <i>property</i> investments. Report these under <i>non-money-market financial investment funds</i>.
Private unincorporated businesses	<p>Means persons acting as sole proprietors or in partnerships for <i>business</i> purposes. The major businesses in this sub-sector are unincorporated farms, unincorporated retailers, unincorporated professional practices (medical, legal, dental, accounting, etc.), unincorporated businesses of tradespeople such as plumbers, electricians, carpenters, etc.</p> <p>It includes:</p> <ul style="list-style-type: none"> <i>households</i> whose dealings with other sectors are for <i>business</i> purposes; and family trusts. <p>It excludes:</p> <ul style="list-style-type: none"> unincorporated businesses offering financial services. Report these under <i>financial institutions</i>; any unincorporated business that is a branch of a <i>non-resident</i> company. Report these under <i>other private non-financial corporations</i> or <i>financial institutions</i> as appropriate; unincorporated businesses that are owned by private trading corporations (e.g. <i>joint ventures</i>). Report these under <i>other private non-financial corporations</i> or <i>financial institutions</i> as appropriate; and government unincorporated enterprises that provide goods and services to the Australian Commonwealth, state or local government and/or to the public for free or at prices that are not economically significant (e.g. government employee cafeterias, munitions factories). Report these under <i>general government</i>.
Public non-financial corporations	Means <i>Commonwealth Government non-financial corporations</i> and <i>state, territory and local government non-financial corporations</i> .
Real estate investment trusts (REITs)	<p>Means investment vehicles with funds invested in a variety of <i>property</i> assets.</p> <p><i>REITs</i> are a type of <i>private non-financial investment fund</i>.</p>
Registered financial corporations (RFCs)	<p>Means corporations that are registered entities under the <i>Financial Sector (Collection of Data) Act 2001</i> that are classified as Category 'D' or 'Other' by <i>APRA</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> money market corporations (category 'D'); and pastoral finance companies, finance companies and general financiers (category 'Other' (formerly categories 'E', 'F' and 'G')). <p>It excludes:</p> <ul style="list-style-type: none"> intra-group financiers registered under the <i>Financial Sector (Collection of Data) Act 2001</i> category 'I'. Report these under <i>other private non-financial corporations</i>; and cash management trusts. Report these under <i>money-market</i>

	<i>investment funds.</i>
Reserve Bank of Australia (RBA)	<p>Means Australia's central bank. Its main responsibilities include the conduct of monetary policy and maintaining the stability of the financial system.</p> <p>The RBA is an active participant in financial markets, manages Australia's foreign reserves, issues Australian currency notes and serves as the banker to the Australian Government and the banking system.</p>
Securitisers	<p>Means issuers of <i>asset-backed securities</i> created through the process of <i>securitisation</i>.</p> <p>It excludes: issuers of <i>covered bonds</i>. Report these as ADIs.</p>
Self-managed superannuation funds (SMSFs)	<p>Means a fund that meets the conditions in sections 17A and 17B of the <i>Superannuation Industry (Supervision) Act 1993</i>.</p> <p>SMSFs are established to provide benefits for its members on retirement, resignation, death or disablement, with the superannuation fund usually taking the legal form of a trust fund.</p> <p>It includes: superannuation funds with 1-4 members that are regulated by the Australian Taxation Office.</p> <p>It excludes: superannuation funds with 5 or more members. Report these under <i>other superannuation funds</i>.</p>
Special purpose vehicle (SPV)	<p>Means a legal entity created at the direction of a sponsor.</p> <p>The SPV can take the form of a corporation, trust, partnership or a limited liability company. SPVs are generally structured to be bankruptcy remote from the sponsor, so that if the sponsor enters bankruptcy proceedings, the sponsor's creditors cannot seize the assets of the SPV.</p> <p>SPVs are often used during the <i>securitisation</i> process, where the cash flow-producing assets backing the security are often sold to an SPV.</p> <p>SPVs do not fit within a single sub-sector, and may be reported under <i>non-financial businesses</i> or <i>financial institutions</i> as appropriate.</p>
State, territory and local general government	<p>Means entities that provide non-market goods and services, principally financed by taxes, for free or at a price well below the cost of production. These entities regulate economic activity, maintain law and order and redistribute income and wealth by means of transfers.</p> <p>It includes:</p> <ul style="list-style-type: none"> • state and local government unincorporated enterprises that provide goods and services to their government and/or to the public for free or at prices that are not economically significant (e.g. government employee cafeterias, municipal swimming pools); • non-profit institutions (NPIs) controlled and mainly financed by state and local government; • state government quasi-corporations which sell their output, at near market prices, exclusively to other government units (e.g. government printers); • state and territory government departments and agencies; and • public (state) schools, technical and further education colleges and

	<p>state-owned hospitals.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • all state and local government trading enterprises and financial enterprises (e.g. rail, and municipal water authorities). Report these under <i>state, territory and local government non-financial corporations</i> or <i>financial institutions</i> as appropriate; • state and territory <i>central borrowing authorities</i> or treasury corporations. Report these under <i>central borrowing authorities</i>; and • NPIs credited for philanthropic purposes that are financed mainly from donations or government grants. Report these under <i>community service organisations</i>.
<i>State, territory and local government non-financial corporations</i>	<p>Means businesses that are owned and controlled by state, territory or local governments and that produce goods or non-financial services for sale at <i>market prices</i>.</p> <p>It includes: all <i>resident</i> trading enterprises of which 50% or more is owned by state, territory or local government or controlled by state, territory or local government through legislation, decree or regulation (e.g. state rail and water authorities, gas and fuel authorities, housing commissions, port authorities, non-privatised power authorities).</p> <p>It excludes:</p> <ul style="list-style-type: none"> • state, territory or local government-owned <i>financial institutions</i>. Report these under <i>financial institutions</i>; • entities in the general government and government departments. Report these under <i>general government</i>; and • state and territory <i>central borrowing authorities</i> or treasury corporations. Report these under <i>central borrowing authorities</i>.
<i>Superannuation funds</i>	Means <i>self-managed superannuation funds</i> and <i>other superannuation funds</i> .

Related Parties

13. Key terms in the EFS collection relating to *related parties* are defined as follows:

<i>Associated entities</i>	Has the meaning as in AASB 128 <i>Investments in Associates and Joint Ventures</i> (AASB 128).
<i>Controlled entities</i>	Has the meaning as in AASB 3 Business Combinations (AASB 3) , AASB 10 Consolidated Financial Statements (AASB 10) , AASB 127 Separate Financial Statements (AASB 127) AASB 3, AASB 127 and AASB 128.
<i>Intra-group</i>	<p><i>Intra-group</i> transactions or positions are those undertaken with <i>related parties</i> of the <i>ADI</i> or <i>RFC</i> that are not consolidated at the <i>domestic books</i> level.</p> <p><i>Related parties</i> of the <i>ADI</i> or <i>RFC</i> include the <i>parent entity</i>, <i>controlled entities</i>, <i>associated entities</i>, <i>joint venture entities</i> and other branches under the same <i>parent entity</i>.</p>
<i>Joint venture</i>	Has the meaning as in AASB 11 <i>Joint Arrangements</i> (AASB 11), AASB 127

<i>entities / joint ventures</i>	and AASB 128.
<i>Non-related parties</i>	Any party that is not a <i>related party</i> .
<i>Parent entity</i>	Has the meaning as in AASB 3, AASB 10 , AASB 127 and AASB 128.
<i>Overseas operations</i>	For an Australian-owned <i>ADI</i> or <i>RFC</i> , <i>overseas operations</i> refer to overseas branches and/or overseas-based banking operations. ‘Australian-owned <i>ADI</i> ’ refers to an <i>ADI</i> that is not a foreign-owned <i>ADI</i> or <i>RFC</i> . For a foreign-owned <i>ADI</i> or <i>RFC</i> , <i>overseas operations</i> refer to the overseas <i>parent entity</i> . ‘Foreign-owned <i>ADI</i> ’ means an <i>ADI</i> in relation to which an approval has been given, under section 14 of the <i>Financial Sector (Shareholdings) Act 1998</i> , for a bank that is not locally incorporated to hold a stake of more than 15 per cent in the <i>ADI</i> .
<i>Related party</i>	Means a <i>parent entity</i> , <i>controlled entity</i> , <i>associated entity</i> , <i>joint venture entity</i> and any other entity under the same <i>parent entity</i> .

Industry definitions

14. Key terms in the EFS collection relating to industry classifications are defined as follows:

<i>Accommodation and food services</i>	Means businesses mainly engaged in providing short-term accommodation for visitors. Also included are businesses mainly engaged in providing food and beverage services, such as the preparation and serving of meals and the serving of alcoholic beverages for consumption by customers, both on- and off-site.
<i>Administrative and support services</i>	Means businesses engaged in performing routine support activities for the day-to-day operations of other businesses or organisations. Businesses providing administrative support services are mainly engaged in activities such as office administration; hiring and placing personnel for others; preparing documents; taking orders for clients by telephone; providing credit reporting or collecting services; and arranging travel and travel tours. Businesses providing other types of support services are mainly engaged in activities such as buildings and other cleaning services; pest control services; gardening services; and packaging products for others. The activities undertaken by businesses in this industry are often integral parts of the activities of businesses found in all sectors of the economy. Recent trends have moved more towards the outsourcing of such non-core activities. The businesses classified in this industry specialise in one or more of these activities and can, therefore, provide services to a variety of clients.
<i>Agriculture, forestry and fishing</i>	Means businesses mainly engaged in growing crops, raising animals, growing and harvesting timber, and harvesting fish and other animals from farms or their natural habitats.
<i>Arts and recreation services</i>	Means businesses mainly engaged in the preservation and exhibition of objects and sites of historical, cultural or educational interest; the production of original artistic works and/or participation in live performances, events, or

	exhibits intended for public viewing; and the operation of facilities or the provision of services that enable patrons to participate in sporting or recreational activities, or to pursue amusement interests.
Construction (industry)	<p>Means businesses mainly engaged in construction, additions, alterations, reconstruction, installation, and maintenance and repairs of buildings and other structures. Businesses engaged in demolition or wrecking of buildings and other structures, and clearing of building sites are included. It also includes businesses engaged in blasting, test drilling, landfilling, levelling, earthmoving, excavation, land drainage and other land preparation.</p> <p>Construction includes:</p> <ul style="list-style-type: none"> • residential building construction; • non-residential building construction; and • other construction.
Education and training	<p>Means businesses mainly engaged in the provision and support of education and training, except those engaged in the training of animals e.g. dog obedience training, horse training (report these in other services).</p> <p>Education may be provided in a range of settings, such as educational institutions, the workplace, or the home. Generally, instruction is delivered through face-to-face interaction between teachers/instructors and students, although other means and mediums of delivery, such as by correspondence, radio, television or the internet, may be used.</p>
Electricity, gas, water and waste services	Means businesses engaged in the production of electricity; gas through mains systems; water; drainage; and sewage services. The industry also includes businesses mainly engaged in the collection, treatment and disposal of water materials; remediation of contaminated materials (including land); and materials recovery activities.
Financial and insurance services	<p>Means businesses mainly engaged in financial transactions involving the creation, liquidation or change in ownership of assets, and/or in facilitating financial transactions.</p> <p>The range of activities includes raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities; businesses investing their own funds in a range of financial assets; pooling risk by underwriting insurance and annuities; separately constituted funds engaged in the provision of retirement incomes and specialised services facilitating or supporting financial intermediation, insurance and employee benefit programs. Also included are central banking, monetary control and the regulation of financial activities.</p>
Health care and social assistance	Means businesses mainly engaged in providing human health care and social assistance. Businesses engaged in providing these services apply common processes, where the labour inputs of practitioners with the requisite expertise and qualifications are integral to production or service delivery.
Information media and telecommunications	<p>Means businesses mainly engaged in:</p> <ul style="list-style-type: none"> • creating, enhancing and storing information products in media that allows for their dissemination; • transmitting information products using analogue and digital services

	<p>(via electronic, wireless, optical or other means); and</p> <ul style="list-style-type: none"> • providing transmission services and/or operating the infrastructure to enable transmission and storage of information and information products.
Manufacturing	<p>Means businesses mainly engaged in the physical or chemical transformation of materials, substances or components into new products (except agriculture and construction). The materials, substances or components transformed by businesses in this industry are raw materials that are products of agriculture, forestry and fishing, mining or products of other manufacturing businesses.</p> <p>Activities undertaken by businesses incidental to their manufacturing activity, such as selling directly to the consumer products manufactured on the same premises from which they are sold, such as bakeries and custom tailors, are also included in this industry. If, in addition to self-produced products, other products that are not manufactured by the same business are also sold, the rules for the treatment of mixed activities have to be applied and businesses classified according to their predominant activity.</p> <p>Assembly of the component parts of manufactured products, either self-produced or purchased from other businesses, is considered manufacturing. For example, assembly of self-manufactured prefabricated components at a construction site is considered manufacturing, as the assembly is incidental to the manufacturing activity. Conversely, when undertaken as a primary activity, the on-site assembly of components manufactured by others is considered to be construction.</p>
Mining	<p>Means businesses that mainly extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include underground or open cut mining; dredging; quarrying; well operations or evaporation pans; recovery from ore dumps or tailings as well as beneficiation activities (i.e. preparing, including crushing, screening, washing and flotation) and other preparation work customarily performed at the mine site or as part of the mining activity.</p>
Non-residential building construction	<p>This class consists of units mainly engaged in the construction of non-residential buildings such as hotels, motels, hostels, hospitals, prisons or other buildings, in carrying out alterations, additions or renovation to such buildings, or in organising or managing these activities.</p>
Other construction	<p>This class consists of units mainly involved in heavy and civil engineering construction, or other construction services including: land development and site preparation; building structure services; building installation services; building completion services; and other construction services (such as landscaping or the hire of construction machinery).</p>
Other services	<p>Means businesses involved in a broad range of personal services; religious, civic, professional and other interest group services; selected repair and maintenance activities; and private households employing staff.</p> <p>Businesses in this division are mainly engaged in providing a range of personal care services, such as hair, beauty and diet and weight management services; providing death care services; promoting or administering religious</p>

	<p>events or activities; or promoting and defending the interests of their members.</p> <p>Also included are businesses mainly engaged in repairing and/or maintaining plant and equipment (except ships, boats, aircraft, or railway rolling stock) or other items (except buildings); as well as businesses of households that engage in employing workers on or about the premises in activities primarily concerned with the operation of households.</p>
Professional, scientific and technical services	<p>Means businesses engaged in providing these services apply common processes where labour inputs are integral to production or service delivery. The activities undertaken generally require a high level of expertise and training and formal (usually tertiary level) qualifications. Businesses in this industry specialise and sell this expertise and, in most cases, equipment and materials are not major inputs.</p> <p>Professional, scientific and technical services include scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography.</p>
Public administration and safety	<p>Means businesses mainly engaged in central, state or local government legislative, executive and judicial activities; in providing physical, social, economic and general public safety and security services; and in enforcing regulations. Also included are businesses of military defence, government representation and international government organisations.</p>
Rental, hiring and real estate services	<p>Means businesses mainly engaged in renting, hiring or otherwise allowing the use of assets (except copyrights), and businesses providing related services. The assets may be tangible, as in the case of real estate and equipment, or intangible, as in the case with patents and trademarks.</p> <p>The industry also includes businesses engaged in providing real estate services such as selling, renting and/or buying real estate for others, managing real estate for others and appraising real estate.</p>
Residential building construction	<p>This class consists of units mainly engaged in the construction of dwellings (both freestanding houses and residential buildings (e.g. semi-detached houses, duplex houses, apartments, or flats)) or in carrying out alterations, additions or renovations to such buildings, or in organising or managing these activities.</p>
Retail trade	<p>Means businesses mainly engaged in the purchase and on-selling, the commission-based buying, and the commission-based selling of goods, without significant transformation, to the general public (households).</p> <p>The retail trade industry also includes businesses that purchase and on-sell goods to the general public using non-traditional means, including the internet. Businesses are classified to the retail trade industry in the first instance if they buy goods and then on-sell them (including on a commission basis) to the general public.</p> <p>Retail businesses generally operate from premises located and designed to attract a high volume of walk-in customers, have an extensive display of goods, and/or use mass media advertising designed to attract customers. The display and advertising of goods may be physical or electronic. Also include</p>

	<p>businesses that sell to both businesses and the general public that have these characteristics.</p> <p>Physical display and advertising includes shops, printed catalogues, billboards and print advertisements. Electronic display and advertising includes catalogues, internet websites, television and radio advertisements and infomercials. While non-store retailers, by definition, do not possess the physical characteristics of traditional retail businesses with a physical shop-front location, these businesses share the requisite function of the purchasing and on selling of goods to the general public, and are therefore included in this industry.</p>
<i>Transport, postal and warehousing</i>	<p>Means businesses mainly engaged in providing transportation of passengers and freight by road, rail, water or air. Include other transportation activities such as postal services, pipeline transport and scenic and sightseeing transport. Businesses mainly engaged in providing foods warehousing and storage activities are included. The industry also includes businesses mainly engaged in providing support services for the transportation of passengers and freight. These activities include stevedoring services, harbor services, navigation services, airport operations and customs agency services.</p>
<i>Wholesale trade</i>	<p>Means businesses mainly engaged in the purchase and on-selling, the commission-based buying, and the commission-based selling of goods, without significant transformation, to businesses.</p> <p>Businesses are classified to the <i>wholesale trade</i> industry in the first instance if they buy goods and then on-sell them (including on a commission basis) to businesses.</p> <p>Wholesalers' premises are usually a warehouse or office with little or no display of their goods, large storage facilities, and are not generally located or designed to attract a high proportion of walk-in customers. Wholesaling is often characterised by high value and/or bulk volume transactions, and customers are generally reached through trade-specific contracts. Also include businesses that sell to both other businesses and the general public (<i>households</i>) that also have these characteristics.</p>

Finance purpose

15. Key terms in the EFS collection relating to finance purpose are defined as follows:

<i>Business (purpose)</i>	<p>Means transactions by persons, legal entities or other organisations related to their activities in the production and sale of goods and services for profit.</p> <p>Also includes the transactions of <i>non-profit institution</i> such as <i>community service organisations</i>.</p> <p>It includes: transactions by <i>private and public sector businesses</i>.</p>
<i>Housing (purpose)</i>	<p>Means transactions by <i>households</i> related to the provision of <i>residential property</i> for use by the <i>household</i> sector.</p> <p><i>Housing</i> includes transactions to finance or refinance the <i>construction</i> or purchase of <i>newly erected dwellings</i> or <i>existing dwellings, alterations, additions and repairs</i> or to purchase <i>residential land</i>.</p>

	<p>It includes: finance to the <i>household</i> sector.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • finance to businesses that develop or purchase <i>residential property</i>. Record these transactions as <i>business</i> purposes; and • finance that is <i>secured</i> against a <i>residential property</i>, but where the funds are used for a purpose other than <i>housing</i>. Record these transactions as <i>business</i> or <i>personal</i> purposes.
<i>Personal (purpose)</i>	Means transactions by persons within the <i>household</i> sector whose dealings with other sectors are for purposes other than <i>business</i> purposes or <i>housing</i> purposes.
<i>Purpose class</i>	Means the initial classification of finance into <i>housing</i> , <i>personal</i> or <i>business</i> .
<i>Purpose sub-class</i>	Refers to the secondary classification of finance by intended use.
<i>Residential property / property (purpose)</i>	Refers to the classification of <i>residential property</i> for which finance has been extended to a <i>household</i> by (intended) occupancy into <i>owner occupied</i> or <i>investment</i> .

Steps in the provision of finance

16. Key terms in the EFS collection relating to steps in the provision of finance are defined as follows, given in the approximate sequence in which the steps occur:

<i>Application</i>	<p>A genuine <i>application</i> for finance made by a potential borrower.</p> <p>It includes: <i>internal refinancing</i>. Report the total amount of finance applied for.</p> <p>It excludes: <i>applications</i> for pre-approval of finance.</p>
<i>Received (application)</i>	<p>An <i>application</i> for finance is <i>received</i> by the <i>ADI</i> or <i>RFC</i> when sufficient information and/or relevant documentation have been submitted to allow for the <i>application</i> to be initially assessed.</p> <p>It includes: any <i>applications</i> subsequently withdrawn or cancelled in the same reporting period the <i>application</i> is <i>received</i>.</p>
<i>Borrower-accepted commitment (commitment)</i>	<p>Means a firm offer to provide finance that has been accepted by the borrower.</p> <p>A <i>borrower-accepted commitment</i> exists for a <i>loan</i> or <i>finance lease</i> once an <i>application</i> has been <i>approved</i>, a <i>loan/finance lease</i> contract or letter of offer has been issued to the borrower, and the borrower has accepted the offer.</p> <p>For <i>bills</i>, a <i>borrower-accepted commitment</i> occurs when the <i>bill</i> is <i>accepted</i>.</p> <p>It includes: agreements to increase the <i>credit limit</i> of an existing <i>loan</i> contract (for example, as part of an <i>internal refinancing</i>).</p>
<i>Funded</i>	A <i>loan</i> or <i>finance lease</i> is considered <i>funded</i> once any portion of the funds

	<p>is made available for the borrower to draw down according to the terms of the contract. This will occur after there is a borrower-accepted commitment to provide finance.</p> <p>For fixed-term loans and finance leases, the entire value of the loan or finance lease is to be reported as funded in the period in which the credit is first made available to the borrower (whether or not it is drawn down within that period). If the loan is disbursed over a period of time (multiple drawdowns) then report only the portion made available to the borrower for the first time that period (whether or not it is drawn down within that period).</p> <p>For revolving credit facilities, the entire value of the credit limit is reported as funded in the period in which the credit is first made available to the borrower (whether or not it is drawn down within that period).</p> <p>For internal refinances, report the total value refinanced, not just the increase in the credit limit.</p> <p>Report values gross of offset account balances and of redraw facilities.</p>
Drawdown / drawn down	<p>Once a borrower-accepted commitment to provide finance has been funded, the approved amount of finance may be drawn and used by the borrower.</p> <p>Any amounts drawn down by the borrower are included in credit outstanding from the period in which they are drawn (and not the period in which they were committed).</p>
Credit outstanding	<p>Once a borrower-accepted commitment has been drawn down, the remaining value that the borrower must repay – the current loan or finance lease balance outstanding – is the amount of credit outstanding. Report the balance gross of collective provisions and individual provisions. Exclude finance that has been written off.</p> <p>For fixed-term loans and finance leases, report the balance owed by the borrower(s) at the end of the reporting period (including capitalised interest or fees). The credit outstanding is the original commitment less any repayments, plus any redraw facilities drawn, but excluding any deposit balances in offset accounts (i.e. report gross of offset account balances).</p> <p>For revolving credit facilities, report the drawn amount.</p> <p>For bills, report the amount repayable by the borrower.</p>
Credit outstanding, net of offset account balances	<p>Credit outstanding net of offset account balances is the value of credit outstanding for finance net of any linked offset account balances.</p> <p>For fixed-term loans and finance leases, report the amount owed by the borrower(s) at the end of the reporting period (including capitalised interest or fees). The credit outstanding is the original commitment less any repayments, plus any redraw facilities drawn, less any deposit balances in offset accounts (i.e. report net of offset account balances). If the value in the offset account exceeds the value of the loan, then treat credit outstanding as zero for that loan.</p> <p>For revolving credit facilities, report the drawn amount.</p>

Credit limit	<p>Means the maximum amount of funds available to the borrower without additional authorisation or approval. For a <i>borrower accepted commitment</i>, this is the maximum amount of funds that will be made available to the borrower without additional authorisation or approval. Include outstanding balances (including capitalised interest or fees) and any other funds that can be drawn without additional approval by the lender in this amount.</p> <p>For <i>fixed-term loans</i>, report the amortised value of the loan, gross of balances in <i>offset accounts</i> (i.e. do not subtract <i>offset account</i> balances from the <i>loan</i> balance) unless otherwise directed.</p> <p>For <i>revolving credit</i>, any amounts in a net-deposit position do not add to the <i>credit limit</i>.</p> <p>For <i>margin lending</i>, the <i>credit limit</i> reflects the maximum that the borrower can <i>draw down</i> based on the <i>loan</i> conditions (such as the notional <i>credit limit</i> and the maximum allowable <i>loan-to-valuation ratio</i>) and the value of the <i>security</i> underlying the <i>loan</i>.</p>
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Other definitions

17. Key terms in the EFS collection relating to general concepts are defined as follows:

A

AASB	Has the meaning in section 9 of the <i>Corporations Act 2001</i> .
ABS	Means the Australian Bureau of Statistics established under the <i>Australian Bureau of Statistics Act 1975</i> .
Acceptances	See <i>accepted bills of exchange</i> .
Accepted (bills of exchange)	Means <i>bills of exchange</i> that have been signed by the drawee, which 'accepts' liability to pay out the funds on the due date. The drawer incurs a corresponding liability towards the drawee.
Account servicing fees charged	<p>Means fees charged to cover regular account-keeping costs.</p> <p>It includes:</p> <ul style="list-style-type: none"> • periodic servicing fees (including periodic charges where the fee is a fixed amount and not dependent on the number of transactions); and • package fees (for example, professional packages). Include these with the product (<i>deposit</i> account or <i>loan</i>) that they most relate to. <p>For <i>loans</i> and <i>finance leases</i> it also includes:</p> <ul style="list-style-type: none"> • <i>loan</i> and <i>finance lease</i> establishment and deferred establishment fees; and • application and settlement fees.
Acquisitions	Means where a business buys part (or all) of another business, in order to assume control of the firm.
Additional Tier 1 capital instruments	Means instruments that meet the definition of Additional Tier 1 Capital in <i>Prudential Standard APS 111 Capital Adequacy: Measurement of Capital</i> (APS 111). Excludes instruments that do not fully meet the criteria in

	Attachment E (whether or not these are eligible for transitional treatment under Attachment L of APS 111).
Advertising expenses	Refers to costs incurred by a business for promotional and publicity campaigns aimed at bringing the activities of the business to the attention of consumers for the purpose of increasing sales. It excludes: <ul style="list-style-type: none"> • in-house costs (e.g. <i>wages and salaries</i> of own advertising staff); and • sponsorship expenses.
Allocated gold	Means an account that provides ownership of a specific piece of gold.
Alterations, additions and repairs	Means any structural or non-structural change to existing <i>residential property, non-residential buildings</i> or <i>non-building structures</i> . It includes: <ul style="list-style-type: none"> • repairs and maintenance; • structural and non-structural changes to <i> dwellings</i> (e.g. garages, carports, pergolas, re-roofing, re-cladding etc.); • structural and non-structural changes to <i>non-residential buildings</i> (e.g. renovations and refits); and • non-building work that improves the value of properties with attached <i> dwellings</i> or <i>non-residential buildings</i> (e.g. pools or landscaping). It excludes: <ul style="list-style-type: none"> • <i> dwelling</i> or <i>non-residential building</i> furnishings not attached to the <i>property</i>. Report these under the appropriate <i>personal</i> or <i>business purpose sub-class</i>; • changes to <i> dwellings</i> that result in the creation of new <i> dwelling</i> (e.g. an attached granny-flat). Report these as <i>construction</i>; and • conversions from <i>non-residential buildings</i> to <i> dwellings</i> (and vice versa). Report these as <i>construction</i>.
Amortisation and impairment of software	Report <i>Amortisation and impairment of software</i> in accordance with the treatment of computer software as outlined by <i>AASB 138 Intangible Assets</i> (AASB 138).
Amortising	Refers to <i>loans</i> on which interest is paid and principal is automatically amortised. Also known as principal and interest (P&I).
APRA	Means the Australian Prudential Regulation Authority established under the <i>Australian Prudential Regulation Authority Act 1998</i> .
Asset-backed securities	Means <i>debt securities</i> that are backed by cash flows from assets such as <i>loans</i> . <i>Asset-backed securities</i> are similar to <i>covered bonds</i> , but in the event of bankruptcy, the investor has recourse only to the <i>collateral</i> and not the originator or servicer of the <i>loans</i> or <i>finance leases</i> .
Audit and other accounting services	Refers to the costs incurred for the professional advice and skills of an auditor or accountant. It includes:

<i>expense</i>	<ul style="list-style-type: none"> • cost of producing annual or sub-annual financial reports; • preparing other financial accounts; • auditing services; and • carrying out other accounting services.
<i>Australian equities</i>	Means shares that are quoted on Australian securities exchanges.
<i>Australian Government Securities</i>	Means all securities issued by the Australian Government at tenders conducted by the Australian Office of Financial Management (AOFM). It includes: Treasury bonds, Treasury notes, Treasury indexed bonds and, previously, Treasury adjustable rate bonds issued by the Australian Government at tenders or through syndication by the AOFM.
<i>Available for re-use</i>	Means securities that are received as <i>collateral</i> for one transaction and also used as <i>collateral</i> for another transaction. This is distinct from re-hypothecation, which is a subset of re-use but for client assets only.

B

<i>Banking book</i>	Means positions in financial instruments that do not constitute part of the <i>trading book</i> .
<i>Bills of exchange (bills)</i>	<i>Bills of exchange</i> are defined in the <i>Bills of Exchange Act 1909</i> . Generally speaking, a <i>bill of exchange</i> is an unconditional order in writing, addressed by one person to another, signed by the person giving it (the drawer), requiring the person to whom it is addressed (the drawee or acceptor) to pay on demand, or at a fixed or determinable future time, a sum of money to, or to the order of, a specified party, or to bearer. It is typically a negotiable instrument with an <i>original maturity</i> of 180 days or less.
<i>Benchmark rate</i>	Means the base -rate at which the <i>ADI</i> or <i>RFC</i> can issue <i>senior unsecured debt</i> in the relevant currency as used in the calculation of internal transfer pricing . Express the <i>benchmark rate</i> as an outright rate (not a spread).
<i>Break charged fees</i>	Means fees charged by the lender when a customer terminates a contract early. For example, when a customer: <ul style="list-style-type: none"> • with a <i>fixed interest rate loan</i> repays a greater value of their <i>loan</i> within a specified period than is allowed under the contract, or refinances or repays the <i>loan</i> before the end of the <i>fixed interest rate</i> period; • with a <i>finance lease</i> terminates the contract before its contractual expiry date; • with a <i>fixed-term deposit</i> withdraws some or all of their funds before the end of the fixed period.

C

Capital expenditure	<p>Refers to the sum of outlays incurred for the purchase of fixed tangible assets and/or <i>intangible assets</i> by the business during the reference period. Include capital work done by own <i>employees</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • all costs capitalised in this business' books (including legal fees, real estate transfer costs and assets acquired under <i>finance leases</i>); • progress payments made to contractors for capital work done by them; and • major improvements, alterations and additions to <i>property, plant and equipment</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • progress payments for <i>plant and equipment</i> being produced on order; • payments for repair and maintenance of <i>property, plant and equipment</i>; and • <i>interest expense incurred</i>.
Capital profits reserve	<p>Means the realised value of revaluations associated with an asset or class of assets that have been disposed of. These assets have been subject to the fair value basis of measurement and revaluations accounted for in accordance with accounting standard <i>AASB 116 Property, Plant and Equipment</i> (AASB 116). Due to the disposal of these assets, the balance of the asset revaluation reserve (ARR) associated with these assets has been transferred to a <i>capital profits reserve</i>.</p>
Capitalised expenses	<p>Refers to delaying the recognition of expenses by recording the expense as a <i>long-term</i> asset.</p>
Cash currency	<p>Means the currency in which the cash leg of the <i>repo</i> or <i>reverse repo</i> is denominated.</p>
Centrally cleared	<p>Means principal-to-principal transactions novated by a central counterparty rather than settled on a bilateral basis.</p>
Certificates of deposit	<p>Means a category of <i>debt securities</i> that are issued at a discount to face value.</p> <p>Includes <i>negotiable certificates of deposit</i> and <i>non-negotiable certificates of deposit</i>.</p>
Cleaning services provided by other businesses	<p>Refers to expenses that are incurred when the business' premises are cleaned by an external business.</p> <p>It includes:</p> <ul style="list-style-type: none"> • building cleaning; • office cleaning; • window cleaning; • furniture cleaning; and • removal of waste from inside to areas outside the office compounds. <p>It excludes: <i>wages and salaries</i> of own <i>employees</i> engaged in cleaning</p>

	activities.
Collateral	Means an asset provided by one party to be held by the counterparty in an agreement in order to provide cover against credit risk exposure taken in respect of the party providing <i>collateral</i> .
Collective provision	Means all provisions for impairment assessed by an <i>ADI</i> or <i>RFC</i> on a collective basis as defined by the Australian Accounting Standards.
Commercial paper	<p>Means a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a discount to the face value.</p> <p><i>Commercial paper</i> is also referred to as promissory notes or one name paper, and is a type of <i>short-term debt security</i>.</p> <p>It includes: promissory notes, one name paper, and asset-backed commercial paper.</p> <p>It excludes: floating-rate notes and similar <i>long-term debt securities</i> with a <i>short-term interest rate</i>.</p>
Commercial property (loan/lending)	<p>Refers to <i>loans</i> representing <i>commercial property</i> exposures as outlined in <i>Reporting Standard ARS 230.0 Commercial Property</i> (ARS 230.0).</p> <p>Generally speaking, <i>commercial property loans</i> involve the provision of a <i>facility</i> for the development, acquisition or improvement of landed <i>property</i> (real estate) where the servicing and repayment of the <i>facility</i> is dependent on the cash flows generated by the <i>property</i> itself through sale or rental income, and/or from cash flows generated from other <i>properties</i> owned by the borrower and where the <i>loan</i> is not to <i>households</i>.</p> <p>It includes: <i>land</i> development and subdivisions.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i>owner-occupied housing loans</i> to <i>households</i>; • <i>investment housing loans</i> to <i>households</i>; • <i>loans</i> to private family companies and/or family trusts for <i>residential property</i>, where the <i>residential property</i> is occupied by the directors or principal beneficiaries of the family trust; and • facilities provided for the acquisition of property to be used for generating income primarily other than through rent or sale. <p>For more detailed definitions see ARS 230.0.</p>
Commingled pool	Means a fund consisting of a diverse set of assets.
Communications equipment	<p>It includes:</p> <ul style="list-style-type: none"> • telecommunications equipment; • main exchange and other switching equipment; • electronic switchboards; • cable/wire for communications purposes; • television and radio broadcast studio equipment; • television and radio transmitters and radio transceivers; and

	<ul style="list-style-type: none"> • modems.
<i>Computer software capitalised</i>	<p>It includes:</p> <ul style="list-style-type: none"> • capitalised computer software license fees; • installation costs; • purchase or development of large databases; • computer software developed in-house; and • capitalised payments to contractors and consultants for software development. <p>It excludes:</p> <ul style="list-style-type: none"> • <i>computer software expensed</i>; and • software maintenance.
<i>Computer software expensed</i>	<p>Refers to costs incurred related to computer software.</p> <p>It includes:</p> <ul style="list-style-type: none"> • installation costs paid to external service providers; • purchase costs; and • expensed computer software licence fees. <p>It excludes:</p> <ul style="list-style-type: none"> • <i>computer software capitalised</i>; • other information technology licence fees and <i>royalties</i>; and • software maintenance.
<i>Computers and computer peripherals</i>	<p>It includes:</p> <ul style="list-style-type: none"> • multi-user, desktop and portable computers; • computer file servers; and • laser printers and other peripherals. <p>It excludes: modems.</p>
<i>Construction (purpose)</i>	<p>Means the creation of <u>new</u> <i> dwellings, non-residential buildings or non-building structures.</i></p> <p>For <i>dwellings</i>, include:</p> <ul style="list-style-type: none"> • <i>newly erected dwellings</i>; • changes to <i>existing dwellings</i> that result in the creation of a new <i>dwelling</i> (e.g. a granny-flat); and • conversions from <i>non-residential buildings</i> to <i>dwellings</i> (e.g. a warehouse converted to apartments). <p>For <i>non-residential building</i>, include: conversions from <i>dwellings</i> to <i>non-residential buildings</i>.</p>
<i>Contract expense not elsewhere included</i>	<p>Refers to costs incurred to other businesses and self-employed persons for work done on a contract basis.</p> <p>It includes:</p> <ul style="list-style-type: none"> • payments to other businesses and self-employed persons for work done on a contract basis;

	<ul style="list-style-type: none"> • contractors and subcontractors and their and their <i>employees</i>; and • owner/drivers.
Convertible note	<p>Means a type of <i>hybrid security treated as liabilities</i> under Australian Accounting Standards. It is an instrument that contains a provision under which it may be converted from debt to equity under specific circumstances.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>Additional Tier 1 capital instruments</i> that are treated as liabilities under Australian Accounting Standards; and • <i>Tier 2 capital instruments</i>.
Cost of funds	<p>Means the institution's internal funds transfer pricing rate for an asset. The price is established by the institution's treasury area and 'charged' to the relevant business area.</p> <p>Where there are multiple <i>costs of funds</i> within a line item, represent the weighted average of these amounts in the reported value.</p>
Covered bond collateral pool	<i>Covered bond collateral pool</i> has the meaning of 'cover pool' as in the <i>Banking Act 1959</i> .
Covered bonds	<p><i>Covered bonds</i> has the meaning in the <i>Banking Act 1959</i>. They are <i>debt securities</i> issued by an <i>ADI</i> that are backed by a ring-fenced pool of assets, such as <i>housing loans</i>.</p> <p><i>Covered bonds</i> are similar to <i>asset-backed securities</i>, but in the event of bankruptcy, the investor has recourse to both the <i>collateral</i> and the originator or servicer of the <i>loans</i> or <i>finance leases</i>.</p>
Credit cards	<p>Means a card whose holder has been granted a <i>revolving credit</i> line. The card enables the holder to make purchases and/or cash advances up to a pre-arranged limit. The credit granted can be settled in full by the end of a specified period or in part, with the balance taken as extended credit. Interest may be charged on the transaction amounts from the date of each transaction or only on the extended credit where the credit granted has not been settled in full.</p> <p>It includes: charge cards. Charge cards are <i>credit cards</i> that must be paid in full at the end of each statement period.</p> <p>It excludes: <i>debit cards</i>, including those linked to accounts with overdraft facilities.</p>

D

Debit cards	Means a card that enables a customer to access funds in a <i>deposit</i> account to make purchases and/or withdraw cash.
Debt securities	<p>Means transferable instruments evidencing a relationship of indebtedness. They are characterised by having a definable return that is not based on the economic performance of the issuing entity.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>negotiable certificates of deposit</i>;

	<ul style="list-style-type: none"> • <i>bills of exchange</i>; and • <i>hybrid securities treated as liabilities</i> under Australian Accounting Standards.
<i>Debt securities excluding hybrids</i>	Means all <i>debt securities</i> other than <i>hybrid securities treated as liabilities</i> .
<i>Deferred fees and commissions</i>	Refers to fees and commissions received in advance but not yet recognised as earned for accounting purposes.
<i>Deposits</i>	<p>Means non-negotiable contracts that represent the placement of funds available for later withdrawal.</p> <p>It includes:</p> <ul style="list-style-type: none"> • account balances with <i>ADIs</i> and <i>registered financial corporations</i> (including <i>transaction deposits</i>, <i>fixed-term deposits</i> and <i>other non-transaction deposits</i>); • purchased payment facilities such as smart cards and electronic cash; and • <i>non-negotiable certificates of deposit</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • holdings of physical currency (holdings of <i>notes and coins</i>); and • <i>negotiable certificates of deposit</i> (a type of <i>debt security</i>); • payables due to counterparties arising from the first leg of a <i>repurchase agreement</i>; • <i>commercial paper</i>; • arranged overdrafts. These are generally an agreed arrangement between a lender and a borrower to extend credit when the balance in an attached transaction account falls below zero; and • unarranged overdrafts. These refer to the situation when a transaction account holder withdraws an amount greater than the balance of the account leaving a negative balance. The lender usually charges an overdrawn account fee as well as interest on the negative balance, and usually requires the account holder to restore the account's positive balance.
<i>Derivatives</i>	<p>Means a financial instrument that is a contract between two or more parties where the price is dependent on or derived from one or more underlying assets. The contract may not involve any exchange of principal.</p> <p>It includes:</p> <ul style="list-style-type: none"> • all exchange traded and over-the-counter call and put options; • interest rate, bullion, commodity and equity options; • warrants and swap options, interest-rate swaps, cross currency interest rate swaps and currency swaps; • futures (e.g. bank bill, bond), forward rate agreements and forward foreign-exchange contracts; and • employee stock options.
<i>Development and</i>	Means labour and overhead costs for software development, hardware

<i>other on-going costs</i>	installation costs and associated overheads that are carried out internally.
<i>Dividends expected, declared or paid</i>	Report <i>dividends expected, declared or paid</i> in accordance with Australian Accounting Standards.
<i>Dividends income</i>	Represents all profits incurred by corporations whether or not the distributions are called dividends. It excludes: issues of bonus shares in lieu of dividends (i.e. exclude dividend reinvestment plans).
<i>Dwelling</i>	Means a self-contained room or suite of rooms, including cooking and bathing facilities, intended for long-term residential use. A <i>dwelling</i> is private (not generally accessible by the public) and is contained within a building that is an immobile structure. A <i>dwelling</i> may comprise part of a building or the whole of a building. Regardless of whether they are self-contained or not, rooms within buildings offering institutional care (e.g. hospitals) or where the primary purpose is to provide temporary accommodation (e.g. hotels, motels and hostels) are not defined as <i>dwellings</i> .

E

<i>Electronic equipment and machinery</i>	It includes: <ul style="list-style-type: none"> • electrical generators and motors; • electrical transformers; • static converters and inductors; • electricity distribution or control apparatus; • lighting equipment; • electrical ignition or starting equipment; and • electrical signalling equipment.
<i>Employees</i>	Refers to persons working for the <i>ADI</i> or <i>RFC</i> . It includes: <ul style="list-style-type: none"> • persons paid a retainer, wage or salary; • working proprietors and partners; • full-time and part-time employees; • permanent, temporary and casual employees; • managerial and executive employees; • employees absent on paid or prepaid leave; and • employees on workers' compensation who continue to be paid through the payroll. It excludes: <ul style="list-style-type: none"> • persons paid by commission only (i.e. a retainer/wage/salary is <u>not</u> paid); • contractors paid on invoice; • non-salaried directors;

	<ul style="list-style-type: none"> self-employed persons such as consultants or contractors who are not <i>employees</i> of this business; and volunteers.
Employer contributions into superannuation	<p>Refers to all contributions made by employers on behalf of employees into <i>superannuation funds</i>, including additional salary sacrificed superannuation contributions.</p> <p>It includes:</p> <ul style="list-style-type: none"> all contributions incurred (gross of contributions tax) that are due to either <i>self-managed superannuation funds</i> or <i>other superannuation funds</i>; contributions made in respect of award, superannuation guarantee and enterprise bargaining agreements; and contributions arising from salary sacrifice agreements.
Endorsed (bills of exchange)	Means <i>bills of exchange</i> that create a contingent liability for the endorser to pay out the funds conditional on the bearer/holder demanding payment.
Equity securities	<p>Means securities, as defined by the Australian Accounting Standards, that evidence a residual interest in the assets of an entity after deducting all its liabilities.</p> <p>It includes:</p> <ul style="list-style-type: none"> <i>preference shares</i>; and <i>hybrid securities treated as equity</i>.
Exception fees charged	<p>Means pre-determined charges that are imposed in the event of a breach of contract by the customer.</p> <p>It includes fees for:</p> <ul style="list-style-type: none"> late payment; insufficient funds in a <i>deposit</i> account; and overdrawn <i>credit limit</i> where there is no overdraft facility. <p>It excludes fees for:</p> <ul style="list-style-type: none"> overdrawn accounts with a pre-arranged overdraft facility; and <i>break fees charged</i>.
Excess repayments	Means any repayment amount by which actual repayments exceed <i>scheduled repayments</i> during a specified period.
Exclusive contract	Means an arrangement where the lender or its agent negotiates an exclusive arrangement with a borrowing counterparty. The borrower pays a set upfront fee for exclusive access to borrow from the lender's securities portfolio.
Existing dwelling	Means a <i>dwelling</i> that has been previously occupied.
Exposure size	Means the value of all liabilities that a borrower has owing to the <i>ADI</i> or <i>RFC</i> .
External refinance	Occurs where a new <i>loan</i> is obtained to replace an existing <i>loan</i> that was provided by a different lender (e.g. for <i>ADIs</i> , a lender that is not within the

	<p>regulated <i>ADI</i> itself).</p> <p>For <i>housing</i>, it includes refinancing an existing <i>loan</i> for the same <i>residential property</i>.</p> <p>It excludes: refinanced <i>housing loans</i> used for a different <i>residential property</i>.</p>
<i>Extraordinary/special dividend</i>	Refers to non-recurring, irregularly scheduled and declared dividends which are separate from the normal dividend cycle of this <i>ADI</i> or <i>RFC</i> . The dividend is disproportionately large relative to the recent level of normal dividends paid.

F

<i>(Lending) Facility</i>	<p>Refers to one or more accounts/lending agreements that:</p> <ul style="list-style-type: none"> • are for the same borrower(s); • are approved at the same point in time and/or as part of the same application; • are for the same <i>purpose class</i> (and <i>property purpose</i> if <i>housing</i>); and • differ only by characteristics relating to <i>interest rate</i> type (<i>fixed interest rate</i> or <i>variable interest rate</i>) and/or repayment type (<i>interest-only</i> or <i>amortising</i>). <p>The accounts comprising a <i>lending facility</i> may or may not be linked.</p> <p>If one of the accounts/lending agreements that forms part of a <i>lending facility</i> is refinanced, then that newly refinanced account/lending agreement remains part of the <i>lending facility</i>.</p>
<i>Fee and commission income/expense</i>	<p>Refers to any income/expense earned/incurred for fees and commissions.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>credit card</i> fees; • lending fees; • transaction/<i>deposit</i> account service fees; • professional fees incurred in employing the services of outside professionals (e.g. <i>legal expenses, audit and other accounting services expense</i>); • subscription and membership fees; • payments to other businesses and self-employed persons for work done or sales made on a commission basis; • payments to persons paid by commission without a retainer; • fees for servicing a <i>loan</i>; • investment management fees; • loan syndication fees; and • underwriting fees. <p>It excludes:</p> <ul style="list-style-type: none"> • fees and commissions already captured as interest income/expense; • directors' fees; • retainers and commissions of persons who received a retainer; and

	<ul style="list-style-type: none"> • bonuses.
<i>Fees charged</i>	<p>Means the amounts charged by the ADI to its customers excluding those relating to interest charges (where interest is defined in terms of the contractual interest rate). This includes fees (such as establishment fees) that are recorded as interest income in statutory accounts.</p> <p>Report fees charged on an accruals basis.</p> <p>Report fees charged net of any waivers, exemptions or rebates.</p> <p>Do not deduct any expenses, including expenses relating to:</p> <ul style="list-style-type: none"> • commissions paid to mortgage brokers; • valuation fees for housing and business loans; • loyalty program costs; • government taxes; and • charges imposed by the bank's group treasury to various business units. <p>Only report fees charged for operations/transactions related to the ADI's domestic books.</p>
<i>Finance lease</i>	<p>Has the meaning as in <i>AASB 16 Leases</i> (AASB 16).</p> <p>In general, means a lease that transfers substantially all the risks and rewards incidental to the ownership of the asset. Title may or may not eventually be transferred.</p>
<i>First-home buyer</i>	<p>Means a borrower entering the home ownership market for the first time, whether or not they are purchasing a dwelling for owner-occupied or investment purposes.</p> <p>This includes all borrowers entering the home ownership market for the first time, regardless of whether or not they have received or are eligible for a first-home buyer grant.</p> <p>If there is more than one party to the loan, a loan is classified as being to a first-home buyer if none of the borrowing parties to the commitment have previously owned a dwelling.</p> <p>It excludes: internal refinance and external refinance of loans that were originally made to first-home buyers.</p>
<i>Fixed interest rate</i>	<p>Means interest rates that do not fluctuate over:</p> <ol style="list-style-type: none"> a) the original term, or life, of the agreement; or b) some part of the original term, or life, of the agreement. <p>Where the interest rate is only fixed for some part of the original term, at the end of the fixed interest rate period the contract may provide for transition to a variable interest rate or for a new interest rate to be negotiated.</p>
<i>Fixed-term (loan)</i>	<p>Means loans extended for a fixed period, with a maturity date by which the loan must be repaid. Repayments over the fixed period reduce the loan balance and do not make further finance available.</p>

	<p>It includes: <i>redraw facilities</i> attached to <i>fixed-term loans</i>.</p> <p>It excludes: <i>revolving credit facilities</i>.</p>
Fixed-term deposits	<p>Means an account in which money has been placed for a fixed period for a stated <i>interest rate</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • term deposits; • <i>fixed-term deposits</i> with a notice of withdrawal requirement; and • <i>non-negotiable certificate of deposits</i>. <p>It excludes: <i>non-transaction deposits</i> that do not have a fixed term.</p>
Floating interest rate	See <i>variable interest rate</i> .
Foreign-sourced income	<p>Means the allowable income, as defined by <u>within</u> the <i>ADI's</i> or <i>RFC's</i> serviceability assessment <u>for a given commitment</u> policy, which is sourced from a country other than Australia. Allowable income is the total of the borrower's main pre-tax income and any other pre-tax income, for example, overtime, rental income and dividends, to the extent that the <i>ADI</i> or <i>RFC</i> takes such income into account, in whole or in part, in its serviceability assessments <u>for a given commitment</u>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • income streams derived from governments overseas or non-governmental entities incorporated overseas; and • FX-denominated income. <p>It excludes: income streams derived from unincorporated or incorporated entities in Australia that export goods or services.</p>
Fringe benefits tax	Represents the amount payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associates of employees) in connection with their employment.
Fully secured	Means finance with a <i>loan-to-valuation ratio</i> of less than or equal to 100 per cent.

G

Goodwill	<p>Means the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.</p> <p><i>Goodwill</i> is to be determined in accordance with AASB 3.</p>
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H

Haircut	Means the difference between the <i>market value</i> of an asset and the purchase price paid at the start of a <i>repo</i> or <i>reverse repo</i> , or a <i>securities lending</i> or <i>securities borrowing</i> transaction. It is expressed as the percentage deduction
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	from the <i>market value</i> of <i>collateral</i> .
Hardware and software application costs	Means hardware and software purchased from third parties (i.e. material costs).
Holding gains / losses on assets and liabilities	Refers to realised and unrealised gains / losses on assets and liabilities. Realised gains / losses on assets and liabilities refer to changes in the value of assets and liabilities as a result of closing or disposal of assets and liabilities. Unrealised gains / losses on assets and liabilities refer to changes in the value of assets and liabilities as a result of changes in the <i>market value</i> of those assets and liabilities.
Home equity loan	Means a <i>secured revolving credit</i> facility that is <i>secured</i> by the borrower's equity in <i>residential property</i> .
Hybrid securities	Means securities that combine elements of <i>debt securities</i> and <i>equity securities</i> . Regulatory capital instruments such as <i>Additional Tier 1</i> and <i>Tier 2 capital instruments</i> are types of <i>hybrid securities</i> . A distinction is made in reporting between <i>hybrid securities treated as liabilities</i> and <i>hybrid securities treated as equity</i> under Australian Accounting Standards.
Hybrid securities treated as liabilities	Means <i>hybrid securities</i> that are treated as liabilities under Australian Accounting Standards. Report these as <i>debt securities</i> and separately identified as directed .
Hybrid securities treated as equity	Means <i>hybrid securities</i> that are treated as equity under Australian Accounting Standards. Report these as <i>equity securities</i> .

I

Impaired	Means facilities that are impaired as defined in <i>Prudential Standard APS 220 Credit Quality</i> (APS 220).
'In use' information technology equipment	Refers to <i>information technology equipment</i> classified as <i>property, plant and equipment</i> (including software applications that are an integral part of hardware) used in the production process of the institution as at the reporting date.
Individual provision	Means all provisions for impairment assessed by an <i>ADI</i> or <i>RFC</i> on an individual basis as defined by the Australian Accounting Standards.
Industrial buildings	Means any <i>non-residential buildings</i> (or parts of such buildings) where the primary purpose is for manual labour or storage. It includes:

	<ul style="list-style-type: none"> • warehouses; and • factories.
<i>Industrial machinery and equipment</i>	<p>Represents machinery and equipment where the primary business function is for use in the production of goods and/or services.</p> <p>Some items within this category may be mobile and capable of transporting people or goods.</p> <p>It includes:</p> <ul style="list-style-type: none"> • engines and turbines; • pumps, compressors and hydraulic power engines; • lifting and handling equipment; • machine tools and accessories (hand tools, tools customarily in a workshop); • equipment for food and beverage preparation; • point of sale terminals and booking systems; • industrial cooking appliances; • domestic appliances for production purposes; and • climate control systems and other equipment in core production.
<i>Information technology equipment</i>	<p>Refers to devices that have a primary function related to the collection, transfer, storage, or processing of data.</p> <p>Examples include, computers, monitors, keyboards, drives and servers.</p>
<i>Information technology expenses incurred</i>	<p>Refers to expenses incurred during the reporting period related to the use of information technology (including equipment, software and services).</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i>wages and salaries</i> of own employees; and • <i>computer software capitalised</i>.
<i>Insurance premiums other than workers compensation</i>	<p>It includes:</p> <ul style="list-style-type: none"> • optional third party and comprehensive motor vehicle insurance premiums; • fire, general, accident and public liability premiums; and • professional indemnity insurance premiums. <p>It excludes:</p> <ul style="list-style-type: none"> • workers compensation insurance premiums/levies. Report this as <i>workers' compensation premiums/costs</i>; and • compulsory third party motor vehicle insurance premiums.
<i>Intangible assets</i>	Has the meaning as in <i>AASB 138 Intangible Assets</i> (AASB 138).
<i>Interest-bearing</i>	<p>Means liabilities that have a contractual <i>interest rate</i> greater than zero.</p> <p>If an account has more than one contractual <i>interest rate</i>, report as <i>interest-bearing</i> if at least one of the contractual <i>interest rates</i> is greater than zero.</p>
<i>Interest expense</i>	Payments of interest incurred during the period that are due to customers and holders of <i>debt securities</i> during the period, including coupon payments.

<i>incurred</i>	<p>Report <i>interest expense incurred</i> in accordance with Australian Accounting Standards.</p> <p>It includes:</p> <ul style="list-style-type: none"> • payments of scheduled interest distributions made during the period; • the interest component of zero coupon security repayments, borrowing under <i>repurchase agreements</i> and <i>securities borrowing</i> activity; and • scheduled interest payments that were not made during the period (including scheduled distributions on hybrid instruments). <p>It excludes: non-interest payments made to customers or holders of <i>debt securities</i> (such as principal payments or fees) <u>that do not form an integral part of the effective interest rate of those <i>debt securities</i>, as defined in <i>AASB 9</i>.</u></p>
<i>Interest income earned</i>	<p>Interest earned from customers and issuers of securities during the period, including coupon payments.</p> <p>Report <i>interest income earned</i> in accordance with Australian Accounting Standards.</p> <p>It includes:</p> <ul style="list-style-type: none"> • payments of scheduled interest distributions received during the period; • the interest component of funds received from zero coupon security repayments, <i>repurchase agreements</i> and <i>securities lending</i> activity; and • scheduled interest payments that were not received during the period (including scheduled distributions on <i>hybrid securities</i>). <p>It excludes: non-interest payments received from customers or issuers of <i>debt securities</i> (such as principal payments or fees) <u>that do not form an integral part of the effective interest rate of those <i>debt securities</i>, as defined in <i>AASB 9</i>.</u></p>
<i>Interest-only</i>	<p>Refers to <i>loans</i> on which only interest is paid during a set period and no principal is automatically amortised.</p> <p>The <i>loans</i> will typically revert to principal-and-interest repayments at the end of the <i>interest-only</i> period.</p> <p>Only report <i>loans</i> as <i>interest-only loans</i> during their <i>interest-only</i> period. Once the <i>loan</i> has reverted to principal-and-interest repayments, the <i>loan</i> is classified as <i>amortising in credit outstanding</i> from that period.</p>
<i>Interest payable</i>	<p>Refers to interest incurred but not yet paid.</p>
<i>Interest rate</i>	<p>Means the contractual rate to be paid to—or received by the customer/counterparty/debtholder. It excludes any fees charged to the customer/counterparty/debtholder.</p> <p>Where there is more than one contractual rate, and the rate paid by the customer depends on their behaviour in that period, report the contractual rate that applied given their behaviour.</p> <p>For example, for any <i>deposit</i> account where the contractual <i>interest rate</i></p>

	<p>varies according to the behaviour of the customer (e.g. savings accounts that pays a higher rate of interest if fewer than a certain number of withdrawals are made per month or if the value of funds in the account increases over the month), report the contractual interest rate reflecting the customer's behaviour.</p> <p>Some products have specific treatments for reporting of interest rates:</p> <p>For credit cards, calculate the interest rate to be reported as interest charged on credit cards during the month divided by the relevant balance $\times 100\%$.</p> <p>For offset accounts, report the interest rate as the contractual rate payable on the linked loan account, divided by the proportion of the offset account balance that is offset against the loan balance. For instance, if the balance in the offset account is fully offset against the loan balance, then the contractual rate on the loan account would be the interest rate reported on the offset account. However, if only half of the balance in the offset account is offset against the relevant loan balance, then report the interest rate on the offset account as half of the contractual interest rate on the loan account.</p> <p>For set-off accounts, the interest rate to be reported on any linked loan and deposit accounts is the contractual interest rate applying to the net balance of these accounts.</p>
Interest receivable	Refers to interest earned but not yet received.
Intermediated	Means a transaction concluded between two principals but where the transaction is facilitated by an agent on behalf of one or both principals (e.g. an agent lender in a securities lending program).
Internal refinance	<p>Occurs where:</p> <ul style="list-style-type: none"> • a new loan is obtained to replace an existing loan that was provided by the ADI or RFC and the credit limit has increased from that which was available prior to refinancing; or • the credit limit on an existing loan by the ADI or RFC is increased (e.g. a 'top-up') <p>and the funds will be used for substantially the same purpose class as the existing loan contract.</p> <p>Where the residential property for which the loan will be used changes, for reporting purposes treat this as if it were a new loan to the ADI or RFC.</p> <p>It includes: loan variations where there is an increase in the credit limit, but no new contract is signed.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • loan variations such as switches between variable interest rates and fixed interest rates, interest-only or amortising loans, owner occupied or investment loans and instances of collateral substitution or the addition or removal of a borrower or guarantor where these do not result in an increase in the credit limit; and • increases in credit limits resulting from missed payments and/or hardship concessions provided to the borrower.

	Report the amount of the new <i>credit limit</i> (i.e. do not subtract the previous <i>credit limit</i> from the new <i>credit limit</i>).
<i>Investment investor (housing loan)</i>	<p>Means a <i>loan</i> to a <i>household</i> for the purpose of <i>housing</i>, where the funds are used for a <i>residential property</i> that is not <i>owner-occupied</i>.</p> <p>Where the <i>loan</i> is for a <i>residential property</i> that is different to the <i>residential property</i> against which the <i>loan</i> is <i>secured</i>, this definition refers to the occupation status of the <i>residential property</i> for which the <i>loan</i> has been obtained (not the occupation status of the property used as security).</p> <p>It includes: holiday/vacation homes and part-time residences that are <u>not</u> the borrower's or borrowers' <i>principal place of residence</i>.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • part-time residences that are the borrower's or borrowers' <i>principal place of residence</i>. Report these under <i>owner-occupied housing</i>; and • <i>loans</i> where the borrower is not a <i>household</i>. Report these under the appropriate business category.
<i>Investment securities</i>	<p>Means securities that are not <i>trading securities</i> (as defined in AASB 9 Financial Instruments (AASB 9)).</p> <p>These are generally securities purchased with the intent that they be held to maturity or held for a period of time though not necessarily to maturity (i.e. <i>equity securities</i> where it is not technically possible to hold to maturity).</p>

J

<i>Jurisdiction</i>	Means the country in which the business entity is <i>resident</i> .
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L

<i>Land</i>	<p>Means the following categories:</p> <ul style="list-style-type: none"> • <i>non-residential land</i>; • <i>residential land</i>; and • <i>rural property</i>.
<i>Large (business size)</i>	<p>A business is classified as <i>large</i> if they have <i>turnover</i> greater than or equal to \$50 million.</p> <p>Include exposures classified by <i>ADIs</i> using the internal ratings-based approach to credit risk as 'Corporate' in this category.</p>
<i>Leases</i>	<p>Has the meaning as in AASB- 16 Leases (AASB 16).</p> <p>In general, means an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>finance leases</i>; and • <i>operating leases</i>.

Legal expenses	Refers to fees incurred when a business secures the services of a legal representative, or requires legal representation, or seeks professional advice on legal matters.
Lending fee/premium	Refers to a fee/premium that the borrower of a <i>security</i> pays to the lender when the securities loan is backed by non-cash <i>collateral</i> . The <i>lending fee/premium</i> is predetermined in a <i>securities lending</i> agreement between the borrower and lender and should be expressed as an annualised percentage of the market value of the securities borrowed.
Loan-to-valuation ratio (LVR)	Defined in Attachment D of Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk (APS 112).
Loans	Means a financial asset that is: (1) created when a creditor lends funds directly to a debtor; and (2) is evidenced by non-negotiable documents. It includes: <ul style="list-style-type: none"> • advances; • <i>secured</i> and <i>unsecured loans</i>; • mortgages; • commercial <i>loans</i>; and • redeemable preference share finance not evidenced by a security. It excludes: <ul style="list-style-type: none"> • <i>reverse repos</i>; • lease arrangements (report as <i>leases</i>); and • equity participation in leveraged leases (report as <i>leases</i>).
Long-term	<i>Original</i> contractual <i>term</i> to maturity greater than 12 months.

M

Margin	Means the <i>weighted average</i> internal margin on that product (the amount added to the <i>cost of funds</i> or subtracted from the <i>value of funds</i> to determine the <i>interest rate</i>). For assets, the <i>margin</i> is equal to the <i>weighted average interest rate</i> charged to the borrower less the <i>cost of funds</i> . For liabilities, the <i>margin</i> is equal to the weighted average <i>interest rate</i> paid to the depositor or holder less the <i>value of funds</i> .
Margin call	<i>Margin calls</i> occur when falls in the value of the borrower's <i>security</i> cause the <i>LVR</i> to exceed the borrower's maximum <i>LVR</i> plus the 'buffer'. The 'buffer' is typically about 5 to 10 per cent, and allows borrowers to utilise the maximum allowable <i>LVR</i> on their <i>security</i> without continually receiving <i>margin calls</i> due to usual fluctuations in share prices. In the event of a <i>margin call</i> , the borrower is contacted and is required to reduce the <i>LVR</i> on their <i>loan</i> , usually by contributing additional approved <i>security</i> , paying down the <i>loan</i> by selling part of the existing portfolio, or depositing additional cash.
Margin	<i>Margin lending facilities are defined in Section 761EA of the Corporations</i>

<i>lending/loans</i>	<p>Act 2001.</p> <p><i>Margin lending</i> is the provision of <i>secured loans</i> to investors for the purpose of purchasing financial assets. The purchased assets are generally used as <i>security</i> for the <i>margin loan</i>. The financial assets purchased are usually equities or units in managed funds.</p> <p><u>The general features of <i>margin lending</i> facilities are defined in section 761EA of the <i>Corporations Act 2001</i>. For the purposes of the EFS collection, <i>margin lending</i> facilities may be provided to <i>households</i> or <i>private and public sector businesses</i>.</u></p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>fixed term loans</i>; and • <i>revolving credit</i>.
<i>Market value</i>	<p>Means the value as determined by market prices.</p> <p>Market prices refer to the value at which non-financial and financial assets are exchanged or else could be exchanged for cash (currency or <i>transaction deposits</i>). They are the amounts of money that willing buyers pay to acquire something from willing sellers; the exchanges are made between independent parties and on the basis of commercial consideration only (i.e. at ‘arm’s length’).</p>
<i>Medium (business size)</i>	<p>A business is classified as <i>medium</i> if the <i>ADI</i> or <i>RFC</i> has a total exposure to the business that is greater than or equal to \$1 million and the business has <i>turnover</i> of less than \$50 million.</p> <p>Include exposures classified by <i>ADIs</i> using the internal ratings-based approach to credit risk as ‘SME Corporate’ in this category.</p>
<i>Merchant fees charged</i>	<p>Means fees charged to merchants for providing payment processing services.</p> <p>It includes:</p> <ul style="list-style-type: none"> • <i>per-transaction merchant fees charged</i>; and • <i>non-transaction merchant fees charged</i>.

N

<i>Negotiable certificate of deposit</i>	<p>Means negotiable-bearer <i>debt securities</i>. They are issued at a discount to the face value, can be traded in the secondary market and do not require endorsement when sold. Include transferable <i>certificates of deposit</i>.</p>
<i>Newly erected dwelling</i>	<p>Refers to a <i>dwelling</i> that has not previously been occupied by a <i>household</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> • off-the-plan purchases; and • <i>dwellings</i> resulting from the conversion of <i>non-residential buildings</i> to <i>dwellings</i>. <p>It excludes: <i>existing dwellings</i> that have been refurbished or renovated.</p>
<i>Non-building structures</i>	<p>Means any structures that are not buildings.</p> <p>It includes: roads, bridges, railways, harbours, mines, telecommunication</p>

	towers, dams, powerlines, pipelines and sewers.
<i>Non-current assets and disposal groups classified as held for sale</i>	Has the meaning in <i>AASB 5 Non-current Assets Held for Sale and Discontinued Operations</i> (AASB 5).
<i>Non-interest-bearing</i>	Means liabilities deposits that have a contractual <i>interest rate</i> equal to zero. If an account has more than one contractual <i>interest rate</i> , report as <i>non-interest-bearing</i> if none of the contractual <i>interest rates</i> are greater than zero.
<i>Non-lending losses and frauds</i>	Refers to <i>non-lending losses and fraud</i> expenses such as litigation costs for the relevant period as determined in accordance with Australian Accounting Standards.
<i>Non-negotiable certificates of deposit</i>	Means <i>certificates of deposit</i> that must be held by the depositor until maturity unless a penalty is paid for early withdrawal of the <i>deposit</i> . They are to be classified as a <i>fixed-term deposit</i> .
<i>Non-residential buildings</i>	Means any buildings (or part of buildings) that are not <i>dwellings</i> . Generally include: <ul style="list-style-type: none"> • <i>shops</i>; • <i>offices</i>; • <i>industrial buildings</i>; and • any other buildings that are not <i>dwellings</i>.
<i>Non-residential land</i>	Means any vacant land that does not have a building attached and that is not <i>residential land</i> or <i>rural property</i> .
<i>Non-residential property</i>	Means any <i>land</i> or buildings that are not included in <i>residential property</i> . Generally include: <ul style="list-style-type: none"> • <i>non-residential buildings</i>; • <i>non-residential land</i>; • <i>rural property</i>; and • <i>non-building structures</i>.
<i>Non-transaction deposits</i>	Means all customers' <i>deposits</i> , other than <i>transaction deposits</i> . <i>Non-transaction deposits</i> have limited access (e.g. only a limited number or value of withdrawals may be made from the account in a given period), incur penalties or fees (e.g. the loss of bonus interest, withdrawal fees), or have other restrictions on use of funds for payment or withdrawal. It includes: <ul style="list-style-type: none"> • <i>fixed-term deposits</i>; • notice of withdrawal accounts, for which there is no fixed term but for which written notice is required at least the day before funds can be withdrawn or transferred out of the account; • savings <i>deposits</i> with restrictions or limitations on payments or withdrawals; and

	<ul style="list-style-type: none"> money-market <i>deposit</i> accounts. <p>It excludes: savings <i>deposits</i> linked to an account from which payments may be made to third parties (e.g. Automated Teller Machines, debit card or another electronic device) where funds may be transferred to the linked account almost instantaneously and subsequently withdrawn or transferred to a third party on demand.</p> <p>In practice, classify a <i>deposit</i> as <i>non-transaction deposits</i> where any of the following criteria are met:</p> <ul style="list-style-type: none"> more than 24 hours' notice is required to withdraw or transfer funds from the account; the funds cannot be directly withdrawn, used for payment to a third party, or instantaneously transferred to a linked account from which either of these types of transactions can be conducted; there is a restriction on the number of withdrawals or transfers than can be made (e.g. maximum of two withdrawals a month) or the rate of interest charged on the deposit differs based on whether a certain number of withdrawals have been made (e.g. bonus savings accounts); or there is a restriction on or penalty charged for early withdrawal or transfer of funds (such as loss of interest earned on the remaining funds or a penalty fee other than a transaction fee). <p>If none of the above criteria are met, classify the <i>deposit</i> as a <i>transaction deposit</i>.</p>
<i>Non-transaction merchant fees charged</i>	<p>Means all fees charged to merchants other than <i>per-transaction merchant fees charged</i>.</p> <p>It includes:</p> <ul style="list-style-type: none"> joining and annual fees; terminal and imprinter hire fees; access fees; <i>credit card</i> authorisation request fees; and termination fees.
<i>Notes and coins</i>	<p>Means holdings of physical currency.</p> <p>It includes: Australian and foreign currency notes and coins.</p>

O

<i>Occupancy and equipment expenses incurred</i>	<p>Refers to expenses incurred during the period from tangible assets.</p> <p>It includes:</p> <ul style="list-style-type: none"> rental expenses on <i>operating leases</i>; depreciation and repairs and maintenance of <i>property, plant and equipment</i>; <i>utility expenses</i>; and <i>property rates and taxes</i>.
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	<p>It excludes:</p> <ul style="list-style-type: none"> • <i>wages and salaries</i> of own <i>employees</i>; • depreciation on <i>information technology equipment</i>; • rental expense for <i>information technology equipment</i>; and • <i>repairs and maintenance expenses</i> on software and <i>information technology equipment</i>.
Off-balance sheet securitised (assets)	<p>Means assets that have been removed from the institution's balance sheet because they were moved to an <i>SPV</i> for the purposes of a <i>securitisation</i>, and have been derecognised from the <i>domestic books</i> balance sheet under Australian Accounting Standards.</p> <p><u>Does not include any cover pool assets that have been transferred to an <i>SPV</i> for the purposes of being held in a <i>covered bond collateral pool</i> for <i>covered bonds</i>.</u></p>
Offices	<p>Means any <i>non-residential buildings</i> (or parts of such buildings) where the primary purpose is for clerical or professional duties.</p>
Offset accounts	<p>Means where a borrower has a <i>deposit</i> account and a <i>loan</i> (usually a <i>housing loan</i>) with the same institution. Instead of receiving interest on the <i>deposit</i> account, the interest payment due on the <i>loan</i> is calculated on the net balance of the <i>loan</i> (<i>credit outstanding</i> on the <i>loan</i> less any amount in the <i>deposit</i> account).</p> <p><i>Offset accounts</i> typically refers to the value in the <i>deposit</i> account.</p> <p>For <i>offset accounts</i>, report the <i>interest rate</i> as the contractual rate payable on the linked <i>loan</i> account, divided by the proportion of the <i>offset account</i> balance that is offset against the <i>loan</i> balance. For instance, if the balance in the <i>offset account</i> is fully offset against the <i>loan</i> balance, then the <i>interest rate</i> on the <i>offset account</i> would be the <i>interest rate</i> reported on the <i>loan</i> account. However, if only half of the balance in the <i>offset account</i> is offset against the relevant <i>loan</i> balance, then report the <i>interest rate</i> on the <i>offset account</i> as half of the <i>interest rate</i> on the <i>loan</i> account.</p>
On-balance sheet securitised (assets)	<p>Means assets that have been transferred to an <i>SPV</i> for the purposes of <i>securitisation</i>, but which have not been derecognised from the <i>domestic books</i> balance sheet under Australian Accounting Standards.</p> <p><u>Includes all cover pool assets that have been transferred to an <i>SPV</i> for the purposes of being held in a <i>covered bond collateral pool</i> for <i>covered bonds</i>.</u></p>
Operating leases	<p>Has the meaning in AASB 16.</p> <p>In general, means a <i>lease</i> other than a <i>finance lease</i>. It does not transfer substantially all the risks and rewards incidental to ownership.</p>
Original (maturity/term)	<p>Means the contractual <i>term</i> to maturity at issuance.</p>
Other deposit fees charged	<p>Means all fees charged on <i>deposit</i> accounts (including <i>break fees</i> and <i>exception fees charged</i>) other than <i>account servicing fees charged</i> and <i>transaction fees charged</i>.</p> <p>It includes:</p>

	<ul style="list-style-type: none"> • break fees charged; • exception fees charged; • stopped payment fees; • duplicate statement and card replacement fees; • transaction verification fees; • bank cheque replacement and repurchase fees; • deposit book fees; • international cheque and money transfer fees; and • charges for travellers' cheques and foreign currency transactions associated with a deposit account, including the foreign currency fee on cash withdrawals (exclude the withdrawal fees charged. Report these as transaction fees charged).
Other fees charged	<p>Means all banking-related fees charged other than fees charged associated with deposits, loans, finance leases, and merchant fees charged.</p> <p>It includes:</p> <ul style="list-style-type: none"> • export collection fees; • fees from international telegraphic transfers and foreign currency drafts from customers without a deposit or loan account; • guarantees; • fees for the transmission of deed or documents for inspection, delivery or execution; • safe custody and special clearances; • short-term money-market transaction fees; • coin and note handling services; • fees from the supply of certificates; • fees for legal, payroll and search services; • charges for travellers' cheques or foreign currency purchased with cash, or with credit cards issued by another institution; • fees for custodial and night safe services; and • fees for legal and service services. <p>It excludes:</p> <ul style="list-style-type: none"> • government taxes; • fees associated with insurance operations or funds management; • package fees. Include these with the product (deposit account or loan) that they most relate to; and • charges imposed by the group treasury, such as costs charged to the business unit by treasury from termination swaps (i.e. do not report <u>net</u> fee income).
Other intangible assets	Refers to items such as trademarks, company brand, customer databases, licenses, patents and goodwill .
Other loan and finance lease fees charged	<p>Means all fees related to loans and finance other than account servicing fees charged and transaction fees charged.</p> <p>It includes:</p> <ul style="list-style-type: none"> • break fees charged;

	<ul style="list-style-type: none"> • exception fees charged; • prepayment fees and repayment holiday fees; • early repayment fees; • switching fees; and • reference fees.
Other margin loans	Means any margin loans that are not standard margin loans or protected margin loans .
Other non-residential buildings	Means any non-residential buildings (or parts of such buildings) that are not shops, offices or industrial buildings . It includes: hotels and buildings for educational, religious, health, entertainment and recreational purposes.
Other non-transaction deposits	Means all customers' non-transaction deposits that are not fixed-term deposits .
Other outsourced information technology services	Represents information technology related services purchased from external services providers. It includes: <ul style="list-style-type: none"> • outsourced information technology equipment installation costs; • outsourced data processing services. Data processing services relate to the transformation of data into a suitable output other than data entry and manipulation services; • outsourced web hosting services; • outsourced electronic information storage services; and • outsourced computer system design relating to computer hardware, computer programming, internet and web design and system analysis. It excludes: computer software installation costs paid to external service providers.
Other transport vehicles and equipment	Refers to equipment and vehicles for moving people and objects. This may include items such as ships, railway and tramway locomotives, rolling stock, aircraft and attachments such as trailers, semi-trailers. It excludes: vehicles that are primarily to be used on the road such as cars, trucks, motor cycles and utes. Report these as road vehicles .
Overseas equities	Means shares that are quoted on stock exchanges other than an Australian stock exchange.
Owner-occupied (housing loan)	Means a loan to a household for the purpose of housing , where the funds are used for a residential property that is occupied or to be occupied by the borrower(s) as their principal place of residence . Where the loan is for a residential property that is different to the residential property against which the loan is secured , this definition refers to the occupation status of the residential property for which the loan has been obtained (not the occupation status of the residential property used as security). It includes:

	<ul style="list-style-type: none"> • <i>dwellings</i> and <i>residential land</i> that are vacant while under <i>construction</i>, but that the borrower intends to occupy as a <i>principal place of residence</i>; <u>and</u> • part-time residences that are the borrower's or borrowers' <i>principal place of residence</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • part-time residences that are not the borrower's or borrowers' <i>principal place of residence</i>. Report these under <i>investment housing loans</i>; and • <i>housing loans</i> where the borrower is not a <i>household</i>. Report these under the appropriate business category. <p>Where there is doubt or ambiguity over whether a <i>loan</i> is for an <i>owner-occupied</i> or <i>investment property</i>, report the <i>loan</i> as for <i>investment</i>.</p>
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P

<i>Partially secured</i>	Means finance that is <i>secured</i> and has an <i>LVR</i> of greater than 100%.
<i>Past due</i>	<p>A facility subject to a regular repayment schedule is regarded as X days <i>past due</i> when:</p> <ol style="list-style-type: none"> at least X calendar days have elapsed since the due date of a contractual payment that has not been met in full; and the total amount outside contractual arrangements is equivalent to at least X days' worth of contractual payments. <p>An item ceases to be classified as <i>past due</i> when arrears have been reduced so that the exposure is no longer X days <i>past due</i>.</p> <p>In the case of facilities that do not have a pre-set repayment schedule, <i>past due</i> refers to the period where facilities have remained continuously outside approved arrangements but are well <i>secured</i>.</p>
<i>Payments to other businesses/ organisations for staff</i>	Refers to payments incurred that are due to employment agencies or labour hire firms for staff.
<i>Payroll tax</i>	<p>Refers to a tax levied by state and territory governments on the amount of <i>wages and salaries</i> paid by a business.</p> <p>It excludes: pay-as-you-go withholding tax.</p>
<i>Personal Investment</i>	<p>Refers to <i>personal loans</i> to purchase assets that are expected to maintain or increase in value other than housing.</p> <p>It excludes:</p> <ul style="list-style-type: none"> • <i>housing</i> for the purposes of investment; and • <i>margin loans</i>.
<i>Personnel</i>	Refers to remuneration related expenses incurred during the period.

<i>expenses</i>	
<i>Per-transaction merchant fees charged</i>	Means all transaction-based <i>merchant fees charged</i> for acquiring card transactions, whether collected on an <i>ad valorem</i> or flat basis. Include transactions involving cards issued to <i>households</i> or businesses, either in Australia or overseas. Report income from merchants net of rebates and concessions.
<i>Plant and equipment</i>	Means any <i>property, plant and equipment</i> asset that is not <i>property</i> . Such assets are typically vital to business operations but cannot be easily liquidated. It includes: <ul style="list-style-type: none"> • <i>road vehicles</i>; • <i>other transport vehicles and equipment</i>; • construction and earthmoving equipment; • agriculture machinery; and • electronic data processing and office equipment.
<i>Postage expenses</i>	Refers to expenses related to postage, mailing and courier expenses. Includes expenses incurred for the picking up, transport, and delivery (domestic or international) of addressed or unaddressed mail, packages and parcels. It includes: <ul style="list-style-type: none"> • postage stamps; • mailbox rental services; • customised express pickup and delivery services; and • messenger services. It excludes: storage (where this expense can be distinguished from courier expenses).
<i>Preference shares</i>	Means a type of <i>equity security</i> that has a priority over dividend payments and to the assets of the company.
<i>Principal amount</i>	Means the cash consideration (post- <i>haircut</i>) on the initial leg of a <i>repo</i> or securities <i>loan</i> contract.
<i>Principal place of residence</i>	Means the <i>residential property</i> at which an individual resides for the majority of the year.
<i>Property</i>	Means <i>land</i> , a building – or part thereof – or both. A building can take the form of a <i>dwelling</i> (or a group of <i>dwellings</i>) or a <i>non-residential building</i> .
<i>Property, plant and equipment</i>	Has the meaning as in <i>AASB 116 Property, Plant and Equipment</i> (AASB 116).
<i>Property rates and taxes</i>	Include amounts paid for land tax, municipal rates and metropolitan improvement rates, where: <ul style="list-style-type: none"> • land tax consists of taxes on the ownership of land based on the assess value of the land; • municipal rates consist of levies imposed by local government authorities on the assessed value of property for the purpose of financing municipal services. Exclude amounts collected with

	<p>municipal rates but identified as charges for direct supply of goods and services such as water, sewerage rates and garbage charges; and</p> <ul style="list-style-type: none"> metropolitan improvement rates consist of levies on property owners intended specifically for financing the planning and development of land within the metropolitan region. It includes levies used for the acquisition of land for the development of metropolitan parks; support of regional studies; financing open space improvements.
Protected margin loans	<p>Means <i>margin loans</i> that have a maximum allowable <i>LVR</i> of 100 per cent and the lender guarantees that the value of the borrower's underlying <i>security</i> will not be less than the value of <i>credit outstanding</i> at the end of the predetermined investment horizon.</p> <p>Borrowers with <i>protected margin loans</i> do not receive <i>margin calls</i>, but are charged a significantly higher <i>interest rate</i> than for <i>standard margin loans</i>. <i>Protected margin loans</i> in effect combine a <i>standard margin loan</i> with a put option on the assets purchased.</p>
Provisions for dividends	Means the allowance that the <i>ADI</i> or <i>RFC</i> has made in terms of the obligation for declared dividends.

R

Rebate rate	Refers to the rate that the borrower of a <i>security</i> pays the lender when the securities loan is backed by cash <i>collateral</i> . The rebate fee is predetermined in a <i>securities lending</i> agreement between the borrower and lender (or the agent on the lender's behalf) and should be expressed as an annualised percentage of the market value of the securities borrowed.
Recoveries	Refers to the value of reversals of impairment losses on financial assets as determined in accordance with Australian Accounting Standards.
Redraw facility	<p>Means a facility that enables a borrower to access (subject to conditions) the accumulated <i>excess repayments</i> they have made towards their <i>loan</i>.</p> <p>The balance of funds in a <i>redraw facility</i> is typically offset against the balance of the <i>loan</i> amount when calculating interest payable.</p> <p>While <i>redraw facilities</i> are a type of <i>revolving credit</i> facility, where they are attached to a <i>fixed-term loan</i> report them as <i>fixed-term loans</i> as there is typically not a separate contract.</p>
Reinvestment asset	Means the <i>collateral</i> pledged by the borrower of a security in a <i>securities lending</i> contract.
Reinvestment rate	Means the rate of return earned on the cash proceeds generated by stock lending activity.
Rental, repairs and maintenance expenses	Refers to the value of rental expense incurred for using rented equipment and the value of <i>repair and maintenance expenses</i> .
Repairs and maintenance	Refers to the value of ordinary maintenance and repairs that are obliged to be undertaken periodically in order to be able to utilise assets over their expected services lives. They are costs that cannot be avoided if the assets

<i>expenses</i>	<p>are to continue to be used.</p> <p>Maintenance and repairs do not change the asset or its performance, but simply maintain it in good working order or restore it to its previous condition in the event of a breakdown.</p> <p>It excludes: <i>wages and salaries</i> of own <i>employees</i>.</p>
<i>Repurchase agreement (repo)</i>	Means a contractual arrangement involving the provision of securities or other financial assets (<i>collateral</i>) in exchange for cash with a commitment to repurchase the same or similar <i>collateral</i> at a fixed price either on a specified future date or on demand.
<i>Repo rate</i>	Means the percentage difference between the purchase and repurchase price of a security expressed as an annual rate.
<i>Residential land</i>	<p>Means any vacant <i>land</i> that does not have a <i>dwelling</i> attached but where the <i>construction</i> of a <i>dwelling</i> is allowed under zoning regulations.</p> <p>It excludes: land where the primary purpose of the land will be for <i>business</i> purposes. Report this under the appropriate business category.</p>
<i>Residential property</i>	Means <i>residential land</i> and buildings – or parts thereof – that take the form of <i>dwellings</i> or a group of <i>dwellings</i> .
<i>Residual maturity/term</i>	Means the remaining <i>term</i> to contractual maturity.
<i>Retirement savings accounts (RSAs)</i>	Means low risk/low return capital guaranteed products that are subject to the same restrictions as other superannuation products. Only an <i>ADI</i> , <i>life insurance corporation</i> or a prescribed <i>financial institution</i> can be approved by APRA to act as an RSA under the <i>Retirement Savings Act 1997</i> . RSAs are specifically approved non-trustee institutions.
<i>Reverse mortgage</i>	<p>Means a <i>loan secured by residential property</i> in which repayments are generally deferred and capitalised, with full repayment due when the borrower is deceased, sells the property or moves out of the property. Generally, the <i>loan</i> can be taken as a lump sum, a regular income stream, a line of credit or a combination of these options.</p> <p>For reporting purposes, treat these <i>loans</i> like a <i>revolving credit</i> facility. Include any accrued interest in the <i>credit limit</i> and the <i>credit outstanding</i>.</p>
<i>Reverse repo</i>	The buyer of the asset in a <i>repo</i> is referred to as conducting a <i>reverse repo</i> .
<i>Revolving credit</i>	<p>Means lending facilities that the borrower may repeatedly <i>draw down</i> in part or in full up to an authorised <i>credit limit</i> and repay, any credit drawn, in part or in full, on multiple occasions without the facility being cancelled. Repayments (other than of charges and interest) reduce the borrowings, thereby increasing the amount of unused credit available. Include facilities with a fixed term that meet the above criteria.</p> <p>It includes:</p> <ul style="list-style-type: none"> • arranged overdrafts. These are generally an agreed arrangement between a lender and a borrower to extend credit when the balance in an attached transaction account falls below zero; • unarranged overdrafts. These refer to the situation when a transaction

	<p>account holder withdraws an amount greater than the balance of the account leaving a negative balance. The lender usually charges an overdrawn account fee as well as interest on the negative balance, and usually requires the account holder to restore the account's positive balance;</p> <ul style="list-style-type: none"> • <i>secured</i> and <i>unsecured revolving credit</i> facilities; and • <i>reverse mortgages</i>. <p>It excludes:</p> <ul style="list-style-type: none"> • <i>redraw facilities</i> attached to <i>fixed-term loans</i>; and • <i>bill</i> facilities.
Road vehicles	<p>Refers to vehicles that are primarily to be used on the road such as cars, trucks, motor cycles and utes.</p> <p>It excludes: attachments such as trailers, semi-trailers. Report these as <i>other transport vehicles and equipment</i>.</p>
Royalties income/expense	<p>Refers to payments made by one business or individual for the use of rights owned by another business or individual. Do not deduct withholding tax.</p> <p>It includes:</p> <ul style="list-style-type: none"> • payments under licensing arrangements; and • payments of royalties from intellectual property (e.g. patents, copyrights, etc.). <p>It excludes:</p> <ul style="list-style-type: none"> • expensed computer software licence fees; and • capitalised computer software licence fees.
Rural property	<p>Means any <i>land</i> where the primary purpose is for agricultural or pastoral use.</p>

S

Scheduled repayments	<p>Means the contracted, agreed or minimum repayment amount. It is the total (interest and any other fees or charges plus principal as appropriate) value of payments due during the relevant period, in accordance with the <i>loan</i> conditions.</p> <p><i>Scheduled repayments</i> may exceed the minimum required repayment possible under the <i>loan</i> conditions.</p>
Secured (finance)	<p>Means finance for which the lender has recourse to an asset<u>collateral</u> pledged by the borrower or a third party (the collateral) in the event of default by the borrower.</p> <p><u>Except when reporting finance that is <i>secured by residential property</i>, <i>secured</i> finance may be <i>fully secured</i> or <i>partially secured</i>.</u></p>
<u>Secured by residential property</u>	<p><u>Means finance for which the lender has recourse to <i>collateral</i> pledged by the borrower or a third party in the event of default by the borrower and:</u></p> <ul style="list-style-type: none"> • <u>the value of the <i>security</i> for the <i>loan</i> represents 50 per cent or more of the <i>loan</i> balance; and</u> • <u>50 per cent or more of the <i>security</i> is <i>residential property</i>.</u>

Securities borrowing	The borrower of the security in a securities lending agreement can be said to be undertaking securities borrowing activity.
<u>Securities held for trading</u>	<u>Has the same meaning as in AASB 9.</u>
Securities lending	Means a lending arrangement under which a holder of a security agrees to provide the security to a borrower for a specified period of time. Loans are typically executed under standardised agreements, which give the borrower full title for the term of the loan . The lender typically charges a fee for the loan and requires the borrower to post collateral .
<u>Securities not held for trading</u>	<u>Means securities that are not securities held for trading (as defined in AASB 9).</u> <u>These are generally securities purchased with the intent that they be held to maturity or held for a period of time though not necessarily to maturity (i.e. equity securities where it is not technically possible to hold to maturity).</u>
Securitisation	Involves the creation of a financing structure where the cash flow from a pool is used to make payments on obligations to at least two tranches or classes of creditors (typically holders of debt securities), with each tranche or class entitled to receive payments from the pool before or after another class of creditors, thereby reflecting different levels of credit risk. Payments to the investors depend upon the performance of the underlying exposures, as opposed to being derived from an obligation of the entity originating those exposures. The tranching structures that characterise securitisation differ from ordinary senior/subordinated debt in that junior securitisation tranches can absorb losses without interrupting contractual payments to more senior tranches, whereas subordination in a senior/subordinated debt structure is a matter of priority of rights to the proceeds of liquidation. The securities are backed by a pool of specific assets, often housing loans , and the securities can be short-term or long-term . Securitisation exposures have the meaning in <i>Prudential Standard APS 120 Securitisation</i> (APS 120).
Security	Means an asset (or assets) pledged by the borrower or a third party against a loan . In the event of default by the borrower, the lender has recourse to this asset.
Self-securitised	Relates to a securitisation that is solely for the purpose of using the securities created as collateral in order to obtain funding via a repurchase agreement with the RBA . Self-securitisation is also known as an internal securitisation.
Semi-government securities	Means the debt obligations of a central borrowing authority of a state or territory of the Commonwealth of Australia. It includes: fixed-interest rate bonds, linked bonds and Treasury notes issued by a state or territory of the Commonwealth of Australia.
Senior	Means any unsecured debt security that must be repaid ahead of all other unsecured and subordinated debt security holders other than those outlined

<i>unsecured debt</i>	in paragraphs 13A(3)(a)-(e) of the <i>Banking Act 1959</i> <i>Banking Act 1959</i> in the event that the ADI is unable to meet its obligations or is about to suspend payment.
<i>Set-off accounts</i>	Means linked deposit and loan accounts that pay a different interest rate depending on whether the linked accounts are in a net loan or net deposit position. They are similar to offset accounts but differ in that, if the linked accounts are in a net deposit position, the customer will be due interest.
<i>Share-based payment expense</i>	Refers to employee share-based payments and stock options, expensed to the ADI or RFC for remunerating employees, incurred during the period.
<i>Shops</i>	Means any non-residential buildings (or parts of such buildings) where the primary purpose is to sell goods or services.
<i>Short-sold position(s)</i>	Means the value of positions from the sale of a borrowed securities security in anticipation of making a profit by repurchasing it after its price has fallen, prior to maturity.
<i>Short-term</i>	Means an original maturity of less than or equal to 12 months.
<i>Small (business size)</i>	A business is classified as small if the ADI or RFC has an exposure to the business that is less than \$1 million and the business has turnover of less than \$50 million. Include exposures classified by ADIs using the internal ratings-based approach to credit risk as 'SME Retail' in this category.
<i>Standard margin loans</i>	Means margin loans that typically have a maximum allowable LVR of 40 to 80 per cent, depending on the type of stock or managed fund that is provided as security for the margin loan . These loans are subject to margin calls if a decline in the value of the underlying security raises the LVR above the pre-specified maximum.
<i>Stationery expense</i>	Refers to costs incurred for office supplies and printing carried out by or for the business. It includes: <ul style="list-style-type: none"> • all office stationery; and • production of financial reports, etc.
<i>Subordinated</i>	Represents any asset or liability that will, in entirety or in part, not be repaid until other specified creditors are repaid.
<i>Subordinated debt</i>	Means any debt security that is repaid after those outlined in paragraphs 13A(3)(a)-(e) of the <i>Banking Act 1959</i> <i>Banking Act 1959</i> and after senior debtholders in the event that the ADI is unable to meet its obligations or is about to suspend payment.
<i>Supra-national and foreign agency-issued debt securities</i>	Means debt obligations of intergovernmental, governmental or quasi-governmental organisations.

<i>Syndicated loans</i>	<p>Means an extension of credit where the funds are jointly provided by two or more lenders.</p> <p><i>Syndicated loans</i> possess a single <i>loan</i> agreement, but each participant to a <i>syndicated loan</i> maintains a separate claim on, and bears the credit risk for, the portion of the <i>loan</i> that it has provided.</p>
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T

<i>Telecommunications services and internet services</i>	<p>Refers to payments (of a non-capital nature) for telecommunication and internet services that engage wire, cable or radio transmission.</p> <p>It includes:</p> <ul style="list-style-type: none"> • telephone charges; • facsimile charges; • internet charges; and • cost of leased lines for computers and internet services. <p>It excludes: installation costs.</p>
<i>Tenor</i>	See <i>original (maturity/term)</i> .
<i>Term</i>	<p>Means length of time until maturity.</p> <p>For <i>original maturity</i>, this refers to the length of time from origination until maturity.</p> <p>For <i>residual maturity</i>, this refers to the length of time from the reporting period until maturity.</p>
<i>Tier 2 capital instruments</i>	Refers to instruments that are compliant with the definition in <i>Prudential Standard APS 111 Capital Adequacy: Measurement of Capital</i> (APS 111). Excludes instruments that do not fully meet the criteria in Attachment H (whether or not these are eligible for transitional treatment under Attachment L of APS 111).
<i>Trade credit</i>	Refers to goods or services purchased for which the corresponding payment is deferred past the date on which the good or service is received.
<i>Trade date</i>	Means the date on which the <i>repo</i> or <i>reverse repo</i> was contracted.
<i>Trade finance</i>	<p>Means the provision of credit for the purpose of facilitating trade transactions. The finance relates to and is directly underpinned by the movement of goods or the provision of services such as documentary trade letters of credit, documentary and clean collection, import bills, export bills and shipping guarantees.</p> <p>A typical relationship is where the intermediary provides upfront payment to an exporter, and allows the importer to repay this credit once delivery is confirmed.</p>
<i>Trading book</i>	<p>Means positions in financial instruments that are held either with trading intent or to hedge other elements of the trading book. Positions held with trading intent are those which:</p> <ul style="list-style-type: none"> • are held for short-term resale; or • are taken on with the intention of benefiting in the short-term from

	<p>actual and/or expected differences between their buying and selling prices, or from other price or interest rate variations; or</p> <ul style="list-style-type: none"> • arise from broking and market-making. <p>For an ADI this will include positions in financial instruments that meet the requirements of <i>Prudential Standard APS 116 Capital Adequacy: Market Risk</i> (APS 116).</p>
Trading securities	Has the same meaning as in AASB 9. These assets must be acquired principally for the purpose of short-term profit-taking.
Transaction deposits	<p>Means all deposits that are directly accessible and exchangeable for notes and coins on demand at par and without penalty or restriction.</p> <p>The funds are directly accessible if they can be withdrawn or used to make payments to a third party by draft, giro order, direct debit/credit, cheque or another direct payment facility on demand.</p> <p>Examples of penalties or restrictions include limits on the value or volume of withdrawals in a given period and penalty fees or loss of bonus interest for withdrawals or other access to make payments.</p> <p>It includes:</p> <ul style="list-style-type: none"> • accounts from which payments may be made to third parties (e.g. Automated Teller Machines, cheque, debit card or another electronic device); and • savings deposits linked to an account from which payments may be made to third parties (e.g. Automated Teller Machines, debit card or another electronic device) where funds may be transferred to the linked account almost instantaneously and subsequently withdrawn or transferred to a third party on demand without penalty.
Transaction fees charged	<p>Means fees charged that relate to transactions made, generally charged to the party initiating the transaction.</p> <p>For deposits it includes fees charged on:</p> <ul style="list-style-type: none"> • branch-assisted withdrawals and deposits; • cheque payments and cashing, including bank cheques; • EFTPOS, BPAY, direct debit and/or periodic payments; and • ATM, internet or telephone banking transactions, including withdrawals, deposits and balance enquiries. <p>For loans and finance leases it includes fees charged on: drawdowns and redraws on loans and finance leases.</p>
Travel, accommodation and entertainment expenses	<p>Travel expenses are costs incurred for transportation services relating to business activities that occur away from the normal place of business. These costs are only to be included if they are incurred in connection with business activities.</p> <p>Accommodation expenses are those costs incurred in providing accommodation to staff when business activities occur away from the normal place of business.</p> <p>Entertainment expenses are the costs incurred by a business for the provision</p>

	of entertainment activities.
Tri-party agent (tri-party)	Means custodian banks to which <i>collateral</i> selection, payment and settlement, custody and management during a <i>repurchase agreement</i> is outsourced.
Turnover	Means the value of total sales made by a business during the most recent year. Calculate this using the values that the borrower reports to the Australian Taxation Office through Business Activity Statements.

U

Unallocated gold	Means an account that does not give the holder the title to physical gold but provides a claim against the account operator to deliver gold.
Unearned interest	Refers to interest received in advance but not yet earned. For example, on a <i>fixed-interest rate loan</i> portfolio.
Unique transaction identification number	Means any combination of letters and/or numbers assigned by the <i>ADI</i> or <i>RFC</i> that uniquely identifies the <i>repo</i> , <i>reverse repo</i> , <i>securities lending</i> transaction or <i>securities borrowing</i> transaction.
Unsecured (finance)	Means finance that is not <i>secured</i> .
Utility expense	Refers to expenses incurred related to utilities. It includes: <ul style="list-style-type: none"> • water rates and any excess water charges; and • electricity and gas charges.

V

Valuables	Means assets acquired as stores of value that do not deteriorate in value over time and are not used in a production process.
Value of funds	Means the institution's internal funds transfer pricing rate for a liability. The price is established by the institution's treasury area and 'credited' to the relevant business area. This includes: <ul style="list-style-type: none"> • liquidity, term, cash, interest rate, prepayment, optionality, and basis risks; and • strategic pricing, regulatory cost (excluding capital costs), cross-subsidisation and liquidity mismatch. Where there are multiple <i>values of funds</i> within a line item, report the weighted average of these amounts.
Variable interest rate	Means an <i>interest rate</i> that fluctuates over the <i>term</i> , or life, of the agreement. Fluctuations in <i>interest rates</i> generally occur at the discretion of the lender and/or in response to movements in some other interest rate or other variable specified in the contract. These fluctuations in <i>interest rates</i> may result in

	changes to required payments or length of the agreement.
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W

Wages and salaries	<p>Refers to gross earnings of <i>employees</i> before taxation and other deductions.</p> <p>Report <i>wages and salaries</i> as recorded in the <i>ADI's</i> and <i>RFC's</i> financial or management accounts, including provisions for employee entitlements (i.e. on an accruals basis).</p> <p>It includes:</p> <ul style="list-style-type: none"> • severances, terminations and redundancies; • salaries and fees of directors and executives; • retainers and commissions of persons who received a retainer; and • annual and other types of leave. <p>It excludes:</p> <ul style="list-style-type: none"> • capitalised <i>wages and salaries</i>; • salary sacrifice for superannuation; • payments to other businesses/organisations for staff (e.g. employment agencies); • payments to self-employed persons such as consultants and persons paid solely by commission without a retainer;- • payments to contractors for services; • <i>fringe benefit tax</i> and <i>payroll tax</i>; and • reimbursement of expenses (e.g. travel, entertainment, meals and other expenses).
Weighted average	<p>Means the weighted sum of individual items, where the weights used are the corresponding balances expressed as a share of the total balance.</p> <p>For a <i>weighted average interest rate</i>, the items summed are the <i>interest rates</i>.</p> <p>For a <i>weighted average term</i>, the items summed are the <i>original</i> or <i>residual terms</i>, as directed.</p>
Wholesale finance	<p>Means finance for the purchase of goods that will then be on-sold.</p> <p>It excludes: finance to assist with the everyday operations of the business. Report this as <i>working capital</i>.</p>
'Work in progress' information technology equipment	<p>Refers to <i>information technology equipment</i> classified as <i>property, plant and equipment</i> (including software applications that are an integral part of the hardware) that is under development and not ready for use in the production process as at the reporting date.</p>
Workers' compensation premiums/costs	<p>Refers to a compulsory insurance cover to be taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.</p>
Working	<p>Means a <i>loan</i> used to finance everyday operations of the business, such as</p>

<i>capital</i>	accounts payable and wages. It excludes: finance to purchase goods that will then be on-sold. Report this as <i>wholesale finance</i> .
<i>Write-backs</i>	Refers to the impairment charged to profit and loss in respect of impairment losses on financial assets not measured at fair value through profit or loss, as determined in accordance with Australian Accounting Standards.