



## Financial Sector (Collection of Data) (reporting standard) determination No. ~~3441~~ of ~~2019~~8

### Reporting Standard ARS 221.0 Large Exposures

#### *Financial Sector (Collection of Data) Act 2001*

---

I, ~~Wayne Byres~~John Lonsdale, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) and subsection 33(3) of the *Acts Interpretation Act 1901*:

- (a) REVOKE Financial Sector (Collection of Data) (reporting standard) determination No. ~~3441~~ of ~~2019~~8, including *Reporting Standard ARS 221.0 Large Exposures* made under that Determination; and
- (b) DETERMINE *Reporting Standard ARS 221.0 Large Exposures*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities, and the revoked reporting standard shall cease to apply, on 1 January ~~2019~~2020.

This instrument commences on 1 January ~~2019~~2020.

Dated: ~~29 November 2019~~23 August 2018

[Signed]

~~Wayne Byres~~John Lonsdale  
Deputy Chairman  
APRA

## **Interpretation**

In this Determination:

*APRA* means the Australian Prudential Regulation Authority.

*financial sector entity* has the meaning given by section 5 of the Act.

## **Schedule**

*Reporting Standard ARS 221.0 Large Exposures* comprises the document commencing on the following page.



## Reporting Standard ARS 221.0

### Large Exposures

#### Objective of this reporting standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to an authorised deposit-taking institution's large exposures.

It includes *Reporting Form ARF 221.0 Large Exposures* and *Reporting Form ARF 221.1 Large Exposures – Foreign ADI* and associated specific instructions and must be read in conjunction with *Prudential Standard APS 221 Large Exposures*.

#### Authority

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

#### Purpose

2. Information collected under this Reporting Standard is used by APRA for the purpose of prudential supervision. It may also be used by the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS).

#### Application

3. This Reporting Standard applies to all authorised deposit-taking institutions (ADIs) with the exception of providers of purchased payment facilities (PPFs). This Reporting Standard may also apply to the non-operating holding company (NOHC) of an ADI (refer to paragraph 6).

#### Commencement

4. This Reporting Standard applies to reporting periods ending on or after 1 January ~~2019~~2020.

## Information required

5. A locally incorporated ADI to which this Reporting Standard applies must provide APRA with the information required by the version of *Reporting Form ARF 221.0 Large Exposures* (ARF 221.0) designated for an ADI on a Level 1 basis for each reporting period.
6. If a locally incorporated ADI, to which this Reporting Standard applies, is part of a Level 2 group, the ADI must also provide APRA with the information required by the version of ARF 221.0 designated for an ADI at Level 2 for each reporting period unless the ADI is a subsidiary of an authorised NOHC. If the ADI is a subsidiary of an authorised NOHC, the ADI's immediate parent NOHC must provide APRA with the information required by that form for each reporting period. In doing so, the immediate parent NOHC must comply with this Reporting Standard (other than paragraph 5) as if it were the relevant ADI.
7. A foreign ADI to which this Reporting Standard applies must provide APRA with the information required by *Reporting Form ARF 221.1 Large Exposures – Foreign ADI* (ARF 221.1) for each reporting period.

## Form and method of submission

8. The information required by this Reporting Standard must be given to APRA in electronic format using the 'Direct to APRA' application or by a method notified by APRA prior to submission.

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

## Reporting periods and due dates

9. Subject to paragraph 11 of this Reporting Standard, an ADI to which this Reporting Standard applies must provide the information required by this Reporting Standard for each quarter based on the financial year (within the meaning of the *Corporations Act 2001*) of the ADI.
10. Subject to paragraph 12 of this Reporting Standard, the information required by this Reporting Standard must be provided to APRA within 28 calendar days after the end of the reporting period to which the information relates.
11. APRA may change the reporting periods, or specified reporting periods, for a particular ADI, to require it to provide the information required by this Reporting Standard more frequently, or less frequently, having regard to:
  - (a) the particular circumstances of the ADI;
  - (b) the extent to which the information is required for the purposes of the prudential supervision of the ADI; and
  - (c) the requirements of the RBA and the ABS.

12. APRA may grant an ADI an extension of a due date in which case the new date will be the date specified in the notice of extension.

*Note:* for the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an ADI is nonetheless required to submit the information required no later than the due date.

### **Quality control**

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

### **Authorisation**

15. When an officer of an ADI submits information under this Reporting Standard using the D2A software, or other method notified by APRA, the officer must digitally sign the relevant information using a digital certificate acceptable to APRA.

### **Minor alterations to forms and instructions**

16. APRA may make minor variations to:
  - (a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
  - (b) the instructions to a form, to clarify the application to the form,without changing any substantive requirement in the form or instructions.
17. If APRA makes such a variation it must notify each ADI that is required to report under this Reporting Standard.

### **Transition**

18. An ADI must report under the old Reporting Standard in respect of a transitional reporting period. For these purposes:

**old Reporting Standard** means the Reporting Standard revoked by the determination that makes this Reporting Standard (being the Reporting Standard which this Reporting Standard replaces), as in force immediately before the commencement of this Reporting Standard.

**transitional reporting period** means a reporting period under the old Reporting Standard:

- (a) that ended on or before 31 December ~~2018~~2019; and
- (b) in relation to which the ADI was required, under the old Reporting Standard, to report by a date on or after the date of revocation of the old Reporting Standard.

*Note:* for the avoidance of doubt, if an ADI was required to report under an old Reporting Standard, and the reporting documents were due before the date of revocation of the old Reporting Standard, the ADI is still required to provide the overdue reporting documents in accordance with the old Reporting Standard.

## Interpretation

19. In this Reporting Standard:

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

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

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

**authorised NOHC** has the meaning given in the *Banking Act 1959*.

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

**due date** means the last of the 28 calendar days provided for in relevant due date under paragraph 10 or, if applicable, the date on a notice of extension given under paragraph 12 of this Reporting Standard.

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

**immediate parent NOHC** means an authorised NOHC, or a subsidiary of an authorised NOHC, that is an immediate parent NOHC within the meaning of *Prudential Standard APS 001 Definitions* (APS 001).

**Level 1** has the meaning given in APS 001.

**Level 2** has the meaning given in APS 001.

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

***provider of purchased payment facilities*** means an ADI that is subject to a condition on its authority under section 9 of the *Banking Act 1959* confining the banking business that the ADI is authorised to carry on to providing purchased payment facilities.

***reporting period*** means a financial year as provided for period mentioned in paragraph 9 or, if applicable, the period specified in a notice given under paragraph 11 of this Reporting Standard.

***subsidiary*** has the meaning given in the *Corporations Act 2001*.

20. Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard or Australian Accounting or Auditing Standard is a reference to the instrument as in force or existing from time to time.
21. Where this Reporting Standard provides for APRA to exercise a power or discretion, this power or discretion is to be exercised in writing.

## ARF\_221\_0: Large Exposures

<b>Australian Business Number</b>	<b>Institution Name</b>
<b>Reporting Period</b>	<b>Scale Factor</b>
	Millions to one decimal place for banks Whole dollars no decimal place for ADIs other than banks
<b>Reporting Consolidation</b>	
Level 1 / Level 2	

### Section A: Large exposures

#### 1. Twenty largest exposures and all those exposures exceeding or equal to 10% of Tier 1 Capital

Counterparty name/ group counterparty name (1)	Legal Entity Identifier (2)	Counterparty sector (3)	On-balance sheet exposures - loans (4)	On-balance sheet exposures - other (5)	Off-balance sheet exposures - non-market-related (6)	Off-balance sheet exposures - market-related (7)	Total exposures (8)	Total exposures as % of Tier 1 Capital (9)
		Banking						
		Insurance						
		Superannuation						
		Central or Commonwealth Government						
		State or Territory government						



Local government
Central bank
Central counterparty
SPV
International banking agencies and multilateral regional development banks
Other financial institution
Other counterparties

1.1. Total

--	--	--	--	--	--

**2. Groups of connected counterparties**

Group counterparty name (1)	Connection (2)	Counterparties connected within the group (3)

**3. Government-related entities - Twenty largest exposures and all those exposures exceeding or equal to 5% of Tier 1 Capital**

Counterparty name	Legal Entity Identifier	Counterparty country	Counterparty sector	On-balance sheet exposures - loans	On-balance sheet exposures - other	Off-balance sheet exposures - non-	Off-balance sheet exposures - market-related	Total exposures	Total exposures as % of Tier 1 Capital

(1)	(2)	(3)	(4)	(5)	(6)	market-related (7)	(8)	(9)	(10)

Country list	Banking
	Insurance
	Superannuation
	Central or Commonwealth Government
	State or Territory government
	Local government
	Central bank
	Central counterparty
	SPV
	International banking agencies and multilateral regional development banks
	Other financial institution
	Other counterparties

3.1. Total

--	--	--	--	--	--

**Section B: Large exposures (without credit risk mitigation effects)**

**4. Twenty largest exposures and all those exposures exceeding or equal to 10% of Tier 1 Capital**

Counterparty name/ group counterparty name (1)	Legal Entity Identifier (2)	Counterparty sector (3)	On-balance sheet exposures - loans (4)	On-balance sheet exposures - other (5)	Off-balance sheet exposures - non-market-related (6)	Off-balance sheet exposures - market-related (7)	Total exposures (8)	Total exposures as % of Tier 1 Capital (9)
		Banking						
		Insurance						
		Superannuation						
		Central or Commonwealth Government						
		State or Territory government						
		Local government						
		Central bank						
		Central counterparty						
		SPV						
		International banking agencies and multilateral regional						

development banks
Other financial institution
Other counterparties

4.1. Total

--	--	--	--	--	--

**5. Groups of connected counterparties**

Group counterparty name (1)	Connection (2)	Counterparties connected within the group (3)

**Section C: Excluded exposures**

**6. Excluded exposures - sovereigns held as HQLA, qualifying central counterparties relating to clearing activities and settlement exposures exceeding or equal to 10% of Tier 1 Capital**

Counterparty name (1)	Legal Entity Identifier (2)	Counterparty sector (3)	Exclusion category (4)	On-balance sheet exposures - loans (5)	On-balance sheet exposures - other (6)	Off-balance sheet exposures - non-market related (7)	Off-balance sheet exposures - market related (8)	Total exposures (9)	Total exposures as % of Tier 1 Capital (10)
		Banking	Sovereigns held as HQLA						

Insurance	QCCP - clearing
Superannuation	Settlement exposure
Central or Commonwealth Government	
State or Territory government	
Local government	
Central bank	
Central counterparty	
SPV	
International banking agencies and multilateral regional development banks	
Other financial institution	
Other counterparties	

6.1. Total

--	--	--	--	--	--

**Memorandum Items: Tier 1 Capital**

7. Tier 1 Capital

--

## ARF\_221\_1: Large Exposures - Foreign ADI

<b>Australian Business Number</b>	<b>Institution Name</b>
<b>Reporting Period</b>	<b>Scale Factor</b>
	Millions to one decimal place
<b>Reporting Consolidation</b>	
Domestic books	

### 1. Twenty largest exposures of the Australian operations of the foreign ADI

Counterparty name/ group counterparty name (1)	Legal Entity Identifier (2)	Counterparty sector (3)	On-balance sheet exposures - loans (4)	On-balance sheet exposures - other (5)	Off-balance sheet exposures - non-market-related (6)	Off-balance sheet exposures - market-related (7)	Total exposures (8)
		Banking					
		Insurance					
		Superannuation					
		Central or Commonwealth Government					
		State or Territory government					
		Local government					

Central bank
Central counterparty
SPV
International banking agencies and multilateral regional development banks
Other financial institution
Other counterparties

1.1. Total

--	--	--	--

**2. Groups of connected counterparties**

Group counterparty name (1)	Connection (2)	Counterparties connected within the group (3)

# Reporting Form ARF 221.0

## Large Exposures

### Instruction Guide

This instruction guide is designed to assist in the completion of *Reporting Form ARF 221.0* (ARF 221.0). This form collects information on an authorised deposit-taking institution's (ADI's) large exposures to an individual counterparty or a group of connected counterparties.

In completing this form, ADIs must refer to *Prudential Standard APS 221 Large Exposures* (APS 221).

Note: Do not include an ADI's exposures to related entities (defined in accordance with *Prudential Standard APS 222 Associations with Related Entities* (APS 222)) in this form. Such exposures are to be reported in *ARF 222.0 Exposures to Related Entities*.

### General directions and notes

#### Reporting entity

ARF 221.0 must be completed on a Level 1 and Level 2 basis by all ADIs, with the exception of:<sup>1</sup>

- (a) foreign ADIs; and
- (b) providers of purchased payment facilities.

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

#### Securitisation deconsolidation principle

1. Where an ADI (or a member of its Level 2 consolidated group) participates in a securitisation that meets APRA's operational requirements for regulatory capital relief under *Prudential Standard APS 120 Securitisation* (APS 120):
  - (a) special purpose vehicles (SPVs) holding securitised assets may be treated as non-consolidated independent third parties for regulatory reporting purposes, irrespective of whether the SPVs (or their assets) are consolidated for accounting purposes; and

---

<sup>1</sup> Level 1 and Level 2 are defined in *Prudential Standard APS 001 Definitions* (APS 001).



- (b) the assets, liabilities, revenues and expenses of the relevant SPVs may be excluded from the ADI's reported amounts in APRA's regulatory reporting returns.
2. Where an ADI (or a member of its Level 2 consolidated group) participates in a securitisation that does not meet APRA's operational requirements for regulatory capital relief under APS 120, or the ADI undertakes a funding-only securitisation or synthetic securitisation, such assets are to be reported as on-balance sheet in APRA's regulatory reporting returns.

### Reporting period

This form is to be completed as at the last calendar day of each quarter based on the financial year (within the meaning of the *Corporations Act 2001*) of the ADI.

### Unit of measurement

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

Class of ADI	Units
<b>Australian-owned Bank</b>	<b>Millions of dollars rounded to one decimal place</b>
<b>Foreign Subsidiary Bank</b>	<b>Millions of dollars rounded to one decimal place</b>
<b>Foreign ADI</b>	<b>Not applicable</b>
<b>Building Society</b>	<b>Whole dollars with no decimal place</b>
<b>Credit Union</b>	<b>Whole dollars with no decimal place</b>
<b>PPF provider</b>	<b>Not applicable</b>
<b>Other ADI</b>	<b>Whole dollars with no decimal place</b>

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

### Basis of preparation

For the purposes of this form, ADIs are to report all *exposures* including both the effect of *CRM* techniques as well as on the basis of excluding the effect of *CRM* techniques allowed under APS 221.

In completing this form, ADIs are to apply the requirements for netting specified in Attachment A of APS 221.

## Definitions

Terms highlighted in ***bold italics*** indicate that the definition is provided in these instructions.

***Connection*** means the relationship between two counterparties in a ***group of connected counterparties***. ~~Until 31 December 2019, a connection can be any of the following:~~

~~cross-guarantees;~~

~~common-ownership or management;~~

~~control;~~

~~financial interdependency; or~~

~~other connections or relationships.~~

~~On and from 1 January 2020, a~~ connection can be any of the following:

- a ***control relationship***;
- an ***economic interdependence*** relationship;
- both ***control*** and ***economic interdependence***;
- ***other connections or relationships***; or
- a ***third party additional risk factor***.

~~On and from 1 January 2020, a~~ ***control*** relationship has the meaning given by paragraphs 22, ~~23 and to~~ 254 of APS 221.

***Counterparty*** means either the individual counterparty or a ***group of connected counterparties*** to an ***exposure***.<sup>2</sup> In the case of a ***group of connected counterparties***, the ADI's aggregate exposure to the group of connected counterparties is considered one exposure.

***Counterparty country*** means the country where the counterparty of the ***exposure*** is domiciled. ADIs are to report the English name of the relevant country as assigned by the ISO 3166 Maintenance Agency to a country code defined under the International Organization for Standardization's *International Standard ISO 3166*. The ISO 3166 Maintenance Agency maintains a free online browsing platform setting out the names of countries and their corresponding codes, available at [https://www.iso.org/obp/ui/#search/code/http://www.iso.org/iso/country\\_codes](https://www.iso.org/obp/ui/#search/code/http://www.iso.org/iso/country_codes).

***Counterparty name*** means the legal name of the ***counterparty***.

***Counterparty sector*** means the type of sector of the ***counterparty*** of the ***exposure***. There are 12 counterparty sectors which can be reported:

- ***banking***;

<sup>2</sup> For the avoidance of doubt, a reference to a counterparty includes a structured vehicle.

- *insurance*;
- *superannuation*;
- central or Commonwealth government;
- State or Territory government;
- local government;
- central banks;
- *central counterparties*;
- SPVs;
- *International banking agencies and multilateral regional development banks*;
- *other financial institutions*; and
- *other counterparties*.

**Credit risk mitigation (CRM)** means the CRM techniques allowed in *Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk* (APS 112).

~~On and from 1 January 2020, a~~An **economic interdependence** relationship has the meaning given by paragraph 254 of APS 221.

**Excluded exposures** means exposures excluded from *large exposures* under paragraph 18 of APS 221.

**Exclusion category** means the reason for the *exposure* being an *excluded exposure*. There are three exclusion categories which may be reported:

- *Sovereigns held as HQLA*;
- *QCCP – clearing*; or
- *Settlement exposure*.

**Exposure** is defined in paragraph 15 of APS 221.

**Government-related entities** has the meaning given in APS 221.

**Group counterparty name** means a name for a group of connected counterparties that includes the legal name of the principal counterparty in that group. An example of this could be ‘ABC Ltd master group’ if ‘ABC Ltd’ is the principal counterparty in that group of connected counterparties.

**Group of connected counterparties** has the meaning given in APS 221.

**Large exposure** has the meaning given in APS 221.

**Legal Entity Identifier** is a 20-digit, alpha-numeric code issued by a Local Operating Unit in accordance with the International Organization for Standardization's *International Standard ISO 17442*. The Global Legal Entity Identifier Foundation maintains a free online searchable database of Legal Entity Identifiers, available at <https://search.gleif.org/#/search/https://www.gleif.org/en/lei/search>.

**Market related** means **off-balance sheet exposures** arising from market related contracts. Refer to APS 112 for examples of these contracts.

**Non-market related** means **off-balance sheet exposures** that are not **market related**. Refer to APS 112 for examples of these commitments.

**Off-balance sheet exposures** means the off-balance sheet portion of any **exposure**, measured in accordance with Attachment A of APS 221.

**On-balance sheet exposures** means the on-balance sheet portion of any **exposure**, measured in accordance with Attachment A of APS 221.

~~On and from 1 January 2020, o~~**Other connections or relationships** has the meaning given by paragraph 21(a)(iii) of APS 221.

**Qualifying central counterparties (QCCPs)** has the meaning given in APS 112.

**QCCP – clearing** has the meaning given by paragraph 18(h) of APS 221.

**Settlement exposures** has the meaning given by paragraph 18(g) of APS 221.

**Sovereigns held as HQLA** means exposures to governments or central banks (both Australian and foreign) that are held as high-quality liquid assets under *Prudential Standard APS 210 Liquidity* (APS 210). This item does not apply to ADIs that are not subject to the LCR requirements of APS 210.

~~On and from 1 January 2020, a~~**third party additional risk factor** has the meaning given by paragraphs ~~278~~ to ~~304~~ of Attachment A of APS 221.

**Tier 1 Capital** has the meaning given in *Prudential Standard APS 111 Capital Adequacy: Measurement of Capital* (APS 111).

## **Counterparty sectors**

**Banking** institution means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*, as well as banking institutions in offshore jurisdictions.

**Central counterparties (CCP)** means 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. Includes **QCCPs**.

**Insurance** corporations means:

- life insurance corporations registered under the *Life Insurance Act 1995*;
- general insurance corporations registered under the *Insurance Act 1973* (or by virtue of determinations made by APRA under the *General Insurance Reform Act 2001*);
- private health insurance corporations registered under the *Private Health Insurance (Prudential Supervision) Act 2015*;
- the Export Finance Insurance Corporation;
- private sector and government-owned general and health insurance enterprises, both proprietary and mutual; and
- any insurance corporation overseas.

**International banking agencies and multilateral regional development banks** means those entities listed in footnote 8 of APS 112.<sup>3</sup>

**Other counterparties** includes any counterparty that is not a **banking** institution, **insurance** corporation, **superannuation fund**, Central or Commonwealth Government, State or Territory Government, Local Government, a central bank, a **central counterparty**, an SPV, **international banking agencies and multilateral development banks** or **other financial institutions**.

**Other financial institutions** means all entities mainly engaged in financial intermediation and the provision of auxiliary financial services, other than **banking** institutions, **insurance** corporations, **superannuation** funds, central banks, **international banking agencies and multilateral development banks**, **central counterparties** and SPVs. Holding companies with mainly financial corporations as their subsidiaries are also included, as are market not-for-profit institutions that mainly engage in financial intermediation or the production of auxiliary financial services.

**Superannuation** funds means complying funds for the purposes of the *Superannuation Industry (Supervision) Act 1993*, other autonomous funds established for the benefit of public sector employees and any overseas funds designed specifically for the purpose of providing a pension or other income stream on retirement.

## Specific instructions

### Section A: Large exposures

Item 1	<p>Report the twenty largest <b>exposures</b> and all <b>large exposures</b>, as at the end of the reporting period. That is, report the twenty largest <b>exposures</b> regardless of their size in proportion to <b>Tier 1 Capital</b>, and also report all <b>exposures</b> which exceed or are equal to ten per cent of <b>Tier 1 Capital</b>.</p> <p>In column 1, report the <b>counterparty name</b> of the <b>counterparty</b> for each <b>exposure</b> or the <b>group counterparty name</b> if the <b>exposure</b> is to a <b>group of connected counterparties</b>.</p>
--------	---

<sup>3</sup> ~~Until 30 June 2019, these entities are listed in footnote 5 of APS 112.~~

	<p>In column 2, report the <b><i>Legal Entity Identifier</i></b> of the <b><i>counterparty</i></b> for each <b><i>exposure</i></b> or the <b><i>Legal Entity Identifier</i></b> of the principal counterparty if the <b><i>exposure</i></b> is to a <b><i>group of connected counterparties</i></b>. Otherwise, report N/A if the <b><i>counterparty</i></b> or principal counterparty has no <b><i>Legal Entity Identifier</i></b>.</p> <p>In column 3, report the <b><i>counterparty sector</i></b> of the <b><i>counterparty</i></b> or the principal counterparty of a <b><i>group of connected counterparties</i></b> for each <b><i>exposure</i></b>.</p> <p>In column 4, report the <b><i>on-balance sheet exposures</i></b> relating to the book value of all loans and advances to the <b><i>counterparty</i></b> for each <b><i>exposure</i></b>, including any accrued income associated with the <b><i>exposure</i></b> (e.g. interest, dividends).</p> <p>In column 5, report the <b><i>on-balance sheet exposures</i></b> not relating to loans and advances to the <b><i>counterparty</i></b> for each <b><i>exposure</i></b>.</p> <p>In column 6, report the <b><i>non-market related, off-balance sheet exposures</i></b> for the <b><i>counterparty</i></b> for each <b><i>exposure</i></b>.</p> <p>In column 7, report the <b><i>market related, off-balance sheet exposures</i></b> for the <b><i>counterparty</i></b> for each <b><i>exposure</i></b>.</p> <p>Column 8 is derived as the total of columns 4, 5, 6 and 7, being the total <b><i>exposure</i></b> for the <b><i>counterparty</i></b>.</p> <p>Column 9 is derived as the ratio of column 8 to <b><i>Tier 1 Capital</i></b> reported in item 7.</p>
Item 1.1	<p>Item 1.1 is derived as the total of the twenty largest <b><i>exposures</i></b> and all <b><i>large exposures</i></b>.</p> <p>Columns 4, 5, 6, 7 and 8 of item 1.1 are derived as the sum of columns 4, 5, 6, 7 and 8 of item 1 respectively.</p> <p>Column 9 of item 1.1 is derived as the ratio of column 8 of item 1.1 to <b><i>Tier 1 Capital</i></b> reported in item 7.</p>
Item 2	<p>Report in item 2 details of each <b><i>group of connected counterparties</i></b> reported in Item 1. Each <b><i>counterparty</i></b> within each <b><i>group of connected counterparties</i></b> reported in item 1 should be reported on a separate row in item 2.</p> <p>In column 1, report the <b><i>group counterparty name</i></b> for each <b><i>counterparty</i></b> within each <b><i>group of connected counterparties</i></b> reported in item 1.</p> <p>In column 2, report the <b><i>connection</i></b> between the <b><i>counterparty</i></b> and the <b><i>group of connected counterparties</i></b>.</p> <p>In column 3, report the <b><i>counterparty name</i></b> of each <b><i>counterparty</i></b> within each <b><i>group of connected counterparties</i></b> reported in item 1.</p>
Item 3	<p>Report the twenty largest <b><i>exposures</i></b> and <b><i>exposures</i></b> exceeding or equal to five per cent of <b><i>Tier 1 Capital</i></b> to <b><i>government-related</i></b></p>

	<p><i>entities</i>, as at the end of the reporting period. Do not group <i>exposures</i> into <i>groups of connected counterparties</i>.</p> <p>In column 1, report the <i>counterparty name</i> of the <i>government-related entity</i> for each <i>exposure</i>.</p> <p>In column 2, report the <i>Legal Entity Identifier</i> of the <i>counterparty</i> for each <i>exposure</i> if the <i>government-related entity</i> has one. Otherwise, report N/A if the <i>government-related entity</i> has no <i>Legal Entity Identifier</i>.</p> <p>In column 3, report the <i>counterparty country</i> of the <i>government-related entity</i> for each <i>exposure</i>.</p> <p>In column 4, report the <i>counterparty sector</i> of the <i>government-related entity</i> for each <i>exposure</i>.</p> <p>In column 5, report the <i>on-balance sheet exposures</i> relating to the book value of all loans and advances to the <i>government-related entity</i> for each <i>exposure</i>, including any accrued income associated with the <i>exposure</i> (e.g. interest, dividends).</p> <p>In column 6, report the <i>on-balance sheet exposures</i> not relating to loans and advances to the <i>government-related entity</i> for each <i>exposure</i>.</p> <p>In column 7, report the <i>non-market related, off-balance sheet exposures</i> for the <i>government-related entity</i> for each <i>exposure</i>.</p> <p>In column 8, report the <i>market related, off-balance sheet exposures</i> for the <i>government-related entity</i> for each <i>exposure</i>.</p> <p>Column 9 is derived as the total of columns 5, 6, 7 and 8, being the total <i>exposure</i> for the <i>government-related entity</i>.</p> <p>Column 10 is derived as the ratio of column 9 to <i>Tier 1 Capital</i> reported in item 7.</p>
Item 3.1	<p>Item 3.1 is derived as the total of the twenty largest <i>exposures</i> for <i>government-related entities</i> and all <i>exposures</i> for <i>government-related entities</i> which exceed or are equal to five per cent of <i>Tier 1 Capital</i>.</p> <p>Columns 5, 6, 7, 8 and 9 of item 3.1 are derived as the sum of columns 5, 6, 7, 8 and 9 of item 3 respectively.</p> <p>Column 10 of item 3.1 is derived as the ratio of column 9 of item 3.1 to <i>Tier 1 Capital</i> reported in item 7.</p>

### Section B: Large exposures (without credit risk mitigation effects)

Item 4	<p>Report the twenty largest <i>exposures</i> and all <i>large exposures</i> as at the end of the reporting period, measured before the impact of <i>CRM</i>. That is, report the twenty largest <i>exposures</i> regardless of their size in proportion to <i>Tier 1 Capital</i> and also report all</p>
--------	---



	<p><i>exposures</i> which exceed or are equal to ten per cent of <b>Tier 1 Capital</b>, before <b>CRM</b>.</p> <p>The removal of the impact of <b>CRM</b> may mean the exposures listed in item 4 might not be the same as those in item 1.</p> <p>In column 1, report the <b>counterparty name</b> of the <b>counterparty</b> or the <b>group counterparty name</b> for each <b>exposure</b>.</p> <p>In column 2, report the <b>Legal Entity Identifier</b> of the <b>counterparty</b> for each <b>exposure</b> or the <b>Legal Entity Identifier</b> of the principal counterparty if the <b>exposure</b> is to a <b>group of connected counterparties</b>. Otherwise, report N/A if the <b>counterparty</b> or principal counterparty has no <b>Legal Entity Identifier</b>.</p> <p>In column 3, report the <b>counterparty sector</b> of the <b>counterparty</b> or the principal counterparty of a <b>group of connected counterparties</b> for each <b>exposure</b>.</p> <p>In column 4, report the <b>on-balance sheet exposures</b> relating to the book value of all loans and advances to the <b>counterparty</b> for each <b>exposure</b>, including any accrued income associated with the <b>exposure</b> (e.g. interest, dividends), before <b>CRM</b>.</p> <p>In column 5, report the <b>on-balance sheet exposures</b> not relating to loans and advances to the <b>counterparty</b> for each <b>exposure</b>, before <b>CRM</b>.</p> <p>In column 6, report the <b>non-market related, off-balance sheet exposures</b> for the <b>counterparty</b> for each <b>exposure</b>, before <b>CRM</b>.</p> <p>In column 7, report the <b>market related, off-balance sheet exposures</b> for the <b>counterparty</b> for each <b>exposure</b>, before <b>CRM</b>.</p> <p>Column 8 is derived as the total of columns 4, 5, 6 and 7, being the total <b>exposure</b> for the <b>counterparty</b>, before <b>CRM</b>.</p> <p>Column 9 is derived as the ratio of column 8 to <b>Tier 1 Capital</b> reported in item 7.</p>
Item 4.1	<p>Item 4.1 is derived as the total of the twenty largest <b>exposures</b> and all <b>large exposures</b>, before <b>CRM</b>.</p> <p>Columns 4, 5, 6, 7 and 8 of item 4.1 are derived as the sum of columns 4, 5, 6, 7 and 8 of item 4 respectively.</p> <p>Column 9 of item 4.1 is derived as the ratio of column 8 of item 4.1 to <b>Tier 1 Capital</b> reported in item 7.</p>
Item 5	<p>Report in item 5 details of each <b>group of connected counterparties</b> reported in Item 4 that were not reported in item 1. Each <b>counterparty</b> within each <b>group of connected counterparties</b> reported in item 4 should be reported on a separate row in item 5, unless it was already reported in item 1.</p>



	<p>In column 1, report the <b><i>group counterparty name</i></b> for each <b><i>counterparty</i></b> within each <b><i>group of connected counterparties</i></b> reported in item 4.</p> <p>In column 2, report the <b><i>connection</i></b> between the <b><i>counterparty</i></b> and the <b><i>group of connected counterparties</i></b>.</p> <p>In column 3, report the <b><i>counterparty name</i></b> of each <b><i>counterparty</i></b> within each <b><i>group of connected counterparties</i></b> reported in item 4.</p>
--	--

### Section C: Excluded exposures

Item 6	<p>Report all <b><i>excluded exposures</i></b> exceeding or equal to ten per cent of <b><i>Tier 1 Capital</i></b> that are <b><i>sovereigns held as HQLA</i></b>, to <b><i>QCCPs</i></b> relating to clearing activities, and <b><i>settlement exposures</i></b> as at the end of the reporting period. If the <b><i>excluded exposure</i></b> to a <b><i>counterparty</i></b> relates to more than one <b><i>exclusion category</i></b>, report the <b><i>excluded exposure</i></b> under a separate row in item 6 with the relevant <b><i>counterparty</i></b> and all relevant <b><i>exclusion categories</i></b>.</p> <p>Do not group exposures into <b><i>groups of connected counterparties</i></b>. Do not include any other type of <b><i>excluded exposure</i></b>.</p> <p>In column 1, report the <b><i>counterparty name</i></b> of the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b>.</p> <p>In column 2, report the <b><i>Legal Entity Identifier</i></b> of the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b> if the <b><i>counterparty</i></b> has one. Otherwise, report N/A if the counterparty has no <b><i>Legal Entity Identifier</i></b>.</p> <p>In column 3, report the <b><i>counterparty sector</i></b> of the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b>.</p> <p>In column 4, report the <b><i>exclusion category</i></b> for each <b><i>excluded exposure</i></b>.</p> <p>In column 5, report the <b><i>on-balance sheet exposures</i></b> relating to the book value of all loans and advances to the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b>, including any accrued income associated with the <b><i>excluded exposure</i></b> (e.g. interest, dividends).</p> <p>In column 6, report the <b><i>on-balance sheet exposures</i></b> not relating to loans and advances to the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b>.</p> <p>In column 7, report the <b><i>non-market related, off-balance sheet exposures</i></b> for the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b>.</p> <p>In column 8, report the <b><i>market related, off-balance sheet exposures</i></b> for the <b><i>counterparty</i></b> for each <b><i>excluded exposure</i></b>.</p>
--------	--

	<p>Column 9 is derived as the total of columns 5, 6, 7 and 8, being the total <i>exposure</i> for the <i>counterparty</i>.</p> <p>Column 10 is derived as the ratio of column 9 to <i>Tier 1 Capital</i> reported in item 7.</p>
Item 6.1	<p>Item 6.1 is derived as the total of the <i>excluded exposures</i> exceeding or equal to ten per cent of <i>Tier 1 Capital</i> that are <i>sovereigns held as HQLA</i>, to <i>QCCPs</i> relating to clearing activities, and <i>settlement exposures</i>.</p> <p>Columns 5, 6, 7, 8 and 9 of item 6.1 are derived as the sum of columns 5, 6, 7, 8 and 9 of item 6 respectively.</p> <p>Column 10 of item 6.1 is derived as the ratio of column 9 of item 6.1 to <i>Tier 1 Capital</i> reported in item 7.</p>

### Memorandum Items: Tier 1 Capital

Item 7	Report in item 7 the <i>Tier 1 Capital</i> as at the end of the period.
--------	---

# Reporting Form ARF 221.1

## Large Exposures – Foreign ADI

### Instruction Guide

This instruction guide is designed to assist in the completion of *Reporting Form ARF 221.1* (ARF 221.1). This form collects information on a foreign authorised deposit-taking institution's (foreign ADI's) largest exposures to an individual counterparty or a group of connected counterparties.

In completing this form, foreign ADIs must refer to *Prudential Standard APS 221 Large Exposures* (APS 221).

Note: Do not include an ADI's exposures to related entities (defined in accordance with *Prudential Standard APS 222 Associations with Related Entities* (APS 222)) in this form. Such exposures are to be reported in *ARF 222.0 Exposures to Related Entities*.

### General directions and notes

#### Reporting entity

ARF 221.1 must be completed by a foreign ADI for the domestic books of the foreign ADI.

Domestic books means an unconsolidated report of positions, transactions and other information recorded on the Australian books of the body corporate authorised by APRA to carry on banking business as per the *Banking Act 1959*. Domestic books include transactions and positions with both residents and non-residents that are recorded on the Australian books of these entities.

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 (e.g. related parties such as subsidiaries, SPVs or parent entities) and of overseas-based entities (e.g. overseas-based branches and offshore banking units (within the meaning of section 128AE of the *Income Tax Assessment Act 1936*)).

#### Reporting period

This form is to be completed as at the last calendar day of each quarter based on the financial year (within the meaning of the *Corporations Act 2001*) of the foreign ADI.

#### Unit of measurement

This form should be completed in Australian dollars (AUD), in millions of dollars rounded to one decimal place.

Amounts denominated in foreign currency ~~are to~~must be converted to AUD in accordance with *Accounting Standard AASB 121 The Effects of Changes in Foreign Exchange Rates* (AASB 121), as in force from time to time.

### **Basis of preparation**

For the purposes of this form, foreign ADIs must report all *exposures*. In completing this form, foreign ADIs are to apply the requirements for netting specified in Attachment A of APS 221.

A foreign ADI may report using the requirements and definitions that it applies in reporting exposures under the requirements of its home jurisdiction, unless otherwise notified by APRA.

### **Definitions**

Terms highlighted in *bold italics* indicate that the definition is provided in these instructions.

*Connection* means the relationship between two counterparties in a *group of connected counterparties*. ~~Until 31 December 2019, a connection can be any of the following:~~

~~cross-guarantees;~~

~~common ownership or management;~~

~~control;~~

~~financial interdependency; or~~

~~other connections or relationships.~~

~~On and from 1 January 2020, a A connection can be any of the following:~~

- a *control* relationship;
- an *economic interdependence* relationship;
- both *control* and *economic interdependence*;
- *other connections or relationships*; or
- a *third party additional risk factor*.

~~On and from 1 January 2020, a A *control* relationship has the meaning given by paragraphs 22, 23 ~~to~~and 254 of APS 221.~~

*Counterparty* means either the individual counterparty or a *group of connected counterparties* to an *exposure*.<sup>1</sup> In the case of a *group of connected counterparties*, the foreign ADI's aggregate exposure to the group of connected counterparties is considered one exposure.

---

<sup>1</sup> For the avoidance of doubt, a reference to a counterparty includes a structured vehicle.

**Counterparty name** means the legal name of the *counterparty*.

**Counterparty sector** means the type of sector of the *counterparty* of the *exposure*. There are 12 counterparty sectors which can be reported:

- *banking*;
- *insurance*;
- *superannuation*;
- central or Commonwealth government;
- State or Territory government;
- local government;
- central banks;
- *central counterparties*;
- SPVs;
- *International banking agencies and multilateral regional development banks*;
- *other financial institutions*; and
- *other counterparties*.

~~On and from 1 January 2020, a~~**An economic interdependence** relationship has the meaning given by paragraph ~~25-24~~ of APS 221.

**Exposure** is defined in paragraph 15 of APS 221.

**Group counterparty name** means a name for a group of connected counterparties that includes the legal name of the principal counterparty in that group. An example of this could be ‘ABC Ltd master group’ if ‘ABC Ltd’ is the principal counterparty in that group of connected counterparties.

**Group of connected counterparties** has the meaning given in APS 221.

**Legal Entity Identifier** is a 20-digit, alpha-numeric code issued by a Local Operating Unit in accordance with the International Organization for Standardization’s *International Standard ISO 17442*. The Global Legal Entity Identifier Foundation maintains a free online searchable database of Legal Entity Identifiers, available at <https://search.gleif.org/#/search/https://www.gleif.org/en/lei/search>.

**Market related** means *off-balance sheet exposures* arising from market related contracts. Refer to APS 112 for examples of these contracts.

**Non-market related** means *off-balance sheet exposures* that are not *market related*. Refer to APS 112 for examples of these commitments.

**Off-balance sheet exposures** means the off-balance sheet portion of any *exposure*, measured in accordance with Attachment A of APS 221.

**On-balance sheet exposures** means the on-balance sheet portion of any *exposure*, measured in accordance with Attachment A of APS 221.

~~On and from 1 January 2020, o~~**Other connections or relationships** has the meaning given by paragraph 21(a)(iii) of APS 221.

*Qualifying central counterparties (QCCPs)* has the meaning given in APS 112.

~~On and from 1 January 2020, a~~ *third party additional risk factor* has the meaning given by paragraphs ~~278~~ to ~~304~~ of Attachment A of APS 221.

## Counterparty sectors

*Banking* institution means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*, as well as banking institutions in offshore jurisdictions.

*Central counterparties (CCP)* means 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. Includes *QCCPs*.

*Insurance* corporations means:

- life insurance corporations registered under the *Life Insurance Act 1995*;
- general insurance corporations registered under the *Insurance Act 1973* (or by virtue of determinations made by APRA under the *General Insurance Reform Act 2001*);
- private health insurance corporations registered under the *Private Health Insurance (Prudential Supervision) Act 2015*;
- the Export Finance Insurance Corporation;
- private sector and government-owned general and health insurance enterprises, both proprietary and mutual; and
- any insurance corporation overseas.

*International banking agencies and multilateral regional development banks* means those entities listed in footnote 8 of APS 112.<sup>2</sup>

*Other counterparties* includes any counterparty that is not a *banking* institution, *insurance* corporation, *superannuation fund*, Central or Commonwealth Government, State or Territory Government, Local Government, a central bank, a *central counterparty*, an SPV, *international banking agencies and multilateral development banks* or *other financial institutions*.

*Other financial institutions* means all entities mainly engaged in financial intermediation and the provision of auxiliary financial services, other than *banking* institutions, *insurance* corporations, *superannuation* funds, central banks, *international banking agencies and multilateral development banks*, *central counterparties* and SPVs. Holding companies with mainly financial corporations as their subsidiaries are also included, as are market not-for-profit institutions that mainly engage in financial intermediation or the production of auxiliary financial services.

*Superannuation* funds means complying funds for the purposes of the *Superannuation Industry (Supervision) Act 1993*, other autonomous funds established for the benefit of

---

<sup>2</sup> ~~Until 30 June 2019, these entities are listed in footnote 5 of APS 112.~~

public sector employees and any overseas funds designed specifically for the purpose of providing a pension or other income stream on retirement.

### Specific instructions

Item 1	<p>Report the twenty largest <b>exposures</b> as at the end of the reporting period.</p> <p>In column 1, report the <b>counterparty name</b> of the <b>counterparty</b> for each exposure or the <b>group counterparty name</b> if the <b>exposure</b> is to a group of connected counterparties.</p> <p>In column 2, report the <b>Legal Entity Identifier</b> of the <b>counterparty</b> for each <b>exposure</b> or the <b>Legal Entity Identifier</b> of the principal counterparty if the <b>exposure</b> is to a <b>group of connected counterparties</b>. Otherwise, report N/A if the <b>counterparty</b> or principal counterparty has no <b>Legal Entity Identifier</b>.</p> <p>In column 3, report the <b>counterparty sector</b> of the <b>counterparty</b> or the principal counterparty of a <b>group of connected counterparties</b> for each <b>exposure</b>.</p> <p>In column 4, report the <b>on-balance sheet exposures</b> relating to the book value of all loans and advances to the <b>counterparty</b> for each <b>exposure</b>, including any accrued income associated with the <b>exposure</b> (e.g. interest, dividends).</p> <p>In column 5, report the <b>on-balance sheet exposures</b> not relating to loans and advances to the <b>counterparty</b> for each <b>exposure</b>.</p> <p>In column 6, report the <b>non-market related, off-balance sheet exposures</b> for the <b>counterparty</b> for each <b>exposure</b>.</p> <p>In column 7, report the <b>market related, off-balance sheet exposures</b> for the <b>counterparty</b> for each <b>exposure</b>.</p> <p>Column 8 is derived as the total of columns 4, 5, 6 and 7, being the total <b>exposure</b> for the <b>counterparty</b>.</p>
Item 1.1	<p>Item 1.1 is derived as the total of the twenty largest <b>exposures</b>.</p> <p>Columns 4, 5, 6, 7 and 8 of item 1.1 are derived as the sum of columns 4, 5, 6, 7 and 8 of item 1 respectively.</p>
Item 2	<p>Report in item 2 details of each <b>group of connected counterparties</b> reported in Item 1. Each <b>counterparty</b> within each <b>group of connected counterparties</b> reported in item 1 should be reported on a separate row in item 2.</p> <p>In column 1, report the <b>group counterparty name</b> for each <b>counterparty</b> within each <b>group of connected counterparties</b> reported in item 1.</p> <p>In column 2, report the <b>connection</b> between the <b>counterparty</b> and the <b>group of connected counterparties</b>.</p>

	In column 3, report the <i>counterparty name</i> of each <i>counterparty</i> within each <i>group of connected counterparties</i> reported in item 1.
--	---