Reporting Standard GRS 114.1.G

Assets by Counterparty Grade (Level 2 Insurance Group)

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to the breakdown of a Level 2 insurance group's assets by counterparty grade.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard GRS 001 Reporting Requirements* (GRS 001), including the general instruction guide.

Authority

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

Purpose

2. The information reported to APRA under this Reporting Standard is used by APRA for the purpose of prudential supervision including assessing compliance with the capital standards.

Application and commencement

3. This Reporting Standard applies to a parent entity of a Level 2 insurance group as defined in *Prudential Standard CGPS 001 Definitionsed terms* (CGPS 001). This Reporting Standard applies for reporting periods ending on or after 1 July 20231 January 2027. The parent entity of a Level 2 group is required to ensure that each requirement in this Reporting Standard is complied with.

Information required

4. The parent entity of a Level 2 insurance group must provide APRA with the information required by this Reporting Standard in respect of the Level 2 insurance group for each reporting period.

Method of submission

5. The information required by this Reporting Standard must be given to APRA:

   (a) in electronic format using an electronic method available on APRA's website; or

   (b) by a method notified by APRA prior to submission.

Reporting periods and due dates

6. Subject to paragraph 7, the parent entity of a Level 2 insurance group must provide the information required by this Reporting Standard:

   (a) in respect of the first half year based on the financial year of the Level 2 insurance group on an unaudited basis; and

   (b) in respect of each financial year of the Level 2 insurance group on an audited basis.

   Note: The annual information required by paragraphs 4, 5 and 6(b), together with certain annual information required by other reporting standards, will form part of the Level 2 insurance group's annual accounts within the meaning of CGPS 001. *Prudential Standard GPS 310 Audit and Related Matters* contains the relevant provisions governing audits.

7. If, having regard to the particular circumstances of a Level 2 insurance group, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 6(a) or 6(b), APRA may, by notice in writing to the parent entity, change the reporting periods, or specify reporting periods, for the particular Level 2 insurance group.

8. The information required by this Reporting Standard in respect of a Level 2 insurance group must be provided to APRA:

   (a) in the case of half yearly information, within three months after the end of the reporting period to which the information relates;

   (b) in the case of annual information, within three months after the end of the reporting period to which the information relates; or

   (c) in the case of information provided in accordance with paragraph 7, within the time specified by notice in writing.

   Note: GPS 310 requires a Level 2 insurance group to ensure that its Group Auditor conducts a limited assurance review of the group's annual accounts. Accordingly, the Group Auditor's report(s) as required by GPS 310 (relating to the information required by paragraph 4) must be provided to APRA by the time specified in GRS 001 (unless an extension of time is granted under GRS 001).

9. APRA may, in writing, grant the parent entity of a Level 2 insurance group an extension of a due date in paragraph 8, in which case the new due date will be the date on 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, the parent entity of a Level 2 insurance group is nonetheless required to submit the information required no later than the due date.

10. On the written application of the parent entity of a Level 2 insurance group, APRA may by notice in writing to the parent entity exclude the requirement under subparagraph 6(a) to provide half yearly information.

Quality control

11. The information provided by the parent entity of a Level 2 insurance group under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Group Auditor of the Level 2 insurance group. This will require the Group Auditor to review and test the Level 2 insurance group's systems, processes and controls designed to enable the group to report reliable financial information to APRA. This review and testing must be done on:

    (a) an annual basis or more frequently if necessary to enable the Group Auditor to form an opinion on the reliability and accuracy of data; and

    (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of *Prudential Standard GPS 310 Audit and Related Matters* (GPS 310).

12. All information provided by the parent entity of a Level 2 insurance group under this Reporting Standard must be subject to systems, processes and controls developed by the Level 2 insurance group for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the parent entity of the Level 2 insurance group to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.

Authorisation

13. When an officer, or agent, of a parent entity of a Level 2 insurance group provides the information required by this Reporting Standard using an electronic format the officer, or agent, must digitally sign the relevant information using a digital certificate acceptable to APRA.

14. If the information required by this Reporting Standard is provided by an agent who submits the information on the parent entity of a Level 2 insurance group's behalf, the parent entity of a Level 2 insurance group must:

    (a) obtain from the agent a copy of the completed information provided to APRA; and

    (b) retain the completed copy.

15. An officer, or agent, of a parent entity of a Level 2 insurance group who submits the information under this Reporting Standard for, or on behalf of, the parent entity of a Level 2 insurance group must be authorised by either:

    (a) the Principal Executive Officer of the parent entity of the Level 2 insurance group; or

(b) the Chief Financial Officer of the parent entity of the Level 2 insurance group.

Variations

16. APRA may, by written notice to the parent entity of a Level 2 insurance group, vary the reporting requirements of this Reporting Standard in relation to that Level 2 insurance group.

Transition

17. A parent entity of a Level 2 insurance group must report under the old Reporting Standard revoked by the determination that makes this Reporting Standard in respect of any reporting periods ending before 1 January 2027in respect of a transitional reporting period. For these purposes:

18. ***old reporting standard*** means the reporting standard revoked in the determination making this Reporting Standard; and

19. ***transitional reporting period*** means a reporting period under the old reporting standard:

20. which ended before 1 July 2023; and

21. in relation to which the parent entity of a Level 2 insurance group was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

22.17. *Note:* For the avoidance of doubt, if a parent entity of a Level 2 insurance group 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 parent entity of a Level 2 insurance group is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

23.18. In this Reporting Standard:

(a) unless the contrary intention appears, words and expressions have the meanings given to them in CGPS 001; and

(b) the following definitions are applicable:

APRA-authorised reinsurer means an insurer carrying on reinsurance business. For the purposes of this definition, a Lloyd's underwriter as defined under the Insurance Act is an APRA-authorised reinsurer if it carries on reinsurance business. The Australian Reinsurance Pool Corporation is also an APRA-authorised reinsurer for the purposes of this definition;

capital standards means the prudential standards which relate to capital adequacy as defined in CGPS 001;

Chief Financial Officer means the chief financial officer of the parent entity of a Level 2 insurance group, by whatever name called;

financial year means the financial year (within the meaning in the *Corporations Act 2001*) of the parent entity of a Level 2 insurance group;

foreign insurer means a foreign general insurer within the meaning of the Insurance Act;

Note: A reference to a 'branch' or 'branch operation' is a reference to the Australian operations of a foreign insurer.

general instruction guide refers to the general instruction guide set out in Attachment A of GRS 001;

Group Auditor has the meaning given in GPS 310;

Insurance Act means the *Insurance Act 1973*;

insurer means a general insurer within the meaning of section 11 of the Insurance Act;

*Note***:** In this Reporting Standard, a reference to an 'authorised insurer', 'authorised insurance entity' or 'licensed insurer' is a reference to an insurer, and a reference to an 'authorised reinsurance entity' is a reference to an insurer whose business consists only of undertaking liability by way of reinsurance.

non-APRA-authorised reinsurer means any reinsurer that is not an APRA-authorised reinsurer;

Principal Executive Officer means the current principal executive officer of the entity, by whatever name called, and whether or not he or she is a member of the governing board of the entity; and

reporting period means a period mentioned in subparagraph 6(a) or 6(b) or, if applicable, paragraph 7.

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

Reporting Standard GRS 114.1.G

Assets by Counterparty Grade (Level 2 Insurance Group)

General instructions

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

Reporting tables

Tables described in this reporting standard list each of the data fields required to be reported. The data fields are listed sequentially in the column order that they will appear in the reported data set. Constraints on the data that can be reported for each field have also been provided.

Any specific combination of values in a table must not appear on more than one row in that table when reported.

International business

A Level 2 insurance group may use a best endeavours basis to determine the identification of asset or counterparty exposures for international business. The best endeavours basis must use information held by entities within the Level 2 insurance group, or otherwise publicly available information, in a manner consistent with the group's documented credit risk management policies.

A Level 2 insurance group may use accounting records to derive values for reinsurance recoverables, ***expected reinsurance recoveries*** and other reinsurance asset related data items for international business (subject to meeting *Prudential Standard GPS 340 Insurance Liability Valuation* (GPS 340) requirements and after removing regulatory receivables and payables).

For clarity, in this Reporting Standard, reinsurance recoverables on paid claims and reinsurance recoverables on outstanding claims are not reported separately. As such, there is no need to make the adjustment for reinsurance recoverables on paid claims.

Definitions

Terms in ***bold italics*** are defined in this Definitions section of these instructions.

C

Cash and cash equivalents	This is the value, as at the relevant date, of notes and coins; deposits withdrawable or redeemable within 24 hours; and securities purchased under agreements to resell.
Cash management trusts	This is the aggregate value of holdings in investment vehicles which constitute ***cash management trusts***.
Counterparty grade	This is the classification applied to an investment or exposure as per the requirements of CGPS 001. Assets guaranteed by an Australian state or territory government must be reported in the ***counterparty grade*** that

	applies after rating up one grade in accordance with *Prudential Standard GPS 114 Capital Adequacy: Asset Risk Charge*.

D

Derivatives (assets)	This is the value of all open derivatives positions reported as assets.

E

Expected reinsurance recoveries	This is the amount due to an insurer, or to an entity that carries on international business within a Level 2 insurance group, from a reinsurer that arises from the recognition of premiums liabilities referred to in the GI Prudential Standards (including GPS 340). This is distinguished from reinsurance recoverables. This is calculated as the sum of: • ***expected reinsurance recoveries: relating to APRA-authorised reinsurers***; and • ***expected reinsurance recoveries: relating to non-APRA-authorised reinsurers.***
Expected reinsurance recoveries: relating to APRA-authorised reinsurers	Means the value of ***expected reinsurance recoveries*** related to APRA-authorised reinsurers.
Expected reinsurance recoveries: relating to non-APRA-authorised reinsurers	Means the value of ***expected reinsurance recoveries*** related to non-APRA-authorised reinsurers.

I

Interest rate investments (direct)	This is the value of debt securities held by the reporting Level 2 insurance group as at the relevant date, plus the value of deposits and placements that have been classified by the reporting Level 2 insurance group as assets backing insurance liabilities for statutory reporting purposes. A debt security is a transferable instrument evidencing a relationship of indebtedness. It is characterised by having a definable return that is not based on the economic performance of the issuing entity.

Investment income receivable	This is the value, as at the relevant date, of investment income that is receivable by the reporting Level 2 insurance group net of any related provisions for doubtful debts. For the purposes of this item, include only income from the holding of investment assets (e.g. interest, dividends, unit trust distributions, and rental income that is accrued but not yet received). Investment assets are those acquired with the intention to subsequently sell the asset at a profit and not for use within the operations of the business or as a strategic investment.

L

Loans (direct)	This is the value of loans. Loans include financial leases and mortgages, and are typically non-negotiable on the secondary market.

N

Non-reinsurance recoveries receivable	This is the value of non-reinsurance recoveries on paid claims. ***Non-reinsurance recoveries receivable*** is netted against insurance contract liabilities or added to insurance contract assets under *AASB 17 Insurance Contracts*. This must exclude any amount already allowed in insurance liabilities determined under GPS 340 to avoid double counting.

O

Other accounts receivable	This is the amount related to any other relevant accounts receivable not reported in ***investment income receivable, non-reinsurance recoveries receivable*** and any other item reported for GRS 114.1.G. This may include (but is not limited to) levies, taxes, rebates, fees and commissions.
Other assets by counterparty grade	This is the value of the accounting assets that have not been reported elsewhere in: • ***cash and cash equivalents***; • ***interest rate investments (direct)***; • ***loans (direct)***; • ***cash management trusts***; and • ***derivatives (assets)***. This excludes the following items from the *AASB 17 Insurance Contracts* balance sheet: • insurance contract assets; and • reinsurance contract assets.

Other reinsurance assets	This is the value of the central estimate of any asset recognised by the reporting Level 2 insurance group that relates to reinsurance other than: • ***reinsurance recoverables on outstanding and paid claims***; and • ***expected reinsurance recoveries.*** This is calculated as the sum of: • ***other reinsurance assets: from APRA-authorised reinsurers***; and • ***other reinsurance assets: from non-APRA-authorised reinsurers.***
Other reinsurance assets: from APRA-authorised reinsurers	Means the value of ***other reinsurance assets*** that are due from APRA-authorised reinsurers.
Other reinsurance assets: from non-APRA-authorised reinsurers	Means the value of ***other reinsurance assets*** that are due from non-APRA-authorised reinsurers.

R

Reinsurance recoverables on outstanding and paid claims	This is the value of the central estimate of reinsurance recoverables in relation to reinsurance contracts for both paid and outstanding claims. This item does not include amounts under reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under *Prudential Standard GPS 230 Reinsurance Management* (GPS 230). This is calculated as the sum of: • ***reinsurance recoverables on outstanding and paid claims: from APRA-authorised reinsurers***; • ***reinsurance recoverables on outstanding and paid claims: from non-APRA authorised reinsurers except for amounts outstanding on and from the second balance date***; • ***reinsurance recoverables on outstanding and paid claims: from non-APRA authorised reinsurers that are amounts outstanding on and from the second balance date***; and • ***reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are overdue for more than 6 months.***
Reinsurance recoverables on outstanding and	This is the value of reinsurance recoverables for both paid and outstanding claims against the reporting Level 2 insurance group from APRA-authorised reinsurers. This item does not include amounts under

paid claims: from APRA-authorised reinsurers	reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under GPS 230. This must be reduced by the amount that is likely to become uncollectable in the future.
Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers except for amounts outstanding on and from the second balance date	This is the value of reinsurance recoverables for both paid and outstanding claims against the reporting Level 2 insurance group from non-APRA-authorised reinsurers except for amounts outstanding on and from the second balance date after the financial year in which the event occurred. This item does not include amounts under reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under GPS 230. This must be reduced by the amount that is likely to become uncollectable in the future.
Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date	This is the value of reinsurance recoverables for both paid and outstanding claims against the reporting Level 2 insurance group from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date after the financial year in which the event occurred. This item does not include amounts under reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under GPS 230. This must be reduced by the amount that is likely to become uncollectable in the future. This is calculated as the sum of: • ***reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date - supported by security arrangements in Australia***; and • ***reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date – not supported by security arrangements in Australia***.
Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts	This is the value of ***reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date***, where there is collateral, a guarantee or a letter of credit supporting the reinsurance recoverables. This item does not include amounts under reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under GPS 230. The categorisation of a recoverable as supported or not supported must be in accordance with

outstanding on and from the second balance date - supported by security arrangements in Australia	the requirements for reinsurance recoverables in paragraph 75 and Attachment B of GPS 114.
Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date – not supported by security arrangements in Australia	This is the value of ***reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date***, where there is no collateral, guarantee or letter of credit supporting the reinsurance recoverables. This item does not include amounts under reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under GPS 230. The categorisation of a recoverable as supported or not supported must be in accordance with the requirements for reinsurance recoverables in paragraph 75 and Attachment B of GPS 114.
Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are overdue for more than 6 months	This is the value of reinsurance recoverables for both paid and outstanding claims against the reporting Level 2 insurance group from non-APRA-authorised reinsurers that are receivables overdue for more than six months since a request for payment was made to the reinsurer and where there is no formal dispute between the insurer and reinsurer in relation to the receivables. This item does not include amounts under reinsurance contracts that do not meet the reinsurance documentation test or governing law requirements under GPS 230. This must be reduced by the amount that is likely to become uncollectable in the future.

Specific instructions

Table 1: Assets by Counterparty Grade (Australian business)

For each asset exposure, report the amounts corresponding to each ***counterparty grade*** for Australian business.

Reporting basis

Report assets backing insurance liabilities at fair value. Report values on a Level 2 insurer group basis. Report values corresponding to the Level 2 insurance group's Australian business only.

Units of measurement

Report values in whole Australian dollars (no decimal places).

	Name	Valid values	Description
1	Assets By Counterparty Grade Type	Accounting assets • ***Cash and cash equivalents*** • ***Interest rate investments (direct)*** • ***Loans (direct)*** • ***Cash management trusts*** • ***Derivatives (assets)*** • ***Other assets by counterparty grade*** GPS 340 reinsurance assets • ***Reinsurance recoverables on outstanding and paid claims: from APRA-authorised reinsurers*** • ***Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers except for amounts outstanding on and from the second balance date***	Report the assets by ***counterparty grade*** type.

	Name	Valid values	Description
		• ***Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date - supported by security arrangements in Australia*** • ***Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are amounts outstanding on and from the second balance date – not supported by security arrangements in Australia*** • ***Reinsurance recoverables on outstanding and paid claims: from non-APRA-authorised reinsurers that are overdue for more than 6 months*** • ***Expected reinsurance recoveries: relating to APRA-authorised reinsurers*** • ***Expected reinsurance recoveries: relating to non-APRA-authorised reinsurers*** • ***Other reinsurance assets: from APRA-authorised reinsurers*** • ***Other reinsurance assets: from non-APRA-authorised reinsurers*** Receivables • ***Non-reinsurance recoveries receivable*** • ***Investment income receivable*** • ***Other accounts receivable***	

	Name	Valid values	Description
2	Counterparty Grade Type	• Grade 1 (Government) • Grade 1 (Other) • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7	Report the ***counterparty grade*** type.
3	Assets By Counterparty Grade Amount	Whole dollars	Report the assets by ***counterparty grade*** amount.

Table 2: Assets by Counterparty Grade (International business)

For each asset exposure, report the amounts corresponding to each ***counterparty grade*** for international business.

Reporting basis

Report assets backing insurance liabilities at fair value. Report values on a Level 2 insurer group basis. Report values corresponding to the Level 2 insurance group's international business only.

Units of measurement

Report values in whole Australian dollars (no decimal places).

	Name	Valid values	Description
1	Assets By Counterparty Grade Type	Accounting assets • ***Cash and cash equivalents*** • ***Interest rate investments (direct)*** • ***Loans (direct)*** • ***Cash management trusts*** • ***Derivatives (assets)*** • ***Other assets by counterparty grade*** GPS 340 reinsurance assets • ***Reinsurance recoverables on outstanding and paid claims*** • ***Expected reinsurance recoveries*** • ***Other reinsurance assets*** Receivables • ***Non-reinsurance recoveries receivable*** • ***Investment income receivable*** • ***Other accounts receivable***	Report the assets by ***counterparty grade*** type.

	Name	Valid values	Description
2	Counterparty Grade Type	• Grade 1 (Government) • Grade 1 (Other) • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7	Report the ***counterparty grade*** type.
3	Assets By Counterparty Grade Amount	Whole dollars	Report the assets by ***counterparty grade*** amount.