Reporting Standard ARS 322.0

Statement of Financial Position (Consolidated)

Objective of this Reporting Standard

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

It includes *Reporting Form ARF 322.0 Statement of Financial Position (Consolidated)* and the associated specific instructions.

Authority

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

Purpose

2. Data collected in Reporting *Form ARF 322.0 Statement of Financial Position (Consolidated)* (ARF 322.0) is used by APRA for the purpose of prudential supervision. It may also be used by the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS).

Application and commencement

3. This Reporting Standard applies to an authorised deposit-taking institution (ADI) as set out in the table below and that is a highest parent entity in relation to a consolidated ADI group.

Class of ADI	Applicable
Australian-owned Bank	Yes
Foreign Subsidiary Bank	Yes
Branch of a Foreign Bank	No
Building Society	Yes
Credit Union	Yes
Other ADI	Yes

4. This Reporting Standard commences on 1 April 2018.

Information required

5. An ADI to which this Reporting Standard applies must provide APRA with the information required by ARF 322.0 for each reporting period.

Form and method of submission

6. 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, in writing, prior to submission.

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

Reporting periods and due dates

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

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

   (a) the particular circumstances of the ADI;

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

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

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

Class of ADI	**Number of business days**
Australian-owned Bank	25
Foreign Subsidiary Bank	25
Building Society	15
Credit Union[1]	15
Other ADI	25

[1] The definitions of 'credit union' and 'other ADI' in paragraph 15 of this Reporting Standard provide that Cairns Penny Savings & Loans Limited is to be treated in accordance with the reporting period requirements applicable to credit unions for the purposes of paragraph 9.

10. APRA may grant an ADI an extension of a due date in writing, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

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

Authorisation

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

Minor alterations to forms and instructions

13. 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 clarify their application to the form

    without changing any substantive requirement in the form or instructions.

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

Interpretation

15. In this Reporting Standard:

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

    AASB 127 means Australian accounting standard AASB 127 *Consolidated and Separate Financial Statements* made by the Australian Accounting Standards Board.

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

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

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

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

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

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

class of ADI means each of the following:

(i) Australian-owned bank;

(ii) foreign subsidiary bank;

(iii) branch of a foreign bank;

(iv) building society;

(v) credit union; and

(vi) other ADI.

consolidated ADI group means a group comprising:

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

(b) each subsidiary under the control (within the meaning of Accounting Standard AASB 127) of that ADI, whether the subsidiary is locally-incorporated or not.

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

due date means the relevant due date under paragraph 9 or, if applicable, paragraph 10.

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

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

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

(a) it is locally-incorporated;

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

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

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

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

reporting period means a period mentioned in paragraph 7 or, if applicable, paragraph 8.

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

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

ARF 322.0 Statement of Financial Position (Consoli

Australian Business Number	
Institution Name	
Reporting Period	
Scale Factor	Millions to one decim Whole dollars no decim
Reporting Consolidation	Consolidat

Section A: Assets

1. Cash and Liquid Assets	
1.1. Notes and coins	
1.2. Deposits at call	
1.3. Gold bullion	
1.4. Due from clearing houses	
1.5. Securities purchased under agreements to resell	
1.6. Due from financial institutions	
1.7. Total cash and liquid assets	
2. Trading Securities	
2.1. Australian Commonwealth government securities	
2.2. Other Australian government securities	
2.3. Foreign government securities	
2.4. Bank securities	
2.5. Other ADI securities	
2.6. Corporate paper	
2.7. Asset backed securities	
2.8. Other debt securities	
2.9. Equity securities	
2.10. Total trading securities	
3. Investment Securities	
3.1. Australian Commonwealth government securities	
3.2. Other Australian government securities	
3.3. Foreign government securities	
3.4. Bank debt securities	
3.5. Other ADI debt securities	
3.6. Corporate debt paper	
3.7. Asset backed securities	
3.8. Other debt securities	
3.9. Bank and other ADI equity securities	
3.10. Insurance corporations equity securities	
3.11. Other equity securities	
3.12. Total investment securities	
4. Other Deposits	
4.1. Banks and other ADI's (applicable for non-bank ADIs only)	
4.2. Other (applicable for non-bank ADIs only)	
4.3. Total other deposits	
5. Net Acceptances of Customers	

6. Loans and Advances

	Balance Outstanding (1)	Specific Provision (2)	General Reserve for Credit Losses (3)
6.1. Revolving credit facilities			
6.2. Credit cards			
6.3. Housing - variable rate			
6.4. Housing - fixed rate			
6.5. Term loans - variable rate			
6.6. Term loans - fixed rate			
6.7. Lease financing			
6.8. Other loans and advances			
6.9. Total loans and advances			
6.10. Less: Deferred fee income			
6.11. Total net loans and advances (net of specific provision, general reserve for credit losses and deferred fee income)			
6.11.1. of which: Loans to associates/joint ventures			
6.11.2. of which: Loans held available for sale			

7. Investments relating to Life Insurance Business

7.1. Total investments relating to life insurance business	
7.1.1. of which: Excess of net market values of the investment in life insurance subsidiaries over recognised net assets of subsidiary	

8. Other Investments

8.1. Investment in parent entity (where not part of consolidated group)	
8.2. Investment in associates	
8.3. Interest in joint ventures	
8.4. Equity investments in former SSPs	
8.5. Other	
8.6. Total other investments	

9. Fixed Assets

9.1. Property	
9.2. Plant and equipment	
9.3. Less: Accumulated depreciation/impairment- Property, plant and equipment	
9.4. Property, plant and equipment net of accumulated depreciation/impairment	
9.5. Information technology	
9.5.1. Work in progress (WIP)	
9.5.1.1. Hardware and software application costs	
9.5.1.2. Development and other on costs	
9.5.1.3. Total WIP	

9.5.2. In use	
9.5.2.1. Hardware and software application costs	
9.5.2.2. Development and other on costs	
9.5.2.3. Total in use	
9.5.3. Other information technology	
9.5.4. Total information technology (WIP plus In use plus Other information technology)	
9.6. Less: Accumulated depreciation/impairment - Information technology	
9.7. Total information technology net of accumulated depreciation/impairment	
9.8. Other	
9.9. Less: Accumulated depreciation	
9.10. Total other net of accumulated depreciation/impairment	
9.11. Net fixed assets	

10. Intangible Assets

10.1. Intangible assets with a finite life	
10.2. Less: Accumulated amortisation	
10.3. Net Intangible assets with a finite life	
10.4. Intangible assets with an infinite life	
10.5. Less: Impairment	
10.6. Net intangible assets with an infinite life	
10.7. Goodwill	
10.8. Less: Impairment	
10.9. Net goodwill	
10.10. Net intangible assets	

11. Other Assets

11.1. Interest receivable	
11.2. General insurance premiums and other receivables	
11.3. Deferred acquisition costs - general insurance policies	
11.4. Capitalised debt raising/funding costs	
11.5. Capitalised costs associated with establishing/setting up securitisation vehicles/programs	
11.6. Capitalised loan and lease origination fees and commissions paid to mortgage originators and brokers	
11.7. Other capitalised expenses of a general nature	
11.8. Derivative financial instruments	
11.8.1. Trading book derivatives	
11.8.2. Banking book derivatives	
11.9. Amounts receivable from clients - outstanding security settlements	

11.10. Deferred tax asset	
11.10.1. From tax losses	
11.10.2. From specific provision and general reserve for credit losses	
11.10.3. Other	
11.11. Loan/credit card servicing rights	
11.12. Defined benefit asset	
11.13. Non-current assets and disposal groups classified as held for sale	
11.14. Items in suspense	
11.15. Other	
11.16. Total other assets	

12. Total Assets	
12.1. of which: Due from associated entities/joint ventures	

Section B: Liabilities

1. Due to Clearing Houses	

2. Due to Financial Institutions	
2.1. Total due to financial institutions	

3. Acceptances	

4. Deposits	
4.1. Call/on demand	
4.2. Term deposits	
4.3. Certificates of deposit	
4.4. Other	
4.5. Total deposits	

5. Other Borrowings	
5.1. Securities sold under agreements to repurchase	
5.2. Promissory notes/commercial paper	
5.3. Short-term loans	
5.3.1. Variable	
5.3.2. Fixed	
5.4. Total other borrowings	

6. Income Tax Liability	
6.1. Current tax liability	
6.2. Deferred tax liability	
6.3. Total income tax liability	

7. Provisions	
7.1. Dividends	
7.2. Employee entitlements	
7.3. Non-lending losses	
7.4. Mortgage insurance claims and unearned premiums	
7.5. Restructuring costs	
7.6. Other provisions	
7.7. Total provisions	
8. General Insurance Outstanding Claims and Unearned Premim Liability	
9. Life Insurance Policy Liabilities	
10. Unvested Policy Holder Benefits	
11. Bonds, Notes and Long-term Borrowings	
11.1. Debt securities	
11.2. Loans	
11.2.1. Variable rate	
11.2.2. Fixed rate	
11.3. Total bonds, notes and long-term borrowings	
12. Creditors and Other Liabilities	
12.1. Defined benefit liability - current	
12.2. Defined benefit liability - non current	
12.3. Interest payable	
12.4. Unearned interest	
12.5. Amounts payable to clients - outstanding security settlements	
12.6. Derivative financial instruments	
12.6.1. Trading book derivatives	
12.6.2. Banking book derivatives	
12.7. Items in suspense	
12.8. Due to merchants	
12.9. Liabilities included in disposal groups classified as held for sale	
12.10. Share capital repayable on demand	
12.11. Other	
12.12. Total creditors and other liabilities	
13. Loan Capital and Hybrid Securities	
13.1. Members withdrawable shares (applicable for non-bank ADIs only)	
13.2. Loan capital	
13.3. Hybrid securities	
13.4. Total loan capital and hybrid securities	

14. Total Liabilities	
14.1. of which: Due to associated entities/joint ventures	
15. Net Assets	

Section C: Shareholders' Equity

1. Share Capital	
1.1. Ordinary shares	
1.2. Preference shares	
1.3. Other	
1.4. Total share capital	
2. Reserves	
2.1. General reserve	
2.2. Capital profits reserve	
2.3. Asset revaluation reserve	
2.3.1. Owner-occupied property	
2.3.2. Plant and equipment	
2.3.3. Investment in associates/share of associates	
2.3.4. Intangibles revaluation surplus	
2.3.5. Relating to non-current assets or disposal groups held for sale	
2.3.6. Other	
2.3.7. Total asset revaluation reserve	
2.4. Foreign currency translation reserve	
2.5. Available for Sale Reserve	
2.5.1. Marketable securities	
2.5.2. Other	
2.6. Cash flow hedge reserve	
2.7. Share based payments reserve	
2.8. Other reserves	
2.9. Total reserves	
3. Retained Profits	
4. Shareholders' Equity attributable to Shareholders of the Company	
5. Minority Interests	
6. Total Shareholders' Equity	

Section D: Additional information required by APRA

1. Financial Assets Available for Sale

1.1. Debt securities	
1.2. Equity securities	
1.3. Loans and advances (including tainted held-to-maturity investments)	
1.4. Other	
1.5. Total Available-for Sale	

2. Loans and Receivables - net	

3. Financial Assets at Fair Value through Profit and Loss

3.1. Derivatives at fair value (Banking)	
3.2. Derivatives at fair value (Trading)	
3.3. Debt securities at fair value	
3.4. Equity securities at fair value	
3.5. Other financial assets at fair value	
3.6. Financial assets at fair value through profit and loss	

4. Financial Liabilities at Fair Value through Profit and Loss

4.1. Derivatives at fair value (Banking)	
4.2. Derivatives at fair value (Trading)	
4.3. Other	
4.4. Financial liabilities at fair value through profit and loss	

5. Financial Assets held to maturity at amortised cost

5.1. Debt securities	
5.2. Other	
5.3. Held to maturity at amortised cost	

6. Reconciliation of Loan Loss Provisions

	General Reserve for Credit Losses (1)	Specific Provision (2)	Total (3)
6.1. IFRS specific provisions	N/A		
6.2. Collective provisions			
6.3. General reserve for credit losses established for prudential purposes (not including the general reserve for credit losses that is included in "Collective Provisions" above)		N/A	
6.4. Total			

Reporting Form ARF 322.0

Statement of Financial Position (Consolidated)

Instruction Guide

General directions and notes

Reporting entity

This is to be completed by all authorised deposit-taking institutions (ADIs) on a consolidated group basis (where applicable).

The basis of consolidation required in this form is in accordance with the accounting consolidated group. The accounting consolidated group is to be determined in accordance with the requirements of the Australian accounting standards, notably *AASB 127 Consolidated and Separate Financial Statements* (AASB 127) and *AASB 3 Business Combinations* (AASB 3).

ADIs that do not have any controlled entities are not required to submit forms for this reporting entity.

Branches of foreign banks are not required to complete this form.

Consolidated ADI group

This refers to the global operations of the ADI and all its controlled entities (where relevant), consolidated in accordance with Australian accounting standards (AASB 127 and AASB 3).

'Controlled entity', 'parent entity'. These terms are defined in accordance with AASB 127 and AASB 3.

Exclude from the accounting consolidated group special purpose vehicles (SPVs) whose assets have satisfied the clean sale requirements set down in *Prudential Standard APS 120 Securitisation* (APS 120) (refer to Securitisation Deconsolidation Principle below).

Securitisation deconsolidation principle

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

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

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

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

(a) the underlying exposures (i.e. the pool) under such a securitisation may be excluded from the calculation of the ADI's regulatory capital (refer to APS 120). However, the ADI must still hold regulatory capital for the securitisation exposures[2] that it retains or acquires and such exposures are to be reported in *Reporting Form ARF 120.1 Securitisation – Regulatory Capital*. The risk-weighted assets (RWA) relating to such securitisation exposures must also be reported in *Reporting Form ARF 110.0.1 Capital Adequacy (Level 1)* and *Reporting Form ARF 110.0.2 Capital Adequacy (Level 2).*

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

Reporting period

The form is to be completed as at the last day of the stated reporting quarter (i.e. September, December, March and June). Australia-owned banks, foreign subsidiary banks and other ADIs must submit the completed form to APRA within 25 business days after the end of the relevant reporting quarter. Credit Unions, Cairns Penny Savings & Loans Limited, and Building Societies must submit the completed form to APRA within 15 business days after the end of the relevant reporting quarter.

Unit of measurement

Australia-owned banks and foreign subsidiary banks are asked to complete the form in millions of Australian dollars rounded to one decimal place. Other ADIs, Building Societies, Credit Unions, and Cairns Penny Savings & Loans Limited are asked to complete the form in whole Australian dollars (no decimal place).

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

The general requirements of AASB 121 for translation are:

1. foreign currency monetary items outstanding at the reporting date must be translated at the spot rate at the reporting date;[3]

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

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

2. foreign currency non-monetary items that are measured at historical cost in a foreign currency must be translated using the exchange rate at the date of the transaction;[4]

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

Transactions arising under foreign currency derivative contracts at the reporting date must be prepared in accordance with *AASB 139 Financial Instruments: Recognition and Measurement* (AASB 139), *AASB 7 Financial Instruments: Disclosure* (AASB 7) and *AASB 132 Financial Instruments: Disclosure and Presentation.* However, those foreign currency derivatives that are not within the scope of AASB 139 (e.g. some foreign currency derivatives that are embedded in other contracts) remain within the scope of AASB 121.

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

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

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

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

4. translation of financial reports of foreign operations.

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

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

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

Netting

Unless otherwise specifically stated, institutions are allowed to take advantage of netting agreements in relation to disclosure of data items in this form. Institutions are to comply with the prerequisite for netting outlined in Australian accounting standards AASB 139, AASB 7,

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

and AASB 132 *Financial Instruments: Disclosure and Presentation* and any relevant prudential standards.

Term to maturity

Any references to 'term to maturity' in *Reporting Form ARF 322.0 Statement of Financial Position (Consolidated)* (ARF 322.0) refer to residual term to maturity.

Basis of preparation

The nature of the disclosure and format of this form may not be strictly consistent with the annual financial statements prepared by the institution. Notwithstanding this, in completing this form (unless otherwise specifically stated for individual items of assets, liabilities or equity), institutions are requested to follow the basis that is used for the preparation of its annual financial statements in accordance with the Australian accounting standards, specifically in regard to the:

- interpretation/definition of specific asset, liability and equity items;
- appropriate measurement basis for asset, liability and equity items; and
- netting of financial assets and financial liabilities.

If additional clarification is required for specific asset, liability or equity items in ARF 322.0, reference should be made to the instructions provided for *ARF 320.0* Statement of Financial *Position (Domestic Books)*, ARF *321.0 Statement of Financial Position (Offshore Operations)* and *ARF 323.0 Statement of Financial Position (Licensed ADI)* as appropriate.

Specific instructions

Section D: Additional information required by APRA

1. to 5.

- Provide a summary of financial assets and liabilities balances categorised in accordance with AASB 139.

In item 1, financial assets available-for-sale include as part of loans and advances those "tainted" held-to-maturity investments that can no longer be classified as held-to-maturity investments.

6. Reconciliation of loan loss provisions

This section reconciles the amounts disclosed as loan loss provisions under International Financial Reporting Standards[5] with APRA reporting on a gross basis. Parts of the Specific Provisions and General Reserve for Credit Losses (as defined by *Prudential Standard* APS

[5] The IFRS are the International Financial Reporting Standards (IFRS Standards), being the standards set by the International Accounting Standards Board, as existing at 1 April 2018.

220 Credit *Quality)* may have come only from collective provisions or may have been created only for prudential purposes.