



# Financial Sector (Collection of Data) (reporting standard) determination No. 115 of 2023

## Reporting Standard LRS 114.0 Asset Risk Charge

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

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I, Michael Murphy, 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. 26 of 2023, including *Reporting Standard LRS 114.0 Asset Risk Charge* made under that Determination; and
- (b) determine *Reporting Standard LRS 114.0 Asset Risk Charge*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of that reporting standard.

Under section 15 of the Act, I declare that *Reporting Standard LRS 114.0 Asset Risk Charge* shall begin to apply to those financial sector entities, and the revoked reporting standard shall cease to apply, on the day *Reporting Standard LRS 114.0 Asset Risk Charge* is registered on the Federal Register of Legislation.

This instrument commences upon registration on the Federal Register of Legislation.

Dated: 2 June 2023

Michael Murphy  
General Manager - Chief Data Officer (Acting)  
Technology and Data Division

### Interpretation

In this Determination:

**APRA** means the Australian Prudential Regulation Authority.

***Federal Register of Legislation*** means the register established under section 15A of the *Legislation Act 2003*.

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

## **Schedule**

*Reporting Standard LRS 114.0 Asset Risk Charge* comprises the document commencing on the following page.



# Reporting Standard LRS 114.0

## Asset Risk Charge

### Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to a life insurance company's Asset Risk Charge.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard LRS 001 Reporting Requirements* (LRS 001), including the general instruction guide, and *Prudential Standard LPS 114 Capital Adequacy: Asset Risk Charge* (LPS 114).

### 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 capital adequacy standards.

### Application and commencement

3. This Reporting Standard applies to all life insurance companies including friendly societies (together referred to as 'life companies') registered under the *Life Insurance Act 1995* (Life Act). This Reporting Standard applies for reporting periods ending on or after 1 July 2023.

### Information required

4. A life company must provide APRA with the information required by this Reporting Standard for each reporting period.
5. The information reported to APRA under this Reporting Standard is not required to be given to policy owners pursuant to section 124 of the Life Act. It does not constitute a reporting document for the purposes of section 124.

## Method of submission

6. 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

7. Subject to paragraph 8, a life company must provide the information required by this Reporting Standard:
  - (a) in respect of each quarter based on the financial year of the life company on an unaudited basis; and
  - (b) in respect of each financial year of the life company on an audited basis.

*Note 1:* This means that information provided under this Reporting Standard will be submitted five times for a full financial year.

*Note 2:* The annual audited information provided under this Reporting Standard must be submitted in conjunction with the annual auditor's report, as required under *Prudential Standard LPS 310 Audit and Related Matters*.

8. If, having regard to the particular circumstances of a life company, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 7(a) or 7(b), APRA may, by notice in writing, change the reporting periods, or specify reporting periods, for the particular life company.
9. The information required by this Reporting Standard in respect of a life company must be provided to APRA:
  - (a) in the case of quarterly information, within 20 business days 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 8, within the time specified by notice in writing.
10. APRA may, in writing, grant a life company an extension of a due date, 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, a life company is nonetheless required to submit the information required no later than the due date.

## Quality control

11. The information provided by a life company under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Auditor of the life company. This will require the Auditor to review and test the life

company's systems, processes and controls supporting the reporting of the information to enable the life company to provide 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 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 LPS 310 Audit and Related Matters*.
12. All information provided by a life company under this Reporting Standard must be subject to systems, processes and controls developed by the life company for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the life company to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.
13. Actuarial valuations and calculations included in or used in the preparation of the information provided to APRA must be in accordance with the prudential standards in force for the reporting period. However, life companies may use reasonable estimates when preparing information that will not be audited (i.e. for the first four submissions of information for a full financial year).

## Authorisation

14. When an officer or agent of a life company 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.
15. An officer or agent of a life company who submits information under this Reporting Standard must be authorised by either:
- (a) the Principal Executive Officer of the life company; or
  - (b) the Chief Financial Officer of the life company.

## Variations

16. APRA may, by written notice to the life company, vary the reporting requirements of this Reporting Standard in relation to that life company.

## Transition

17. A life company 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 in the determination making this Reporting Standard; and

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

- (a) which ended before 1 July 2023; and
- (b) in relation to which the life company 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 a life company 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 life company is still required to provide any overdue reporting documents in accordance with the old reporting standard.

## Interpretation

18. In this Reporting Standard:

- (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard LPS 001 Definitions* (LPS 001); and
- (b) the following definitions are applicable:

***Auditor*** means an auditor appointed under paragraph 83 of the Life Act.

***capital adequacy standards*** means the prudential standards which relate to capital adequacy as defined in LPS 001.

***Chief Financial Officer*** means the chief financial officer of the life company, by whatever name called.

***financial year*** has the meaning in the *Corporations Act 2001*.

***general instruction guide*** refers to the general instruction guide set out in Attachment A of LRS 001.

***Life Act*** means the *Life Insurance Act 1995*.

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

***reporting period*** means a reporting period under subparagraph 7(a) or 7(b) or, if applicable, paragraph 8.

- 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 LRS 114.0

## Asset Risk Charge

### General instructions

#### 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.

#### Look-through treatment

For asset and liability items that have been treated on a look-through basis for the purpose of LPS 114, report the effective underlying exposures after adjustments for look-through as well as their resultant ***impacts on capital base*** respectively.

#### Derivative treatment

All asset and liability items should be reported gross of impacts from derivatives. The fair value of open derivatives positions should be captured accordingly.

#### Assets and liabilities subject to stress

Exclude all components of assets that are either:

- supporting investment-linked liabilities;
- deducted from total assets for the purpose of determining capital base; or
- subject to Asset Concentration Risk Charge

from the asset categories reported under this Reporting Standard.

#### Asset stress scenarios

Life companies are not required to report the components of ***impact on capital base*** for asset stress scenarios where it is determined that those scenarios would improve the capital base (i.e. result in a zero-risk charge component) as at the end of the relevant reporting period.

Life companies must report all asset stress scenarios that would give rise to a positive risk charge component.

#### Definitions

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

**A**

<p><b><i>Adjusted policy liabilities ceded (reinsurance assets)</i></b></p> <p><b><i>(Items subject to Asset Risk Charge type)</i></b></p>	<p>This is the difference between the adjusted policy liabilities (gross of reinsurance) and the adjusted policy liabilities (net of reinsurance). The adjusted policy liabilities are determined in accordance with <i>Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital</i> (LPS 112).</p>
<p><b><i>Adjusted policy liabilities (net of reinsurance) - exclude discretionary component</i></b></p> <p><b><i>(Items subject to Asset Risk Charge type)</i></b></p>	<p>This is the amount of adjusted policy liabilities (net of reinsurance) determined in accordance with LPS 112.</p> <p>This excludes the discretionary component of adjusted policy liabilities.</p> <p>This amount is net of additional tax benefits / (liabilities) recognised from <b><i>liability adjustments</i></b>. This amount must be reduced by the value of all tax effects associated with <b><i>liability adjustments</i></b>. <b><i>Adjusted pre-stress amount of deferred tax assets and deferred tax liabilities</i></b> must be increased by the tax effects. This reporting approach is consistent with the <i>Reporting Standard LRS 112 Determination of Capital Base</i> (LRS 112).</p>
<p><b><i>Adjusted pre-stress amount</i></b></p>	<p>This is the value of all relevant items of the reporting fund. This amount should be reported before the application of any designated asset stresses, net of the effect of any look-through adjustments and applying the fair value requirements outlined in LPS 112 and LPS 114.</p>
<p><b><i>Aggregated risk charge component</i></b></p>	<p>This is the aggregated result of applying the aggregation formula over <b><i>risk charge components</i></b> in accordance with LPS 114. The formula allows for the likelihood of the asset risk stress scenarios occurring simultaneously.</p>
<p><b><i>Assets deducted from capital base</i></b></p> <p><b><i>(Items subject to Asset Risk Charge type)</i></b></p>	<p>This is the value of assets that have been deducted from <b><i>assets not supporting investment-linked liabilities</i></b> for the purpose of determining the fund's capital base (other than <b><i>deferred tax assets</i></b>).</p> <p>These will not be subject to the asset risk stresses.</p>
<p><b><i>Assets not supporting investment-linked liabilities</i></b></p>	<p>This is the fair value of all <b><i>assets not supporting investment-linked liabilities</i></b>.</p> <p>This item is calculated as the sum of:</p> <ul style="list-style-type: none"> <li>• <b><i>cash</i></b>;</li> <li>• <b><i>investment property</i></b>;</li> <li>• <b><i>listed equities</i></b>;</li> </ul>



	<ul style="list-style-type: none"> <li>• <i>unlisted equities</i>;</li> <li>• <i>non-indexed interest-bearing securities</i>;</li> <li>• <i>indexed interest-bearing securities</i>;</li> <li>• <i>loans</i>;</li> <li>• <i>other investment assets (exclude derivative financial instruments)</i>;</li> <li>• <i>current tax assets</i>;</li> <li>• <i>deferred tax assets</i>;</li> <li>• <i>derivative financial instruments (assets)</i>;</li> <li>• <i>premiums receivable</i>;</li> <li>• <i>reinsurance recoveries receivable</i>;</li> <li>• <i>other accounts receivable</i>;</li> <li>• <i>other non-investment assets</i>; and</li> <li>• <i>adjusted policy liabilities ceded (reinsurance assets)</i> (for the calculation of <i>default stress</i> only).</li> </ul> <p>This item (hence the asset components outlined above) must exclude:</p> <ul style="list-style-type: none"> <li>• <i>assets supporting investment-linked liabilities</i>;</li> <li>• <i>assets deducted from capital base</i>; and</li> <li>• <i>assets subject to Asset Concentration Risk Charge</i>.</li> </ul>
<b><i>Assets subject to Asset Concentration Risk Charge</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of assets in excess of their respective asset concentration limits and therefore is subject to asset concentration risk charge.</p> <p>These will not be subject to the asset risk stresses.</p>
<b><i>Assets subject to credit spreads stress type</i></b>	<p>This is the category of assets subject to <i>credit spreads stress</i>. The options are:</p> <ul style="list-style-type: none"> <li>• bonds and other non-securitised assets;</li> <li>• structured and securitised assets; and</li> <li>• re-securitised assets.</li> </ul>
<b><i>Assets supporting investment-linked liabilities</i></b>	<p>This is the fair value of assets supporting investment-linked policies that do not have performance guarantees. The asset risk stresses are not applied to these assets or their associated adjusted policy liabilities.</p>

## C

<b><i>Cash</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the amount of the <i>cash</i> assets which includes any <i>cash</i> at call up to 30 days as well as any <i>cash</i> held with non-bank financial institutions.</p> <p>Note that this item does not include negotiable certificates of deposits, which should be reported under <i>non-indexed interest-bearing securities</i></p>
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	or <i>indexed interest bearing securities</i> .
<b>Claims payable</b> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the amount related to claims due but not yet paid which has been recognised within insurance and reinsurance contract liabilities and assets reported on the balance sheet under <i>AASB 17 Insurance Contracts</i> (AASB 17).</p> <p>Life companies must exclude any amount already allowed in adjusted policy liabilities to avoid double counting.</p> <p>This amount must be consistent with <i>claims payable</i> reported in LRS 112.0 as a component of <i>liability adjustment</i> (gross of tax effect).</p> <p>This item must not be reported as a component of other asset and liability items including adjusted policy liability related items reported in this Reporting Standard.</p>
<b>Counterparty grade</b>	This is the classification applied to an investment or exposure as per the requirements of LPS 001. Assets guaranteed by an Australian state or territory government must be reported in the <i>counterparty grade</i> that applies after rating up one grade in accordance with LPS 114.
<b>Credit spread fair value amount</b>	This is the fair value of assets that are subject to the <i>credit spreads stress</i> .
<b>Credit spread stressed amount</b>	This is the stressed value of assets that are subject to the <i>credit spreads stress</i> .
<b>Credit spreads stress</b> <i>(Stress scenario type)</i>	<p>This is the impact on the fund's capital base of an increase in credit spreads and the risk of default and is calculated in accordance with LPS 114.</p> <p>This stress applies to interest-bearing assets, including <i>cash</i> deposits and floating rate assets. Credit derivatives and zero-coupon instruments such as bank bills must also be included. This stress also applies to liabilities whose value depends on the illiquidity premium.</p>
<b>Currency downwards stress</b> <i>(Stress scenario type)</i>	This is the impact on the fund's capital base of downward changes in foreign currency exchange rates and is calculated in accordance with LPS 114.
<b>Currency upwards stress</b> <i>(Stress scenario type)</i>	This is the impact on the fund's capital base of upward changes in foreign currency exchange rates and is calculated in accordance with LPS 114.

<i>scenario type)</i>	
<b>Current tax assets</b>  <i>(Items subject to Asset Risk Charge type)</i>	This is the value of <b>current tax assets</b> determined in accordance with Australian Accounting Standards.
<b>Current tax liabilities</b>  <i>(Items subject to Asset Risk Charge type)</i>	This is the value of <b>current tax liabilities</b> determined in accordance with Australian Accounting Standards.

**D**

<b>Default stress</b>  <i>(Stress scenario type)</i>	<p>This is the impact on a fund's capital base of the risk of counterparty default and is calculated in accordance with LPS 114.</p> <p>It applies to reinsurance assets, over the counter derivatives, unpaid premiums and all other credit or counterparty exposures that have not been affected by the <b>credit spreads stress</b>.</p>
<b>Deferred tax assets</b>  <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of <b>deferred tax assets</b> determined in accordance with Australian Accounting Standards.</p> <p><b>Adjusted pre-stress amounts of deferred tax assets</b> must be increased by the value of tax effects associated with <b>liability adjustments</b>. This reporting approach is consistent with LRS 112.</p> <p>For <b>stress scenario amount</b>, this includes tax benefits arising from the application of the asset risk stresses, all of which would be recognised as admissible.</p>
<b>Deferred tax liabilities</b>  <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of <b>deferred tax liabilities</b> determined in accordance with Australian Accounting Standards.</p> <p><b>Adjusted pre-stress amounts of deferred tax liabilities</b> must be increased by the value of tax effects associated with <b>liability adjustments</b>. This reporting approach is consistent with LRS 112.</p> <p>For <b>stress scenario amount</b>, this includes tax liabilities arising from the application of the asset risk stresses.</p>
<b>Derivative financial instruments (assets)</b>	This is the value of all open derivative positions reported as assets.

<i>(Items subject to Asset Risk Charge type)</i>	
<b>Derivative financial instruments (liabilities)</b>  <i>(Items subject to Asset Risk Charge type)</i>	This is the value of all open derivatives positions reported as liabilities.
<b>Discretionary component of adjusted policy liabilities (net of reinsurance)</b>  <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the amount by which the adjusted policy liabilities would reduce if:</p> <ul style="list-style-type: none"> <li>• future bonuses and discretionary additions were set to zero;</li> <li>• policy owner retained profits, investment fluctuation reserves and unallocated surplus were set to zero; and</li> <li>• surrender values were reduced to minimum termination values (or contractual minimum surrender values if greater).</li> </ul>
<b>Dividend yield used in determination of equity stress (%) percent</b>  <i>(Yields used in stress scenarios type)</i>	This is the dividend yield of the ASX 200 index used in determining the reduction in equity asset values under the <b>equity stress</b> scenario.

**E**

<b>Earnings yield used in determination of property stress percent</b>  <i>(Yields used in stress scenarios type)</i>	This is the average earnings yield before taxes used in determining the reduction in infrastructure asset values under the <b>property stress</b> scenario.
<b>Equity stress</b>  <i>(Stress scenario type)</i>	<p>This is the impact on the fund's capital base of a fall in equity and other asset values and is calculated in accordance with LPS 114.</p> <p>This stress applies to both listed and unlisted equity assets and to any other assets that are not considered in other asset risk stresses. This</p>

	stress also includes an increase to equity volatility.
<b><i>Expected inflation downwards stress</i></b>  <b><i>(Stress scenario type)</i></b>	<p>Expected inflation stress measures the impact on the fund's capital base of downward changes to expected Consumer Price Index inflation rates. It also affects nominal interest rates.</p> <p>This item reports the impact on the capital base of the fund arising from the application of the downward expected inflation stress and is calculated in accordance with LPS 114.</p>
<b><i>Expected inflation upwards stress</i></b>  <b><i>(Stress scenario type)</i></b>	<p>Expected inflation stress measures the impact on the fund's capital base of upward changes to expected Consumer Price Index inflation rates. It also affects nominal interest rates.</p> <p>This item reports the impact on the capital base of the fund arising from the application of the upward expected inflation stress and is calculated in accordance with LPS 114.</p>

## I

<b><i>Impact of diversification</i></b>	This item must be calculated as the sum of the <b><i>risk charge components</i></b> used in calculating the <b><i>aggregated risk charge component</i></b> , less the <b><i>aggregated risk charge component</i></b> as set out in LPS 114.
<b><i>Impact on capital base</i></b>	<p>This shows the impact on the capital base of each asset risk stress scenario as set out in LPS 114.</p> <p>This item is calculated for each <b><i>stress scenario type</i></b> as the sum of:</p> <ul style="list-style-type: none"> <li>• <b><i>assets not supporting investment-linked liabilities;</i></b></li> <li>• <b><i>liabilities excluding adjusted policy liabilities;</i></b></li> <li>• <b><i>adjusted policy liabilities (net of reinsurance) - exclude discretionary component;</i></b></li> <li>• <b><i>discretionary component of adjusted policy liabilities (net of reinsurance);</i></b></li> <li>• <b><i>off-balance sheet exposures;</i></b></li> <li>• <b><i>seed capital; and</i></b></li> <li>• <b><i>Tier 2 Capital.</i></b></li> </ul>
<b><i>Indexed interest-bearing securities</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	This is the amount of all interest-bearing securities held that are indexed.
<b><i>Investment property</i></b>	This is the amount of the <b><i>investment property</i></b> assets which includes properties acquired or held which is available for sale as well as

<b><i>(Items subject to Asset Risk Charge type)</i></b>	infrastructure assets, after allowance for accumulated depreciation.  Owner-occupied property should be reported as <b><i>other non-investment assets</i></b> .
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## L

<b><i>Liabilities excluding adjusted policy liabilities</i></b>	<p>This is the value of liabilities of the fund and is calculated as the sum of:</p> <ul style="list-style-type: none"> <li>• <b><i>current tax liabilities</i></b>;</li> <li>• <b><i>deferred tax liabilities</i></b>;</li> <li>• <b><i>derivative financial instruments (liabilities)</i></b>;</li> <li>• <b><i>subordinated debt</i></b>;</li> <li>• <b><i>claims payable</i></b>;</li> <li>• <b><i>reinsurance premiums payable</i></b>;</li> <li>• <b><i>other accounts payables</i></b>; and</li> <li>• <b><i>other liabilities</i></b>.</li> </ul> <p>This does not include any amount recognised as <b><i>Tier 2 Capital</i></b> and <b><i>seed capital</i></b>.</p>
<b><i>Liability adjustments</i></b>	<p>This is the difference between the adjusted policy liabilities determined in accordance with LPS 112 and net life contract liabilities after adjusting for accounts receivable and accounts payable. This item includes any tax effects.</p> <p>Net life contract liabilities is the sum of the insurance, reinsurance and investment contract liabilities (net of insurance and reinsurance assets) disclosed in the statutory accounts.</p>
<b><i>Life company fund</i></b>	<p>This means the type of <b><i>life company fund</i></b>. Possible types are:</p> <ul style="list-style-type: none"> <li>• statutory fund;</li> <li>• shareholder fund;</li> <li>• benefit fund; and</li> <li>• management fund.</li> </ul>
<b><i>Listed equities</i></b> <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of equity interests in companies listed on the ASX or overseas exchange, after allowance for look-through (if applicable).</p> <p>This also includes equities held within Australia and overseas, which are not treated differently for the purpose of determining Asset Risk Charge.</p>
<b><i>Loans</i></b> <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of <b><i>loans</i></b>. <b><i>Loans</i></b> include financial leases and mortgages, and are typically non-negotiable on the secondary market.</p>

**N**

<p><b><i>Non-indexed interest-bearing securities</i></b></p> <p><b><i>(Items subject to Asset Risk Charge type)</i></b></p>	<p>This is the amount of all interest-bearing securities held that are not indexed.</p>
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**O**

<p><b><i>Off-balance sheet exposures</i></b></p>	<p>This is the value of <b><i>off-balance sheet exposures</i></b> that are subject to the Asset Risk Charge. This is calculated as the sum of:</p> <ul style="list-style-type: none"> <li>• <b><i>total off-balance sheet assets</i></b>; and</li> <li>• <b><i>total off-balance sheet liabilities</i></b>.</li> </ul>
<p><b><i>Other accounts payable</i></b></p>	<p>This is the amount related to other amounts due but not yet paid which has been recognised within insurance and reinsurance contract liabilities and assets reported on the balance sheet under AASB 17. This may include (but is not limited to) rebates, fees and commissions.</p> <p>Life companies must exclude any amount already allowed in adjusted policy liabilities to avoid double counting.</p> <p>This amount must be consistent with <b><i>other accounts payable</i></b> reported in LRS 112.0 as a component of <b><i>liability adjustment</i></b> (gross of tax effect).</p> <p>This item must not be reported as a component of other asset and liability items including adjusted policy liability related items reported in this Reporting Standard.</p>
<p><b><i>Other accounts receivable</i></b></p>	<p>This is the amount related to other amounts due but not yet received which has been recognised within insurance and reinsurance contract liabilities and assets reported on the balance sheet under AASB 17. This may include (but is not limited to) rebates, fees and commissions.</p> <p>Life companies must exclude any amount already allowed in adjusted policy liabilities to avoid double counting.</p> <p>This amount must be consistent with <b><i>other accounts receivable</i></b> reported in LRS 112.0 as a component of <b><i>liability adjustment</i></b> (gross of tax effect).</p> <p>This item must not be reported as a component of other asset and liability items including adjusted policy liability related items reported in this Reporting Standard.</p>

<b><i>Other investment assets (exclude derivative financial instruments)</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of all other investment assets not specifically categorised as:</p> <ul style="list-style-type: none"> <li>• <i>cash</i>;</li> <li>• <i>investment property</i>;</li> <li>• <i>listed equities</i>;</li> <li>• <i>unlisted equities</i>;</li> <li>• <i>non-indexed interest-bearing securities</i>;</li> <li>• <i>indexed interest-bearing securities</i>; or</li> <li>• <i>loans</i>.</li> </ul>
<b><i>Other liabilities</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This consists of all <i>liabilities excluding adjusted policy liabilities</i> not specifically categorised as:</p> <ul style="list-style-type: none"> <li>• <i>current tax liabilities</i>;</li> <li>• <i>deferred tax liabilities</i>;</li> <li>• <i>derivative financial instruments (liabilities)</i>;</li> <li>• <i>subordinated debt</i>;</li> <li>• <i>claims payable</i>;</li> <li>• <i>reinsurance premiums payable</i>; or</li> <li>• <i>other accounts payables</i>.</li> </ul>
<b><i>Other non-investment assets</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of all non-investment assets not categorised as:</p> <ul style="list-style-type: none"> <li>• <i>current tax assets</i>;</li> <li>• <i>deferred tax assets</i>;</li> <li>• <i>derivative financial instruments (assets)</i>;</li> <li>• <i>premiums receivable</i>;</li> <li>• <i>reinsurance recoveries receivable</i>; or</li> <li>• <i>other accounts receivable</i>.</li> </ul>

## P

<b><i>Premiums receivable</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the amount related to insurance premiums due but not yet received which has been recognised within insurance and reinsurance contract liabilities and assets reported on the balance sheet under AASB 17.</p> <p>Premiums should be gross of reinsurance and commissions, before profit share rebates, and inclusive of stamp duty, policy fees, loadings and discounts. This definition is consistent with the definition of premium defined in <i>Reporting Standard LRS 750 Claims and Disputes</i> (LRS 750.0). Life companies may use approximate methods to report this item if premiums which meet the outlined definition are not readily available (corresponding adjustments also need to be made in <i>other accounts receivable</i> or <i>other accounts payable</i>).</p> <p>Life companies must exclude any amount already allowed in adjusted policy liabilities to avoid double counting.</p>
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	<p>This amount must be consistent with <b><i>premiums receivable</i></b> reported in LRS 112.0 as a component of <b><i>liability adjustment</i></b> (gross of tax effect).</p> <p>This item must not be reported as a component of other asset and liability items including adjusted policy liability related items reported in this Reporting Standard.</p>
<b><i>Property stress</i></b> <b><i>(Stress scenario type)</i></b>	This is the impact on a fund's capital base of changes in property and infrastructure asset values and is calculated in accordance with LPS 114.

**R**

<b><i>Real interest rates downwards stress</i></b> <b><i>(Stress scenario type)</i></b>	<p>Real interest rates stress measures the impact on a fund's capital base of downward changes in real interest rates. It also affects nominal interest rates.</p> <p>This item is calculated in accordance with LPS 114.</p>
<b><i>Real interest rates upwards stress</i></b> <b><i>(Stress scenario type)</i></b>	<p>Real interest rates stress measures the impact on a fund's capital base of upward changes in real interest rates. It also affects nominal interest rates.</p> <p>This item is calculated in accordance with LPS 114.</p>
<b><i>Reinsurance premiums payable</i></b>	<p>This is the amount related to reinsurance premiums due but not yet paid which has been recognised within insurance and reinsurance contract liabilities and assets reported on the balance sheet under AASB 17.</p> <p>Premiums should be gross of commissions, before profit share rebates, and inclusive of stamp duty, policy fees, loadings and discounts. This definition is consistent with the definition of premium defined in LRS 750.0. Life companies may use approximate methods to report this item if premiums which meet the outlined definition are not readily available (corresponding adjustments also need to be made in <b><i>other accounts receivable</i></b> or <b><i>other accounts payable</i></b>).</p> <p>Life companies must exclude any amount already allowed in adjusted policy liabilities to avoid double counting.</p> <p>This amount must be consistent with <b><i>reinsurance premiums payable</i></b> reported in LRS 112.0 as a component of <b><i>liability adjustment</i></b> (gross of tax effect).</p> <p>This item must not be reported as a component of other asset and liability items including adjusted policy liability related items reported</p>

	in this Reporting Standard.
<b><i>Reinsurance recoveries receivable</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the amount related to reinsurance recoveries due but not yet received which has been recognised within insurance and reinsurance contract liabilities and assets reported on the balance sheet under AASB 17.</p> <p>Life companies must exclude any amount already allowed in adjusted policy liabilities to avoid double counting.</p> <p>This amount must be consistent with <b><i>reinsurance recoveries receivable</i></b> reported in LRS 112.0 as a component of <b><i>liability adjustment</i></b> (gross of tax effect).</p> <p>This item must not be reported as a component of other asset and liability items including adjusted policy liability related items reported in this Reporting Standard.</p>
<b><i>Rental yield used in determination of property stress percent</i></b>  <b><i>(Yields used in stress scenarios type)</i></b>	<p>This is the average rental yield for the property assets based on current leases and net of expenses.</p>
<b><i>Risk charge components</i></b>	<p>This item is calculated for each <b><i>stress scenario type</i></b> as the greater of zero and the <b><i>impact on capital base</i></b> amount.</p> <p>If the <b><i>impact on capital base</i></b> is less than zero then the <b><i>risk charge component</i></b> is equal to the absolute value of the <b><i>impact on capital base</i></b>.</p> <p>If the <b><i>impact on capital base</i></b> is greater than zero then the <b><i>risk charge component</i></b> is zero.</p>

## S

<b><i>Seed capital</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of <b><i>seed capital</i></b> that has been transferred from the management fund of a friendly society to its benefit fund.</p>
<b><i>Stress scenario amount</i></b>	<p>This the contribution of the relevant items towards the change in capital base under <b><i>stress scenario type</i></b>.</p> <p>Specifications of the stresses are determined in accordance with LPS</p>

	114.
<b><i>Stress scenario type</i></b>	<p>This consists of the stress scenarios that must be applied to individual items subject to Asset Risk Charge type under LPS 114. The scenarios are:</p> <ul style="list-style-type: none"> <li>• <b><i>real interest rates upwards stress</i></b>;</li> <li>• <b><i>real interest rates downwards stress</i></b>;</li> <li>• <b><i>expected inflation upwards stress</i></b>;</li> <li>• <b><i>expected inflation downwards stress</i></b>;</li> <li>• <b><i>currency upwards stress</i></b>;</li> <li>• <b><i>currency downwards stress</i></b>;</li> <li>• <b><i>equity stress</i></b>;</li> <li>• <b><i>property stress</i></b>;</li> <li>• <b><i>credit spreads stress</i></b>; and</li> <li>• <b><i>default stress</i></b>.</li> </ul>
<b><i>Subordinated debt</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of the <b><i>subordinated debt</i></b> that has been issued by the fund.</p> <p>This must exclude any <b><i>subordinated debt</i></b> recognised as <b><i>Tier 2 Capital</i></b>. This amount must be reported under <b><i>Tier 2 Capital</i></b>.</p>

## T

<b><i>Tier 2 Capital</i></b>	<b><i>Tier 2 Capital</i></b> includes components of capital that, to varying degrees, fall short of the quality of Tier 1 Capital but nonetheless contribute to the overall strength of the fund and its capacity to absorb losses.
<b><i>Total off-balance sheet assets</i></b>	This is the <b><i>impact on capital base</i></b> from the changes in off-balance sheet assets under the respective asset risk stress scenarios, to the extent that the off-balance sheet assets affect the on-balance sheet assets and liabilities.
<b><i>Total off-balance sheet liabilities</i></b>	This is the <b><i>impact on capital base</i></b> from the changes in off-balance sheet liabilities under the respective asset risk stress scenarios, to the extent that the off-balance sheet assets affect the on-balance sheet assets and liabilities.

## U

<b><i>Unlisted equities</i></b>  <b><i>(Items subject to Asset Risk Charge type)</i></b>	<p>This is the value of equity interests in companies not listed on any stock exchange, after allowance for look-through (if applicable).</p> <p>This also includes equities held within Australia and overseas, which are not treated differently for the purpose of determining Asset Risk Charge.</p>
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## Specific instructions

**Table 1: Adjusted Balance Sheet - Pre-Stress**

### Reporting basis

This table applies to life companies including friendly societies. This table applies to statutory, shareholder, benefit and management funds.

Report all relevant items within the balance sheet of the fund as listed under *items subject to Asset Risk Charge type*. The reported figures are before the application of any designated asset stresses, net of the effect of any look-through adjustments.

Report all information as at the reporting date.

This table is designed such that the pre-stress data items can be used to calculate the capital base.

### Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> <li>• Statutory fund</li> <li>• Shareholder fund</li> <li>• Benefit fund</li> <li>• Management fund</li> </ul>	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .

	Name	Valid values	Description
3	Items Subject to Asset Risk Charge Type	<p>AASB balance sheet-related - <i>Assets supporting investment-linked liabilities</i>:</p> <ul style="list-style-type: none"> <li>• <i>Assets supporting investment-linked liabilities</i></li> </ul> <p>AASB balance sheet-related - <i>Assets not supporting investment-linked liabilities</i>:</p> <ul style="list-style-type: none"> <li>• <i>Cash</i></li> <li>• <i>Investment property</i></li> <li>• <i>Listed equities</i></li> <li>• <i>Unlisted equities</i></li> <li>• <i>Non-indexed interest-bearing securities</i></li> <li>• <i>Indexed interest-bearing securities</i></li> <li>• <i>Loans</i></li> <li>• <i>Other investment assets (exclude derivative financial instruments)</i></li> <li>• <i>Current tax assets</i></li> <li>• <i>Deferred tax assets</i></li> <li>• <i>Derivative financial instruments (assets)</i></li> <li>• <i>Premiums receivable</i></li> <li>• <i>Reinsurance recoveries receivable</i></li> <li>• <i>Other accounts receivable</i></li> <li>• <i>Other non-investment assets</i></li> </ul> <p>Other asset items related to Asset Risk Charge:</p> <ul style="list-style-type: none"> <li>• <i>Adjusted policy liabilities ceded (reinsurance assets)</i></li> <li>• <i>Assets deducted from capital base</i></li> <li>• <i>Assets subject to Asset Concentration Risk Charge</i></li> </ul>	Report the items subject to Asset Risk Charge type.

	Name	Valid values	Description
		<p>AASB balance sheet-related – Liabilities excluding adjusted policy liabilities:</p> <ul style="list-style-type: none"> <li>• <i>Current tax liabilities</i></li> <li>• <i>Deferred tax liabilities</i></li> <li>• <i>Derivative financial instruments (liabilities)</i></li> <li>• <i>Subordinated debt</i></li> <li>• <i>Claims payable</i></li> <li>• <i>Reinsurance premiums payable</i></li> <li>• <i>Other accounts payable</i></li> <li>• <i>Other liabilities</i></li> </ul> <p>LPS 112 adjusted policy liabilities:</p> <ul style="list-style-type: none"> <li>• <i>Adjusted policy liabilities (net of reinsurance) - exclude discretionary component</i></li> <li>• <i>Discretionary component of adjusted policy liabilities (net of reinsurance)</i></li> </ul> <p>Tier 2 capital and <i>seed capital</i>:</p> <ul style="list-style-type: none"> <li>• <i>Tier 2 Capital</i></li> <li>• <i>Seed capital</i></li> </ul>	
4	Adjusted Pre-Stress Amount	Whole dollars	Report <i>adjusted pre-stress amounts</i> .

**Table 2: Impact of Asset Stresses on Capital Base****Reporting basis**

This table applies to life companies including friendly societies. This table applies to statutory, shareholder, benefit and management funds.

Report the impacts on the capital base of the fund arising from the application of the *stress scenario type*.

Report all information as at the reporting date.

**Units of measurement**

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> <li>• Statutory fund</li> <li>• Shareholder fund</li> <li>• Benefit fund</li> <li>• Management fund</li> </ul>	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .
3	Items Subject to Asset Risk Charge Type	<p>AASB balance sheet-related - <i>Assets not supporting investment-linked liabilities</i>:</p> <ul style="list-style-type: none"> <li>• <i>Cash</i></li> <li>• <i>Investment property</i></li> <li>• <i>Listed equities</i></li> <li>• <i>Unlisted equities</i></li> <li>• <i>Non-indexed interest-bearing securities</i></li> <li>• <i>Indexed interest-bearing securities</i></li> </ul>	Report the items subject to Asset Risk Charge type.

	Name	Valid values	Description
		<ul style="list-style-type: none"> <li>• <i>Loans</i></li> <li>• <i>Other investment assets (exclude derivative financial instruments)</i></li> <li>• <i>Current tax assets</i></li> <li>• <i>Deferred tax assets</i></li> <li>• <i>Derivative financial instruments (assets)</i></li> <li>• <i>Premiums receivable</i></li> <li>• <i>Reinsurance recoveries receivable</i></li> <li>• <i>Other accounts receivable</i></li> <li>• <i>Other non-investment assets</i></li> </ul> <p>Other asset items related to Asset Risk Charge:</p> <ul style="list-style-type: none"> <li>• <i>Adjusted policy liabilities ceded (reinsurance assets)</i></li> </ul> <p>AASB balance sheet-related – Liabilities excluding adjusted policy liabilities:</p> <ul style="list-style-type: none"> <li>• <i>Current tax liabilities</i></li> <li>• <i>Deferred tax liabilities</i></li> <li>• <i>Derivative financial instruments (liabilities)</i></li> <li>• <i>Subordinated debt</i></li> <li>• <i>Claims payable</i></li> <li>• <i>Reinsurance premiums payable</i></li> <li>• <i>Other accounts payables</i></li> <li>• <i>Other liabilities</i></li> </ul> <p>LPS 112 adjusted policy liabilities:</p> <ul style="list-style-type: none"> <li>• <i>Adjusted policy liabilities (net of reinsurance) - exclude discretionary component</i></li> </ul>	



	Name	Valid values	Description
		<ul style="list-style-type: none"> <li>• <i>Discretionary component of adjusted policy liabilities (net of reinsurance)</i></li> </ul> <p><i>Tier 2 capital and seed capital:</i></p> <ul style="list-style-type: none"> <li>• <i>Tier 2 Capital</i></li> <li>• <i>Seed capital</i></li> </ul> <p>Off balance sheet exposures:</p> <ul style="list-style-type: none"> <li>• <i>Total off-balance sheet assets</i></li> <li>• <i>Total off-balance sheet liabilities</i></li> </ul>	
4	Stress Scenario Type	<ul style="list-style-type: none"> <li>• <i>Real interest rates upwards stress</i></li> <li>• <i>Real interest rates downwards stress</i></li> <li>• <i>Expected inflation upwards stress</i></li> <li>• <i>Expected inflation downwards stress</i></li> <li>• <i>Currency upwards stress</i></li> <li>• <i>Currency downwards stress</i></li> <li>• <i>Equity stress</i></li> <li>• <i>Property stress</i></li> <li>• <i>Credit spreads stress</i></li> <li>• <i>Default stress</i></li> </ul>	<p>Report <i>stress scenario type</i>.</p> <p><i>Default stress</i> must be assigned to <i>adjusted policy liabilities (net of reinsurance)</i> - <i>exclude discretionary component</i>.</p>
5	Stress Scenario Amount	Whole dollars	<p>Report <i>stress scenario amount</i>, the contribution of the relevant items towards the change in capital base under the scenario considered.</p> <p>A negative number indicates a reduction in the capital base. Report negative</p>

	Name	Valid values	Description
			<p>values for decreases to assets and increases to liabilities.</p> <p>Report positive values for increases to assets and decreases to liabilities.</p> <p>If there are items subject to Asset Risk Charge type not impacted by <b><i>stress scenario type</i></b>, report nil.</p> <p>For <b><i>adjusted policy liabilities ceded (reinsurance assets)</i></b>, only report the impact of <b><i>default stress</i></b>.</p> <p>For <b><i>default stress</i></b> relating to reinsurance assets, report it under <b><i>adjusted policy liabilities ceded (reinsurance assets)</i></b> and not under <b><i>adjusted policy liabilities (net of reinsurance) - exclude discretionary component</i></b>.</p>

**Table 3: Counterparty Grade****Reporting basis**

This table applies to life companies including friendly societies. This table applies to statutory, shareholder, benefit and management funds.

Report the fair value and stressed value of assets that are subject to *credit spreads stress*, subdivided by *counterparty grade type* and *assets subject to credit spreads stress type*.

Report all information as at the reporting date.

**Units of measurement**

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> <li>• Statutory fund</li> <li>• Shareholder fund</li> <li>• Benefit fund</li> <li>• Management fund</li> </ul>	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .
3	Assets Subject To Credit Spreads Stress Type	<ul style="list-style-type: none"> <li>• Bonds &amp; other non-securitised assets</li> <li>• Structured / securitised assets</li> <li>• Re-securitised assets</li> </ul>	Report <i>assets subject to credit spreads stress type</i> .
4	Counterparty Grade Type	<ul style="list-style-type: none"> <li>• Grade 1 (Government)</li> <li>• Grade 1 (Other)</li> <li>• Grade 2</li> </ul>	Report <i>counterparty grade type</i> .

	Name	Valid values	Description
		<ul style="list-style-type: none"> <li>• Grade 3</li> <li>• Grade 4</li> <li>• Grade 5</li> <li>• Grade 6</li> <li>• Grade 7</li> </ul>	
5	Credit Spread Fair Value Amount	Whole dollars	Report <i>credit spread fair value amount</i> .
6	Credit Spread Stressed Amount	Whole dollars	Report <i>credit spread stressed amount</i> .

**Table 4: Yields****Reporting basis**

This table applies to life companies including friendly societies. This table applies to statutory, shareholder, benefit and management funds.

Report each of the yields used in stress scenarios.

Report all information as at the reporting date.

**Units of measurement**

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> <li>• Statutory fund</li> <li>• Shareholder fund</li> <li>• Benefit fund</li> <li>• Management fund</li> </ul>	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .
3	Dividend Yield Used In Determination Of Equity Stress Percent	Percentage	<p>Report <i>dividend yield used in determination of equity stress percent</i>.</p> <p>This item is only required if the risk charge component for the <i>equity stress</i> is greater than zero.</p>
4	Rental Yield Used In Determination Of	Percentage	Report <i>rental yield used in determination of property stress</i>

	Name	Valid values	Description
	Property Stress Percent		<p><i>percent.</i></p> <p>This item is only required if the risk charge component for the <i>property stress</i> is greater than zero.</p> <p>If rental yields and falls in value have been determined separately for each property asset, an estimate of the average rental yield should be entered for this item.</p>
5	Earnings Yield Used In Determination Of Property Stress Percent	Percentage	<p>Report <i>earnings yield used in determination of property stress percent.</i></p> <p>This item is only required if the risk charge component for the <i>property stress</i> is greater than zero due to infrastructure assets.</p>