



Financial Sector (Collection of Data) (reporting standard) determination No. 17 of 2023

Reporting Standard GRS 310.3 Details of Income and Expenses

Financial Sector (Collection of Data) Act 2001

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. 20 of 2013, including *Reporting Standard GRS 310.3 Details of Income and Expenses* made under that Determination; and
- (b) DETERMINE *Reporting Standard GRS 310.3 Details of Income and Expenses*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities on 1 April 2023, and the revoked reporting standard shall cease to apply, on 1 April 2023.

This instrument commences on 1 April 2023.

Dated: 16 March 2023

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

Interpretation

In this Determination:

APRA means the Australian Prudential Regulation Authority.

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

Schedule

Reporting Standard GRS 310.3 Details of Income and Expenses comprises the document commencing on the following page.



Reporting Standard GRS 310.3

Details of Income and Expenses

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to the details of a general insurer's income and expenses.

It includes *Form GRF 310.3 Details of Income and Expenses* and associated specific instructions and must be read in conjunction with 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. Information collected in *Form GRF 310.3 Details of Income and Expenses* (GRF 310.3) 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 all general insurers authorised under the *Insurance Act 1973* (insurers). This Reporting Standard applies for reporting periods ending on or after 1 April 2023.

Information required

4. An insurer must provide APRA with the information required by Form GRF 310.3 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, an insurer must provide the information required by this Reporting Standard:
 - (a) in respect of each quarter based on the financial year of the insurer; and
 - (b) in respect of each financial year of the insurer.

Note: The annual information required from an insurer by paragraphs 4, 5 and 6(b), together with certain annual information required by other reporting standards, will form part of the insurer's yearly statutory accounts within the meaning of section 3 of the *Insurance Act 1973* (the Insurance Act). This means that the information must be audited in accordance with paragraph 49J(1)(a) of the Insurance Act. Under subsection 49J(3), the principal auditor of the insurer must give the insurer a certificate relating to the yearly statutory accounts, and that certificate must contain statements of the auditor's opinions on the matters required by the prudential standards to be dealt with in the certificate.

7. If, having regard to the particular circumstances of an insurer, 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, change the reporting periods, or specify reporting periods, for the particular insurer.
8. The information required by this Reporting Standard in respect of an insurer must be provided to APRA:
 - (a) within the time stated in *Reporting Standard GRS 001 Reporting Requirements* (GRS 001); or
 - (b) in the case of information provided in accordance with paragraph 7, within the time specified by notice in writing.

Note: Paragraph 49L(1)(a) of the Insurance Act provides that the auditor's certificate required under subsection 49J(3) of that Act must be lodged with APRA in accordance with the prudential standards. The prudential standards provide that the certificate must be submitted to APRA together with the yearly statutory accounts. Accordingly, the auditor's certificate relating to the annual information referred to in subparagraph 6(b) must be provided to APRA by the time specified in GRS 001 (unless an extension of time is granted under GRS 001).

Quality control

9. The information provided by an insurer under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Appointed Auditor of the insurer. This will require the Appointed Auditor to review and test the insurer's systems, processes and controls designed to enable the insurer 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 Appointed 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

(AUASB) 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*.

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

Authorisation

11. When an officer, or agent, of an insurer provides the information required by this Reporting Standard it will be necessary for an officer, or agent, to digitally sign the relevant information using a digital certificate acceptable to APRA.
12. If an insurer provides the information required by this Reporting Standard through an agent who submits on the insurer's behalf, the insurer must:
 - (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
 - (b) retain the completed copy.
13. An officer, or agent, of an insurer who submits the information under this Reporting Standard for, or on behalf of, the insurer must be authorised by either:
 - (a) the Principal Executive Officer of the insurer; or
 - (b) the Chief Financial Officer of the insurer.

Variations

14. APRA may, by written notice to the insurer, vary the reporting requirements of Form GRF 310.3 in relation to that insurer.

Interpretation

15. In this Reporting Standard (including the attachments):
 - (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard GPS 001 Definitions* (GPS 001); and
 - (b) ***Appointed Auditor*** means an auditor appointed under paragraph 39(1)(a) of the Insurance Act;

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 GPS 001;

Chief Financial Officer means the chief financial officer of the insurer, by whatever name called;

financial year means the financial year (within the meaning in the *Corporations Act 2001*) of the insurer;

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;

Insurance Act means the *Insurance Act 1973*;

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

Note: In the forms and instructions, 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-authorized reinsurer;

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

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

GRF_310_3_L: Details of Income and Expenses

| | |
|-----------------------------------|---------------------------------------|
| Australian Business Number | Institution Name |
| | |
| Reporting Period | Scale Factor |
| Quarterly / Annual | Thousands of dollars no decimal place |
| Reporting Consolidation | |
| Licensed Insurer | |

1. Investment income

1.1. Total interest income

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1.1.1. Parent & controlled entities

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1.1.2. Other related parties

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1.1.3. Derivatives

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1.1.4. Other

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1.2. Total dividend income

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1.2.1. Parent & controlled entities

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1.2.2. Other related parties

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1.2.3. Other

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1.3. Total rental income

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1.3.1. Parent & controlled entities

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1.3.2. Other related parties

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1.3.3. Other

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1.4. Total trust distributions

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1.4.1. Parent & controlled entities

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1.4.2. Other related parties

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1.4.3. Other

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1.5. Total Other distributions

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| Other distributions (please specify) | Amount |
|--------------------------------------|--------|
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1.5.1. Parent & controlled entities

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1.5.2. Other related parties

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1.6. Total foreign exchange gains / losses relating to investments (realised and unrealised):

1.6.1. Investments (other than derivatives)

1.6.2. Derivatives

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| |

1.7. Total unrealised gains / losses on investments

1.7.1. Direct Investments:

1.7.1.1. Interest rate investments

1.7.1.2. Equity investments

1.7.1.3. Property investments

1.7.1.4. Loans and advances

1.7.1.5. Derivatives (other than foreign exchange)

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1.7.2. Indirect Investments:

1.7.2.1. Units in trusts / managed investment vehicles

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1.8. Total realised gains / losses on investments

1.8.1. Direct Investments:

1.8.1.1. Interest rate investments

1.8.1.2. Equity investments

1.8.1.3. Property investments

1.8.1.4. Loans and advances

1.8.1.5. Derivatives (other than foreign exchange)

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1.8.2. Indirect Investments

1.8.2.1. Units in trusts / managed investment vehicles

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1.9. Total other investment income

| Other investment income (please specify) | Amount |
|--|--------|
| | |

1.10. Total Investment Income

1.10.1. which is attributable to shareholders' funds

1.10.2. which is attributable to policyholders' funds

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2. Operating income

2.1. Total realised gains / losses

2.1.1. Insurance portfolios

2.1.2. Investments in controlled entities

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| 2.1.3. Investments in associates / joint ventures | |
| 2.1.4. Other assets | |
| 2.2. Total foreign exchange gains / losses (realised and unrealised) | |
| 2.2.1. Borrowings | |
| 2.2.1.1. Underlying exposure | |
| 2.2.1.2. Derivatives (hedging borrowing exposure) | |
| 2.2.2. Claims liability | |
| 2.2.2.1. Underlying exposure | |
| 2.2.2.2. Derivatives (hedging claims exposure) | |
| 2.2.3. Other | |
| 2.3. Total net increment / decrement (or write-down) from revaluation | |
| 2.3.1. Investment in controlled entities | |
| 2.3.2. Investment in associates / joint ventures | |
| 2.3.3. Other assets | |
| 2.4. Share of net profits (losses) of associates and joint ventures accounted for using the equity method of accounting | |
| 2.5. Total fees and commissions | |
| 2.5.1. Funds management | |
| 2.5.2. Underwriting activities | |
| 2.5.3. Scrip lending | |
| 2.5.4. Other | |
| 2.6. Total income from life insurance business | |
| 2.7. Total other operating income | |
| Other operating income (please specify) | Amount |
| | |

2.8. Total operating income

3. Operating expenses

3.1. Total interest expense

3.1.1. Borrowings

| | |
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| 3.1.2. Loan capital | |
| 3.1.3. Other interest bearing liabilities | |
| 3.1.4. Derivatives | |
| 3.1.5. <i>Total interest expense paid to:</i> | |
| 3.1.5.1. <i>Parent entity</i> | |
| 3.1.5.2. <i>Controlled entities</i> | |
| 3.1.5.3. <i>Associates / joint ventures</i> | |
| 3.1.5.4. <i>Other related parties</i> | |
| 3.2. Total personnel expenses | |
| 3.2.1. Wages & salaries | |
| 3.2.2. Share-based payment expenses | |
| 3.2.3. Other employee related costs | |
| 3.3. Total occupancy and equipment expenses | |
| 3.3.1. Depreciation / impairment | |
| 3.3.1.1. Plant and equipment | |
| 3.3.1.2. Other | |
| 3.3.2. Operating lease rentals | |
| 3.3.3. Other | |
| 3.4. Total other operating expenses | |
| 3.4.1. Impairment of: | |
| 3.4.1.1. Goodwill | |
| 3.4.1.2. Intangible assets with an indefinite useful life | |
| 3.4.1.3. Other assets | |
| 3.4.2. Amortisation of intangible assets with a finite useful life | |
| 3.4.3. Investment management fees | |
| 3.4.3.1. <i>Of which: on assets backing insurance liabilities</i> | |
| 3.4.4. Other management fees | |
| 3.4.5. Fees for: | |
| 3.4.5.1. Audit related services | |
| 3.4.5.2. Non-audit related services provided by audit firm | |
| 3.4.6. Consulting fees | |
| 3.4.7. Actuarial fees | |
| 3.4.8. Directors fees | |
| 3.4.9. Bad & doubtful debts | |
| 3.4.10. Other | |
| 3.5. Total operating expenses | |

4. Underwriting expenses and Acquisition costs

Section 1: Direct Business

| Class of business (1) | Acquisition costs (excluding LAT results) (2) | Results of LAT (current and prior years) (3) | Levies and charges (4) | Commission revenue (5) | Commission expense (6) | Other underwriting expenses (7) | Total underwriting expenses (8) |
|----------------------------------|--|---|-----------------------------------|-----------------------------------|-----------------------------------|--|--|
| | | | | | | | |
| Householders | | | | | | | |
| Commercial motor | | | | | | | |
| Domestic motor | | | | | | | |
| Other direct - category A | | | | | | | |
| Travel | | | | | | | |
| Fire and ISR | | | | | | | |
| Marine | | | | | | | |
| Aviation | | | | | | | |
| Consumer credit | | | | | | | |
| Other accident | | | | | | | |
| Other direct - category B | | | | | | | |
| Mortgage | | | | | | | |
| CTP | | | | | | | |
| Public and product liability | | | | | | | |
| Professional indemnity | | | | | | | |
| Employers liability | | | | | | | |
| Other direct - category C | | | | | | | |

Section 2: Reinsurance business

| Class of business (1) | Acquisition costs (excluding LAT results) (2) | Results of LAT (current and prior years) (3) | Levies and charges (4) | Commission revenue (5) | Commission expense (6) | Other underwriting expenses (7) | Total underwriting expenses (8) |
|--|--|---|---|---|---|--|--|
| | | | | | | | |
| Proportional - Category A | | | | | | | |
| Non-proportional - Category A | | | | | | | |
| Proportional - Category B | | | | | | | |
| Non-proportional - Category B | | | | | | | |
| Proportional - Category C | | | | | | | |
| Non-proportional - Category C | | | | | | | |

Section 3: Total

| | Acquisition costs (excluding LAT results) (2) | Results of LAT (current and prior years) (3) | Levies and charges (4) | Commission revenue (5) | Commission expense (6) | Other underwriting expenses (7) | Total underwriting expenses (8) |
|-----------------------------------|--|---|---|---|---|--|--|
| Total direct business | | | | | | | |
| Total reinsurance business | | | | | | | |
| Proportional | | | | | | | |
| Non-proportional | | | | | | | |
| Total | | | | | | | |

GRF_310_3 Details of Income and Expenses

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

Instructions for specific items

1. Investment income

1.1. Total interest income

This is the value of interest income recognised during the relevant period. Interest must be recognised and measured in accordance with the relevant Australian Accounting Standards. This means interest is to be recognised on an accrual basis, unless the asset is considered to be impaired or non-performing in which case, interest is to be recognised on a cash basis.

1.1.1. Parent & controlled entities

Report the value of interest income from the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.1.2. Other related parties

Report the value of interest income from related parties other than the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.1.3. Derivatives

This is the value of interest income from derivatives during the relevant period. This item is determined in accordance with the relevant Australian Accounting Standards.

1.1.4. Other

This is a balancing item and represents all other interest income not reported in the items above.

It is automatically calculated as Item 1.1 less the sum of Items 1.1.1 to 1.1.3.

1.2. Total dividend income

This is the value, for the relevant period, of dividends recognised by the reporting insurer as income in accordance with Australian Accounting Standards.

1.2.1. Parent & controlled entities

Report the value of dividend income from the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.2.2. Other related parties

Report the value of dividend income from related parties other than the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.2.3. Other

This is a balancing item and represents all other dividend income not reported in the items above.

It is automatically calculated as Item 1.2 less the sum of Items 1.2.1 and 1.2.2.

1.3. Total rental income

This is the value, for the relevant period, of rent recognised by the reporting insurer as income in accordance with Australian Accounting Standards. Rent other than royalties includes revenue for the use of, or the right to use, property, both tangible and intangible, not included as royalties.

1.3.1. Parent & controlled entities

Report the value of rental income from the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.3.2. Other related parties

Report the value of rental income from related parties other than the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.3.3. Other

This is a balancing item and represents all other rental income not reported in the items above.

It is automatically calculated as Item 1.3 less the sum of Items 1.3.1 and 1.3.2.

1.4. Total trust distributions

This is the value of distributions by trusts received by the reporting insurer during the relevant period.

1.4.1. Parent & controlled entities

Report the value of trust distributions from the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.4.2. Other related parties

Report the value of trust distributions from related parties other than the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.4.3. Other

This is a balancing item and represents all other trust distributions not reported in the items above.

It is automatically calculated as Item 1.4 less the sum of Items 1.4.1 and 1.4.2.

1.5. Total other distributions

This is a balancing item and is the value of all other distributions received during the relevant period, excluding dividend income, rental income, interest income and distributions received from trusts.

It is automatically calculated as the sum of the 'Amount' Column in the corresponding table below.

Other distributions (please specify)

Individually specify the nature of other forms of distributions as reported in Item 1.5 as well as their corresponding amounts.

1.5.1. Parent & controlled entities

Report the value of other distributions from the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.5.2. Other related parties

Report the value of other distributions from related parties other than the parent entity or a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

1.6. Total foreign exchange gains / losses relating to investments (realised and unrealised)

This is automatically calculated as the sum of Items 1.6.1 and 1.6.2.

1.6.1. Investments (other than derivatives)

Report any realised / unrealised foreign exchange gains / losses relating to the translation / conversion of all investments of the entity (except derivatives) which are denominated in a currency other than the Australian dollar (AUD). Only report the gain / loss that is attributable to movements in the currency in which investments are denominated, relative to the AUD.

1.6.2. Derivatives

Report any realised / unrealised foreign exchange gains / losses relating to the currency translation / conversion of derivative contracts. Such contracts may be held in relation to the underlying investment portfolios (e.g. as hedges of the interest rate or equity investment portfolios) or as outright position taking to alter the asset allocation strategy. Only report the gain / loss that is attributable to movements in the currency in which the derivative contract is denominated, relative to the AUD.

1.7. Total unrealised gains / losses on investments

This is the value of the total unrealised gains / losses (excluding foreign exchange gains / losses) associated with the entity's investments. Gains / losses are realised where the entity disposed of an asset during the relevant period. If an asset has not been disposed of during the relevant period, then any increases or decreases in the fair value of the asset are recognised as unrealised gains / losses.

This item is automatically calculated as the sum of Items 1.7.1.1 to 1.7.1.5 and 1.7.2.1.

1.7.1. Direct investments

This relates to investments where the reporting insurer holds direct title / ownership of the investment asset.

1.7.1.1. Interest rate investments

This is the value of unrealised gains / losses (excluding foreign exchange gains / losses) on the fair value of debt securities during the relevant period. Debt securities are transferable instruments evidencing a relationship of indebtedness. It is characterised by having a definable income stream that is not based on the economic performance of the issuing entity. This item excludes loans and advances, and subordinated debt.

1.7.1.2. Equity investments

This is the value of unrealised gains / losses (excluding foreign exchange gains / losses) on equity securities for the relevant period, including gains (losses) from subordinated debt. Equity investments or securities are contracts that evidence a residual interest in the assets of an entity after deducting all its liabilities.

1.7.1.3. Property investments

This is the value of unrealised gains / losses (excluding foreign exchange gains / losses) associated with the entity's investment in property assets. Do not include gains / losses on investments in: listed property trusts; unlisted private property unit trusts; and unlisted public offer / retail property trusts.

1.7.1.4. Loans and advances

This is the value of unrealised gains / losses (excluding foreign exchange gains / losses) on loans and advances for the relevant period. Loans and advances are those financial assets categorised as "Loans and Receivables" in the accounting standards, other than "Trade receivables" and "Cash".

1.7.1.5. Derivatives (other than foreign exchange)

This is the value of unrealised gains / losses attributable to the movement in net market value of the entity's derivative exposures, excluding unrealised or realised gains / losses relating to the currency translation of foreign currency derivative contracts.

1.7.2. Indirect investments

This relates to investments where the reporting insurer does not hold direct title / ownership of the investment asset.

1.7.2.1. Units in trusts / managed investment vehicles

This is the value of unrealised gains / losses (excluding foreign exchange gains / losses) on holdings of units in trusts or other managed investment vehicles for the relevant period.

1.8. Total realised gains / losses on investments

This is the value of the total realised gains / losses (excluding foreign exchange gains / losses) associated with the entity's investments. Gains / losses are realised where the entity disposed of an asset during the relevant period. If an asset has not been disposed of during the relevant period, then any increases or decreases in the fair value of the asset are recognised as unrealised gains / losses.

This item is automatically calculated as the sum of Items 1.8.1.1 to 1.8.1.5 and 1.8.2.1.

1.8.1. Direct investments

This relates to investment where the reporting insurer holds direct title / ownership of the investment asset.

1.8.1.1. Interest rate investments

This is the value of unrealised gains / losses (excluding foreign exchange gains / losses) on the fair value of debt securities during the relevant period. Debt securities are transferable instruments evidencing a relationship of indebtedness. It is characterised by having a definable income stream that is not based on the economic performance of the issuing entity. This item excludes loans and advances and subordinated debt.

1.8.1.2. Equity investments

This is the value of realised gains / losses (excluding foreign exchange gains / losses) on equity securities for the relevant period, including gains (losses) from subordinated debt. Equity investments or securities are contracts that evidence a residual interest in the assets of an entity after deducting all its liabilities.

1.8.1.3. Property investments

This is the value of realised gains / losses (excluding foreign exchange gains / losses) associated with the entity's investment in property assets. Do not include gains / losses

on investments in: listed property trusts; unlisted private property unit trusts; and unlisted public offer / retail property trusts.

1.8.1.4. Loans and advances

This is the value of realised gains / losses (excluding foreign exchange gains / losses) on loans and advances for the relevant period. Loans and advances are those financial assets categorised as "Loans and Receivables" in the accounting standards, other than "Trade receivables" and "Cash".

1.8.1.5. Derivatives (other than foreign exchange)

This is the value of realised gains / losses attributable to the movement in net market value of the entity's derivative exposures, excluding unrealised or realised gains / losses relating to the currency translation of foreign currency derivative contracts.

1.8.2. Indirect investments

This relates to investment where the reporting insurer does not hold direct title / ownership of the investment asset.

1.8.2.1. Units in trusts / managed investment vehicles

This is the value of realised gains / losses (excluding foreign exchange gains / losses) on holdings of units in trusts or other managed investment vehicles for the relevant period.

1.9. Total other investment income

This is a balancing item and is the value of all other investment income not specifically listed under Item 1.

This is automatically calculated as the sum of the 'Amount' Column in the corresponding table below.

Other investment income (please specify)

Individually specify the nature of other forms of investment income as reported in Item 1.9 as well as their corresponding amounts.

1.10. Total investment income

This is automatically calculated as the sum of Items 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8 and 1.9.

1.10.1. which is attributable to shareholders' funds

Report the value of total investment income that is attributable to the investment of shareholders' funds (i.e. funds that are not policyholders').

1.10.2. which is attributable to policyholders' funds

Report the value of total investment income that is attributable to the investment of policyholders' funds.

2.1. Total realised gains / losses

This is the value of realised gains and losses on assets which do not constitute investment assets as reported under Item 1.

2.1.1. Insurance portfolios

This is the value of realised gains / losses on the disposal of insurance portfolios during the relevant period.

2.1.2. Investments in controlled entities

This is the value of realised gains / losses on the disposal (partial and full disposal) of the investment in controlled entities, as determined in accordance with *Australian Accounting Standard AASB 127 Separate Financial Statements* (AASB 127).

2.1.3. Investments in associates / joint ventures

This is the value of realised gains / losses on the disposal (partial and full disposal) of the investment in associates or joint ventures. Associate is to be interpreted as defined in *Australian Accounting Standard AASB 128 Investments in Associates and Joint Ventures* (AASB 128) and joint venture is to be interpreted as defined in *Australian Accounting Standard AASB 11 Joint Arrangements* (AASB 11).

2.1.4. Other assets

This is a balancing item and is the value of realised gains / losses in assets not otherwise specifically reported under Item 2.1 or Item 1.

It is automatically calculated as Item 2.1 less the sum of Items 2.1.1 to 2.1.3.

2.2. Total foreign exchange gains / losses (realised and unrealised)

This is the value of realised and unrealised foreign exchange gains and losses on assets which do not constitute investment assets as reported under Item 1.

2.2.1. Borrowings

Report the realised and unrealised foreign exchange gains / losses relating to the translation / conversion into AUD of the value of borrowings that are denominated in a currency other than the AUD.

2.2.1.1. Underlying exposure

This is the value of foreign exchange gains / losses relating to borrowings which have been hedged.

2.2.1.2. Derivatives (hedging borrowing exposure)

This is the value of realised and unrealised foreign exchange gains / losses relating to derivatives over hedged borrowings.

2.2.2. Claims liability

Report the realised and unrealised foreign exchange gains / losses relating to the translation / conversion into AUD of the value of outstanding claims liabilities that are to be paid / settled in a currency other than the AUD.

2.2.2.1. Underlying exposure

This is the value of realised and unrealised foreign exchange gains / losses relating to claims liabilities which have been hedged.

2.2.2.2. Derivatives (hedging borrowing exposure)

This is the value of realised and unrealised foreign exchange gains / losses relating to derivatives over hedged claims exposure.

2.2.3. Other

This is a balancing item and is the value of any realised and unrealised foreign exchange gains / losses relating to other liabilities not otherwise specifically reported under Item 2.2 or Item 1.

This is automatically calculated as Item 2.2 less the sum of Items 2.2.1.1, 2.2.1.2, 2.2.2.1 and 2.2.2.2.

2.3. Total net increment / decrement (or write-down) from revaluation

This is the value of gains / losses from the revaluation of assets that are recognised in the profit / loss for the relevant period. This item relates to any increment / decrement (write-down) in the carrying amount of assets. Do not include revaluation increments or decrements that are taken to an asset revaluation reserve or an available for sale reserve in accordance with Australian Accounting Standards.

2.3.1. Investment in controlled entities

This is the value of any increment / decrement in the carrying amount of investments in controlled entities that is recognised in the profit / loss.

2.3.2. Investment in associates / joint ventures

This is the value of any increment / decrement in the carrying amount of investments in associates and joint ventures that is recognised in the profit / loss. This item is not applicable for the adjustments to the carrying amount of investments in associates where the reporting insurer accounts for these interests by the use of the equity method of accounting.

2.3.3. Other assets

This is a balancing item and is the value of any increment or decrement in the carrying amount of other assets (except investments) not separately disclosed above that is recognised

in the profit / loss. Do not record any values attributable to assets recorded as investments as these are to be disclosed in Item 1.

It is automatically calculated as Item 2.3 less the sum of Items 2.3.1 and 2.3.2.

2.4. Share of net profits (losses) of associates and joint ventures accounted for using the equity method of accounting

This represents the income / loss recognised by the reporting insurer where the equity method of accounting is adopted to account for the investment in an associate or joint venture as required by AASB 128 and AASB 11 respectively.

2.5. Total fees and commissions

This is the total value of any fee income or commission received by the reporting insurer.

2.5.1. Funds management

This is the value of any fee income or commission associated with funds management activities of the reporting insurer.

2.5.2. Underwriting policies

This is the value of any fee income or commission associated with underwriting for the relevant period. Do not include commission revenue that is associated with underwriting activities and is disclosed as commission revenue in the calculation of underwriting expenses in accordance with *Australian Accounting Standard AASB 1023 General Insurance Contracts* (AASB 1023).

2.5.3. Scrip lending

This is the value of any fee or commission income associated with scrip lending activities during the relevant period. This refers to the situation where the entity buys or borrows securities from another party in exchange for cash. The entity agrees to return the securities to the other party in the future in exchange for the return of the cash (plus an additional amount of earnings, fees or commissions).

2.5.4. Other

This is a balancing item and is the value of any other fee income or commission not otherwise specifically reported under Item 2.5.

This is automatically calculated as Item 2.5 less the sum of Items 2.5.1 to 2.5.3.

2.6. Total income from life insurance business

This is the value of income received in relation to life insurance business. This income includes fee and commission income derived from selling life insurance products, as determined in accordance with Australian Accounting Standards.

2.7. Total other operating income

This is a balancing item and is the value of all other operating income not specifically listed under Item 2.

It is automatically calculated as the sum of the 'Amount' Column in the corresponding table below.

Other operating income (please specify)

Individually specify the nature of other forms of operating income as reported in Item 2.7 as well as their corresponding amounts.

2.8. Total operating income

This is the value of operating income for the relevant period.

It is automatically calculated as the sum of Items 2.1, 2.2, 2.3, 2.4, 2.5, 2.6 and 2.7.

3. Operating expenses

Include expenses incurred (i.e. paid or payable) and recognised which are not ordinarily directly associated with the generation of investment income. Do not include underwriting expenses reported in *GRF 310.0 Income Statement* (GRF 310.0).

3.1. Total interest expense

This is automatically calculated as the sum of Items 3.1.1 to 3.1.4.

3.1.1. Borrowings

This is the value of interest expense from borrowings as determined in accordance with Australian Accounting Standards. For the purposes of this item exclude interest expense associated with derivative contracts or funds classified as loan capital.

3.1.2. Loan capital

The amount of interest expense incurred on borrowings related to loan capital reported under Item 23.1 of *GRF 300.0 Statement of Financial Position*.

3.1.3. Other interest bearing liabilities

This is a balancing item and is the value of any interest expense from other interest bearing liabilities not otherwise specifically reported under Items 3.1.1 or 3.1.2.

3.1.4. Derivatives

This is the value of interest expense associated with derivative contracts. This item is determined in accordance with Australian Accounting Standards.

3.1.5. Total interest expense paid to:

3.1.5.1. Parent entity

Report the value of interest expense paid to the parent entity of the reporting insurer.

3.1.5.2. Controlled entities

Report the value of interest expense paid to a subsidiary (or another branch of the parent entity for a Category C insurer) of the reporting insurer.

3.1.5.3. Associates / joint venture

Report the value of interest expense paid to an associate or joint venture of the reporting insurer.

3.1.5.4. Other related parties

Report the value of interest expense paid to related parties other than the parent entity, a subsidiary (or another branch of the parent entity for a Category C insurer), an associate or a joint venture of the reporting insurer.

3.2. Total personnel expenses

This is the value of personnel related expenses for the relevant period as determined in accordance with Australian Accounting Standards.

3.2.1. Wages & salaries

This is, for the duration of the relevant period, the value of remuneration expenses relating to wages and salaries as determined in accordance with Australian Accounting Standards.

3.2.2. Share-based payment expenses

This is the value of share-based remuneration expenses for the relevant period as determined in accordance with Australian Accounting Standards.

3.2.3. Other employee related costs

This is the value of remuneration expenses, other than wages and salaries and share-based payments, for the relevant period as determined in accordance with Australian Accounting Standards.

It is automatically calculated as Item 3.2 less the sum of Items 3.2.1 and 3.2.2.

3.3. Total occupancy and equipment expenses

This is the value, for the duration of the relevant period, of expenditure incurred on occupancy and equipment.

3.3.1. Depreciation / impairment:

This is the value of depreciation charged to profit and loss in respect of the reporting insurer's tangible assets as determined in accordance with Australian Accounting Standards.

3.3.1.1. Plant and equipment

This is the value of depreciation charged to profit and loss in respect of property, plant and equipment as determined in accordance with Australian Accounting Standards.

3.3.1.2. Other

This is the value of depreciation charged to profit and loss in respect of tangible assets other than property, plant and equipment as determined in accordance with Australian Accounting Standards.

This is automatically calculated as Item 3.3.1 less Item 3.3.1.1.

3.3.2. Operating lease rentals

This is the value, for the duration of the relevant period, of expenditure incurred on operating leases as determined in accordance with Australian Accounting Standards.

3.3.3. Other

This is a balancing item and is the value of any other occupancy and equipment expenses not otherwise specifically reported under Item 3.3.

It is automatically calculated as Item 3.3 less the sum of Items 3.3.1.1, 3.3.1.2 and 3.3.2.

3.4. Total other operating expenses

This is the total of other operating expenses not disclosed in Items 3.1 to 3.3 above.

3.4.1. Impairment of:

3.4.1.1. Goodwill

This is the value of impairment charged to profit and loss in respect of goodwill as determined in accordance with Australian Accounting Standards.

3.4.1.2. Intangible assets with an indefinite useful life

This is the value of impairment charged to profit and loss in respect of intangible assets with indefinite useful life as determined in accordance with Australian Accounting Standards.

3.4.1.3. Other assets

This is the value of impairment charged to profit and loss in respect of assets other than those classified as goodwill or intangible assets with an indefinite useful life. This item is to be determined in accordance with Australian Accounting Standards.

3.4.2. Amortisation of intangible assets with a finite useful life

This is the value of amortisation charged to profit and loss in respect of intangible assets with a finite life as determined in accordance with Australian Accounting Standards.

3.4.3. Investment management fees

This is the value of fee expense of the reporting insurer that relates to the management of the entity's investment portfolios except fees paid to asset consultants. Include fees paid to investment managers, including independent third parties as well as related parties.

3.4.3.1. Of which: on assets backing insurance liabilities

This is the value of investment management fees which relate to assets backing insurance liabilities.

3.4.4. Other management fees

This is the value, for the relevant period, of fee expense of the reporting insurer that does not relate to the management of the entity's investment portfolios.

3.4.5. Fees for:

3.4.5.1. Audit related services

This is the value of fees for all external audit services provided to the reporting insurer.

3.4.5.2. Non-audit related services provided by audit firm

This is the value of non-audit related service fees provided by audit firms during the relevant period in accordance with Australian Accounting Standards.

3.4.6. Consulting fees

This is the value, for the duration of the relevant period, of consultancy fees classified as operating expenses in accordance with Australian Accounting Standards.

3.4.7. Actuarial fees

This is the value, for the relevant period, of any fees paid/payable by the reporting insurer that relate to the provision of actuarial services as determined in accordance with Australian Accounting Standards.

3.4.8. Directors fees

This is the value of the remuneration paid or payable to a working or non-working director.

3.4.9. Bad & doubtful debts

This includes the amount representing increments to a provision for doubtful debts / impairment as well as bad debts written off directly against the profit and loss (i.e. where no provision has been created). This can be recorded in relation to receivables and loans and advances.

3.4.10. Other

This is a balancing item and is the value of any other operating expenses not otherwise specifically reported under Item 3.3.

This is automatically calculated by the form.

3.5. Total operating expenses

This is the value, for the duration of the relevant period, of operating expenses.

It is automatically calculated as the sum of Items 3.1, 3.2, 3.3 and 3.4.

4. Underwriting expenses and Acquisition costs

Report the items in the sections below by the direct or reinsurance classes of business in accordance with Attachment B of *Prudential Standard GPS 001 Definitions* (GPS 001).

For the purpose of calculating the Insurance Risk Charge in respect of the ‘Other’ class of business as per GPS 001 for direct business, the Appointed Actuary is required to determine the most appropriate category (i.e. category A, B or C) in Table 1 of Attachment A of *Prudential Standard GPS 115 Capital Adequacy: Insurance Risk Charge* (GPS 115) that this business falls within. The choice must be based on the underlying risk characteristics of the business being written. The amounts reported in the *Other direct - category A, Other direct - category B and Other direct - category C* line items are to follow this basis.

For reinsurance business, the classes of business in Table 2 of Attachment A of GPS 115 are to be aggregated by the Category and Reinsurance Type for reporting on this form.

Section 1: Direct business

Section 1 is to be completed for the insurance business written directly by the reporting insurer and is to be reported in accordance with the direct classes of business in Attachment B of GPS 001.

Section 2: Reinsurance business

Section 2 is to be completed for the reinsurance business written by the reporting insurer and is to be reported in accordance with the reinsurance classes of business in Attachment B of GPS 001 and Attachment A of *Prudential Standard GPS 115 Capital Adequacy: Insurance Risk Charge* (GPS 115).

(2) Acquisition costs (excluding LAT results)

Refer to instructions for *Acquisition costs (excluding the results of the liability adequacy tests)* in GRF 310.0.

(3) Results of LAT (current and prior years)

This is the value of any adjustments to deferred acquisition costs or the unexpired risk liability as a result of performing the Liability Adequacy Test (LAT). Report the results of the LAT performed in the relevant period and the results of the LAT performed in prior years which have profit and loss impact in the relevant period. Refer to instructions for *Results of liability adequacy tests (current year)* and *Results of liability adequacy tests (prior years)* in GRF 310.0.

The total amount across all direct and reinsurance classes of business should correspond to the sum of *Results of liability adequacy tests (current year)* and *Results of liability adequacy tests (prior years)* in GRF 310.0. Results of LAT failures should be reported as a positive value.

(4) Levies and charges

Refer to instructions for *Levies and charges* in GRF 310.0.

(5) Commission revenue

Refer to instructions for *Commission revenue* in GRF 310.0.

(6) Commission expense

Refer to instructions for *Commission expense* in GRF 310.0.

(7) Other underwriting expenses

This is automatically calculated as Column 8 less Column 2 less Column 3 less Column 4 plus Column 5 less Column 6.

(8) Total underwriting expenses

This is the value of acquisition costs and other underwriting expenses recognised during the relevant period, as determined in accordance with AASB 1023.

Section 3: Total

Total direct business

Each item in this row is automatically calculated as the sum of each corresponding column in Section 1 across the classes of business.

Total reinsurance business

Each item in this row is automatically calculated as the sum of the *Proportional* and *Non-proportional* items in Section 3 for each corresponding column.

Proportional

Each item in this row is automatically calculated as the sum of each corresponding column in Section 2 across the proportional reinsurance classes of business.

Non-proportional

Each item in this row is automatically calculated as the sum of each corresponding column in Section 2 across the non-proportional reinsurance classes of business.

Total

Each item in this row is automatically calculated as the sum of the *Total direct business* and *Total reinsurance business* items in Section 3 for each corresponding column.