

PROCEDURES & DEFINITIONS

Large Credit Exposures and Related Party Exposures Data Collection

January 2026

Please contact the Reserve Bank Statistics Unit (statsunit@rbnz.govt.nz) to discuss these procedures and definitions if in any doubt about their meaning or if following them will produce an internal inconsistency with your available financial data. Please ensure your contact information is the latest available.

General Requirements

Data provided in each data collection must be for the deposit taker named on the cover page. Please select the reporting deposit taker from the drop-down list provided.

Please note that some aspects of this data collection will be updated for consistency with the Deposit Takers (Related Party Exposures) Standard 2027 and Deposit Takers (Capital) Standard 2027. Exposure drafts of these standards have not been published at this time and are expected to be released in June 2026. To aid users' interpretation of the definitions, please refer to the current Connected Exposures Policy (BS8) and BPR documents. These will be replaced with references to the Deposit Takers Standards in due course.

Financial data should be reported:

- As values, where applicable, as at the end of the reporting period.
- As millions to three decimal points, i.e. to the nearest thousand New Zealand dollars. For example \$1,234,567.89 is reported as 1.235
- Please do not load zeros to cells where there are no values, leave the cells blank. Only load a zero if the cell contains a value but it is really small e.g. 0.0004

This document has been updated following trials and parallel runs. Feedback is welcome at any time to enable quality improvements for all users.

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Large credit exposures

Procedures (Group 1 and 2 deposit takers, and overseas licensed deposit takers)

This data collection should be completed for each Group 1 or 2 deposit taker, and for the New Zealand business of each overseas licensed deposit taker (excluding exposures of any subsidiary that is a New Zealand licensed deposit taker).

Cover tab – Please complete the “Organisation name”, “Address”, and “Reporting date” cells.

Large credit exposures tab – For New Zealand licensed deposit takers, please complete sections 1, 2 and Dashboard summary and, if applicable, 3 and 4 before submitting. For overseas licensed deposit takers, please complete sections 1 and 2 only.

Sign-off tab – Please complete the “Contacts” details and the Sign-off section. Then complete the comment sections where applicable for that quarter.

Procedures (Group 3 deposit takers)

This data collection should be completed for each New Zealand licensed group 3 deposit taker.

Cover tab – Please complete the “Organisation name”, “Address”, and “Reporting date”.

Large credit exposures tab – Please complete the summary for the Financial Strength Dashboard before submitting.

Sign-off tab – Please complete the “Contacts” details and the Sign-off section. Then complete the comment sections where applicable for that quarter.

Definitions for “Large Credit Exposures”

Counterparties/Groups of closely related counterparties should be ordered by aggregate “Credit Exposure” (see definition 4 below).

1. Tier 1 capital and Equity (NZ licensed deposit takers only)

These figures should be reported as per the definitions in the Deposit Takers (Disclosure Statements) Standard 2027 and the “New Zealand Equivalent to the IASB Conceptual Framework for Financial Reporting.”

2. Deposit taker’s external credit rating

Please provide the external long-term local currency issuer rating grade of your deposit taker, by selecting from the drop-down list for the applicable rating agency (i.e. Standard and Poor’s, Fitch, Moody’s or Equifax). If multiple rating agencies publish a rating for your deposit taker, please record all published ratings.

Sections 1, 2 and 3:

3. Credit exposure

Should be calculated using the definitions in the Disclosure Statements Standard. As specified in this standard, credit exposure information must be calculated as the amount that best

represents the licensed deposit taker's deposit taking group's maximum exposure to credit risk taking into account guidance in paragraphs B9 and B10 of NZ IFRS 7.

As discussed below, several categories of large credit exposures are exempt from the Disclosure Statements Standard requirements, but are not to be excluded from this large credit exposures data collection. The large credit exposures data collection must include exposures to related parties (as defined in the Related Party Exposures Standard), all central governments and all deposit takers. Please report these in section 1, 2, 3, or 4 as appropriate.

For inter-bank lending, intra-day exposures should not be included.

4. Group of closely related counterparties

Exposures in the large credit exposures data collection should be reported on the basis of exposures to individual counterparties or to groups of closely related counterparties. The term "group of closely related counterparties" is defined in the Disclosure Statements Standard. In that document, "group of closely related counterparties" means a group of legal or natural persons who are related in such a way that:

- a) the financial soundness of any one of them may materially affect the financial soundness of the others;
- b) one has the power to control the others; or
- c) one has the capacity to exercise significant influence over the others.

Please note for Section 1 of the large credit exposures data collection, deposit takers are required to report the aggregate counterparty group exposure to each parent (group) of a New Zealand licensed deposit taker, and separately (below) the exposures to individual licensed deposit takers within that parent group, regardless of the size of those credit exposures¹. This data will better enable the Reserve Bank to analyse the exposure inter-connections between licensed deposit takers. For Section 1 only, please select the respective licensed deposit taker/parent counterparty name from the drop-down list in column B, which will also 'auto-fill' the industry classification in column C.

Furthermore, where a non-deposit taker holding company exists as the ultimate parent of a group (e.g. 'Citigroup Inc.' and 'HSBC Holdings plc') an exposure to these ultimate parent entities must also be included in Section 1.

A few worked examples that may assist reporting deposit takers with completing the data collection are shown below in Appendix 1.

For other sections of the data collection, deposit takers are only required to report the aggregate counterparty group exposure. At this stage we have not asked for a detailed breakdown of exposures to individual entities in a counterparty group unless it includes a licensed deposit taker. This, and other information, may be requested by individual supervisors on an ad-hoc basis.

¹For example, if the reporting deposit taker has no exposure to an ultimate parent but only has an exposure to the NZ ~~incorporated~~ licensed deposit taker, the same amount would be reported twice: as the aggregate counterparty exposure to the ultimate parent; and as the exposure to the NZ licensed deposit taker.

For State Owned Enterprises (SOEs), and other New Zealand Crown-owned entities please show exposures to each entity separately from the New Zealand Crown (unless wholly-guaranteed by the Crown). A list of state sector organisations is available on the Public Service Commission website² at the link footnoted below.

5. **Industry classification**

For New Zealand-domiciled counterparties, please select the relevant category of ANZSIC description from the options provided in the drop-down menu. Additional counterparty options for the following non-industrial entities have been provided for 'households' and non-residents:

- Households: Housing
- Households: Other
- Non-residents: Sovereign, supranational & multilateral – include in this category any counterparties that are Kauri bond issuers that are not commercial banks. A sample list of institutions falling within this category, for the purposes of this data collection, is available on the RBNZ website³ at the link footnoted below.
- Non-residents: Financial institutions - banks
- Non-residents: Financial institutions - other
- Non-residents: Non-financial business
- Non-residents: Other

For exposures to groups of closely related counterparties where individual counterparties/exposures have differing ANZSIC descriptions, please select the ANZSIC description that corresponds to the largest exposure in the counterparty group.

The link footnoted below⁴ is to the ANZSIC 2006 Classification Code Hierarchy tool on Statistics New Zealand's website. It has supporting documentation to help classify businesses.

We have identified some institutions and types of businesses that are commonly misclassified to the wrong industry. The following table provides examples and their correct industry classification.

Counterparty or type of counterparty	Correct industry classification
Supranational and Quasi-sovereign agencies	Non-residents: Sovereign, supranational & multilateral
Non-deposit-taking finance companies	All other financial institutions
Fonterra	Food product, beverage & tobacco manufacturing
NZ Local Government Funding Agency	Local government administration
Accident Compensation Corporation	Insurance

6. **Aggregate credit limit**

In this column, please report the overall counterparty credit limit your entity has established for each individual counterparty or group of closely related counterparties. We recognise that this field will not be easy to compare across deposit takers as there may be differing methods for calculating limits on credit portfolios. In principle, we expect that deposit takers will report these limits on the same basis as the guidance in paragraphs B9 and B10 of NZ IFRS 7,

²<https://www.publicservice.govt.nz/system/central-government-organisations>

³<https://www.rbnz.govt.nz/-/media/project/sites/rbnz/files/regulation-and-supervision/banks/banking-supervision-handbook/list-of-supranationals-and-quasi-sovereigns.pdf>

⁴<https://aria.stats.govt.nz/aria/#ClassificationView.uri=http://stats.govt.nz/cms/ClassificationVersion/CARS5851>

including all committed facilities, trading and credit limits and financial guarantees, and the fair value derivative positions but excluding, for example, notional value derivative limits and intraday limits.

7. External credit ratings

If available, please provide the external long-term local currency issuer or issue credit rating grade and rating agency, by selecting from the drop-down list for the applicable rating agency (Standard and Poor's, Fitch, Moody's or Equifax). Please provide original external ratings only, do not extrapolate based on internal ratings. If a counterparty has a credit rating from more than one rating agency, please provide all ratings for that counterparty. For aggregate exposures where individual borrower ratings vary, please select the rating of the largest individual exposure in the counterparty group.

8. Internal credit rating

If available, please provide the reporting deposit takers internal credit rating grade applicable to the exposure. For aggregate counterparty group exposures where individual internal borrower rating grades vary, please provide the rating grade of the largest individual exposure in the counterparty group. Please provide original internal ratings only, not extrapolations based on external ratings.

9. Special mention / sub-standard status

For all counterparties/groups, please indicate the type (if any) of special reporting, monitoring or control category the credit exposure is subject to (e.g. special mention/sub-standard/watch or other control list, or 90 days past due but not impaired).

10. Individual provisions

Individual provisions should be reported as the total of individual provisions allocated to members of the counterparty group (if any).

11. On-balance sheet credit exposure

On balance sheet credit exposure should be reported as reflected in the reporting deposit takers general ledger and in the statement of financial position (balance sheet). This includes the mark-to-market carrying amount of any derivative contract with the counterparty that is recognised as an asset on the balance sheet.

(Sections 12 to 13 are applicable only to deposit takers that are required to follow BPR131: Standardised credit risk RWAs)

12. Off-balance sheet credit exposures

This column requires reporting deposit takers to provide the off-balance sheet credit exposure as applicable in BPR131, based on credit-equivalent amounts. It is not the residual aggregate credit limit after deducting the on-balance sheet credit exposure. The off-balance sheet credit exposures should be calculated based on the methodology described in section D of BPR131, and should also include Potential Future Exposure (PFE) on derivative contracts calculated in accordance with section E of BPR131.

13. Aggregate credit exposure

This column does not require any input from a deposit taker on the standardised capital framework, as a formula is predetermined and will be automatically calculated based on input data completed by deposit takers.

(Section 14 is applicable only to deposit takers that are accredited by the Reserve Bank to follow BPR133: IRB credit risk RWAs)

14. Total EAD

Total exposure at default (EAD) must be determined without taking into account the effect of any collateral. One column requires deposit takers to record total EAD before credit risk mitigation and the other column requires deposit takers to record EAD after credit risk mitigation. See references to BPR133 for eligibility.

15. *Eligible credit risk mitigation*

In this column, only credit risk mitigation techniques recognised for capital adequacy purposes may be taken into account (see references to BPR132 for eligibility).

16. *Aggregate credit exposure, as per the Deposit Takers (Disclosure Statements) Standard 2027*

This column requires reporting deposit takers to record, for each counterparty group, the amount that best represents the maximum exposure to credit risk, taking account of the guidance in B9 and B10 of NZ IFRS 7. Values reported in this column must be calculated in the same manner as required by the Disclosure Statements Standard. Please note that this maximum exposure amount is separate from the measure represented by the columns prior, and in particular the NZ IFRS 7 definition recognises credit risk mitigation to a more limited extent than for capital adequacy purposes.

Section 4

17. *Summary for the Financial Strength Dashboard (NZ licensed deposit takers only)*

In very rare cases, the counterparties you record in sections 1 to 3 might not include enough qualifying counterparties to fully identify your entities top-5 exposures to deposit takers (e.g. if all your entities large credit exposures in section 2 are with highly-rated sovereigns or quasi-sovereigns / multilateral organisations). In this case, we have provided space in section 4 for you to identify any other counterparty exposure you need to report to fully identify your entities top-5 qualifying counterparties. If your entities have less than 5 qualifying counterparties to be included on the dashboard, please advise that information in the comment section of the Sign-off tab in the template.

To ensure consistency with the Disclosure Statements Standard, you must exclude from section 4 those counterparties that meet the following criteria:

- Credit exposures to sovereigns (e.g. NZ Government) and quasi-sovereigns / multilateral organisations (e.g. IMF and World Bank) that have a long-term credit rating of A- or A3 or better; and

- Exposures to deposit taker holding companies are excluded from the definition of 'deposit taking group'
- Any related party exposures as defined in the NZ IAS 24 and in the Related Party Exposures Standard.

18. Notes on other items

For overseas licensed deposit takers, reporting is required in sections 1 and 2 for credit exposures above a de-minimus amount of \$1 million.

Related party exposures (NZ licensed deposit takers only)

Procedures

For the purpose of this data collection, information that is reported must be derived in accordance with the deposit taker's conditions of licensing and the Deposit Takers (Related Party Exposures) Standard 2027 (the **Related Party Exposures Standard**).

Definitions:

19. Reporting deposit taker's credit rating

As specified in the Related Party Exposures Standard [section/paragraph reference tbc]: The credit rating will be the rating applicable to the deposit taker's long-term senior unsecured New Zealand dollar obligations payable in New Zealand, in New Zealand dollars. Where a licensed deposit taker has more than one credit rating, the lowest rating will be used in determining the rating-contingent connected exposure limit. Where a licensed deposit taker is exempted from obtaining a credit rating, they should be treated as if they had a credit rating of BBB+/Baa1 or below.

20. Tier 1 capital

For all deposit takers Tier 1 capital has the same meaning as in the Capital Standard.

21. Deposit taker and Non-Deposit taker related parties

The definition of 'Non-Deposit taker related parties' is described in the Related Party Exposures Standard [section/paragraph reference tbc]. Related parties that are not 'Non-Deposit taker related parties' are 'Deposit taker related parties'.

22. Netting

As outlined in the Related Party Exposures Standard, in certain circumstances credit exposures to related parties can be calculated on a bilateral net basis.

23. Peak end-of-day credit exposure

Amounts reported in this section will be peak end-of-day related party exposures within the current quarter ending on the reporting date e.g. for reporting period ended 30 June, this would be the peak credit exposure from 1 April to 30 June.

24. Unfunded contingent credit protection arrangements

A deposit taker may enter into an unfunded contingent credit protection arrangement (e.g. guarantee, credit derivative and indemnity) with a related party to reduce the value of its underlying exposure to an unconnected counterparty, to the extent of the portion protected under the unfunded contingent credit protection arrangement. Such arrangements give rise to contingent credit exposures to related parties.

The Related Party Exposures Standard definition of aggregate credit exposure for the purpose of related party exposure limits excludes any such contingent exposures to related parties. However, the aggregated amount of the contingent credit exposure to related parties arising from such contingent credit exposures, and the number of individual exposures, should be reported to us under Section 2 of the 'Related Party Exposures' tab in this data collection.

25. Individual impairment

This section records the value of any credit impairment provisions or loss allowances, provided against credit exposures to related parties.

Appendix 1: Worked examples of counterparty group reporting

Example A:

Reporting deposit taker has an exposure to XYZ Bank New Zealand Limited of \$10m, an exposure to XYZ Bank (NZ business of overseas licensed deposit taker) of \$9m, and no direct exposure to the

ultimate parent deposit taker or holding company. The following rows would be required for the large credit exposures data collection:

Counterparty / Group name	Industry classification	Exposure (\$m)
XYZ – XYZ Group Inc. (Ultimate holding company)	Non-Residents: Financial Institutions - other	19.0
XYZ – XYZ Banking Group (Swiss banking group)	Non-Residents: Financial Institutions - banks	19.0
XYZ – XYZ Banking Group (NZ business of overseas licensed deposit taker)	Depository institution	9.0
XYZ – XYZ Bank New Zealand Limited	Depository institution	10.0

Example B:

Reporting deposit taker has an exposure to XYZ Bank New Zealand Limited of \$10m but no other exposures to any member of the XYZ Group. The following rows would be required for the large credit exposures data collection:

Counterparty / Group name	Industry classification	Exposure (\$m)
XYZ – XYZ Group Inc. (Ultimate holding company)	Non-Residents: Financial Institutions - other	10.0
XYZ – XYZ Banking Group (Swiss banking group)	Non-Residents: Financial Institutions - banks	10.0
XYZ – XYZ Bank New Zealand Limited	Depository institution	10.0

Example C:

Reporting deposit taker has an exposure to XYZ Bank New Zealand Limited of \$10m and an exposure to its parent of \$8m. The following rows would be required for the large credit exposures data collection:

Counterparty / Group name	Industry classification	Exposure (\$m)
XYZ – XYZ Group Inc. (Ultimate holding company)	Non-Residents: Financial Institutions - other	18.0
XYZ – XYZ Banking Group (Swiss banking group)	Non-Residents: Financial Institutions -banks	18.0
XYZ – XYZ Bank New Zealand Limited	Depository institution	10.0

Example D:

Reporting deposit taker does not have an exposure to XYZ Bank New Zealand Limited but has a direct exposure to its parent bank of \$8m. The following rows would be required for the large credit exposures data collection:

Counterparty / Group name	Industry classification	Exposure (\$m)
XYZ – XYZ Group Inc. (Ultimate holding company)	Non-Residents: Financial Institutions - other	8.0
XYZ – XYZ Banking Group (Swiss banking group)	Non-Residents: Financial Institutions - banks	8.0

Appendix 2: Document change log

Version	Date	Comment
V1.2	Apr 2018	Last issued reporting guide document
V1.3	Oct 2018	<p>Clarification on reporting ultimate parent entities in LEX survey (pg.4)</p> <p>Update to worked examples in Appendix 1 regarding ultimate parent entities in LEX survey</p> <p>Worked example document added previously referenced on pg. 7 has been instead added as Appendix 2.</p> <p>Added further definitions for terms and categories in the Connected Exposures Survey.</p>
V1.4	Feb 2021	Added definition for risk lay-off arrangements & clarified treatment of derivative contracts in large exposure reporting
V1.5	Dec 2021	BS2A and BS2B replaced by new 'Banking Prudential Requirements' (BPR), with subsequent changes in the Connected Exposures Policy BS8 document re-issued in October 2021.
V1.6	Nov 2023	<p>Removed definition for risk lay-off arrangements & replaced them with new definitions for unfunded contingent credit protection arrangements.</p> <p>Edited the other definitions within the "Credit exposures to connected persons (NZ Incorporated banks only)" to reflect the new update to the BS8 policy.</p>
V2.0	Jan 2026	Updated whole document to follow new requirements under the Deposit Takers Act 2023