Instructions for reporting of exposures as per the FSC's Guideline on Large Exposures and Credit Risk Concentration for Banks (amended September 21, 2015).

1. The Commission is responsible to monitor large exposures and credit risk concentration within banks, in the context of the following requirements:

   (i) The statutory 25 per cent limit on exposures vis-à-vis paid up/assigned capital.

   (ii) The prudential requirement for containment of aggregate large exposure to within 500 per cent of paid up/assigned capital.

2. To facilitate off-site monitoring of credit risk concentration, each bank is required to report on the attached return:

   (i) every individual exposure which amounts to ten (10) per cent or greater of paid-up/assigned capital; as well as,

   (ii) every exposure within a group of related exposures, which together amount to ten (10) per cent or greater of paid-up/assigned capital, and which satisfies the definition of 'related' provided at paragraph 4.5 of the Guideline on Large Exposures and Credit Risk Concentration for Banks.

   [That is, even where an individual exposure is less than ten (10) per cent of paid up/assigned capital but when aggregated with the exposures of related persons, their total value is equal to or greater than ten (10) per cent of paid up/assigned capital, all such exposures should be reported.]

Instructions for Computing Exposures

3. Paragraph 4.2 of the aforementioned Guideline defines exposures to include:

   (i) "claims on counterparties including actual and potential claims which would arise from the drawing down of advised facilities (whether revocable or irrevocable, conditional or unconditional) which the financial institution has committed itself to grant, provide, purchase or underwrite; and

   (ii) contingent facilities arising in the normal course of business, and which would arise from the drawing down of advised facilities (whether revocable or irrevocable, conditional or unconditional) which the financial institution has committed itself to provide."

4. Consistent with the above definition, the Commission hereby requires banks to report exposures based on the underlying table:

Type of Facility	Total Exposure
▪ Regularly amortising loan facilities where the principal balances are reduced by scheduled periodic payments and which have been fully disbursed.	Principal balance outstanding at reporting date.
▪ Regularly amortising loan facilities where principal balances are reduced by scheduled periodic payments and which have only been partially disbursed.	Principal balance outstanding at reporting date plus total undrawn balances which the bank has committed to disburse.
▪ Overdraft facilities, lines of credit and other facilities (whether revocable or irrevocable) which have yet undrawn balances.	The higher of the authorized or outstanding balance.

5. In addition, the attached return replaces the current *BSSR 1 – Credit Concentration by Individual and Borrower Groups (Top Twenty Credit Exposures)*. Therefore, in the event an exposure or group of related exposures falls below the 10 per cent reporting threshold but within the twenty (20) largest, these are to be reported on the return.

6. In completing the return, licensees are asked to note the following:

   (i) Column A (Name of Related Party Group) requires that the name of the group be repeated for each individual exposure, line by line, within the group;

   (ii) Column J (Amount in Arrears) should reflect both interest and principal balances;

   (iii) The shaded cells will be updated automatically and do not require any data input.