



Suncorp Group Limited

ABN 66 145 290 124

Suncorp Bank **APS330**

as at 31 December 2014

Release date: 11 February 2015

**One Company
Many Brands**



Basis of preparation

This document has been prepared by the Suncorp Bank to meet the disclosure obligations set down under the Australian Prudential Regulation Authority (APRA) Australian Prudential Standard (APS) 330: *Public Disclosure*.

Suncorp Bank is represented by Suncorp-Metway Ltd and its subsidiaries. Suncorp-Metway Ltd is an authorised deposit-taking institution and a wholly owned subsidiary of Suncorp Group Limited. Suncorp Group is represented by Suncorp Group Limited and its subsidiaries.

Other than statutory information required by a regulator (including APRA), all financial information is measured in accordance with Australian Accounting Standards. All figures have been quoted in Australian dollars and have been rounded to the nearest million.

This document has not been audited nor reviewed in accordance with Australian Auditing Standards. It should be read in conjunction with the Suncorp Group's consolidated annual and interim financial reports which have been either audited or reviewed in accordance with Australian Auditing Standards.

Disclaimer

This report contains general information which is current as at 11 February 2015. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Suncorp Group and Suncorp Bank or any product or service offered by its entities. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

The information in this report is for general information only. To the extent that the information may constitute forward-looking statements, the information reflects Suncorp Group's intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices at the date of this report. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which are beyond Suncorp Group's control, which may cause actual results to differ materially from those expressed or implied.

Suncorp Group and Suncorp Bank undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report (subject to stock exchange disclosure requirements).

Registered Office

Level 28, 266 George Street
Brisbane Queensland 4000
Telephone: (07) 3835 5769
www.suncorpgroup.com.au

Investor Relations

Mark Ley
Head of Investor Relations
Telephone: (07) 3135 3991
mark.ley@suncorp.com.au

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REGULATORY CAPITAL RECONCILIATION

The following table discloses the consolidated Balance sheet of Suncorp-Metway Limited and its subsidiaries ("the Group"), as published in its reviewed financial statements, and the Balance sheet under the Level 2 regulatory scope of consolidation pursuant to APS 111.

Each component of capital reported below in *Table 1: Common Disclosures – components of capital* can be reconciled to the Balance sheets below using the reference letters included in both tables.

	BALANCE SHEET PER PUBLISHED REVIEWED FINANCIAL STATEMENTS	ADJUSTMENTS	BALANCE SHEET UNDER REGULATORY SCOPE OF CONSOLIDATION	REFERENCE
	DEC-14 \$M	DEC-14 \$M	DEC-14 \$M	
Assets				
Cash and cash equivalents	521	-	521	
Receivables due from other banks	566	-	566	
Trading securities	2,298	-	2,298	
Derivatives	710	-	710	
Investment securities	6,634	-	6,634	
Investment in regulatory non-consolidated subsidiaries	-	20	20	(j)
Loans, advances and other receivables	50,280	(2,465)	47,815	
<i>of which: eligible collective provision component of GRCL in tier 2 capital</i>			(99)	(o)
<i>of which: loan and lease origination fees and commissions paid to mortgage originators and brokers in CET1 regulatory adjustments</i>			146	(f)
<i>of which: costs associated with debt raisings in CET1 regulatory adjustments</i>			10	(g)
Deferred tax assets	95	-	95	
<i>of which: arising from temporary differences included in CET1 regulatory adjustments</i>			88	(e)
Other assets	223	(34)	189	
<i>of which: loan and lease origination fees and commissions paid to mortgage originators and brokers in CET1 regulatory adjustments</i>			3	(h)
Goodwill and intangible assets	26	-	26	(d)
Total assets	61,353	(2,479)	58,874	
Liabilities				
Deposits and short-term borrowings	(45,104)	(13)	(45,117)	
Derivatives	(424)	16	(408)	
Payables due to other banks	(314)	-	(314)	
Payables and other liabilities	(537)	12	(525)	
Due to regulatory non-consolidated subsidiaries	-	(42)	(42)	
Securitisation liabilities	(2,872)	2,503	(369)	
<i>of which: securitisation start-up costs in CET1 regulatory adjustments</i>			7	(i)
Debt issues	(7,727)	-	(7,727)	
Total liabilities excluding loan capital	(56,978)	2,476	(54,502)	
Loan capital				
Subordinated notes	(742)	-	(742)	
<i>of which: directly issued qualifying tier 2 instruments</i>			(670)	(m)
<i>of which: directly issued instruments subject to phase out from tier 2</i>			(72)	(n)
Preference shares	-	-	-	(l)
Total loan capital	(742)	-	(742)	
Total liabilities	(57,720)	2,476	(55,244)	
Net assets	3,633	(3)	3,630	
Equity				
Share capital	(2,565)	-	(2,565)	(a)
Capital notes	(450)	-	(450)	(k)
Reserves	227	-	227	
<i>of which: equity component of GRCL in tier 2 capital</i>			(144)	(p)
<i>of which: AFS reserve</i>			(14)	(c)
Retained profits	(845)	3	(842)	
<i>of which: included in CET1</i>			(471)	(b)
Total equity	(3,633)	3	(3,630)	

REGULATORY CAPITAL RECONCILIATION (continued)

The Level 2 group for regulatory capital purposes consists of the head entity, Suncorp-Metway Limited ("SML"), and its eligible subsidiaries.

There are no entities included in the regulatory scope of consolidation which are excluded from the accounting scope of consolidation.

The following legal entities are included in the accounting scope of consolidation but are excluded from the regulatory scope of consolidation:

	TOTAL ASSETS	TOTAL LIABILITIES
	DEC-14	DEC-14
	\$	\$
Suncorp Property Development Equity Fund #2 Pty Limited	1	-

Principal activity:

The company acts as trustee for Suncorp Property Development Equity Fund #2 Unit Trust and Polaris Data Centre Unit Trust.

	DEC-14	DEC-14
	\$	\$
Polaris Data Centre Unit Trust	10	-

Principal activity:

The Trust was established by the directors of Suncorp Property Development Equity Fund #2 Pty Ltd (the trustee) for the purpose of forming an unincorporated joint venture for the construction and subsequent leasing of the Polaris Data Centre. In December 2011, the Trust sold its interest in the joint venture, and has since been non-operating.

	DEC-14	DEC-14
	\$M	\$M
Suncorp Property Development Equity Fund #2 Unit Trust	30	(7)

Principal activity:

The Trust was established by the directors of Suncorp Property Development Equity Fund #2 Pty Ltd (the trustee) for the purpose of forming an unincorporated joint venture to develop land for the purpose of reselling as residential housing lots.

	DEC-14	DEC-14
	\$M	\$M
Securitisation special purpose vehicles¹		
Apollo Series 2006-1E Trust	-	-
Apollo Series 2007-1E Trust	345	(345)
Apollo Series 2010-1 Trust	311	(311)
Apollo Series 2011-1 Trust	563	(563)
Apollo Series 2012-1 Trust	564	(564)
Apollo Series 2013-1 Trust	755	(755)

Principal activity:

The Trusts were established for the purpose of raising funds, via the issue of mortgage backed securities, to fund the purchase of mortgage loans by equitable assignment.

Note

- The Trusts qualify for regulatory capital relief under APS 120 and are therefore deconsolidated from the Level 2 regulatory group. The assets of the Trusts include the secured loans from SML, representing the outstanding balance of securitised mortgages and accrued interest, as well as cash and other receivables.

Any transfer of funds or regulatory capital within the Level 2 group can occur only after the relevant approvals from management and the Board of each affected entity, in line with the Group's capital management policies. Any such transactions must be consistent with the Group's capital management strategy objectives to ensure each entity in the Level 2 group has sufficient capital resources to maintain the business and operational requirements, retain sufficient capital to exceed externally imposed capital requirements, and ensure the Group's ability to continue as a going concern.

TABLE 1: COMMON DISCLOSURES – COMPOSITION OF CAPITAL

The disclosures below are presented using the post 1 January 2018 common disclosure template as, pursuant to APRA guidelines, the Bank is applying, in full, the Basel III regulatory adjustments from 1 January 2013.

	DEC-14	SOURCE IN REGULATORY CAPITAL RECONCILIATION
	\$M	
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	2,565 (a)
2	Retained earnings	471 (b)
3	Accumulated other comprehensive income (and other reserves)	14 (c)
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	-
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	Common Equity Tier 1 capital before regulatory adjustments	3,050
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	26 (d)
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined benefit superannuation fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage service rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	<i>of which: significant investments in the ordinary shares of financial entities</i>	-
24	<i>of which: mortgage servicing rights</i>	-
25	<i>of which: deferred tax assets arising from temporary differences</i>	-

TABLE 1: COMMON DISCLOSURES – COMPOSITION OF CAPITAL (continued)

		DEC-14	SOURCE IN REGULATORY CAPITAL RECONCILIATION
		\$M	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	274	
26a	<i>of which: treasury shares</i>	-	
26b	<i>of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI</i>	-	
26c	<i>of which: deferred fee income</i>	-	
26d	<i>of which: equity investments in financial institutions not reported in rows 18, 19 and 23</i>	-	
26e	<i>of which: deferred tax assets not reported in rows 10, 21 and 25</i>	88	(e)
26f	<i>of which: capitalised expenses</i>	166	(f)+(g)+(h)+(i)
26g	<i>of which: investments in commercial (non-financial) entities that are deducted under APRA rules</i>	-	
26h	<i>of which: covered bonds in excess of asset cover in pools</i>	-	
26i	<i>of which: undercapitalisation of a non-consolidated subsidiary</i>	-	
26j	<i>of which: other national specific regulatory adjustments not reported in rows 26a - 26i</i>	20	(j)
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common Equity Tier 1	300	
29	Common Equity Tier 1 Capital (CET1)	2,750	
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments	450	(k)
31	<i>of which: classified as equity under applicable accounting standards</i>	450	(k)
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	(l)
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 Capital before regulatory adjustments	450	
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	-	
41a	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	-	
41b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40</i>	-	
41c	<i>of which: other national specific regulatory adjustments not reported in rows 41a & 41b</i>	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	450	
45	Tier 1 Capital (T1=CET1+AT1)	3,200	

TABLE 1: COMMON DISCLOSURES – COMPOSITION OF CAPITAL (continued)

	DEC-14	SOURCE IN REGULATORY CAPITAL RECONCILIATION
	\$M	
Tier 2 Capital: instruments and provisions		
46	670	(m)
47	72	(n)
48	-	
49	-	
50	243	(o)+(p)
51	985	
Tier 2 Capital: regulatory adjustments		
52	-	
53	-	
54	-	
55	-	
56	-	
56a	-	
56b	-	
56c	-	
57	-	
58	985	
59	4,185	
60	31,226	
Capital ratios and buffers		
61	8.81%	
62	10.25%	
63	13.40%	
64	7.00%	
65	2.50%	
66	-	
67	-	
68	8.81%	
National minima (if different from Basel III)		
69	n/a	
70	n/a	
71	n/a	
Amount below thresholds for deductions (not risk-weighted)		
72	-	
73	-	
74	-	
75	88	(e)

TABLE 1: COMMON DISCLOSURES – COMPOSITION OF CAPITAL (continued)

		DEC-14	SOURCE IN REGULATORY CAPITAL RECONCILIATION
		\$M	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	243	(o)+(p)
77	Cap on inclusion of provisions in Tier 2 under standardised approach	346	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	n/a	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	n/a	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	612	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	151	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

TABLE 2: MAIN FEATURES OF CAPITAL INSTRUMENTS

Attachment B of APS 330 details the continuous disclosure requirements for the main features of all capital instruments included in the Group's regulatory capital.

The Group's main features of capital instruments are updated on an ongoing basis and are available at www.suncorpgroup.com.au/investors/regulatory-disclosures.

The full terms and conditions of all of Suncorp Group's regulatory capital instruments are available at www.suncorpgroup.com.au/investors/securities¹.

Note

1. The published full terms and conditions represent the comparable capital instruments issued by Suncorp Group Limited to external investors. The terms of these instruments may differ slightly to those instruments issued by the regulatory Level 2 group.

TABLE 3: CAPITAL ADEQUACY

	CARRYING VALUE		AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	DEC-14	SEP-14	DEC-14	DEC-14	SEP-14
	\$M	\$M	%	\$M	\$M
On-balance sheet credit risk-weighted assets					
Cash Items	613	684	-	0	3
Claims on Australian and foreign Governments	2,638	2,261	-	-	-
Claims on central banks, international banking agencies, regional development banks, ADIs and overseas banks	3,358	4,710	22	722	984
Claims on securitisation exposures	1,054	1,153	20	211	231
Claims secured against eligible residential mortgages	37,870	36,522	39	14,841	14,450
Past due claims	570	624	98	559	601
Other retail assets	547	573	81	444	466
Corporate	8,732	8,752	100	8,714	8,734
Other assets and claims	133	159	98	131	156
Total Banking assets⁽¹⁾	55,515	55,438	46	25,622	25,625

⁽¹⁾ The total carrying value of Banking assets differs from the Group's total assets under the accounting scope of consolidation due to the adoption of APRA's classification of intangible assets, deferred tax assets, incorporation of trading book assets in the market risk capital charge and general reserve for credit losses for capital adequacy purposes.

	NOTIONAL AMOUNT	CREDIT EQUIVALENT	AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	DEC-14	DEC-14	DEC-14	DEC-14	SEP-14
	\$M	\$M	%	\$M	\$M
Off-balance sheet positions					
Guarantees entered into in the normal course of business	291	290	70	204	210
Commitments to provide loans and advances	9,108	3,373	46	1,545	970
Foreign exchange contracts	5,915	262	25	66	73
Interest rate contracts	62,541	133	46	61	82
Securitisation exposures	2,563	33	85	28	33
CVA capital charge	-	-	-	134	141
Total off-balance sheet positions	80,418	4,091	50	2,038	1,509
Market risk capital charge				284	221
Operational risk capital charge				3,282	3,265
Total on-balance sheet credit risk-weighted assets				25,622	25,625
Total Assessed Risk				31,226	30,620
Risk-weighted capital ratios				%	%
Common Equity Tier 1				8.81	8.70
Tier 1				10.25	10.18
Tier 2				3.15	3.20
Total risk-weighted capital ratio				13.40	13.38

TABLE 4: CREDIT RISK

TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – OUTSTANDING AS AT 31 DECEMBER 2014

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,103	185	-	4,288	155	25	4,108	52
Construction & development	-	-	-	582	148	-	730	17	3	710	10
Financial services	566	2,298	5,580	278	177	395	9,294	-	-	9,294	-
Hospitality	-	-	-	998	47	-	1,045	26	1	1,018	10
Manufacturing	-	-	-	363	21	-	384	13	13	358	10
Professional services	-	-	-	244	9	-	253	9	1	243	3
Property investment	-	-	-	1,911	87	-	1,998	8	21	1,969	7
Real estate - Mortgage	-	-	-	37,316	2,873	-	40,189	20	291	39,878	4
Personal	-	-	-	403	11	-	414	-	7	407	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,849	105	-	1,954	14	32	1,908	8
Total gross credit risk	566	2,298	5,580	48,048	3,663	395	60,550	262	394	59,894	104
Securitisation Exposures ⁽¹⁾	-	-	1,054	2,465	24	9	3,552	-	-	3,552	-
Total including Securitisation Exposures	566	2,298	6,634	50,513	3,687	404	64,102	262	394	63,446	104
Impairment provision							(233)	(104)	(30)	(99)	
TOTAL							63,869	158	364	63,347	

⁽¹⁾ The securitisation exposures of \$2,465 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

⁽²⁾ "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

⁽³⁾ Total loans, advances and other receivables includes receivables due from related parties.

⁽⁴⁾ Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

TABLE 4: CREDIT RISK (continued)

TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – OUTSTANDING AS AT 30 SEPTEMBER 2014

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,245	200	-	4,445	155	25	4,265	48
Construction & development	-	-	-	668	168	-	836	29	5	802	11
Financial services	676	1,499	5,672	248	188	432	8,715	-	-	8,715	-
Hospitality	-	-	-	1,091	46	-	1,137	33	1	1,103	14
Manufacturing	-	-	-	398	29	-	427	12	15	400	10
Professional services	-	-	-	279	10	-	289	10	1	278	2
Property investment	-	-	-	1,405	78	-	1,483	2	15	1,466	-
Real estate - Mortgage	-	-	-	35,935	1,226	-	37,161	18	313	36,830	4
Personal	-	-	-	413	11	-	424	-	8	416	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	2,099	113	-	2,212	22	40	2,150	13
Total gross credit risk	676	1,499	5,672	46,782	2,069	432	57,130	281	423	56,426	102
Securitisation Exposures ⁽¹⁾	-	-	1,153	2,883	28	10	4,074	-	-	4,074	-
Total including Securitisation Exposures	676	1,499	6,825	49,665	2,097	442	61,204	281	423	60,500	102
Impairment provision							(224)	(102)	(31)	(91)	
TOTAL							60,980	179	392	60,409	

(1) The securitisation exposures of \$2,883 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

(2) "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

(3) Total loans, advances and other receivables includes receivables due from related parties.

(4) Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

TABLE 4: CREDIT RISK (continued)

TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – AVERAGE GROSS EXPOSURE OVER PERIOD 1 OCTOBER TO 31 DECEMBER 2014

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,174	193	-	4,367	155	25	4,187	49
Construction & development	-	-	-	625	158	-	783	23	4	756	10
Financial services	621	1,899	5,626	263	183	414	9,006	-	-	9,006	-
Hospitality	-	-	-	1,045	47	-	1,092	30	1	1,061	12
Manufacturing	-	-	-	381	25	-	406	13	14	379	10
Professional services	-	-	-	262	10	-	272	10	1	261	3
Property investment	-	-	-	1,658	83	-	1,741	5	18	1,718	4
Real estate - Mortgage	-	-	-	36,626	2,050	-	38,676	19	302	38,355	4
Personal	-	-	-	408	11	-	419	-	8	411	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,974	109	-	2,083	18	36	2,029	11
Total gross credit risk	621	1,899	5,626	47,417	2,869	414	58,846	273	409	58,164	103
Securitisation Exposures ⁽¹⁾	-	-	1,104	2,674	26	10	3,814	-	-	3,814	-
Total including Securitisation Exposures	621	1,899	6,730	50,091	2,895	424	62,660	273	409	61,978	103
Impairment provision							(229)	(103)	(31)	(95)	
TOTAL							62,431	170	378	61,883	

(1) The securitisation exposures of \$2,674 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

(2) "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

(3) Total loans, advances and other receivables includes receivables due from related parties.

(4) Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

TABLE 4: CREDIT RISK (continued)

TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – AVERAGE GROSS EXPOSURE OVER PERIOD 1 JULY TO 30 SEPTEMBER 2014

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,257	186	-	4,443	176	17	4,250	48
Construction & development	-	-	-	637	155	-	792	33	5	754	11
Financial services	802	1,546	5,482	294	187	395	8,706	-	-	8,706	-
Hospitality	-	-	-	1,047	53	-	1,100	31	1	1,068	13
Manufacturing	-	-	-	381	27	-	408	12	15	381	10
Professional services	-	-	-	269	10	-	279	8	2	269	2
Property investment	-	-	-	1,700	80	-	1,780	7	15	1,758	5
Real estate - Mortgage	-	-	-	35,890	1,232	-	37,122	20	336	36,766	4
Personal	-	-	-	422	11	-	433	-	8	425	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	2,019	111	-	2,130	22	35	2,073	11
Total gross credit risk	802	1,546	5,482	46,917	2,052	395	57,194	309	434	56,451	104
Securitisation Exposures ⁽¹⁾	-	-	1,181	2,993	29	11	4,214	-	-	4,214	-
Total including Securitisation Exposures	802	1,546	6,663	49,910	2,081	406	61,408	309	434	60,665	104
Impairment provision							(226)	(104)	(33)	(89)	
TOTAL							61,182	205	401	60,576	

⁽¹⁾ The securitisation exposures of \$2,993 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

⁽²⁾ "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

⁽³⁾ Total loans, advances and other receivables includes receivables due from related parties.

⁽⁴⁾ Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

TABLE 4: CREDIT RISK (continued)
TABLE 4B: CREDIT RISK BY PORTFOLIO – 31 DECEMBER 2014

	GROSS CREDIT RISK EXPOSURE	AVERAGE GROSS EXPOSURE	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	SPECIFIC PROVISIONS	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS
	\$M	\$M	\$M	\$M	\$M	\$M
Claims secured against eligible residential mortgages	40,189	38,676	20	291	4	1
Other retail	414	419	-	7	-	2
Financial services	9,294	9,006	-	-	-	-
Government and public authorities	1	1	-	-	-	-
Corporate and other claims	10,652	10,744	242	96	100	13
Total	60,550	58,846	262	394	104	16

TABLE 4B: CREDIT RISK BY PORTFOLIO – 30 SEPTEMBER 2014

	GROSS CREDIT RISK EXPOSURE	AVERAGE GROSS EXPOSURE	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	SPECIFIC PROVISIONS	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS
	\$M	\$M	\$M	\$M	\$M	\$M
Claims secured against eligible residential mortgages	37,161	37,122	18	313	4	1
Other retail	424	433	-	8	-	2
Financial services	8,715	8,706	-	-	-	-
Government and public authorities	1	1	-	-	-	-
Corporate and other claims	10,829	10,932	263	102	98	15
Total	57,130	57,194	281	423	102	18

TABLE 4C: GENERAL RESERVES FOR CREDIT LOSSES

	DEC-14 \$M	SEP-14 \$M
Collective provision for impairment	129	122
Ineligible Collective Provisions on Past Due not Impaired	(30)	(31)
Eligible Collective Provisions	99	91
Equity Reserve for credit losses	144	149
General Reserve for Credit losses	243	240

TABLE 5: SECURITISATION EXPOSURES

TABLE 5A: SUMMARY OF SECURITISATION ACTIVITY FOR THE PERIOD

	EXPOSURES SECURITISED		RECOGNISED GAIN OR (LOSS) ON SALE	
	DEC-14	SEP-14	DEC-14	SEP-14
	\$M	\$M	\$M	\$M
Residential mortgages	-	-	-	-
Total exposures securitised during the period	-	-	-	-

TABLE 5B(i): AGGREGATE OF ON-BALANCE SHEET SECURITISATION EXPOSURES BY EXPOSURE TYPE

Exposure type	EXPOSURE	
	DEC-14	SEP-14
	\$M	\$M
Debt securities	1,054	1,153
Total on-balance sheet securitisation exposures	1,054	1,153

TABLE 5B(ii): AGGREGATE OF OFF-BALANCE SHEET SECURITISATION EXPOSURES BY EXPOSURE TYPE

Exposure type	PRINCIPAL OR NOTIONAL EXPOSURE	
	DEC-14	SEP-14
	\$M	\$M
Liquidity facilities	48	56
Derivative exposures	2,515	2,950
Total off-balance sheet securitisation exposures	2,563	3,006