



Prudential Standard APS 330

Public Disclosure

Objective and key requirements of this Prudential Standard

This Prudential Standard requires locally incorporated authorised deposit-taking institutions (ADIs) to meet minimum requirements for the public disclosure of information on their risk profile, risk management, capital adequacy, capital instruments and remuneration practices so as to contribute to the transparency of financial markets and to enhance market discipline.

The key requirements of this Prudential Standard are that an ADI must disclose:

- the composition of its regulatory capital in a standard form;
- a reconciliation between the composition of its regulatory capital and its audited financial statements;
- the full terms and conditions of its regulatory capital instruments and the main features of these instruments in a standard form;
- quantitative and qualitative information about its capital adequacy, credit and other risks, with the extent of disclosure dependent on whether it has approval to use 'advanced approaches' to measure credit risk and operational risk; and
- quantitative and qualitative information on its approach to remuneration, including aggregate information on its remuneration of senior managers and material risk-takers.

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Authority

1. This Prudential Standard is made under section 11AF of the *Banking Act 1959* (the **Banking Act**).

Application

2. This Prudential Standard applies to all **locally incorporated authorised deposit-taking institutions (ADIs)** other than **purchased payment facility providers (PPF providers)**.
3. Where a locally incorporated ADI is a subsidiary of an **authorised non-operating holding company (authorised NOHC)**, the authorised NOHC must ensure that the requirements in this Prudential Standard are met on a **Level 2** basis.
4. Where an ADI has no authorised NOHC, or any other subsidiaries other than those making up an **Extended Licensed Entity (ELE)**, the ADI must comply with this Prudential Standard on a **Level 1** basis; otherwise, a reference to an ADI in this Prudential Standard is a reference to the group of which the ADI is a member on a Level 2 basis. An ADI within a Level 2 group will not be required to fulfil the requirements set out in this Prudential Standard on a Level 1 basis, unless specifically required to do so by APRA in writing.

Interpretation

5. Terms that are defined in *Prudential Standard APS 001 Definitions (APS 001)* appear in bold the first time they are used in this Prudential Standard.

Key principles

6. An ADI must make accurate, high quality and timely public disclosures of information on its risk profile, risk management, capital adequacy, capital instruments and remuneration practices so as to contribute to the transparency of financial markets and to enhance market discipline.
7. An ADI's public disclosures must be consistent with the scope and complexity of its operations and the sophistication of its risk management systems and processes.

Definitions

8. For the purposes of this Prudential Standard:
 - (a) 'annual directors' report' is the directors' report for a financial year required under the *Corporations Act 2001* (Corporations Act);
 - (b) 'annual financial report' has the meaning given in the Corporations Act;
 - (c) 'AT1' refers to **Additional Tier 1 Capital**;

- (d) 'the Basel II framework' refers to the document *International Convergence of Capital Measurement and Capital Standards: A Revised Framework*, Comprehensive Version, June 2006, published by the Basel Committee on Banking Supervision (the Basel Committee);
- (e) 'Basel III' refers to the document *Basel III: A global regulatory framework for more resilient banks and banking systems*, revised version, June 2011, published by the Basel Committee;
- (f) 'capital disclosures' means the disclosures in Attachments A and B;
- (g) 'common disclosure template' means Table 1 in Attachment A;
- (h) 'CET1' refers to **Common Equity Tier 1 Capital**;
- (i) 'directors' report' has the meaning given in the Corporations Act;
- (j) 'financial report' is as defined in the Corporations Act;
- (k) 'financial statement' is as defined in the Corporations Act;
- (l) 'main features template' means Table 2 in Attachment B;
- (m) 'prudential disclosures' means the disclosures in Attachments A to E and includes the Regulatory Capital reconciliation prepared in accordance with paragraph 11 below;
- (n) 'Regulatory Capital' is as defined in *Prudential Standard APS 111 Capital Adequacy: Measurement of Capital* (APS 111);
- (o) 'Regulatory Capital reconciliation' means the document to be prepared in accordance with paragraph 11 below;
- (p) 'risk exposure and assessment' means the disclosures in Attachments C and D;
- (q) 'remuneration disclosures' means the disclosures in Attachment E;
- (r) 'T1' refers to **Tier 1 Capital**; and
- (s) 'T2' refers to **Tier 2 Capital**.

Capital disclosure requirements

9. All ADIs to which this Prudential Standard applies must make the disclosures in Attachments A and B and must disclose the full terms and conditions of instruments included in their Regulatory Capital in accordance with the provisions of this Prudential Standard.
10. In making the disclosures in Attachment A, until 1 January 2018 an ADI must include a statement that it is using the post 1 January 2018 common disclosure

template because it is fully applying the Basel III regulatory adjustments as implemented by APRA.

11. All ADIs must prepare and disclose a Regulatory Capital reconciliation. This is a full reconciliation of all Regulatory Capital elements to the ADI's balance sheet in its audited financial statements. The reconciliation must:
 - (a) include the reported balance sheet under the regulatory scope of consolidation;
 - (b) include a list of legal entities that are included within the accounting scope of consolidation but excluded from the regulatory scope of consolidation and vice-versa. Any entities included in both the regulatory and accounting scope of consolidation where the method of consolidation differs must be listed separately with an explanation of the differences between consolidation methods;
 - (c) expand each line of the balance sheet under the regulatory scope of consolidation to display all components of the common disclosure template; and
 - (d) map each of the components disclosed in (c) to the common disclosure template by reference to each line item.
12. For each entity listed in accordance with paragraph 11(b) above, an ADI must disclose:
 - (a) total balance sheet assets;
 - (b) total balance sheet liabilities; and
 - (c) the principal activities of the entity.
13. In the case of a Level 2 group, the Regulatory Capital reconciliation must also include:
 - (a) details of any restrictions, or other major impediments, on the transfer of funds or Regulatory Capital within the group; and
 - (b) the name of the head of the Level 2 group to which this Prudential Standard applies.

Risk exposure and assessment disclosures

14. Attachment C sets out the risk exposure and assessment disclosures that must be made by all ADIs to which this Prudential Standard applies.
15. Attachment D sets out the additional risk exposure and assessment disclosures that must be made by a locally incorporated ADI that has approval from APRA to use the **IRB approach to credit risk** and the **AMA approach to operational risk**.

Remuneration disclosures

16. An ADI, with the exception of an ADI that is a specialist credit card institution (SCCI), must make the remuneration disclosures in Attachment E.
17. For the purposes of the remuneration disclosures:
 - (a) a 'senior manager' refers to each responsible person included in an ADI's Remuneration Policy under ~~paragraph 48(a) of Prudential Standard CPS 510 Governance~~ (CPS 510); and
 - (b) 'material risk-taker' refers to persons included in an ADI's Remuneration Policy under ~~paragraph 48(e) of CPS 510~~ other than responsible persons and risk and financial control personnel as defined under CPS 510.

General requirements

18. If APRA is not satisfied that the adequacy or quality of an ADI's prudential disclosures is consistent with the principles set out in paragraphs 6 and 7 above or the requirements in paragraph 23 below, APRA may, in writing, require the ADI to rectify the disclosures or to disclose further information.
19. APRA may require an ADI whose risk management practices, capital adequacy position or remuneration practices have changed materially, or are subject to ongoing rapid change, to vary the content and/or frequency of its prudential disclosures.
20. APRA may, in writing, require a foreign-owned ADI that has IRB and/or AMA approval to increase the content and/or frequency of its prudential disclosures, taking account of:
 - (a) the significance of the ADI in the context of the Australian financial system;
 - (b) the significance of the ADI in its global banking group; and
 - (c) the quality of the disclosure of capital adequacy information by the overseas parent in its home jurisdiction.

Disclosure policy

21. An ADI must have a formal policy relating to its prudential disclosures approved by the **Board** that addresses the ADI's approach to determining the content of its prudential disclosures and the internal controls over the disclosure process.
22. An ADI must implement a process for assessing the appropriateness and accuracy of its prudential disclosures, including their validation and frequency. This must be summarised in the ADI's prudential disclosures policy.
23. An ADI must take reasonable steps to ensure that its prudential disclosures reflect its actual risk profile and are consistent with the manner in which its

Board and senior management assess and manage its risks. Where the minimum requirements for prudential disclosures set out in this Prudential Standard do not adequately capture this, the ADI must disclose additional information.

Verification of disclosures

24. An ADI must ensure that prudential disclosures are appropriately verified and must take steps necessary to ensure their reliability.
25. An ADI must ensure that its prudential disclosures are consistent with information that has been subject to review by an external auditor and that is lodged or published elsewhere or that has been already supplied to APRA.
26. APRA may require an ADI to commission an independent audit of its prudential disclosures. This may include where APRA has reason to believe that the information being disclosed is incorrect or misleading.

Medium of disclosures

27. An ADI that has its own website must include a 'Regulatory Disclosures' section on its website.
28. If:
 - (a) for paragraph 29, an ADI is not required to lodge a financial report or directors' report under the Corporations Act; or
 - (b) for paragraph 30, an ADI does not have its own website,the ADI must obtain APRA's approval in writing for alternative publication arrangements.
29. The disclosures required in Attachment A and the Regulatory Capital reconciliation must be included in:
 - (a) an ADI's financial report; or
 - (b) an ADI's directors' report; or
 - (c) other information accompanying an ADI's financial report; or
 - (d) the Regulatory Disclosures section on the ADI's website, provided that the financial report, directors' report or other information accompanying the financial report includes a link to these completed disclosures.¹
30. The disclosures required in Attachments B, C, D and E must be published in full in the Regulatory Disclosures section on the ADI's website.²

¹ See paragraph 28 above.

² See paragraph 28 above.

31. If an ADI is required to prepare and lodge a 'Remuneration report' in accordance with the Corporations Act, it may include its remuneration disclosures in that report provided it clearly distinguishes between the disclosures required under the Corporations Act and those required under this Prudential Standard.

Frequency and timing of disclosures

32. If:
- (a) for the purposes of paragraphs 33, 34, 36 and 39 below, an ADI is not required to lodge financial reports under the Corporations Act; or
 - (b) for the purposes of paragraph 40 below, an ADI is not required to lodge an annual financial report under the Corporations Act,

the ADI must obtain APRA's approval in writing for alternative timing for the disclosures.

33. The disclosures required in Attachment A and the Regulatory Capital reconciliation must be made as at the balance sheet date of the corresponding financial report. The disclosures must be made with the same frequency as, and concurrent with, the lodgement of the ADI's financial reports under the Corporations Act, commencing with the lodgement of the first financial report under the Corporations Act on or after the date when this Prudential Standard comes into effect.³
34. The disclosures required in Attachment B and the full terms and conditions of Regulatory Capital instruments must be published continuously commencing with the lodgement by the ADI of its financial reports under the Corporations Act on or after the date when this Prudential Standard comes into effect.⁴ The disclosures must be updated within seven calendar days if the following occurs:
- (a) a new capital instrument is issued and included in Regulatory Capital; or
 - (b) a capital instrument is redeemed, converted into Common Equity Tier 1 Capital, written off or otherwise changes in nature.

35. The disclosures required in Attachment C must be published on a quarterly basis, commencing no later than three calendar months after the most recent disclosures made under Tables 16, 17 and 18 of *Prudential Standard APS 330 Public Disclosure of Prudential Information* (January 2013) (APS 330 (January 2013)). For comparison purposes, the first disclosures made under Attachment C must be published together with the most recent disclosures made under Tables 16, 17 and 18 of APS 330 (January 2013), and all subsequent disclosures must be published together with the disclosures in Attachment C for the previous quarterly period.

36. The disclosures in Attachment C must be published:

³ See paragraph 32 above.

⁴ See paragraph 32 above.

- (a) concurrently with the lodgement of an ADI's financial reports under the Corporations Act;⁵ and
 - (b) for any quarterly period that does not coincide with the lodgement of an ADI's financial report under the Corporations Act, within 40 business days after the end of the period to which they relate.
37. The qualitative disclosures required in Attachment D must be published on an annual basis, commencing no longer than one year after the most recent qualitative disclosures made under Attachment A of APS 330 (January 2013).
38. The quantitative disclosures required in Attachment D must be published on a semi-annual basis, commencing no longer than six months after the most recent quantitative disclosures made under Attachment A of APS 330 (January 2013). The first quantitative disclosures made under Attachment D must be published together with the most recent quantitative disclosures under Attachment A of APS 330 (January 2013), and all subsequent disclosures must be published together with the quantitative disclosures in Attachment D for the previous semi-annual period.
39. The disclosures in Attachment D must be made concurrently with the lodgement of an ADI's financial reports under the Corporations Act.⁶
40. The remuneration disclosures required in Attachment E must be published with the same frequency as, and within three months of lodgement of, the ADI's annual financial report under the Corporations Act.⁷
41. After the initial remuneration disclosure, all subsequent quantitative remuneration disclosures must be published together with the quantitative remuneration disclosures for the previous annual period in accordance with the provisions in this Prudential Standard.

Non-regulatory ratios

42. If an ADI publishes capital adequacy ratios:
- (a) calculated other than in accordance with *Prudential Standard APS 110 Capital Adequacy* (APS 110); or
 - (b) that involve components of Regulatory Capital that are not defined in APS 111 (including terms such as 'Equity Tier 1', 'Core Tier 1' or 'Tangible Common Equity'),

such publication must include a comprehensive explanation of how these ratios are calculated and details of the elements of capital used. This requirement applies regardless of whether the capital ratios are prudential disclosures made in accordance with this Prudential Standard.

⁵ See paragraph 32 above.

⁶ See paragraph 32 above.

⁷ See paragraph 32 above.

Archiving of disclosures

43. Irrespective of the medium of publication, an ADI must make publicly available its prudential disclosures for a minimum period of 12 months.

Materiality

44. An ADI, in making a disclosure, must decide which prudential disclosures are material. An ADI is not required to make a prudential disclosure if it considers the matter to be disclosed to be immaterial. Information is regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. More generally, an ADI must have regard to materiality as applied in the context of its other public disclosures (for instance, as required under the Corporations Act).

Proprietary, confidential and personal information

45. Proprietary information encompasses information that, if shared with competitors, would render an ADI's investment in its products/systems less valuable by undermining its competitive position. Confidential information is that which an ADI possesses about customers or other persons that is confidential, being provided under the terms of a legal agreement or counterparty relationship. Personal information is as defined in the *Privacy Act 1988*.
46. Disclosure of certain items of information required by this Prudential Standard may prejudice the position of an ADI or any other person by making public information that is proprietary, confidential or personal in nature. In such circumstances, the ADI may elect not to disclose this information and to instead disclose more general information about the subject matter of the requirement, together with the fact that, and the reason why, the specific items of information have not been disclosed. Under paragraph 18 above, APRA may require the ADI to rectify the disclosures or to disclose further information if APRA is not satisfied with the adequacy or quality of the disclosures.

Adjustments and exclusions

47. APRA may, by notice in writing to an ADI, adjust or exclude a specific prudential requirement in this Prudential Standard in relation to that ADI.⁸

⁸ Refer to subsection 11AF(2) of the Act.

Attachment A

Common disclosure template

1. An ADI must complete and disclose Table 1 to the extent applicable to the ADI.

Table 1: Common disclosure template (new)

Common Equity Tier 1 capital: instruments and reserves		A\$m
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	
2	Retained earnings	
3	Accumulated other comprehensive income (and other reserves)	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)</i>	
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	
Common Equity Tier 1 capital : regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
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	of which: significant investments in the ordinary shares of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	
26a	of which: treasury shares	
26b	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	
26c	of which: deferred fee income	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	
26f	of which: capitalised expenses	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	
26h	of which: covered bonds in excess of asset cover in pools	
26i	of which: undercapitalisation of a non-consolidated subsidiary	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	
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	
29	Common Equity Tier 1 Capital (CET1)	
Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	
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	
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	of which: holdings of capital instruments in group members by other group members on behalf of third parties	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	
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)	
45	Tier 1 Capital (T1=CET1+AT1)	
Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
50	Provisions	
51	Tier 2 Capital before regulatory adjustments	
Tier 2 Capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the Tier 2 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)	
55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	
56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	
57	Total regulatory adjustments to Tier 2 capital	
58	Tier 2 capital (T2)	
59	Total capital (TC=T1+T2)	
60	Total risk-weighted assets based on APRA standards	
	Capital ratios and buffers	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	
62	Tier 1 (as a percentage of risk-weighted assets)	
63	Total capital (as a percentage of risk-weighted assets)	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	
65	<i>of which: capital conservation buffer requirement</i>	
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	
67	<i>of which: G-SIB buffer requirement (not applicable)</i>	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	
71	National total capital minimum ratio (if different from Basel III minimum)	
	Amount below thresholds for deductions (not risk-weighted)	
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the ordinary shares of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
	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)	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	
83	<i>Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)</i>	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	

Guidelines for the common disclosure template

2. In completing Table 1, an ADI must have regard to the following Table 1A, which sets out an explanation of each row of Table 1. An ADI must report deductions from capital as positive numbers and additions to capital as negative numbers. For example, goodwill (refer to row 8) must be reported as a positive number, as must gains due to the change in the own credit risk of the bank (refer to row 14). However, losses due to the change in the own credit risk of the ADI must be reported as a negative number as these are added back in the calculation of Common Equity Tier 1 Capital.

Table 1A: Explanation of each row of the common disclosure template

Explanation of each row of the common disclosure template	
Row number	Explanation
1	Instruments issued by the parent company of the reporting group that meet all of the CET1 entry criteria set out in paragraph 53 of Basel III. This must be equal to the sum of ordinary shares and other instruments for mutually-owned ADIs, both of which must meet the ordinary share criteria. This must be net of treasury shares and other investments in own shares to the extent that these are already derecognised on the balance sheet under the relevant accounting standards. Other paid-in capital elements must be excluded. All minority interest must be excluded.
2	Retained earnings, prior to all regulatory adjustments. In accordance with paragraph 52 of Basel III, this row must include interim profit and loss that has met any audit, verification or review procedures that the supervisory authority has put in place. Dividends are to be deducted when declared in accordance with Australian Accounting Standards .
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.
4	Directly issued capital subject to phase-out from CET1 in accordance with the requirements of paragraph 95 of Basel III. This is only applicable to mutually-owned ADIs. All other ADIs must report zero in this row.
5	Ordinary share capital issued by subsidiaries and held by third parties. Only the amount that is eligible for inclusion in group CET1 must be reported here, as determined by the application of paragraph 62 of Basel III (see Annex 3 of Basel III for example calculation).
6	Sum of rows 1 to 5.
7	Prudential valuation adjustments according to the requirements of paragraphs 698 to 701 of Basel II framework, taking into account the guidance set out in <i>Supervisory guidance for assessing banks' financial instrument fair value practices</i> , April 2009 (in particular, Principle 10)
8	Goodwill net of related tax liability, as set out in paragraphs 67 to 68 of Basel III.
9	Other intangibles other than mortgage servicing rights (net of related

Explanation of each row of the common disclosure template	
	tax liability), as set out in paragraph 67 to 68 of Basel III.
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability), as set out in paragraph 69 of Basel III.
11	The element of the cash-flow hedge reserve described in paragraphs 71 and 72 of Basel III.
12	Shortfall of provisions to expected losses as described in paragraph 73 of Basel III.
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, as set out in paragraph 75 of Basel III.
15	Defined benefit pension fund net assets as set out in paragraphs 76 and 77 of Basel III.
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet), as set out in paragraph 78 of Basel III.
17	Reciprocal cross-holdings in common equity as set out in paragraph 79 of Basel III.
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), amount to be deducted from CET1 in accordance with paragraphs 80 to 83 of Basel III.
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), amount to be deducted from CET1 in accordance with paragraphs 84 to 88 of Basel III.
20	Mortgage servicing rights (amount above 10% threshold), amount to be deducted from CET1 in accordance with paragraphs 87 and 88 of Basel III.
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability), amount to be deducted from CET1 in accordance with paragraphs 87 and 88 of Basel III.
22	Total amount by which the 3 threshold items exceed the 15% threshold, excluding amounts reported in rows 19 to 21, calculated in accordance with paragraphs 87 and 88 of Basel III.
23	The amount reported in row 22 that relates to significant investments in the ordinary shares of financial entities.
24	The amount reported in row 22 that relates to mortgage servicing rights.
25	The amount reported in row 22 that relates to deferred tax assets arising from temporary differences.
26	Any national specific regulatory adjustments that national authorities required to be applied to CET1 in addition to the Basel III minimum set of adjustments. (This will be the sum of rows 26a,

Explanation of each row of the common disclosure template	
	26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j).
26a	Treasury shares if not included in share capital calculated under Basel III (refer to <i>Prudential Standard APS 111 Capital Adequacy: Measurement of Capital</i> (APS 111), paragraphs 39 to 41).
26b	Offset to dividends declared due to a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI (APS 111, paragraph 21).
26c	Deferred fee income (APS 111, paragraphs 22 and 23).
26d	Capital impact of equity investments in financial institutions not reported in rows 18, 19 and row 23 (APS 111, Attachment D paragraphs 8 to 14).
26e	Capital impact of deferred tax assets (net of related deferred tax liability) not reported in rows 10, 21 and 25.
26f	Capitalised expenses (APS 111, Attachment D paragraph 27b).
26g	Investments in commercial (non-financial) entities deducted under APRA standards (APS 111, Attachment D paragraph 25).
26h	Covered bonds in excess of asset cover in pools (APS 111, Attachment D paragraph 21).
26i	Undercapitalisation of a non-consolidated subsidiary (APS 111 Attachment D paragraph 37).
26j	Any other national discretion items impacting CET1 (e.g. mortgage servicing rights) not reported in rows 26a to 26i.
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions. If the amount reported in row 43 exceeds the amount reported in row 36 the excess is to be reported here.
28	Total regulatory adjustments to Common Equity Tier 1, to be calculated as the sum of rows 7 to 22 plus rows 26 and 27.
29	Common Equity Tier 1 capital (CET1), to be calculated as row 6 minus row 28.
30	Instruments issued by the parent company of the reporting group that meet all of the AT1 entry criteria set out in paragraph 55 of Basel III. All instruments issued by subsidiaries of the consolidated group must be excluded from this row. This row may include Additional Tier 1 capital issued by a special purpose vehicle (SPV) of the parent company only if it meets the requirements set out in paragraph 65 of Basel III.
31	The amount in row 30 classified as equity under Australian Accounting Standards.
32	The amount in row 30 classified as liabilities under Australian Accounting Standards.
33	Directly issued capital instruments subject to phase out from Additional Tier 1 in accordance with the requirements of paragraph 94(g) of Basel III.
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties, the amount allowed in group AT1 in accordance with paragraph 63 of Basel III (see Annex 3 of Basel III for example calculation).

Explanation of each row of the common disclosure template	
35	The amount reported in row 34 that relates to instruments issued by subsidiaries subject to phase out from AT1 in accordance with the requirements of paragraph 94(g) of Basel III.
36	The sum of rows 30, 33 and 34.
37	Investments on own Additional Tier 1 instruments, amount to be deducted from AT1 in accordance with paragraph 78 of Basel III.
38	Reciprocal cross-holdings in Additional Tier 1 instruments, amount to be deducted from AT1 in accordance with paragraph 79 of Basel III.
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the ADI does not own more than 10% of the issued ordinary share capital of the entity (net of eligible short positions), amount to be deducted from AT1 in accordance with paragraphs 80 to 83 of Basel III.
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), amount to be deducted from AT1 in accordance with paragraphs 84 and 85 of Basel III.
41	National specific regulatory adjustments that national authorities require to be applied to T1 in addition to the Basel III minimum set of adjustments. (This will be the sum of rows 41a, 41b and 41c).
41a	Holdings of capital instruments in group members by other group members on behalf of third parties (APS 111, paragraphs 39 to 41).
41b	Investments in Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation not reported in rows 39 and 40 (APS 111, Attachment D paragraphs 8 to 14).
41c	Any other national discretion items impacting on AT1 not reported in rows 41a or 41b.
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions. If the amount reported in row 57 exceeds the amount reported in row 51 the excess is to be reported here.
43	The sum of rows 37 to 42.
44	Additional Tier 1 capital, to be calculated as row 36 minus row 43.
45	Tier 1 capital, to be calculated as row 29 plus row 44.
46	Instruments issued by the parent company of the reporting group that meet all of the Tier 2 entry criteria set out in paragraph 58 of Basel III and any related share surplus as set out in paragraph 59 of Basel III. All instruments issued by subsidiaries of the consolidated group must be excluded from this row. This row may include Tier 2 capital issued by an SPV of the parent company only if it meets the requirements set out in paragraph 65 of Basel III.
47	Directly issued capital instruments subject to phase out from Tier 2 in accordance with the requirements of paragraph 94(g) of Basel III.
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 32) issued by subsidiaries and held by third parties

Explanation of each row of the common disclosure template	
	(amount allowed in group Tier 2), in accordance with paragraph 64 of Basel III.
49	The amount reported in row 48 that relates to instruments subject to phase out from Tier 2 in accordance with the requirements of paragraph 94(g) of Basel III.
50	Provisions included in Tier 2 instruments, calculated in accordance with paragraphs 60 and 61 of Basel III.
51	The sum of rows 46 to 48 and row 50.
52	Investments in own Tier 2 instruments, amount to be deducted from Tier 2 in accordance with paragraph 78 of Basel III.
53	Reciprocal cross-holdings in Tier 2 instruments, amount to be deducted from Tier 2 in accordance with paragraph 79 of Basel III.
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the ADI does not own more than 10% of the issued ordinary share capital of the entity (net of eligible short positions), amount to be deducted from Tier 2 in accordance with paragraphs 80 to 83 of Basel III.
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from Tier 2 in accordance with paragraphs 84 and 85 of Basel III.
56	Any national specific regulatory adjustments that national authorities require to be applied to Tier 2 in addition to the Basel III minimum set of adjustments. (This will be the sum of rows 56a, 56b and 56c).
56a	Holdings of capital instruments in group members by other group members on behalf of third parties (APS 111, paragraphs 39 to 41).
56b	Investments in Tier 2 instruments of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55 (APS 111, Attachment D paragraphs 8 to 14).
56c	Any other national discretion items impacting on T2, not reported in row 56a or 56b.
57	The sum of rows 52 to 56.
58	Tier 2 capital, to be calculated as row 51 minus row 57.
59	Total capital, to be calculated as row 45 plus row 58.
60	Total risk-weighted assets of the reporting group based on APRA's prudential standards.
61	Common Equity Tier 1 ratio (as a percentage of risk-weighted assets), to be calculated as row 29 divided by row 60 (expressed as a percentage). This must be the same as reported to APRA in accordance with <i>Reporting Standard ARS 110.0 Capital Adequacy</i> (ARS 110.0).
62	Tier 1 ratio (as a percentage of risk-weighted assets), to be calculated as row 45 divided by row 60 (expressed as a percentage). This must be the same as reported to APRA in accordance with ARS 110.0.

Explanation of each row of the common disclosure template	
63	Total capital ratio (as a percentage of risk-weighted assets), to be calculated as row 59 divided by row 60 (expressed as a percentage). This must be the same as reported to APRA in accordance with ARS 110.0.
64	Buffer requirements (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements expressed as a percentage of risk-weighted assets). To be calculated as 4.5% plus 2.5% plus the ADI-specific countercyclical buffer requirement calculated in accordance with paragraphs 142 to 145 of Basel III.
65	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the capital conservation buffer requirement, i.e. ADIs are to report 2.5% here.
66	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to any ADI-specific countercyclical buffer requirement.
67	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the ADI's G-SIB buffer requirement (not applicable).
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets). To be calculated as the CET1 ratio of the ADI, less any common equity used to meet the ADI's Tier 1 and Total Capital requirements.
69	This field is blank because APRA has not departed from the Basel III minimum CET1 requirement of 4.5%.
70	This field is blank because APRA has not departed from the Basel III minimum T1 requirement of 6.0%.
71	This field is blank because APRA has not departed from the Basel III minimum Total Capital requirement of 8.0%.
72	Non-significant investments in the capital of other financials, the total amount of such holdings that are not reported in rows 18, 39 and 54.
73	Significant investments in the common stock of financials, the total amount of such holdings that are not reported in rows 19 and 23.
74	Mortgage servicing rights the total amount of such holdings that are not reported in rows 20 and 24.
75	Deferred tax assets arising from temporary differences (net of related tax liability), the total amount of such holdings that are not reported in rows 21 and 25.
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach, calculated in accordance with paragraph 60 of Basel III, prior to the application of the cap.
77	Cap on inclusion of provisions in Tier 2 under standardised approach, calculated in accordance with paragraph 60 of Basel III.
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach, calculated in accordance with paragraph 61 of Basel III, prior to the application of the cap.
79	Cap for inclusion of provisions in Tier 2 under internal ratings-

Explanation of each row of the common disclosure template	
	based approach, calculated in accordance with paragraph 61 of Basel III.
80	Current cap on CET1 instruments subject to phase out arrangements, see paragraph 95 of Basel III.
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities), see paragraph 95 of Basel III.
82	Current cap on AT1 instruments subject to phase out arrangements, see paragraph 94(g) of Basel III.
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities), see paragraph 94(g) of Basel III.
84	Current cap on T2 instruments subject to phase out arrangements, see paragraph 94(g) of Basel III.
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities), see paragraph 94(g) of Basel III.

Attachment B

Main features of capital instruments

1. An ADI must disclose the information in Table 2 for each capital instrument included in its Regulatory Capital.

Table 2: Main features template (new)

Disclosure template for main features of Regulatory Capital instruments	
1	Issuer
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)
3	Governing law(s) of the instrument
	<i>Regulatory treatment</i>
4	Transitional Basel III rules
5	Post-transitional Basel III rules
6	Eligible at solo/group/group & solo
7	Instrument type (ordinary shares/preference shares/subordinated notes/other)
8	Amount recognised in Regulatory Capital (Currency in mil, as of most recent reporting date)
9	Par value of instrument
10	Accounting classification
11	Original date of issuance
12	Perpetual or dated
13	Original maturity date
14	Issuer call subject to prior supervisory approval
15	Optional call date, contingent call dates and redemption amount
16	Subsequent call dates, if applicable
	<i>Coupons/dividends</i>
17	Fixed or floating dividend/coupon
18	Coupon rate and any related index
19	Existence of a dividend stopper
20	Fully discretionary, partially discretionary or mandatory
21	Existence of step up or other incentive to redeem
22	Noncumulative or cumulative
23	Convertible or non-convertible
24	If convertible, conversion trigger (s)
25	If convertible, fully or partially
26	If convertible, conversion rate
27	If convertible, mandatory or optional conversion
28	If convertible, specify instrument type convertible into
29	If convertible, specify issuer of instrument it converts into
30	Write-down feature
31	If write-down, write-down trigger(s)

32	If write-down, full or partial
33	If write-down, permanent or temporary
34	If temporary write-down, description of write-up mechanism
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)
36	Non-compliant transitioned features
37	If yes, specify non-compliant features

Guidance on main features template

- In completing the main features template, an ADI must have regard to the explanation of each item set out in the following Table 2A.

Table 2A: Further explanation of items in main features disclosure template

Further explanation of items in main features disclosure template	
1	Identifies issuer legal entity. <i>Free text</i>
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) <i>Free text</i>
3	Specifies the governing law(s) of the instrument <i>Free text</i>
4	Specifies the Regulatory Capital treatment during the Basel III transitional Basel III phase (ie the component of capital that the instrument is being phased-out from). <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]</i>
5	Specifies Regulatory Capital treatment under Basel III rules not taking into account transitional treatment. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]</i>
6	Specifies the level(s) within the group at which the instrument is included in capital. <i>Select from menu: [Solo] [Group] [Solo and Group]</i>
7	Specifies instrument type, varying by jurisdiction. Helps provide more granular understanding of features, particularly during transition. <i>Select from menu: [Ordinary shares] [Preference shares] [Subordinated notes] [Other]</i>
8	Specifies amount recognised in Regulatory Capital. <i>Free text</i>
9	Par value of instrument <i>Free text</i>
10	Specifies accounting classification. Helps to assess loss absorbency. <i>Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary]</i>
11	Specifies date of issuance.

	<i>Free text</i>
12	Specifies whether dated or perpetual. <i>Select from menu: [Perpetual] [Dated]</i>
13	For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument put “no maturity”. <i>Free text</i>
14	Specifies whether there is an issuer call option. Helps to assess permanence. <i>Select from menu: [Yes] [No]</i>
15	For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and, in addition, specifies if the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence. <i>Free text</i>
16	Specifies the existence and frequency of subsequent call dates, if applicable. Helps to assess permanence. <i>Free text</i>
17	Specifies whether the coupon/dividend is fixed over the life of the instrument, floating over the life of the instrument, currently fixed but will move to a floating rate in the future, currently floating but will move to a fixed rate in the future. <i>Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed]</i>
18	Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate references. <i>Free text</i>
19	Specifies whether the non payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (ie whether there is a dividend stopper). <i>Select from menu: [yes], [no]</i>
20	Specifies whether the issuer has full discretion, partial discretion or no discretion over whether a coupon/dividend is paid. If the ADI has full discretion to cancel coupon/dividend payments under all circumstances it must select “fully discretionary” (including when there is a dividend stopper that does not have the effect of preventing the ADI from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (e.g. capital below a certain threshold), the ADI must select “partially discretionary”. If the ADI is unable to cancel the payment outside of insolvency the ADI must select “mandatory”. <i>Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]</i>
21	Specifies whether there is a step-up or other incentive to redeem. <i>Select from menu: [Yes] [No]</i>
22	Specifies whether dividends / coupons are cumulative or noncumulative. <i>Select from menu: [Noncumulative] [Cumulative]</i>
23	Specifies whether instrument is convertible or not. Helps to assess loss

	<p>absorbency. <i>Select from menu: [Convertible] [Nonconvertible]</i></p>
24	<p>Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities must be listed. For each of the authorities it must be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). <i>Free text</i></p>
25	<p>For conversion trigger separately, specifies whether the instrument will: (i) always convert fully; (ii) may convert fully or partially; or (iii) will always convert partially <i>Free text referencing one of the options above</i></p>
26	<p>Specifies rate of conversion into the more loss absorbent instrument. Helps to assess the degree of loss absorbency. <i>Free text</i></p>
27	<p>If convertible, specifies whether conversion is mandatory or optional. Helps to assess loss absorbency. <i>Select from menu: [Mandatory] [Optional] [NA]</i></p>
28	<p>If convertible, specifies the instrument type into which it can be converted. Helps to assess loss absorbency. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other]</i></p>
29	<p>If convertible, specifies the issuer of the instrument into which it can be converted. <i>Free text</i></p>
30	<p>Specifies whether there is a write down feature. Helps to assess loss absorbency. <i>Select from menu: [Yes] [No]</i></p>
31	<p>Specifies the trigger at which write-down occurs, including point of non-viability. Where one or more authorities have the ability to trigger write-down, the authorities must be listed. For each of the authorities it must be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). <i>Free text</i></p>
32	<p>For each write-down trigger separately, specifies whether the instrument will: (i) always be written down fully; (ii) may be written down partially; or (iii) will always be written down partially. Helps assess the level of loss absorbency at write-down. <i>Free text referencing one of the options above</i></p>
33	<p>For write down instrument, specifies whether write down is permanent or temporary. Helps to assess loss absorbency. <i>Select from menu: [Permanent] [Temporary] [NA]</i></p>
34	<p>For instrument that has a temporary write-down, description of write-up mechanism. <i>Free text</i></p>

35	Specifies instrument to which it is most immediately subordinate. Helps to assess loss absorbency on gone-concern basis. Where applicable, ADIs must specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate. <i>Free text</i>
36	Specifies whether there are non-compliant features. <i>Select from menu: [Yes] [No]</i>
37	Specifies any non-compliant features. Helps to assess instrument loss absorbency. <i>Free text</i>

Attachment C

Risk exposures and assessment (all ADIs)

1. A locally incorporated ADI (other than a PPF provider) must make the disclosures required in this Attachment to the extent applicable to that ADI.

Table 3: Capital adequacy

(a)	Capital requirements (in terms of risk-weighted assets) for: <ul style="list-style-type: none"> • credit risk (excluding securitisation) by portfolio;⁹ and • securitisation.
(b)	Capital requirements (in terms of risk-weighted assets) for equity exposures in the IRB approach (simple risk-weighted method).
(c)	Capital requirements (in terms of risk-weighted assets) for market risk.
(d)	Capital requirements (in terms of risk-weighted assets) for operational risk.
(e)	Capital requirements (in terms of risk-weighted assets) for interest rate risk in the banking book (IRRBB) (IRB/AMA approved Australian-owned ADIs only).
(f)	Common Equity Tier 1, Tier 1 and Total Capital ratio for the consolidated banking group.

Table 4: Credit risk¹⁰

(a)	Total gross credit risk exposures, plus average gross exposure over the period, broken down by: <ul style="list-style-type: none"> • major types of credit exposure;¹¹ and, • separately, by portfolio.¹²
(b)	By portfolio: ¹³ <ul style="list-style-type: none"> • amount of impaired facilities and past due facilities, provided separately; • specific provisions; and • charges for specific provisions and write-offs during the period.
(c)	The general reserve for credit losses.

⁹ For standardised portfolios: claims secured by residential mortgage; other retail; corporate; bank; government; and all other; and for IRB portfolios: corporate; sovereign; bank; residential mortgage; qualifying revolving retail; other retail; and all other.

¹⁰ Table 4 does not include equities or securitisation exposures.

¹¹ This breakdown could be in line with normal accounting rules (e.g. loans; commitments and other non-market off-balance sheet exposures; debt securities; and over-the-counter derivatives).

¹² Refer to footnote 11.

¹³ Refer to footnote 11.

Table 5: Securitisation exposures¹⁴ (formerly Table 18)

(a)	Summary of current period's securitisation activity, including the total amount of exposures securitised (by exposure type) and recognised gain or loss on sale by exposure type.
(b)	Aggregate amount of: <ul style="list-style-type: none">• on-balance sheet securitisation exposures retained or purchased broken down by exposure type; and• off-balance sheet securitisation exposures broken down by exposure type.

¹⁴ Securitisation exposures include but are not restricted to, securities, liquidity facilities, protection provided to securitisation positions, other commitments and credit enhancements such as cash collateral and other subordinated assets. Refer to *Prudential Standard APS 120 Securitisation (APS 120)*.

Attachment D

Risk exposure and assessment (ADIs with IRB and AMA approval)

- The disclosures in this Attachment are only required to be made by an ADI with approval to use the IRB and AMA approaches to credit and operational risk, respectively. While an ADI may augment the required information with additional material (including graphics, etc), its disclosures must conform to the basic order/layout as follows.

Capital

- An ADI must disclose the items set out in Table 6 to the extent applicable to the ADI.

Table 6: Capital adequacy

Qualitative disclosures	(a)	A summary discussion of the ADI's approach to assessing the adequacy of its capital to support current and future activities.
Quantitative disclosures	(b)	Capital requirements (in terms of risk-weighted assets) for credit risk: <ul style="list-style-type: none"> • portfolios subject to standardised approach, disclosed separately for each portfolio; • portfolios subject to the IRB approaches, disclosed separately for each portfolio under the foundation IRB approach and for each portfolio under the advanced IRB approach: <ul style="list-style-type: none"> - corporate (including specialised lending (SL) not subject to the supervisory slotting approach); - sovereign and bank; - residential mortgage; - qualifying revolving retail; - other retail; and • securitisation exposures.
	(c)	Capital requirements (in terms of risk-weighted assets) for equity exposures in the IRB approach (simple risk-weight method).
	(d)	Capital requirements (in terms of risk-weighted assets) for market risk: standard method and internal models approach (IMA) – trading book.
	(e)	Capital requirements (in terms of risk-weighted assets) for operational risk: Standardised Approach and AMA.

	(f)	Capital requirements (in terms of risk-weighted assets) for interest rate risk in the banking book.
	(g)	Common Equity Tier 1, Tier 1 and Total Capital ratio: <ul style="list-style-type: none"> • for the consolidated banking group; and • for each significant ADI or overseas bank¹⁵ subsidiary.

General qualitative disclosure requirement

3. For each separate risk area (e.g. credit, market, operational, interest rate risk in the banking book, equity) an ADI must describe its risk management objectives and policies, including:
- (a) strategies and processes;
 - (b) the structure and organisation of the relevant risk management function;
 - (c) the scope and nature of risk reporting and/or measurement systems; and
 - (d) policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.

Credit risk

4. An ADI must disclose the items set out in Tables 7 to 11 to the extent applicable to the ADI.

Table 7: Credit risk - general disclosures¹⁶

Qualitative disclosures	(a)	<p>The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) with respect to credit risk, including:</p> <ul style="list-style-type: none"> • definitions of past due and impaired (for regulatory purposes); • description of approaches followed for creation of specific provisions and general reserve for credit losses; • discussion of the ADI's credit risk management policy; and • for ADIs that have partly, but not fully adopted either the foundation IRB or the advanced IRB approach, a description of the nature of exposures within each portfolio that are subject to the: <ul style="list-style-type: none"> (i) standardised; (ii) foundation IRB; and (iii) advanced IRB approaches and of management's plans and timing for migrating exposures to full implementation of the applicable approach.
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¹⁵ As defined in *Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk (APS 112)*.

¹⁶ Table 7 does not include equities or securitisation exposures.

Quantitative disclosures	(b)	Total gross credit risk exposures, plus average gross exposure over the period broken down by major types of credit exposure ¹⁷ and, separately, by portfolio.
	(c)	Geographic distribution ¹⁸ of exposures, broken down in significant areas by major types of credit exposure.
	(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.
	(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.
	(f)	By major industry or counterparty type and, separately, by portfolio: <ul style="list-style-type: none"> • amount of impaired facilities and, if available, past due facilities provided separately;¹⁹ • specific provisions; and • charges for specific provisions and write-offs during the period.
	(g)	Amount of impaired facilities and, if available, past due facilities provided separately broken down by significant geographic areas including, if practical, the amounts of specific provisions and general reserve for credit losses related to each geographical area; the portion of general reserve not allocated to a geographical area must be disclosed separately.
	(h)	Reconciliation of changes in the provisions/reserves for credit impairment. ²⁰
	(i)	For each portfolio, the amount of exposures (for IRB ADIs, drawn plus exposure at default (EAD) on undrawn) subject to the: (i) standardised; (ii) foundation IRB; and (iii) advanced IRB approaches.
	(j)	The general reserve for credit losses.

¹⁷ This breakdown could be in line with normal accounting rules (e.g. loans; commitments and other non-market off-balance sheet exposures; debt securities; and over-the-counter derivatives).

¹⁸ Geographical areas may comprise individual countries, groups of countries or regions within countries. An ADI might choose to define the geographical areas based on the way its portfolio is geographically managed. The criteria used to allocate the loans to geographical areas must be specified.

¹⁹ ADIs are encouraged also to provide an analysis of the aging of loans that are past due.

²⁰ The reconciliation shows separately specific provisions and the general reserve for credit losses; the information comprises: a description of the type of provision/reserve; the opening balances; write-offs taken during the period; amounts set aside (or reversed) for estimated probable loan losses during the period, any other adjustments (e.g. exchange rate differences, business combinations, acquisitions and disposals of subsidiaries), including transfers between provisions and reserves; and the closing balances. Write-offs and recoveries that have been recorded directly to the income statement must be disclosed separately.

Table 8: Credit risk - disclosures for portfolios subject to the standardised approach and supervisory risk-weights in the IRB approaches (formerly Table 5)

Qualitative disclosures	(a)	<p>For portfolios under the standardised approach:</p> <ul style="list-style-type: none"> • names of external credit assessment institutions (ECAIs) used, plus reasons for any changes; • types of exposure for which each ECAI is used; • a description of the process used to transfer public issue ratings onto comparable assets in the banking book; and • the alignment of the alphanumerical scale of each ECAI used with risk buckets.²¹
Quantitative disclosures	(b)	<ul style="list-style-type: none"> • For exposure amounts after risk mitigation subject to the standardised approach, the amount of an ADI's outstandings (rated and unrated) in each risk bucket as well as those that are deducted; and • For exposures subject to the supervisory risk-weights under the IRB (any SL products subject to supervisory slotting approach and equities under the simple risk-weight method), the aggregate amount of the ADI's outstandings in each risk bucket.

Table 9: Credit risk - disclosures for portfolios subject to IRB approaches²²

Qualitative disclosures	(a)	APRA's acceptance of approach/approved transition.
	(b)	<p>Explanation and review of the:</p> <ul style="list-style-type: none"> • structure of internal rating systems and relation between internal and external ratings; • use of internal estimates other than for IRB capital purposes; • process for managing and recognising credit risk mitigation; and • control mechanisms for the rating system including discussion of independence, accountability, and rating systems review.
	(c)	<p>Description of the internal ratings process, provided separately for distinct portfolios:</p> <ul style="list-style-type: none"> • corporate (including small and medium-sized entities (SMEs), SL and purchased corporate receivables); • sovereign and bank;

²¹ This information need not be disclosed if the ADI complies with a standard mapping published by APRA.

²² Table 9 does not include equities or securitisation exposures.

	<ul style="list-style-type: none"> • residential mortgages; • qualifying revolving retail;²³ and • other retail. <p>The description must include, for each portfolio:</p> <ul style="list-style-type: none"> • the types of exposure included in the portfolio; • the definitions, methods and data for estimation and validation of probability of default (PD), and (for portfolios subject to the advanced IRB approach) loss given default (LGD) and/or EAD, including assumptions employed in the derivation of these variables;²⁴ and • the permitted material deviations from the reference definition of default, including the broad segments of the portfolio(s) affected by such deviations.
<p>Quantitative disclosures: risk assessment</p>	<p>(d) For each portfolio (as defined above) except residential mortgages, qualifying revolving retail and other retail, present the following information across a sufficient number of PD grades (including default) to allow for a meaningful differentiation of credit risk:²⁵</p> <ul style="list-style-type: none"> • total exposures (for corporate, sovereign and bank, outstanding loans and EAD on undrawn commitments);²⁶ • for ADIs on the advanced IRB approach, exposure-weighted average LGD (percentage); and • exposure-weighted average risk-weight. <p>For an ADI on the advanced IRB approach, the amount of undrawn commitments and exposure-weighted average EAD for each portfolio.²⁷</p> <p>For each retail portfolio (as defined above), either:²⁸</p>

²³ In both the qualitative disclosures and quantitative disclosures that follow, an ADI must distinguish between the qualifying revolving retail exposures and other retail exposures unless these portfolios are insignificant in size (relative to overall credit exposures) and the risk profile of each portfolio is sufficiently similar such that separate disclosure would not help users' understanding of the risk profile of the ADI's retail business.

²⁴ This disclosure does not require a detailed description of the model in full – it must provide a broad overview of the model approach, describing definitions of the variables, and methods for estimating and validating those variables set out in the quantitative risk disclosures below. This must be done for each of the portfolios. The ADI must draw out any significant differences in approach to estimating these variables within each portfolio.

²⁵ The PD, LGD and EAD disclosures below must reflect the effects of collateral, netting and guarantees/credit derivatives as applicable.

²⁶ Outstanding loans and EAD on undrawn commitments can be presented on a combined basis for these disclosures.

²⁷ An ADI need only provide one estimate of EAD for each portfolio. However, where an ADI believes it is helpful, in order to give a more meaningful assessment of risk, they may also disclose EAD estimates across a number of EAD categories, against the undrawn exposures to which these relate.

		<ul style="list-style-type: none"> disclosures as outlined above on a pool basis (i.e. same as for non-retail portfolios); or analysis of exposures on a pool basis (outstanding loans and EAD on commitments) against a sufficient number of expected loss (EL) grades to allow for a meaningful differentiation of credit risk.
Quantitative disclosures: historical results	(e)	Actual losses (e.g. write-offs and specific provisions) in the preceding period for each portfolio (as defined above) and how this differs from past experience. A discussion of the factors that impacted on the loss experience in the preceding period. For example, has the ADI experienced higher than average default rates, or higher than average LGDs and EADs?
	(f)	The ADIs' estimates against actual outcomes over a longer period. ²⁹ At a minimum, this must include information on estimates of losses against actual losses in each portfolio (as defined above) over a period sufficient to allow for a meaningful assessment of the performance of the internal rating processes for each portfolio. ³⁰ Where appropriate, an ADI must further decompose this to provide analysis of PDs and, for an ADI on the advanced IRB approach, LGD and EAD outcomes against estimates provided in the quantitative risk assessment disclosures above. ³¹

²⁸ An ADI would normally be expected to follow the disclosures provided for the non-retail portfolios. However, an ADI may choose to adopt EL grades as the basis of disclosure where they believe this can provide the reader with a meaningful differentiation of credit risk. Where an ADI is aggregating internal grades (either PD/LGD or EL) for the purposes of disclosure, this must be a representative breakdown of the distribution of those grades used in the IRB approach.

²⁹ These disclosures are a way of further informing about the reliability of the information provided in the 'quantitative disclosures: risk assessment' over the long run.

³⁰ An ADI is expected to provide these disclosures for as long run of data as possible – for example, if the ADI has 10 years of data, it might choose to disclose the average default rates for each PD grade over that 10-year period. Annual amounts need not be disclosed.

³¹ An ADI must provide this further decomposition where it will allow users greater insight into the reliability of the estimates provided in Table 9(d) 'Quantitative disclosures: risk assessment'. In particular, an ADI must provide this information where there are material differences between the PD, LGD or EAD estimates given by it compared to actual outcomes over the long run. The ADI must also provide explanations for such differences.

Table 10: Credit risk mitigation disclosures³²

Qualitative disclosures	(a)	<p>The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) with respect to credit risk mitigation, including:</p> <ul style="list-style-type: none"> • policies and processes for, and an indication of the extent to which the ADI makes use of, on-balance sheet and off-balance sheet netting; • policies and processes for collateral valuation and management; • a description of the main types of collateral taken by the ADI; • the main types of guarantor/credit derivative counterparty and their creditworthiness; and • information about (market or credit) risk concentrations within the mitigation taken.
Quantitative disclosures	(b)	<p>For each separately disclosed credit risk portfolio under the standardised and/or foundation IRB approach, the total exposure (after, where applicable, on-balance sheet or off-balance sheet netting) that is covered by:</p> <ul style="list-style-type: none"> • eligible financial collateral; and • other eligible IRB collateral after the application of haircuts.³³
	(c)	<p>For each separately disclosed portfolio under the standardised and/or IRB approach, the total exposure (after, where applicable, on-balance sheet or off-balance sheet netting) that is covered by guarantees/credit derivatives.</p>

³² At a minimum, an ADI must provide the disclosures in this table in relation to credit risk mitigation that has been recognised for the purposes of reducing capital requirements under APS 112 and Prudential Standard APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk (APS 113)*. Where relevant, an ADI is encouraged to give further information about mitigants that have not been recognised for that purpose. Credit derivatives and other credit risk mitigation that are treated as part of synthetic securitisation structures must be excluded from the credit risk mitigation disclosures and included within those relating to securitisation (Table 12).

³³ If the comprehensive approach is applied, where applicable, the total exposure covered by collateral after haircuts must be reduced further to remove any positive adjustments that were applied to the exposure as permitted under APS 112 and APS 113.

Table 11: General disclosure for exposures related to counterparty credit risk

Qualitative disclosures	(a)	<p>The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) with respect to derivatives and counterparty credit risk (CCR), including discussion of the:</p> <ul style="list-style-type: none"> • methodology used to assign economic capital and credit limits for CCR exposures; • policies for securing collateral and establishing credit reserves; • policies for wrong-way risk exposures; and • the impact of the amount of collateral the ADI would have to provide given a credit rating downgrade.
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Table 12: Securitisation exposures³⁴

Qualitative disclosures ³⁵	(a)	<p>The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) with respect to all securitisation (including synthetics) transactions, whether an originating ADI or not in relation to a scheme, including a discussion of:</p> <ul style="list-style-type: none"> • the ADI's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the ADI to other entities and including the types of risks assumed and retained with resecuritisation activity;³⁶ • the nature of other risks (e.g. liquidity risk) inherent in securitised assets; • the various roles played by the ADI in the securitisation process³⁷ and an indication of the extent of the ADI's involvement in each of them; • a description of the processes in place to monitor
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³⁴ Where relevant, an ADI is encouraged to differentiate between securitisation exposures resulting from activities in which they are an originating ADI and exposures that result from all other securitisation activities that are subject to APS 120. An originating ADI is also encouraged to distinguish between situations where it originates underlying exposures included in a securitisation from those where it is either a managing ADI (of a third party securitisation) or provider of a facility (other than derivatives) to an asset-backed commercial paper securitisation.

³⁵ Where relevant, an ADI must provide separate qualitative disclosures for banking book and trading book exposures.

³⁶ For example, if an ADI is particularly active in the market of senior tranches of re-securitisations of mezzanine tranches related to securitisations of residential mortgages, it must describe the 'layers' of re-securitisations (i.e. senior tranche of mezzanine tranche of residential mortgage); this description must be provided for the main categories of re-securitisation products in which the ADI is significantly active.

³⁷ For example, originator, investor, servicer, provider of credit enhancement, sponsor, liquidity provider, swap provider, protection provider.

		<p>changes in the credit and market risk of securitisation exposures³⁸ (for example, how the behaviour of the underlying assets impacts securitisation exposures) including how those processes differ for resecuritisation exposures;</p> <ul style="list-style-type: none"> • a description of the ADI's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation and resecuritisation exposures; and • the Regulatory Capital approaches that are applicable to the ADI's securitisation activities.
	(b)	<p>A list of:</p> <ul style="list-style-type: none"> • the types of Special Purpose Vehicles (SPVs) that the ADI, as sponsor³⁹ uses to securitise third-party exposures. Indicate whether the ADI has exposure to these SPVs, either on- or off-balance sheet; and • affiliated entities i) that the ADI manages or advises; and ii) that invest either in the securitisation exposures that the ADI has securitised or in SPVs that the ADI sponsors.
	(c)	<p>A summary of the ADI's accounting policies for securitisation activities, including:</p> <ul style="list-style-type: none"> • whether the transactions are treated as sales or financings; • recognition of gain on sale; • methods and key assumptions (including inputs) applied in valuing positions retained or purchased;⁴⁰ • changes in methods and key assumptions from the previous period and impact of the changes; • treatment of synthetic securitisations if this is not covered by other accounting policies (e.g. on derivatives); • how exposures intended to be securitised (e.g. in a pipeline or warehouse) are valued and whether they are recorded in the banking book or the trading book; and • policies for recognising liabilities on the balance sheet for arrangements that could require the ADI

³⁸ Refer to footnote 14.

³⁹ An ADI would generally be considered a 'sponsor' if it, in fact or in substance, manages or advises the programme, places securities into the market, or provides liquidity and/or credit enhancements. The programme may include, for example, ABCP conduit programmes and structured investment vehicles.

⁴⁰ Where relevant, ADIs are encouraged to differentiate between valuation of securitisation exposures and resecuritisation exposures.

		to provide financial support for securitised assets.
	(d)	In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.
	(e)	<p>Description of the Internal Assessment Approach (IAA) process. The description must include:</p> <ul style="list-style-type: none"> • structure of the internal assessment process and relation between internal assessment and external ratings, including information on ECAIs as referenced in 10(d); • use of internal assessment other than for IAA capital purposes; • control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review; • the exposure type⁴¹ to which the internal assessment process is applied; and • stress factors used for determining credit enhancement levels, by exposure type.
	(f)	An explanation of significant changes to any of the quantitative information (e.g. amounts of assets intended to be securitised, movement of assets between banking book and trading book) since the last reporting period.
Quantitative disclosures: Banking book	(g)	The total amount of exposures securitised ⁴² by the ADI and (broken down into traditional/synthetic) by exposure type, separately for securitisations of third-party exposures for which the ADI acts only as sponsor.

⁴¹ For example, credit cards, home equity, auto, and securitisation exposures detailed by underlying exposure type and security type (e.g. Residential Mortgage-backed Securities (RMBS), Commercial Mortgage-backed Securities (CMBS), Asset-backed Securities (ABS), Collateralised Debt Obligations (CDOs), etc.

⁴² 'Exposures securitised' include underlying exposures originated by the ADI, whether generated by it or purchased into the balance sheet from third parties, and third-party exposures included in sponsored schemes. Securitisation transactions (including underlying exposures originally on the ADI's balance sheet and underlying exposures acquired by the ADI from third-party entities) in which the originating ADI does not retain any securitisation exposure must be shown separately but need only be reported for the year of inception.

	(h)	For exposures securitised by the ADI: ⁴³ <ul style="list-style-type: none"> amount of impaired/past due assets securitised broken down by exposure type; and losses recognised by the ADI during the current period broken down by exposure type.⁴⁴
	(i)	The total amount of outstanding exposures intended to be securitised broken down by exposure type. ⁴⁵
	(j)	Summary of current period's securitisation activity, including the total amount of exposures securitised (by exposure type) and recognised gain or loss on sale by exposure type.
	(k)	Aggregate amount of: <ul style="list-style-type: none"> on-balance sheet securitisation exposures⁴⁶ retained or purchased broken down by exposure type; and off-balance sheet securitisation exposures broken down by exposure type.
	(l)	<ul style="list-style-type: none"> Aggregate amount of securitisation exposures and the associated IRB capital charges, broken down between securitisation and resecuritisation exposures and further broken down into a meaningful number of risk-weight bands for the Regulatory Capital approach used; Exposures and credit enhancements that have been deducted entirely from CET1 must be disclosed separately by exposure type.⁴⁷
	(m)	For securitisations subject to the early amortisation treatment, the following items by exposure type for securitised facilities: <ul style="list-style-type: none"> the aggregate drawn exposures attributed to the seller's and investors' interests; the aggregate IRB capital charges incurred by the ADI against its retained (i.e. the seller's) shares of the drawn balances and undrawn lines; and the aggregate IRB capital charges incurred by the ADI against the investors' shares of drawn balances and undrawn lines.

⁴³ An ADI is required to disclose exposures regardless of whether there is a capital charge under APS 120.

⁴⁴ For example, charge-offs/allowances (if the assets remain on the ADI's balance sheet) or write-downs of retained residual interests, as well as recognition of liabilities for probable future financial support required of the ADI with respect to securitised assets.

⁴⁵ Refer to footnote 43.

⁴⁶ Refer to footnote 14.

⁴⁷ Refer to APS 111.

	(n)	Aggregate amount of resecuritisation exposures retained or purchased broken down according to: <ul style="list-style-type: none"> • exposures to which credit risk mitigation is applied and those not applied; and • exposures to guarantors broken down according to guarantor creditworthiness categories or guarantor name.
Quantitative disclosures: Trading book	(o)	The total amount of outstanding exposures securitised by the ADI (broken down into traditional/synthetic) by exposure type, separately for securitisations of third-party exposures for which the bank acts only as sponsor.
	(p)	The total amount of outstanding exposures intended to be securitised broken down by exposure type.
	(q)	Summary of current period's securitisation activity, including the total amount of exposures securitised (by exposure type) and recognised gain or loss on sale by exposure type.
	(r)	Aggregate amount of exposures securitised by the ADI and subject to <i>Prudential Standard APS 116 Capital Adequacy: Market Risk (APS 116)</i> (standard method and IMA); (broken down into traditional/synthetic), by exposure type.
	(s)	Aggregate amount of: <ul style="list-style-type: none"> • on-balance sheet securitisation exposures retained or purchased broken down by exposure type; and • off-balance sheet securitisation exposures broken down by exposure type.
	(t)	Aggregate amount of securitisation exposures retained or purchased separately for: <ul style="list-style-type: none"> • securitisation exposures retained or purchased subject to IMA for specific risk; and • securitisation exposures subject to APS 120 for specific risk broken down into a meaningful number of risk weight bands for each Regulatory Capital approach.
	(u)	Aggregate amount of: <ul style="list-style-type: none"> • the capital requirements for these securitisation exposures subject to IMA broken down into appropriate risk classifications (e.g. default risk, migration risk and correlation risk); • the capital requirements for the securitisation exposures (resecuritisation and securitisation), subject to APS 120 broken down into a meaningful number of risk weight bands for each Regulatory

		<p>Capital approach; and</p> <ul style="list-style-type: none"> • securitisation exposures that are deducted entirely from Tier 1 Capital, credit enhancements deducted from Total Capital, and other exposures deducted from Total Capital must be disclosed separately by exposure type.
	(v)	<p>For securitisations subject to the early amortisation treatment, the following items by exposure type for securitised facilities:</p> <ul style="list-style-type: none"> • the aggregate drawn exposures attributed to the seller's and investors' interests; • the aggregate IRB capital charges incurred by the ADI against its retained (i.e. the seller's) shares of the drawn balances and undrawn lines; and • the aggregate IRB capital charges incurred by the ADI against the investor's shares of drawn balances and undrawn lines.
	(w)	<p>Aggregate amount of resecuritisation exposures retained or purchased broken down according to:</p> <ul style="list-style-type: none"> • exposures to which credit risk mitigation is applied and those not applied; and • exposures to guarantors broken down according to guarantor credit worthiness categories or guarantor name.

Market risk disclosures

3. An ADI must disclose the items set out in Table 13 and 14 to the extent applicable to the ADI.

Table 13: Market risk - disclosures for ADIs using the standard method

Qualitative disclosures	(a)	The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) for market risk including the portfolios covered by the standard method.
Quantitative disclosures	(b)	<p>The capital requirements (in terms of risk-weighted assets) for:</p> <ul style="list-style-type: none"> • interest rate risk;⁴⁸ • equity position risk; • foreign exchange risk; and • commodity risk.

⁴⁸ Separate disclosures are required for the capital requirements on securitisation positions under Table 12.

Table 14: Market risk - disclosures for ADIs using the IMA for trading portfolios

Qualitative disclosures	(a)	The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) for market risk including the portfolios covered by the IMA.
	(b)	For each portfolio covered by the IMA: <ul style="list-style-type: none"> • the characteristics of the models used; • a description of stress testing applied to the portfolio; and • a description of the approach used for back-testing/validating the accuracy and consistency of the internal models and modelling processes.
	(c)	The scope of acceptance by APRA.
	(d)	For the incremental risk capital charge and the comprehensive risk capital charge the methodologies used and the risks measured through the use of internal models. Included in the qualitative description must be: <ul style="list-style-type: none"> • the approach used by the ADI to determine liquidity horizons; • the methodologies used to achieve a capital assessment that is consistent with the required soundness standard; and • the approaches used in the validation of the models.
Quantitative disclosures	(d)	For trading portfolios under the IMA: <ul style="list-style-type: none"> • the high, mean and low value-at-risk (VaR) values over the reporting period and period end; • the high, mean and low stressed VaR values over the reporting period and period-end; • the high, mean and low incremental and comprehensive risk capital charges over the reporting period and period-end; and • a comparison of VaR estimates with actual gains/losses experienced by the ADI, with analysis of important 'outliers' identified in back-test results.

Operational risk disclosures

4. An ADI must disclose the items in Table 15, to the extent applicable to the ADI.

Table 15: Operational risk

Qualitative disclosures	(a)	In addition to the general qualitative disclosure requirement (refer to paragraph 3 of this Attachment), the approach(es) for operational risk capital assessment for which the ADI qualifies.
	(b)	Description of the AMA used by the ADI, including a discussion of relevant internal and external factors considered in the ADI's measurement approach. In the case of partial use, the scope and coverage of the different approaches used.
	(c)	For ADIs using the AMA, a description of the use of insurance for the purpose of mitigating operational risk.

Equities

5. An ADI must disclose the items in Table 16, to the extent applicable to the ADI.

Table 16: Equities - disclosures for banking book positions

Qualitative disclosures	(a)	The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment) with respect to equity risk, including: <ul style="list-style-type: none"> • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.
Quantitative disclosures	(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

	(c)	The types and nature of investments, including the amount that can be classified as: <ul style="list-style-type: none"> publicly traded; and privately held.
	(d)	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period.
	(e)	Total unrealised gains (losses). Total latent revaluation gains (losses). Any amounts of the above included in Common Equity Tier 1, Tier 1 and/or Tier 2 capital.
	(f)	Capital requirements (in terms of risk-weighted assets) and aggregate amounts broken down into appropriate equity asset classes.

Interest rate risk in the banking book

6. An ADI must disclose the items in Table 17, to the extent applicable to the ADI.

Table 17: Interest rate risk in the banking book

Qualitative disclosures	(a)	The general qualitative disclosure requirement (refer to paragraph 3 of this Attachment), including the nature of interest rate risk in the banking book (IRRBB) and key assumptions, including those regarding loan prepayments and behaviour of non-maturity deposits, and frequency of IRRBB measurement.
Quantitative disclosures	(b)	The increase (decrease) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant). The derivation of the ADI's capital requirement for IRRBB must be disclosed.

Attachment E

Remuneration

1. An ADI must disclose the items in Tables 18 and 18A, to the extent applicable to the ADI.
2. The qualitative disclosures in Table 18 must be completed by reference to an ADI's Remuneration Policy and any Board Remuneration Committee established under CPS 510.
3. The quantitative disclosures in Tables 18 and 18A must be completed separately for senior managers and material risk-takers as defined in paragraph 17 of this Prudential Standard.

Table 18: Remuneration disclosure requirements

Qualitative disclosures	
(a)	Information relating to the bodies that oversee remuneration. Disclosures must include: <ul style="list-style-type: none">• the name, composition and mandate of the main body overseeing remuneration;• the name of external consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process;• a description of the scope of the ADI's Remuneration Policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches; and• a description of the types of persons considered as material risk takers and as senior managers as defined in paragraph 17 of this Prudential Standard, including the number of persons in each group.
(b)	Information relating to the design and structure of remuneration processes. Disclosures must include: <ul style="list-style-type: none">• an overview of the key features and objectives of remuneration policy;• whether the Remuneration Committee reviewed the ADI's Remuneration Policy during the past year, and if so, an overview of any changes that were made; and• a discussion of how the ADI ensures that risk and financial control personnel (as defined in paragraph 48(b) of CPS 510) are remunerated independently of the businesses they oversee.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures must include:

	<ul style="list-style-type: none"> • an overview of the key risks that the ADI takes into account when implementing remuneration measures; • an overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed); • a discussion of the ways in which these measures affect remuneration; and • a discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.
(d)	<p>Description of the ways in which the ADI seeks to link performance during a performance measurement period with levels of remuneration. Disclosures must include:</p> <ul style="list-style-type: none"> • an overview of the main performance metrics for the ADI, top-level business lines and individuals; • a discussion of how amounts of individual remuneration are linked to institution-wide and individual performance; and • a discussion of the measures the ADI will in general implement to adjust remuneration in the event that performance metrics are weak.
(e)	<p>Description of the ways in which the ADI seeks to adjust remuneration to take account of longer-term performance. Disclosures must include:</p> <ul style="list-style-type: none"> • a discussion of the ADI's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across persons or groups of persons, a description of the factors that determine the fraction and their relative importance; and • a discussion of the ADI's policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements.
(f)	<p>Description of the different forms of variable remuneration that the ADI utilises and the rationale for using these different forms. Disclosures must include:</p> <ul style="list-style-type: none"> • an overview of the forms of variable remuneration offered (i.e., cash, shares and share-linked instruments and other forms); and • a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across persons or groups of persons, a description the factors that determine the mix and their relative importance.
Quantitative disclosures	
(g)	<ul style="list-style-type: none"> • Number of meetings held by the main body overseeing remuneration during the financial year and the remuneration paid to its members.
(h)	<ul style="list-style-type: none"> • The number of persons having received a variable remuneration award during the financial year.

	<ul style="list-style-type: none"> • Number and total amount of guaranteed bonuses awarded during the financial year. • Number and total amount of sign-on awards made during the financial year. • Number and total amount of termination payments made during the financial year.
(i)	<ul style="list-style-type: none"> • Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. • Total amount of deferred remuneration paid out in the financial year.
(j)	<ul style="list-style-type: none"> • Breakdown of the amount of remuneration awards for the financial year in accordance with Table 18A below to show: <ul style="list-style-type: none"> - fixed and variable; - deferred and non-deferred; and - the different forms used (cash, shares and share-linked instruments and other forms).
(k)	<p>Quantitative information about persons' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <ul style="list-style-type: none"> • Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. • Total amount of reductions during the financial year due to ex post explicit adjustments. • Total amount of reductions during the financial year due to ex post implicit adjustments.

Table 18A: Total value of remuneration awards for senior managers/material risk-takers

Total value of remuneration awards for the current financial year	Unrestricted	Deferred
Fixed remuneration		
• Cash-based		
• Shares and share-linked instruments		
• Other		
Variable remuneration		
• Cash-based		
• Shares and share-linked instruments		
• Other		