



**Graham Bradley AM**  
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Mr Pat Brennan  
General Manager, Policy Development  
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Australian Prudential Regulation Authority  
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29 November 2014.

Dear Mr Brennan,

We acknowledge receipt of your letter dated 7 October 2014 (APRA Aid for Directors of ADIs and Insurers) issued to assist directors' understanding of the additional responsibilities and duties that come with being part of a board of an APRA-regulated entity; in particular the delineation between board and management responsibilities.

We note and welcome APRA's recognition of the separate roles and responsibilities of boards and management. While acknowledging the board's ultimate responsibility for the Bank's financial soundness and prudent risk management, we believe that it is important that APRA's policies acknowledge that the board's primary role is to oversee the effectiveness of management's implementation of the policies, processes and procedures in place to meet APRA's prudential requirements and to foster a sound internal risk management culture.

Having duly considered your letter at our last meeting on 23 October, the Board believes that its charter and mode of operation, including the charters and operations of board committees, are closely aligned with the APRA Aid. Accordingly, we welcome the Aid as a constructive contribution towards the effective governance of APRA-regulated entities.

Yours sincerely

**Graham Bradley AM**  
Chairman

cc. Tony Cripps, CEO