

Suncorp Group Limited ABN 66 145 290 124

Suncorp Bank APS330

**the quarter ended 31 December
2013**

Release date: 19 February 2014

**One Company
Many Brands**



Basis of preparation

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

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

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

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

Disclaimer

This report contains general information which is current as at 19 February 2014. It is information given in summary form and does not purport to be complete.

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

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

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

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REGULATORY CAPITAL RECONCILIATION

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

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

	BALANCE SHEET PER PUBLISHED REVIEWED FINANCIAL STATEMENTS	ADJUSTMENTS	BALANCE SHEET UNDER REGULATORY SCOPE OF CONSOLIDATION	REFERENCE
	DEC-13 \$M	DEC-13 \$M	DEC-13 \$M	
Assets				
Cash and cash equivalents	810	-	810	
Receivables due from other banks	790	-	790	
Trading securities	2,129	-	2,129	
Derivatives	451	-	451	
Investment securities	6,652	-	6,652	
Investment in regulatory non-consolidated subsidiaries	-	24	24	(j)
Loans, advances and other receivables	49,435	(3,656)	45,779	
<i>of which: eligible collective provision component of GRCL in tier 2 capital</i>			(62)	(o)
<i>of which: loan and lease origination fees and commissions paid to mortgage originators and brokers in CET1 regulatory adjustments</i>			116	(f)
<i>of which: costs associated with debt raisings in CET1 regulatory adjustments</i>			8	(g)
Deferred tax assets	88	-	88	
<i>of which: arising from temporary differences included in CET1 regulatory adjustments</i>			71	(e)
Other assets	213	(46)	167	
<i>of which: loan and lease origination fees and commissions paid to mortgage originators and brokers in CET1 regulatory adjustments</i>			3	(h)
Goodwill and intangible assets	26	-	26	(d)
Total assets	60,594	(3,678)	56,916	
Liabilities				
Deposits and short-term borrowings	(44,597)	(13)	(44,610)	
Derivatives	(494)	21	(473)	
Payables due to other banks	(186)	-	(186)	
Payables and other liabilities	(474)	17	(457)	
Due to regulatory non-consolidated subsidiaries	-	(72)	(72)	
Securitisation liabilities	(4,267)	3,721	(546)	
<i>of which: securitisation start-up costs in CET1 regulatory adjustments</i>			10	(i)
Debt issues	(6,433)	-	(6,433)	
Total liabilities excluding loan capital	(56,451)	3,674	(52,777)	
Loan capital				
Subordinated notes	(840)	-	(840)	
<i>of which: directly issued qualifying tier 2 instruments</i>			(670)	(m)
<i>of which: directly issued instruments subject to phase out from tier 2</i>			(170)	(n)
Preference shares	-	-	-	(l)
Total loan capital	(840)	-	(840)	
Total liabilities	(57,291)	3,674	(53,617)	
Net assets	3,303	(4)	3,299	
Equity				
Share capital	(2,492)	-	(2,492)	(a)
Capital notes	(450)	-	(450)	(k)
Reserves	283	1	284	
<i>of which: equity component of GRCL in tier 2 capital</i>			(125)	(p)
<i>of which: AFS reserve</i>			(4)	(c)
Retained profits	(644)	3	(641)	
<i>of which: included in CET1</i>			(269)	(b)
Total equity	(3,303)	4	(3,299)	

REGULATORY CAPITAL RECONCILIATION (continued)

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

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

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

	TOTAL ASSETS	TOTAL LIABILITIES
	DEC-13	DEC-13
	\$	\$
Suncorp Property Development Equity Fund #2 Pty Limited	1	-
Principal activity:		
<i>The company acts as trustee for Suncorp Property Development Equity Fund #2 Unit Trust and Polaris Data Centre Unit Trust.</i>		
	DEC-13	DEC-13
	\$	\$
Polaris Data Centre Unit Trust	10	-
Principal activity:		
<i>The Trust was established by the directors of Suncorp Property Development Equity Fund #2 Pty Ltd (the trustee) for the purpose of forming an unincorporated joint venture for the construction and subsequent leasing of the Polaris Data Centre. In December 2011, the Trust sold its interest in the joint venture, and has since been non-operating.</i>		
	DEC-13	DEC-13
	\$M	\$M
Suncorp Property Development Equity Fund #2 Unit Trust	38	(11)
Principal activity:		
<i>The Trust was established by the directors of Suncorp Property Development Equity Fund #2 Pty Ltd (the trustee) for the purpose of forming an unincorporated joint venture to develop land for the purpose of reselling as residential housing lots.</i>		
	DEC-13	DEC-13
	\$M	\$M
Securitisation special purpose vehicles¹		
Apollo Series 2005-2 Trust	79	(79)
Apollo Series 2006-1E Trust	315	(315)
Apollo Series 2007-1E Trust	453	(452)
Apollo Series 2010-1 Trust	421	(421)
Apollo Series 2011-1 Trust	754	(754)
Apollo Series 2012-1 Trust	753	(753)
Apollo Series 2013-1 Trust	990	(990)

Principal activity:

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

Note

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

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

TABLE 1: COMMON DISCLOSURES – COMPOSITION OF CAPITAL

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

	DEC-13	SOURCE IN REGULATORY CAPITAL RECONCILIATION
	\$M	
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	2,492 (a)
2	Retained earnings	269 (b)
3	Accumulated other comprehensive income (and other reserves)	4 (c)
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	-
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	Common Equity Tier 1 capital before regulatory adjustments	2,765
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	26 (d)
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined benefit superannuation fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage service rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	<i>of which: significant investments in the ordinary shares of financial entities</i>	-
24	<i>of which: mortgage servicing rights</i>	-
25	<i>of which: deferred tax assets arising from temporary differences</i>	-

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

		DEC-13	SOURCE IN REGULATORY CAPITAL RECONCILIATION
		\$M	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	232	
26a	<i>of which: treasury shares</i>	-	
26b	<i>of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI</i>	-	
26c	<i>of which: deferred fee income</i>	-	
26d	<i>of which: equity investments in financial institutions not reported in rows 18, 19 and 23</i>	-	
26e	<i>of which: deferred tax assets not reported in rows 10, 21 and 25</i>	71	(e)
26f	<i>of which: capitalised expenses</i>	137	(f)+(g)+(h)+(i)
26g	<i>of which: investments in commercial (non-financial) entities that are deducted under APRA rules</i>	-	
26h	<i>of which: covered bonds in excess of asset cover in pools</i>	-	
26i	<i>of which: undercapitalisation of a non-consolidated subsidiary</i>	-	
26j	<i>of which: other national specific regulatory adjustments not reported in rows 26a - 26i</i>	24	(j)
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common Equity Tier 1	258	
29	Common Equity Tier 1 Capital (CET1)	2,507	
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	450	(k)
31	<i>of which: classified as equity under applicable accounting standards</i>	450	(k)
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	(l)
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 Capital before regulatory adjustments	450	
	Additional Tier 1 Capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	-	
41a	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	-	
41b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40</i>	-	
41c	<i>of which: other national specific regulatory adjustments not reported in rows 41a & 41b</i>	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	450	
45	Tier 1 Capital (T1=CET1+AT1)	2,957	

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

	DEC-13	SOURCE IN REGULATORY CAPITAL RECONCILIATION
	\$M	
Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	670 (m)
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	170 (n)
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	187 (o)+(p)
51	Tier 2 Capital before regulatory adjustments	1,027
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	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	-
56b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55</i>	-
56c	<i>of which: other national specific regulatory adjustments not reported in rows 56a & 56b</i>	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	1,027
59	Total capital (TC=T1+T2)	3,984
60	Total risk-weighted assets based on APRA standards	30,725
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	8.16%
62	Tier 1 (as a percentage of risk-weighted assets)	9.63%
63	Total capital (as a percentage of risk-weighted assets)	12.97%
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)	7.00%
65	<i>of which: capital conservation buffer requirement</i>	2.50%
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)	8.16%
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	n/a
70	National Tier 1 minimum ratio (if different from Basel III minimum)	n/a
71	National total capital minimum ratio (if different from Basel III minimum)	n/a
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)	71 (e)

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

		DEC-13	SOURCE IN REGULATORY CAPITAL RECONCILIATION
		\$M	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	187	(o)+(p)
77	Cap on inclusion of provisions in Tier 2 under standardised approach	339	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	n/a	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	n/a	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	<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>	689	
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>	170	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	

TABLE 2: MAIN FEATURES OF CAPITAL INSTRUMENTS

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

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

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

Note

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

TABLE 3: CAPITAL ADEQUACY

	CARRYING VALUE		AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	DEC-13	SEP-13	DEC-13	DEC-13	SEP-13
	\$M	\$M	%	\$M	\$M
On-balance sheet credit risk-weighted assets					
Cash Items	619	361	-	-	53
Claims on Australian and foreign Governments	1,418	1,426	-	-	-
Claims on central banks, international banking agencies, regional development banks, ADIs and overseas banks	4,771	4,793	21	1,003	997
Claims on securitisation exposures	1,445	1,516	20	289	310
Claims secured against eligible residential mortgages	35,482	34,586	39	13,981	13,704
Past due claims	668	688	100	665	720
Other retail assets	630	626	83	520	517
Corporate	8,621	8,357	100	8,601	8,338
Other assets and claims	351	337	99	348	305
Total Banking assets⁽¹⁾	54,005	52,690	47	25,407	24,944

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

	NOTIONAL AMOUNT	CREDIT EQUIVALENT	AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	DEC-13	DEC-13	DEC-13	DEC-13	SEP-13
	\$M	\$M	%	\$M	\$M
Off-balance sheet positions					
Guarantees entered into in the normal course of business	309	307	74	228	229
Commitments to provide loans and advances	7,225	1,917	58	1,115	1,105
Foreign exchange contracts	6,413	215	28	61	71
Interest rate contracts	55,579	169	50	84	96
Securitisation exposures	3,771	51	84	43	53
CVA capital charge	-	-	-	142	168
Total off-balance sheet positions	73,297	2,659	63	1,673	1,722
Market risk capital charge				370	337
Operational risk capital charge				3,275	3,308
Total on-balance sheet credit risk-weighted assets				25,407	24,944
Total Assessed Risk				30,725	30,311
Risk-weighted capital ratios				%	%
Common Equity Tier 1				8.16	8.06
Tier 1				9.63	9.54
Tier 2				3.34	3.39
Total risk-weighted capital ratio				12.97	12.93

TABLE 4: CREDIT RISK**TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – OUTSTANDING AS AT 31 DECEMBER 2013**

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,115	176	-	4,291	168	6	4,117	41
Construction & development	-	-	-	643	142	-	785	70	21	694	20
Financial services	790	2,129	5,207	519	169	384	9,198	-	-	9,198	-
Hospitality	-	-	-	1,014	42	-	1,056	40	-	1,016	12
Manufacturing	-	-	-	402	19	-	421	27	2	392	8
Professional services	-	-	-	262	10	-	272	4	5	263	2
Property investment	-	-	-	1,988	76	-	2,064	21	2	2,041	8
Real estate - Mortgage	-	-	-	34,637	1,440	-	36,077	22	373	35,682	5
Personal	-	-	-	452	11	-	463	-	9	454	-
Government/public authorities	-	-	-	2	-	-	2	-	-	2	-
Other commercial & industrial	-	-	-	1,955	139	-	2,094	64	27	2,003	17
Total gross credit risk	790	2,129	5,207	45,989	2,224	384	56,723	416	445	55,862	113
Securitisation Exposures ⁽¹⁾	-	-	1,445	3,656	36	15	5,152	-	-	5,152	-
Total including Securitisation Exposures	790	2,129	6,652	49,645	2,260	399	61,875	416	445	61,014	113
Impairment provision							(210)	(113)	(35)	(62)	
TOTAL							61,665	303	410	60,952	

⁽¹⁾ The securitisation exposures of \$3,656 million included under “Loans advances and other receivables” qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank’s Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

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

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

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

TABLE 4: CREDIT RISK (continued)**TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – OUTSTANDING AS AT 30 SEPTEMBER 2013**

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	3,985	197	-	4,182	149	20	4,013	30
Construction & development	-	-	-	701	106	-	807	105	11	691	33
Financial services	636	2,404	5,056	584	168	422	9,270	-	-	9,270	-
Hospitality	-	-	-	1,015	43	-	1,058	49	-	1,009	19
Manufacturing	-	-	-	397	24	-	421	13	17	391	4
Professional services	-	-	-	258	13	-	271	3	4	264	2
Property investment	-	-	-	1,971	58	-	2,029	39	12	1,978	29
Real estate - Mortgage	-	-	-	33,657	1,478	-	35,135	30	341	34,764	7
Personal	-	-	-	453	11	-	464	-	8	456	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,914	137	-	2,051	79	29	1,943	22
Total gross credit risk	636	2,404	5,056	44,936	2,235	422	55,689	467	442	54,780	146
Securitisation Exposures ⁽¹⁾	-	-	1,516	3,918	45	17	5,496	-	-	5,496	-
Total including Securitisation Exposures	636	2,404	6,572	48,854	2,280	439	61,185	467	442	60,276	146
Impairment provision							(239)	(146)	(31)	(62)	
TOTAL							60,946	321	411	60,214	

⁽¹⁾ The securitisation exposures of \$3,918 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

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

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

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

TABLE 4: CREDIT RISK (continued)**TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – AVERAGE GROSS EXPOSURE OVER PERIOD 1 OCTOBER TO 31 DECEMBER 2013**

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,050	186	-	4,236	159	13	4,064	35
Construction & development	-	-	-	672	124	-	796	88	16	692	26
Financial services	713	2,267	5,132	552	169	403	9,236	-	-	9,236	-
Hospitality	-	-	-	1,015	43	-	1,058	45	-	1,013	16
Manufacturing	-	-	-	400	21	-	421	20	10	391	6
Professional services	-	-	-	260	11	-	271	4	5	262	2
Property investment	-	-	-	1,980	67	-	2,047	30	7	2,010	19
Real estate - Mortgage	-	-	-	34,147	1,459	-	35,606	26	357	35,223	6
Personal	-	-	-	453	11	-	464	-	9	455	-
Government/public authorities	-	-	-	2	-	-	2	-	-	2	-
Other commercial & industrial	-	-	-	1,935	138	-	2,073	72	28	1,973	20
Total gross credit risk	713	2,267	5,132	45,466	2,229	403	56,210	444	445	55,321	130
Securitisation Exposures ⁽¹⁾	-	-	1,481	3,787	41	16	5,325	-	-	5,325	-
Total including Securitisation Exposures	713	2,267	6,613	49,253	2,270	419	61,535	444	445	60,646	130
Impairment provision							(225)	(130)	(33)	(62)	
TOTAL							61,310	314	412	60,584	

(1) The securitisation exposures of \$3,787 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

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

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

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

TABLE 4: CREDIT RISK (continued)

TABLE 4A: CREDIT RISK BY GROSS CREDIT EXPOSURE – AVERAGE GROSS EXPOSURE OVER PERIOD 1 JULY TO 30 SEPTEMBER 2013

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	3,952	190	-	4,142	139	22	3,981	31
Construction & development	-	-	-	746	111	-	857	130	22	705	45
Financial services	1,048	2,933	5,022	572	150	461	10,186	-	-	10,186	-
Hospitality	-	-	-	1,016	45	-	1,061	44	12	1,005	16
Manufacturing	-	-	-	395	26	-	421	13	10	398	5
Professional services	-	-	-	259	11	-	270	3	3	264	2
Property investment	-	-	-	2,088	68	-	2,156	42	15	2,099	37
Real estate - Mortgage	-	-	-	33,514	1,351	-	34,865	30	316	34,519	7
Personal	-	-	-	458	9	-	467	-	8	459	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,941	150	-	2,091	87	32	1,972	32
Total gross credit risk	1,048	2,933	5,022	44,942	2,111	461	56,517	488	440	55,589	175
Securitisation Exposures ⁽¹⁾	-	-	1,584	3,819	43	17	5,463	-	-	5,463	-
Total including Securitisation Exposures	1,048	2,933	6,606	48,761	2,154	478	61,980	488	440	61,052	175
Impairment provision							(270)	(172)	(35)	(63)	
TOTAL							61,710	316	405	60,989	

⁽¹⁾ The securitisation exposures of \$3,819 million included under “Loans advances and other receivables” qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank’s Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

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

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

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

TABLE 4: CREDIT RISK (continued)
TABLE 4B: CREDIT RISK BY PORTFOLIO – 31 DECEMBER 2013

	GROSS CREDIT RISK EXPOSURE	AVERAGE GROSS EXPOSURE	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	SPECIFIC PROVISIONS	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS	LOSSES ON DISPOSAL OF LOANS AND ADVANCES
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Claims secured against eligible residential mortgages	36,077	35,606	22	373	5	2	-
Other retail	463	464	-	9	-	1	-
Financial services	9,198	9,236	-	-	-	-	-
Government and public authorities	2	2	-	-	-	-	-
Corporate and other claims	10,983	10,902	394	63	108	20	8
Total	56,723	56,210	416	445	113	23	8

TABLE 4B: CREDIT RISK BY PORTFOLIO – 30 SEPTEMBER 2013

	GROSS CREDIT RISK EXPOSURE	AVERAGE GROSS EXPOSURE	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	SPECIFIC PROVISIONS	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS	LOSSES ON DISPOSAL OF LOANS AND ADVANCES
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Claims secured against eligible residential mortgages	35,135	34,865	30	341	7	6	-
Other retail	464	467	-	8	-	2	-
Financial services	9,270	10,186	-	-	-	-	-
Government and public authorities	1	1	-	-	-	-	-
Corporate and other claims	10,819	10,998	437	93	139	19	5
Total	55,689	56,517	467	442	146	27	5

TABLE 4C: GENERAL RESERVES FOR CREDIT LOSSES

	DEC-13 \$M	SEP-13 \$M
Collective provision for impairment	97	93
Ineligible Collective Provisions on Past Due not Impaired	(35)	(31)
Eligible Collective Provisions	62	62
Equity Reserve for credit losses	125	125
General Reserve for Credit losses	187	187

TABLE 5: SECURITISATION EXPOSURES

TABLE 5A: SUMMARY OF SECURITISATION ACTIVITY FOR THE PERIOD

	EXPOSURES SECURITISED		RECOGNISED GAIN OR (LOSS) ON SALE	
	DEC-13	SEP-13	DEC-13	SEP-13
	\$M	\$M	\$M	\$M
Residential mortgages	-	452	-	-
Total exposures securitised during the period	-	452	-	-

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

Exposure type	EXPOSURE	
	DEC-13	SEP-13
	\$M	\$M
Debt securities	1,445	1,516
Total on-balance sheet securitisation exposures	1,445	1,516

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

Exposure type	PRINCIPAL OR NOTIONAL EXPOSURE	
	DEC-13	SEP-13
	\$M	\$M
Liquidity facilities	72	89
Derivative exposures	3,699	3,960
Total off-balance sheet securitisation exposures	3,771	4,049