SUNCORP BANK

BASEL III PILLAR 3 DISCLOSURE

AS AT 31 DECEMBER 2024
APS 330: PUBLIC DISCLOSURE

SUNCORP BANK (NORFINA LIMITED)

ABN 66 010 831 722

Basis of Preparation

This document has been prepared by Norfina Limited and its wholly owned subsidiaries Norfina Advances Corporation Pty Ltd (trading as Suncorp Equipment Finance) and SME Management Pty Ltd to meet the disclosure obligations under the Australian Prudential Regulation Authority (**APRA**) Australian Prudential Standard (**APS**) 330 *Public Disclosure*.

Suncorp Bank is the trading name of Norfina Limited ABN 66 010 831 722 (formerly Suncorp-Metway Limited). Norfina Limited is an authorised deposit-taking institution (**ADI**) and a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (**ANZBGL**). The ultimate parent entity is ANZ Group Holdings Limited (**ANZ**). ANZ and its subsidiaries are collectively referred to as the **ANZ Group**.

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.

Figures relate to the quarter ended 31 December 2024 (unless otherwise stated). This document has not been audited nor reviewed in accordance with Australian Auditing Standards. It should be read in conjunction with ANZ Group and Suncorp Bank's consolidated annual and interim financial reports which have been either audited or reviewed in accordance with Australian Auditing Standards.

This document is prepared in accordance with Basel III Prudential Capital requirements effective for reporting periods beginning on or after 1 January 2023.

Disclaimer

This report contains general information which is current as at 24 February 2025. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to Norfina Limited, its wholly owned subsidiaries or the ANZ Group or any product or service offered by their entities or intended to be relied upon as advice.

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 Bank'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 and undertakes no obligation to update any forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which are beyond Suncorp Bank's control, which may cause actual results to differ materially from those expressed or implied.

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Table of contents

Overview

Suncorp Bank's (**the Bank**) home lending portfolio grew $0.5 billion or 0.9% (3.6% annualised) through the December quarter. The Bank remains focused on balancing growth and margin while optimising risk-adjusted returns and maintaining a high-quality and conservatively positioned home lending portfolio. The portfolio remains weighted towards owner occupiers, principal and interest repayment and loans with a loan-to-valuation ratio (**LVR**) below 80%.

Business lending contracted $264 million or 2.1% (8.2% annualised). The commercial portfolio contracted $143 million, predominantly driven by property finance, with intense pricing competition leading to heightened external refinances. The small and medium enterprise (**SME**) portfolio reduced by $63 million, also due to heightened external refinances. The agribusiness portfolio contracted $58 million, mainly driven by higher customer repayments in line with seasonal trends.

The Bank grew household deposits across all portfolios, including retail term deposits (15.5% annualised), retail transaction deposits (9.9% annualised), and savings account balances (8.6% annualised). The Bank continued to strategically manage the portfolio within funding requirements.

The total provision for impairment increased by 3.5% to $235 million, reflecting an increase of $8 million in specific provisions, a continued low level of write offs, and no change to the collective provision.

Gross impaired assets increased $36 million to $99 million, driven by the commercial lending portfolio, with decreases across all other lending portfolios. Total 90+ days past due loans increased $32 million to $559 million or 78 basis points of GLA, up 4 basis points of GLA from the previous quarter.

The Liquidity Coverage Ratio (**LCR**) was maintained at an elevated level, above the target operating range, averaging 145% over the quarter in line with the September quarterly average. The Net Stable Funding Ratio (**NSFR**) ended the period at 124%, demonstrating the continued strength of Suncorp Bank's funding and liquidity position. The Bank's capital levels remain sound, with a Common Equity Tier 1 ratio of 10.26% (Sep 2024: 10.01%), within the target operating range of 10.00% to 10.50%.

Loans and advances

	Dec-24 $M	Sep-24 $M	Dec-23 $M	Dec-24 vs Sep-24 %	Dec-24 vs Dec-23 %
Housing loans - term	52,900	52,021	49,975	1.7	5.9
Housing line of credit	341	359	435	(5.0)	(21.6)
Securitised housing loans and covered bonds	5,914	6,244	5,587	(5.3)	5.9
Total housing loans	**59,155**	58,624	55,997	**0.9**	**5.6**
Personal loans	14	17	25	(17.6)	(44.0)
Retail loans	**59,169**	58,641	56,022	**0.9**	**5.6**
SME	2,579	2,642	2,636	(2.4)	(2.2)
Commercial	5,323	5,466	5,406	(2.6)	(1.5)
Agribusiness	4,663	4,721	4,456	(1.2)	4.6
Total business loans	**12,565**	12,829	12,498	**(2.1)**	**0.5**
Total lending	**71,734**	71,470	68,520	**0.4**	**4.7**
Provision for impairment	(235)	(227)	(210)	3.5	11.9
Total loans and advances	**71,499**	71,243	68,310	**0.4**	**4.7**
Geographical breakdown - Total lending					
Queensland	31,431	31,701	30,687	(0.9)	2.4
New South Wales	21,528	21,168	19,834	1.7	8.5
Victoria	10,524	10,366	10,080	1.5	4.4
Western Australia	4,575	4,592	4,474	(0.4)	2.3
South Australia and other	3,676	3,643	3,445	0.9	6.7
Outside of Queensland loans	40,303	39,769	37,833	1.3	6.5
Total lending	**71,734**	71,470	68,520	**0.4**	**4.7**

Impaired assets and 90+ days past due loans

	Quarter Ended			Dec-24	Dec-24
	Dec-24	Sep-24	Dec-23	vs Sep-24	vs Dec-23
	$M	$M	$M	%	%
Gross balances of individually impaired loans					
Retail lending	25	27	29	(7.4)	(13.8)
Agribusiness lending	11	11	17	-	(35.3)
Commercial lending	63	22	18	186.4	250.0
SME lending	-	3	7	(100.0)	(100.0)
Gross impaired assets	**99**	**63**	**71**	**57.1**	**39.4**
Impairment provision	(21)	(13)	(21)	61.5	-
Net impaired assets	**78**	**50**	**50**	**56.0**	**56.0**
Impairment provisions expressed as a percentage of gross impaired assets	**21%**	**21%**	**30%**		
90+ days past due loans not shown as impaired assets	**559**	**527**	**425**	**6.0**	**31.5**
Gross non-performing loans[(1)]	**658**	**590**	**496**	**11.5**	**32.7**
Analysis of movements in gross individually impaired assets					
Balance at the beginning of the period	63	73	76	(13.7)	(17.1)
Recognition of new impaired assets	51	2	10	n/a	n/a
Other movements in impaired assets[(2)]	1	-	(4)	n/a	(128.2)
Impaired assets which have been reclassed as performing assets or repaid	(16)	(12)	(11)	30.7	42.6
Balance at the end of the period	**99**	**63**	**71**	**57.5**	**39.8**

[(1)] Gross non-performing loans in the above table excludes loans that meet additional requirements under the revised APS 220 *Credit Risk Management*.

[(2)] Net of increases in previously recognised impaired assets and impaired assets written off.

Provision for impairment

	Quarter Ended			Dec-24	Dec-24
	Dec-24	Sep-24	Dec-23	vs Sep-24	vs Dec-23
	$M	$M	$M	%	%
Collective provision					
Balance at the beginning of the period	215	200	190	7.5	13.2
Charge against impairment losses	-	15	-	(100.0)	n/a
Balance at the end of the period	**215**	**215**	**190**	**-**	**13.2**
Specific provision					
Balance at the beginning of the period	12	14	22	(14.3)	(45.5)
Charge/(release) against impairment losses	9	(1)	3	n/a	200.0
Impairment provision written off [(1)]	(1)	(1)	(5)	-	(80.0)
Balance at the end of the period	**20**	**12**	**20**	**66.7**	**-**
Total provision for impairment - Banking activities	**235**	**227**	**210**	**3.5**	**11.9**

[(1)] Includes unwind of discount.

Provision for impairment expressed as a percentage of gross loans and advances are as follows:	%	%	%
Collective provision	0.30	0.30	0.28
Specific provision	0.03	0.02	0.03
Total provision	0.33	0.32	0.31

Appendix 1 – APS 330 Tables

- Table 1: Capital disclosure template – not applicable for this reporting period. This table was disclosed in the June 2024 reporting period.
- Table 2: Main features of capital instruments
- Table 3: Capital adequacy
- Table 4: Credit risk
- Table 5: Securitisation exposures
- Table 20: Liquidity Coverage Ratio Disclosure

Table 2: Main Features of Capital Instruments

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

The Suncorp Bank's main features of capital instruments are updated on an ongoing basis and are available at https://www.suncorpbank.com.au/about-us/investors/regulatory-disclosures-current.html.

Table 3: Capital Adequacy

	Risk Weighted Assets	
	Dec-24	Sep-24
	$M	$M
On-balance sheet credit risk-weighted assets		
Claims secured by residential mortgage	19,318	19,106
Other retail	75	79
Bank	91	80
Government	-	-
Corporates [(1)]	8,448	8,641
Securisation	5	6
All other exposures	218	242
Total on-balance sheet assets	**28,155**	**28,154**
Off-balance sheet exposures		
Non-market related off-balance sheet exposures	2,468	2,426
Market related off-balance sheet exposures	63	51
Securitisation	10	8
Total off-balance sheet exposures	**2,541**	**2,485**
Total on-balance sheet assets and off-balance sheet positions	**30,696**	**30,639**
Market risk capital charge	**132**	**95**
Operational risk capital charge	**2,688**	**2,688**
Total risk-weighted assets	**33,516**	**33,422**

(1) Includes commercial property and land acquisition, development, and construction exposures.

	Capital Ratios	
	Dec-24	Sep-24
	%	%
Common Equity Tier 1	10.26	10.01
Tier 1	11.94	11.68
Tier 2	2.47	2.53
Total risk-weighted capital ratio	**14.41**	**14.21**

Table 4: Credit Risk

Table 4A: Credit risk by gross credit exposure

Exposure Type	Gross Credit Exposure[1] Dec-24 $M	Gross Credit Exposure[1] Sep-24 $M	Average Gross Credit Exposure[1] Dec-24 $M	Average Gross Credit Exposure[1] Sep-24 $M
Reverse repurchase agreements	900	1,300	1,100	1,466
Receivables due from other Banks[2]	790	909	850	824
Trading Securities	1,739	1,843	1,791	1,999
Derivatives[3]	86	63	75	79
Investment Securities	10,251	9,768	10,010	9,776
Loans and Advances	68,684	68,101	68,393	67,439
Off-balance sheet exposures[3]	5,963	5,961	5,962	5,883
Total gross credit risk[4]	**88,413**	**87,945**	**88,181**	**87,466**
Securitisation exposures[5]	2,964	3,314	3,139	3,458
Total including securitisation exposures	**91,377**	**91,259**	**91,320**	**90,924**
Impairment provision	(235)	(227)	(231)	(221)
Total	**91,142**	**91,032**	**91,089**	**90,703**

Portfolios Subject to the Standardised Approach	Gross Credit Exposure[1] Dec-24 $M	Gross Credit Exposure[1] Sep-24 $M	Average Gross Credit Exposure[1] Dec-24 $M	Average Gross Credit Exposure[1] Sep-24 $M
Claims secured by residential mortgage	61,821	60,965	61,393	60,211
Other retail assets	98	95	97	97
Bank	1,252	1,514	1,383	1,639
Government	12,433	12,184	12,309	12,357
Corporates[6]	12,694	12,976	12,835	12,986
All other exposures	115	211	164	176
Total gross credit risk[4]	**88,413**	**87,945**	**88,181**	**87,466**
Securitisation exposures[5]	2,964	3,314	3,139	3,458
Total including securitisation exposures	**91,377**	**91,259**	**91,320**	**90,924**
Impairment provision	(235)	(227)	(231)	(221)
Total	**91,142**	**91,032**	**91,089**	**90,703**

Notes:

(1) Gross credit exposures and Average gross credit exposures reflect on balance sheet exposures and credit equivalent amounts for off balance sheet exposures.

(2) Receivables due from other Banks include collateral deposits provided to derivative counterparties.

(3) Off-balance sheet exposures represent the credit equivalent amount in accordance with APS 112 *Capital Adequacy: Standardised Approach to Credit Risk*.

(4) Total credit risk excludes cash at bank and other money market placements.

(5) Securitisation exposures for December 2024 include $2,601 million in Loans and advances, $28 million in Investment Securities, $35 million in Derivatives and $300 million in Off-balance sheet exposures. The securitisation exposures for Loans and advances qualify for regulatory capital relief under APS 120 *Securitisation* and therefore do 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 *Securitisation*.

(6) Includes commercial property and land acquisition, development, and construction exposures.

Table 4: Credit Risk (Continued)

Table 4B: Credit risk by portfolio

Portfolios Subject to the Standardised Approach	Non-performing loans Dec-24 $M	Specific Provisions[1] Dec-24 $M	Charges/(Releases) for Specific Provisions & Write Offs Dec-24 $M
Claims secured by residential mortgage	608	5	-
Other retail assets	4	1	1
Bank	-	-	-
Government	-	-	-
Corporates[2]	199	14	8
All other exposures	-	-	-
Total gross credit risk	**811**	**20**	**9**
Securitisation exposures	20	-	
Total including securitisation exposures	**831**	**20**	
Impairment provision	(17)	-	
Total	**814**	**20**	

[1] The specific provisions of $20 million represents the specific provisions for accounting purposes. It excludes the ineligible collective provisions of $61 million which in accordance with APS 220 Credit Risk Management are regulatory specific provisions. The regulatory specific provisions under APS 220 Credit Risk Management are $81 million.
[2] Includes commercial property and land acquisition, development, and construction exposures.

Portfolios Subject to the Standardised Approach	Non-performing loans Sep-24 $M	Specific Provisions[1] Sep-24 $M	Charges/(Releases) for Specific Provisions & Write Offs Sep-24 $M
Claims secured by residential mortgage	622	5	-
Other retail assets	4	1	1
Bank	-	-	-
Government	-	-	-
Corporates[2]	157	6	(1)
All other exposures	-	-	-
Total gross credit risk	**783**	**12**	**-**
Securitisation exposures	22	-	
Total including securitisation exposures	**805**	**12**	
Impairment provision	(11)	-	
Total	**794**	**12**	

[1] The specific provisions of $12 million represents the specific provisions for accounting purposes. It excludes the ineligible collective provisions of $46 million which in accordance with APS 220 Credit Risk Management are regulatory specific provisions. The regulatory specific provisions under APS 220 Credit Risk Management are $58 million.
[2] Includes commercial property and land acquisition, development, and construction exposures.

Table 4: Credit Risk (Continued)

Table 4C: Provisions eligible for inclusion in Tier 2 capital [1]

	Dec-24 $M	Sep-24 $M
Collective provision for impairment	215	215
Ineligible collective provisions [2]	(61)	(46)
Eligible collective provisions	154	169
General equity reserve [3]	76	76
Provisions eligible for inclusion in Tier 2 capital (Standardised approach)	**230**	**245**

(1) Provisions held against performing exposures that represent a purely forward-looking amount for future losses that are presently unidentified.

(2) Ineligible collective provisions represent the collective provision for impairment on Stage 3 ECL loans and advances and Stage 2 ECL loans and advances with any level of arrears. Ineligible collective provision is considered a specific provision for regulatory purposes under APS 220 *Credit Risk Management*.

(3) Following removal of the ERCL (equity reserve for credit losses) requirement in APS 220 *Credit Risk Management* from 1 January 2022, the general equity reserve has been established in its place. The general equity reserve will be maintained at this level ($76 million) pending further consideration of its future treatment.

Table 5: Securitisation Exposures

Table 5A: Summary of securitisation activity for the period

There was no new securitisation activity undertaken during the quarter ending 31 December 2024 (quarter ending 30 September 2024: Nil).

	Exposures Securitised		Recognised Gain or (Loss) on Sale	
	Dec-24	Sep-24	Dec-24	Sep-24
	$M	$M	$M	$M
Residential mortgages	-	-	-	-
Total exposures securitised during the period	**-**	**-**	**-**	**-**

Table 5B(i): Aggregate of on-balance sheet securitisation exposures by exposure type

	Dec-24	Sep-24
Exposure type	$M	$M
Debt securities	28	29
Total on-balance sheet securitisation exposures	**28**	**29**

Table 5B(ii): Aggregate of off-balance sheet securitisation exposures by exposure type

	Dec-24	Sep-24
Exposure type	$M	$M
Liquidity facilities	16	18
Derivative exposures	35	28
Total off-balance sheet securitisation exposures	**51**	**46**

Table 20: Liquidity Coverage Ratio Disclosure

	Total unweighted value (average) Dec-24 $M	Total weighted value (average) Dec-24 $M	Total unweighted value (average) Sep-24 $M	Total weighted value (average) Sep-24 $M	Total unweighted value (average) Jun-24 $M	Total weighted value (average) Jun-24 $M
Liquid assets, of which:						
High-quality liquid assets (**HQLA**)		13,324		13,037		13,874
Alternative liquid assets (**ALA**)		-		-		-
Cash outflows						
Retail deposits and deposits from small business customers, of which:	37,438	3,726	36,632	3,621	36,140	3,579
stable deposits	*23,500*	*1,175*	*23,216*	*1,161*	*22,919*	*1,146*
less stable deposits	*13,938*	*2,551*	*13,416*	*2,460*	*13,221*	*2,433*
Unsecured wholesale funding, of which:	5,085	3,341	4,796	3,132	5,132	3,298
operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-	-	-
non-operational deposits (all counterparties)	*3,550*	*1,806*	*3,605*	*1,941*	*3,635*	*1,801*
unsecured debt	*1,535*	*1,535*	*1,191*	*1,191*	*1,497*	*1,497*
Secured wholesale funding		103		93		450
Additional requirements, of which:	10,011	1,434	9,577	1,288	9,815	1,607
outflows related to derivatives exposures and other collateral requirements	*975*	*975*	*841*	*841*	*1,164*	*1,164*
outflows related to loss of funding on debt products	-	-	-	-	-	-
credit and liquidity facilities	*9,036*	*459*	*8,736*	*447*	*8,651*	*443*
Other contractual funding obligations	1,344	987	1,372	1,064	1,107	797
Other contingent funding obligations	7,734	670	8,689	833	8,251	706
Total cash outflows		**10,261**		**10,031**		**10,437**
Cash inflows						
Secured lending (e.g. reverse repos)	938	-	768	-	754	-
Inflows from fully performing exposures	745	388	650	341	675	364
Other cash inflows	700	700	692	692	1,118	1,118
Total cash inflows	**2,383**	**1,088**	**2,110**	**1,033**	**2,547**	**1,482**

	Total adjusted value	Total adjusted value	Total adjusted value
Total liquid assets	**13,324**	**13,037**	**13,874**
Total net cash outflows	**9,173**	**8,998**	**8,955**
Liquidity Coverage Ratio (%)	**145**	**145**	**155**
Number of data points used	**64**	**66**	**63**

Overview

The Liquidity Coverage Ratio (**LCR**) promotes shorter-term resilience by requiring ADIs to maintain sufficient qualifying High Quality Liquid Assets (**HQLA**) to meet expected net cash outflows (**NCO**) under an APRA prescribed 30 calendar day stress scenario. Suncorp Bank manages its LCR on a daily basis and maintains a buffer over the regulatory minimum of 100%.

Liquidity and Funding Risk Management Framework

The Suncorp Bank (Norfina Limited) Board is responsible for the sound and prudent management of liquidity risk across the Bank, with authority delegated to the Suncorp Bank Board Risk Committee.

Executive management of liquidity and funding risk is overseen through the Suncorp Bank Asset and Liability Committee (**SBALCO**) which reviews risk measures and limits, endorses and monitors funding and liquidity strategies and ensures stress tests, the Contingency Funding Plan (**CFP**) and holdings of HQLA are effective and appropriate. Operational management of liquidity risk is delegated to a centralised function in the Suncorp Bank Treasury division.

The Bank's stress testing framework includes several scenarios designed to test the Bank's response to liquidity stress under different criteria and understand the range of mitigating actions available. The Bank integrates stress test outcomes and liquidity metrics into the Bank’s overall risk management framework and strategic planning, thereby undertaking comprehensive risk management.

Liquidity and Funding Management

The quantum of liquid assets held considers the amount needed to meet prudential and internal requirements (including a variety of internal stress scenarios as part of the risk management framework) and suitable buffers as appropriate.

Liquid assets included in the LCR consist of HQLA (such as cash, Australian Semi-Government and Commonwealth Government securities).

Other contractual funding obligations and other net inflows represent gross flows not included elsewhere in the LCR. Over time, key balances in these categories can be material to the Bank’s net cash outflow.

During the December quarter, the material balances of net other cashflows were due to forecast loan disbursements, regulatory liquidity held against the NCD portfolio as well as settlement periods for liquid assets and funding transactions (such as the $250m private placement). On average, the Bank's contingent funding obligations decreased from the September quarter to the December quarter due to a reduction in liquid asset purchases and the size of funding transactions undertaken.

Contingency Funding Plan

Suncorp Bank maintains a CFP which outlines funding and management strategies to address liquidity shortfalls under stressed conditions. The CFP establishes clear lines of responsibility and provides a comprehensive list of liquidity options to enable swift, decisive action to support the mitigation of any potential liquidity risks.

Suncorp Bank also monitors several Early Warning Indicators that serve as metrics complementary to its other liquidity risk limits, to identify the emergence of increased risk or vulnerabilities and support in the decision-making around any activation of the CFP.

Liquidity Coverage Ratio

Suncorp Bank calculates its LCR position on a daily basis, ensuring a buffer is maintained over the regulatory requirement of 100% and the Board’s approved Risk Appetite. Over the December quarter, the average LCR remained steady at 145% and excess liquid assets were $4bn on average.

There was approximately $625m in domestic term funding maturities across the December quarter. These were partially replaced by a $250m private placement in November. On average, unsecured debt exposure was higher through the quarter driven mainly by an increase in US Commercial Paper in the LCR 30-day window. The Bank saw a decrease in net derivative flows over the quarter.

Additional liquidity was held over the end of year period contributing to an LCR of 152% on 31st December 2024. During the quarter the lowest point of the LCR was 132% on 27 November, coinciding with a high point in the NCO which was driven by an increased volume of wholesale funding maturities in the 30-day window.

Appendix 2 - Definitions

AASB 9	AASB 9 *Financial Instruments* was issued in December 2014. It addresses recognition and measurement requirements for financial assets and financial liabilities, impairment requirements that introduce a forward-looking expected credit loss impairment model, and general hedge accounting requirements which more closely align with risk management activities undertaken when hedging financial and non-financial risks. This standard became mandatory for the annual reporting period from 1 July 2018.
Capital adequacy ratio	Capital base divided by total assessed risk, as defined by APRA.
Collective provision	A collective provision is established to determine expected credit losses (see also Expected Credit Losses definition below) for loan exposures which are not specifically provisioned and can be in the performing or non-performing portfolios. For business banking exposures, a ratings-based approach is applied using estimates of probability of default and loss given default, at a customer level. For portfolio managed exposures, the portfolios are split into pools with homogenous risk profiles and pool estimates of probability of default and loss given default are used to calculate the collective provision.
Common Equity Tier 1 (**CET1**)	Common Equity Tier 1 capital comprises accounting equity plus adjustments for intangible assets and regulatory reserves.
Common Equity Tier 1 ratio	Common Equity Tier 1 divided by total risk weighted assets, as defined by APRA.
Credit value adjustment (**CVA**)	A capital charge that covers the risk of mark-to-market losses on the counterparty credit risk.
Eligible collective provisions	Primarily represents the collective provision for impairment on loans and advances in Stage 1 (performing and/or newly originated assets) and Stage 2 (without any arrears). Provisions for loans and advances in Stage 1 are established to provide for expected credit losses (**ECL**) for a period of 12 months. Forward-looking provisions for future, presently unidentified losses are also included within the Eligible collective provision balance.
Expected credit losses (**ECL**)	Expected credit losses (**ECL**) are calculated as the probability of default (**PD**) x loss given default (**LGD**) x exposure at default. The credit models are calibrated to reflect PD and LGD estimates based on historical observed experience, as well as reflecting unbiased forward-looking views of macroeconomic conditions, through macroeconomic variables that influence credit losses, for example unemployment rates and changes in house prices.
Ineligible collective provisions	Represents the collective provision for impairment on loans and advances in Stage 2 (with any level of arrears) or Stage 3. Stage 3 assets within ineligible collective provisions include 'past due but not impaired' and 'impaired assets' (non-performing loans, other than those for which a specific provision is held under AASB 9). Collective provisions for loans and advances in Stage 2 and Stage 3 are established to provide for ECL for the remaining term of the loans and advances (lifetime ECL). Ineligible collective provision is considered as specific provision for regulatory purposes under APS 220 *Credit Risk Management*.
Liquidity coverage ratio (**LCR**)	An APRA requirement to maintain a sufficient level of qualifying high-quality liquid assets to meet liquidity needs under an APRA-defined significant stress event lasting for 30 calendar days. Absent of a situation of financial stress, the LCR must not be less than 100%. The LCR is calculated as the ratio of qualifying high-quality liquid assets relative to net cash outflows in a modelled APRA-defined 30-day stress scenario.
Loan-to-value ratio (**LVR**)	Ratio of a loan to the value of the asset purchased.
Non-performing exposure	An exposure that is in default. A default is considered to have occurred with regard to a particular borrower when either, or both, of the events in sub-paragraphs (i) or (ii) have taken place: (i) the ADI considers that the borrower is unlikely to pay its credit obligations to the ADI in full, without recourse by the ADI to actions such as realising available security; (ii) the borrower is 90 days or more past-due on a credit obligation to the ADI or, in the case of subsidiaries in jurisdictions where a different number of days past-due is set for exposures to individuals (i.e. natural persons) or public sector entities by the national regulator, the borrower is past-due by the number of days (or more) specified by that national regulator.
Past due loans	An exposure for which any amount due under a contract (interest, principal, fee or other amount) has not been paid in full at the date when it was due. An exposure is considered past-due from the first day of missed payment.
Risk weighted assets	Total of the carrying value of each asset class multiplied by their assigned risk weighting, as defined by APRA.
Specific provision	A specific provision for impairment is recognised where there is objective evidence of impairment and full recovery of principal and interest is considered doubtful. The present value of the expected future cash flows is compared to the carrying amount of the loan to determine the specific provision required.
Total assessed risk	Credit risk-weighted assets, off-balance sheet positions, market risk capital charge and operational risk charge, as defined by APRA.