

A photograph of a family sitting on a couch. A woman in the foreground is smiling and looking at a laptop. A young girl is leaning over her shoulder, also smiling. In the background, a man is smiling. The scene is warm and domestic.

APS 330 Common Disclosure

As at
31 December 2020

APS 330 Common Disclosure

Attachment A: In accordance with APRA Prudential Standard APS 330 on a Level 2 Basis

COMMON EQUITY TIER 1 CAPITAL: INSTRUMENTS & RESERVES		A\$m
1	Directly issued qualifying ordinary shares (and equivalent for mutually owned entities) capital	106.959
2	Retained earnings	10.294
3	Accumulated other comprehensive income (and other reserves)	0.455
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	117.708
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS		A\$m
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	19.172
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	58.961
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	-

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26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	9.091
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	0.905
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	0.142
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	5.279
26f	of which: capitalised expenses	2.764
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	87.224
29	Common Equity Tier 1 Capital (CET1)	30.484
ADDITIONAL TIER 1 CAPITAL: INSTRUMENTS		A\$m
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	Directly issued capital instruments subject to phase out from Additional Tier 1	-
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	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier 1 Capital before regulatory adjustments	-

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ADDITIONAL TIER 1 CAPITAL: REGULATORY ADJUSTMENTS		A\$m
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)	30.484
ADDITIONAL TIER 1 CAPITAL: REGULATORY ADJUSTMENTS		A\$m
TIER 2 CAPITAL INSTRUMENTS AND PROVISIONS		
46	Directly issued qualifying Tier 2 instruments	-
47	Directly issued capital instruments subject to phase out from Tier 2	-
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	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions	0.446
51	Tier 2 Capital before regulatory adjustments	0.446
TIER 2 CAPITAL: REGULATORY ADJUSTMENTS		A\$m
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	-

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TIER 2 CAPITAL: REGULATORY ADJUSTMENTS CONTINUED		A\$m
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)	0.446
59	Total Capital (T1 + T2)	30.930
60	Total risk-weighted assets based on APRA standards	165.742
CAPITAL RATIOS AND BUFFERS		%
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.39%
62	Tier 1 (as a percentage of risk-weighted assets)	18.39%
63	Total capital (as a percentage of risk-weighted assets)	18.66%
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)	7.0%
65	of which: capital conservation buffer requirement	2.5%
66	of which: ADI-specific countercyclical buffer requirements	-
67	of which: G-SIB buffer requirement (not applicable)	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	10.66%
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)	-

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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	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Disclosure template used above is the post 1 January 2018 common disclosure template under Basel III.

APS 330 Regulatory Capital Reconciliation

As at 30 June 2020, in accordance with APRA Prudential Standard APS 330. BNK Banking Corporation Limited is an Authorised Deposit Taking Institution. Comparison of consolidated accounting and regulatory balance sheet as at 31 December 2021:

ASSETS	BALANCE SHEET AS IN PUBLISHED FINANCIAL STATEMENTS	UNDER REGULATORY SCOPE OF CONSOLIDATION	REFERENCE
ASSETS	AS AT PERIOD END	AS AT PERIOD END	
Cash and cash equivalents	50.365	50.365	-
Due from other financial institutions	22.211	22.211	-
Loans and advances	305.600	305.600	-
of which: deferred fee income	-	0.905	f
Contract assets	443.265	443.265	e
Other financial assets	56.308	56.308	-
of which: equity investments in financial institutions	-	0.142	g
Other assets	24.828	24.828	-
of which: deferred fee income	-	-	f
Property, plant and equipment	3.207	3.207	-
Intangible assets	50.084	50.84	e
TOTAL ASSETS	955.868	955.868	
LIABILITIES	AS AT PERIOD END	AS AT PERIOD END	
Deposits	391.292	391.292	-
Other funding liabilities	13.760	13.760	-
Creditors and other payables	24.006	24.006	-
Provisions	1.484	1.484	-
Contract liabilities	395.188	395.188	e
Deferred tax liabilities	14.749	14.749	-
Of which deferred tax assets in excess of liabilities	-	(5.279)	e
Of which deferred tax assets in excess of liabilities	-	20.028	e
TOTAL LIABILITIES	629.024	629.024	
NET ASSETS	103.545	103.545	
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Contributed equity			
Issued capital	106.959	106.959	a
Equity raising costs	(2.764)	(2.764)	k

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Treasury shares	(0.103)	(0.103)	d
Financial assets revaluation reserve	(0.140)	(0.140)	d
Share based payments reserve	0.697	0.697	d
General reserve for credit losses	0.446	0.446	l
Retained earnings	10.294	10.294	c
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	115.389	115.389	

Reconciliation of Regulatory Capital

COMMON EQUITY TIER 1 CAPITAL: INSTRUMENTS AND RESERVES	A\$M	SOURCE BASED ON REFERENCE NUMBERS/ LETTERS OF THE REGULATORY SCOPE BALANCE SHEET FROM STEP 1 ABOVE
Directly issued qualifying ordinary shares (and equivalent for mutually owned entities) capital	106.959	a+b
Retained earnings	10.294	c
Accumulated other comprehensive income (& other reserves)	0.454	d
COMMON EQUITY TIER 1 CAPITAL BEFORE REGULATORY ADJUSTMENTS	117.708	
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS		
Other intangibles other than mortgage servicing rights (net of related tax liability)	78.133	e
National specific regulatory adjustments (sum of a to d below)	9.090	
(a) of which: deferred fee income	0.905	f
(b) of which: equity investments in financial institutions	0.142	g
(c) of which: deferred tax assets	5.279	h-i
(d) of which: capitalised expenses	2.764	k
TOTAL REGULATORY ADJUSTMENTS TO COMMON EQUITY TIER 1	87.223	
COMMON EQUITY TIER 1 CAPITAL (CET1)	30.485	
TIER 1 CAPITAL (T1)	30.485	
TIER 2 CAPITAL INSTRUMENTS AND PROVISIONS		
Provisions	0.446	l
TIER 2 CAPITAL (T2)	0.446	
TOTAL CAPITAL (T1 + T2)	30.930	

Intangible assets are deducted from regulatory capital, net of any associated deferred tax liability, however deferred tax assets are deducted.

APS 330 Exposures & Assessment

As at 30 June 2020, in accordance with APRA Prudential Standard APS 330.

	31 DECEMBER 2020	30 SEPTEMBER 2020
CAPITAL ADEQUACY	RISK-WEIGHTED ASSETS	RISK-WEIGHTED ASSETS
Capital requirements for credit risk		
Claims secured by residential mortgage	110,244,046	100,917,617
Commitments and guarantees	4,687,246	430,765
Claims on other ADI's	13,819,224	10,112,529
Other	17,323,946	18,263,051
Capital requirements for operational risk	19,667,839	17,769,553
	PERCENTAGE OF RISK WEIGHTED ASSETS	PERCENTAGE OF RISK WEIGHTED ASSETS
Common Equity Tier 1 ratio	18.39	21.49
Tier 1 ratio	18.39	21.49
Total Capital ratio	18.66	21.80

CREDIT RISK	GROSS CREDIT RISK	QUARTERLY AVG. GROSS CREDIT RISK	AMOUNT IMPAIRED	AMOUNT PAST 90 DAYS DUE	SPECIFIC PROVISION	AMOUNT WRITTEN OFF	GENERAL RESERVE FOR CREDIT LOSSES
31 DECEMBER 2020							
Loans and advances							445,500
Secured against eligible mortgages	292,121,524	279,518,197	-	636,000	-	-	-
Other loans & advances	13,522,443	13,726,858	-	-	-	-	-
Commitments & guarantees	13,392,131	6,911,448	-	-	-	-	-
Claims against other ADIs	32,482,052	41,522,350	-	-	-	-	-
Other assets	1,862,610	2,900,927	-	-	-	-	-
30 SEPTEMBER 2020							
Loans and advances							445,500
Secured against eligible mortgages	266,914,869	267,709,467	226,000	940,310	-	-	-
Other loans & advances	13,931,273	14,512,684	27,150	-	-	-	-
Commitments & guarantees	430,765	566,049	-	-	-	-	-
Claims against other ADIs	50,562,647	53,603,894	-	-	-	-	-
Other assets	3,939,244	4,058,132	-	-	-	-	-

SECURITISATION EXPOSURES	31 DECEMBER 2020 (\$)	30 SEPTEMBER 2020 (\$)
Off balance sheet		
Housing loans	41,920,208	45,096,518