



Suncorp Group Limited ABN 66 145 290 124

Suncorp Bank APS330

**for the quarter ended 31 March
2014**

Release date: 27 May 2014

**One Company
Many Brands**



Basis of preparation

This document has been prepared by Suncorp Bank to meet the disclosure obligations 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 Limited and its subsidiaries. Suncorp-Metway Limited 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 Suncorp Group's consolidated annual and interim financial reports which have been either audited or reviewed in accordance with Australian Auditing Standards.

Figures relate to the quarter ended 31 March 2014 (unless otherwise stated) and should be read in conjunction with other information concerning Suncorp Group filed with the Australian Securities Exchange (ASX).

Disclaimer

This report contains general information which is current as at 27 May 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 undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report (subject to ASX disclosure requirements).

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Overview

System credit growth remained subdued during the third quarter, significantly below long term historical averages. Growth in the Bank's core retail and business segments grew in line with system, reflecting a cautious approach to credit in a challenging environment.

Suncorp Bank has continued to strengthen its risk management in line with the Basel II Advanced Accreditation initiative and ongoing market conditions. This has encompassed revised risk selection and a review of the quality of the Bank's balance sheet. Focus on credit quality has been enhanced, including changes to underwriting standards. Specifically, the Bank is targeting the sub-80% LVR housing market and continuing its strategy of geographic diversification.

Lending growth is supported by a diversified funding strategy with the Bank having access to a range of stable retail and wholesale funding markets. The deposit to lending ratio remains well within the target range at 66%, the Common Equity Tier One ratio (CET1) increased to 8.22% and the Bank continues to hold strong levels of physical and contingent liquidity.

The Bank's impaired asset volumes increased to \$485 million. During the quarter, the Bank had one Agribusiness and two Commercial exposures, totalling \$78 million, move to impaired status. These exposures are adequately provisioned and the largest is likely to be resolved by 30 June 2014.

Drought overlay

Conditions remain challenging, particularly given the impact of the prolonged drought on the Agribusiness portfolio. The Bank will take a prudent approach to provisioning in the June quarter given the expectation of continued drought conditions into the 2015 financial year. Accordingly it expects to report a fourth quarter impairment charge of between \$35 million and \$50 million. This would result in total impairment losses to gross loans for the 2014 financial year of between 23bps and 27bps. Suncorp Bank expects impairment losses for the 2015 financial year to be within the target range of 10bps to 20bps of gross loans and advances.

Loans, advances and other receivables

	MAR-14	DEC-13	MAR-13	MAR-14 vs DEC-13	MAR-14 vs MAR-13
	\$M	\$M	\$M	%	%
Housing loans	32,017	31,329	29,714	2.2	7.8
Securitised housing loans	6,688	6,955	6,916	(3.8)	(3.3)
Total housing loans	38,705	38,284	36,630	1.1	5.7
Consumer loans	446	452	472	(1.3)	(5.5)
Retail loans	39,151	38,736	37,102	1.1	5.5
Commercial (SME)	5,746	5,666	5,472	1.4	5.0
Agribusiness	4,560	4,484	4,125	1.7	10.5
Total retail and business lending	49,457	48,886	46,699	1.2	5.9
Corporate and property	247	298	2,983	(17.1)	(91.7)
Total lending	49,704	49,184	49,682	1.1	0.0
Other receivables	50	100	75	(50.0)	(33.3)
Gross banking loans, advances and other receivables	49,754	49,284	49,757	1.0	(0.0)
Provision for impairment	(219)	(210)	(418)	4.3	(47.6)
Loans, advances and other receivables	49,535	49,074	49,339	0.9	0.4
Credit risk weighted assets	25,979	25,407	28,536	2.3	(9.0)
Geographical breakdown - Total lending					
Queensland	28,632	28,448	28,974	0.6	(1.2)
New South Wales	12,021	11,777	11,675	2.1	3.0
Victoria	4,393	4,372	4,563	0.5	(3.7)
Western Australia	3,153	3,119	3,120	1.1	1.1
South Australia and other	1,505	1,468	1,350	2.5	11.5
Outside of Queensland loans	21,072	20,736	20,708	1.6	1.8
Total lending	49,704	49,184	49,682	1.1	0.0

Retail Lending

The retail lending portfolio grew 1.1% to \$39.2 billion (including securitised assets). Growth is in line with system which is growing well below long term trends.

The focus on improving credit quality is reflected in lower disbursements in the home lending portfolio as the Bank targets the below 80% LVR market. Geographic diversification continues through a now well-established interstate footprint and intermediated offerings.

The consumer lending portfolio, comprising personal loans and margin lending, decreased 1.3%. Higher repayment rates associated with ongoing consumer deleveraging continue to impact this portfolio.

Business Lending

Commercial (SME)

The Bank's SME portfolio increased to \$5.8 billion, up 1.4%. Growth was broad based across various industries. Portfolio geographic diversification continues with the strategic move to drive interstate SME lending.

Agribusiness

The Agribusiness portfolio increased to \$4.6 billion, up 1.7% over the quarter. Growth has moderated as the Bank takes a measured approach to risk selection in the current environment. The Bank has a long heritage in Agribusiness and remains committed to this segment.

Corporate and Property

The corporate and property portfolio reduced by \$51 million to \$247 million, with runoff in both the performing and impaired portfolios.

Impairment losses on loans and advances

	QUARTER ENDED			MAR-14	MAR-14
	MAR-14	DEC-13	SEP-13	vs DEC-13	vs SEP-13
	\$M	\$M	\$M	%	%
Collective provision for impairment	10	4	(9)	150.0	(211.1)
Specific provision for impairment	21	22	26	(4.5)	(19.2)
Actual net write-offs	(1)	1	1	(200.0)	(200.0)
	30	27	18	11.1	66.7
Impairment losses to gross loans and advances (annualised)	0.24%	0.22%	0.15%		
Impairment losses to risk weighted assets (annualised)	0.47%	0.42%	0.29%		

Impairment losses were \$30 million.

The \$10 million increase in the collective provision is driven by a seasonal increase in home lending past dues and growth in the Commercial book. Overall the impairment losses of 24 bps of gross loans and advances are above the Bank's target range of 10bps to 20bps.

Ongoing drought conditions and a subdued rural property market have heightened stress across the Agribusiness segment. With indicators suggesting continued pressure over the near term, the level of provision coverage will be boosted by a prudent drought overlay in the fourth quarter.

	MAR-14	DEC-13	SEP-13	MAR-14 vs DEC-13	MAR-14 vs SEP-13
	\$M	\$M	\$M	%	%
Gross balances of individually impaired loans					
with specific provisions set aside	369	335	407	10.1	(9.3)
without specific provisions set aside	116	81	60	43.2	93.3
Gross impaired assets	485	416	467	16.6	3.9
Specific provision for impairment	(112)	(113)	(146)	(0.9)	(23.3)
Net impaired assets	373	303	321	23.1	16.2
Size of gross individually impaired assets					
Less than one million	32	34	35	(5.9)	(8.6)
Greater than one million but less than ten million	226	204	228	10.8	(0.9)
Greater than ten million	227	178	204	27.5	11.3
	485	416	467	16.6	3.9
Past due loans not shown as impaired assets	478	445	442	7.4	8.1
Gross non-performing loans	963	861	909	11.8	5.9
Analysis of movements in gross individually impaired assets					
Balance at the beginning of the period	416	467	506	(10.9)	(17.8)
Recognition of new impaired assets	148	39	74	279.5	100.0
Increases in previously recognised impaired assets	3	(1)	2	(400.0)	50.0
Impaired assets written off/sold during the period	(18)	(51)	(73)	(64.7)	(75.3)
Impaired assets which have been reclassified as performing assets or repaid	(64)	(38)	(42)	68.4	52.4
Balance at the end of the period	485	416	467	16.6	3.9

	MAR-14	DEC-13	SEP-13	MAR-14 vs DEC-13	MAR-14 vs SEP-13
	\$M	\$M	\$M	%	%
Gross balances of individually impaired loans					
Retail lending	35	28	36	25.0	(2.8)
Agribusiness lending	210	182	166	15.4	26.5
Commercial/SME lending	117	57	50	105.3	134.0
Corporate and property	123	149	215	(17.4)	(42.9)
Gross impaired assets	485	416	467	16.6	3.8
Specific provision for impairment	(112)	(113)	(146)	(0.9)	(23.3)
Net impaired assets	373	303	321	23.1	16.1

Impaired assets

Gross impaired assets increased \$69 million or 16.6%, with one Agribusiness and two Commercial exposures totalling \$78 million moving to impaired status. Despite the increase, gross impaired assets represent less than 1% of the total lending portfolio.

The overall number of impaired accounts remains relatively low. Drought conditions in North West Queensland are a contributing factor in relation to the increase in Agribusiness impaired assets.

The largest impaired Commercial exposure is likely to be resolved by 30 June 2014.

Past due loans (not shown as impaired)

Past due loans increased by \$33 million or 7.4%, driven by seasonality and an increase in hardship volumes.

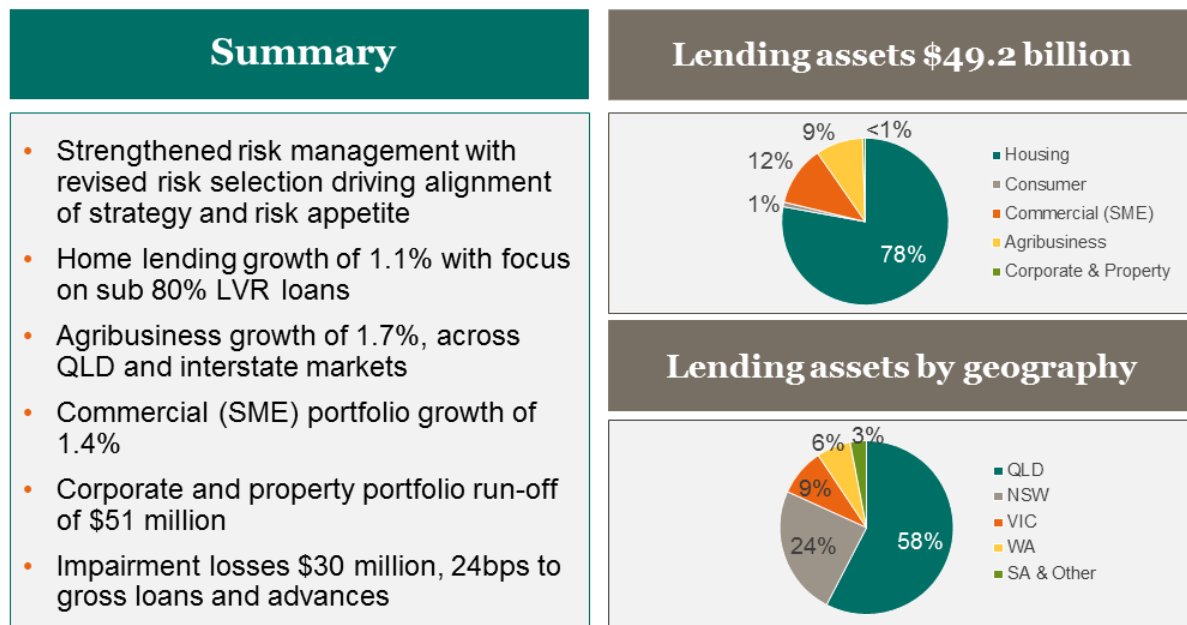
Past due loans reported at 31 March 2014 include loans that are now meeting regular repayment requirements and will ultimately return to performing status. At 31 March, there are \$45 million of loans that have met payment requirements for longer than three months and will be reclassified during the June quarter. Whilst past due loans remain at the high end of the Bank's historical performance, the Bank's level of impairments in housing loans remains low.

Provision for impairment

	MAR-14	DEC-13	SEP-13	MAR-14 vs DEC-13	MAR-14 vs SEP-13
	\$M	\$M	\$M	%	%
Collective provision					
Balance at the beginning of the period	97	93	102	4.3	(4.9)
Charge against contribution to profit	10	4	(9)	150.0	(211.1)
Balance at the end of the period	107	97	93	10.3	15.1
Specific provision					
Balance at the beginning of the period	113	146	198	(22.6)	(42.9)
Charge against impairment losses	21	22	26	(4.5)	(19.2)
Write-off of impaired assets	(18)	(51)	(73)	(64.7)	(75.3)
Unwind of interest	(4)	(4)	(5)	-	(20.0)
Balance at the end of the period	112	113	146	(0.9)	(23.3)
Total provision for impairment - Banking activities	219	210	239	4.3	(8.4)
Equity reserve for credit loss					
Balance at the beginning of the period	125	125	131	-	(4.6)
Transfer to retained earnings	(9)	-	(6)	n/a	50.0
Balance at the end of the period	116	125	125	(7.2)	(7.2)
Pre-tax equivalent coverage	166	179	179	(7.4)	(7.4)
Total provision for impairment and equity reserve for credit loss - Banking activities	385	389	418	(1.1)	(8.0)
	%	%	%		
Provision for impairment expressed as a percentage of gross impaired assets are as follows:					
Collective provision	22.1	23.3	19.9		
Specific provision	23.1	27.2	31.3		
Total provision	45.2	50.5	51.2		
Equity reserve for credit loss coverage	34.2	43.0	38.2		
Total provision and equity reserve for credit loss coverage	79.3	93.5	89.4		

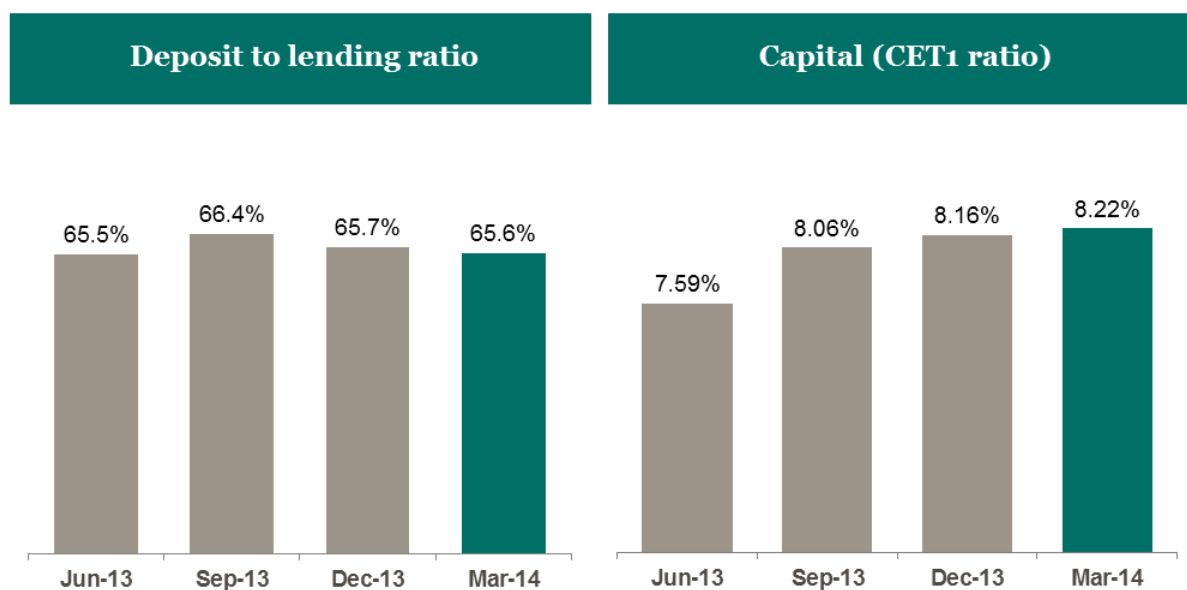
Appendix 1 – Suncorp Bank updated slide information

Suncorp Bank overview



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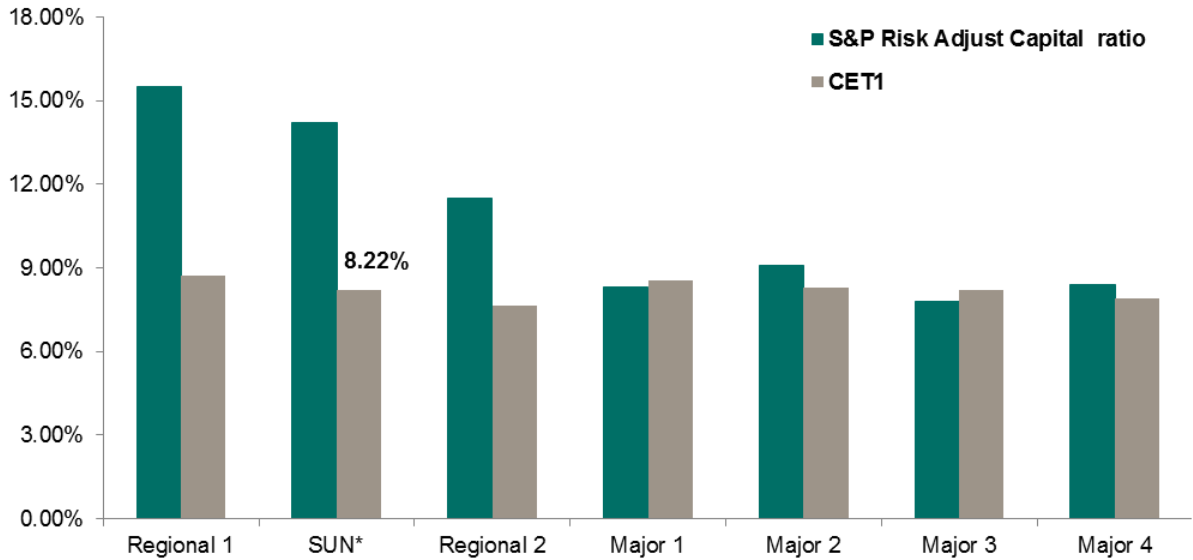
Funding and Capital



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Capital

Strong capital position for the Bank and the Group



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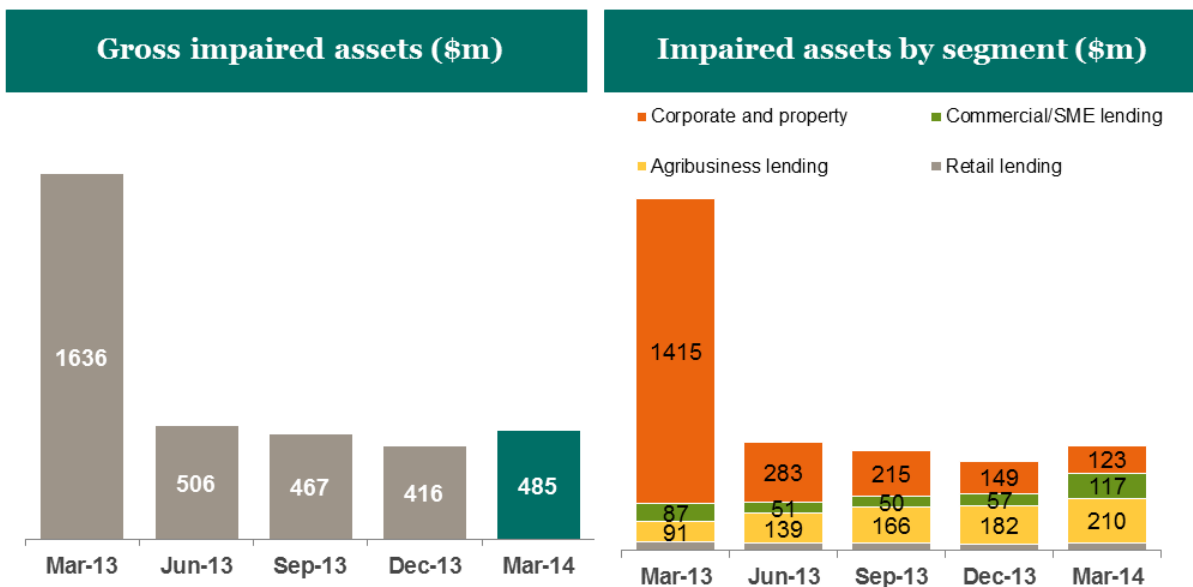
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*Suncorp Bank's estimates of RACF ratio as at September 2013
Source: Latest company reports for Regional and Major banks and S&P credit reports



Credit Quality

Impaired assets



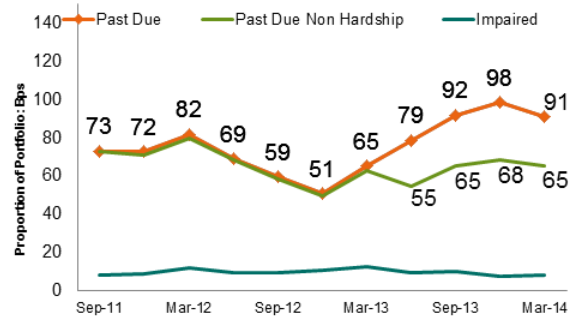
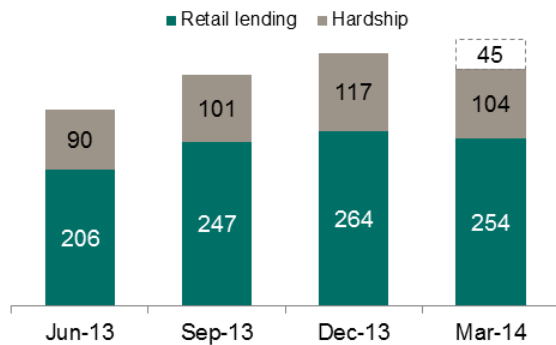
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Credit Quality

Past due Retail lending



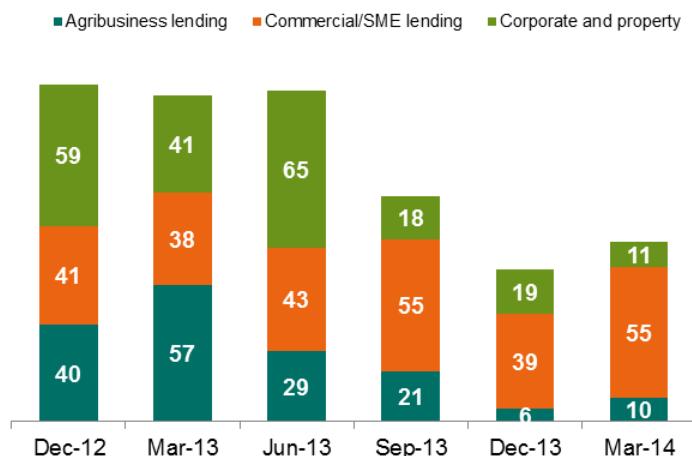
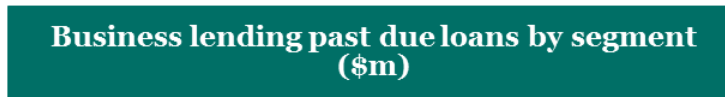
- Increase in home lending past due driven by a conservative approach to the treatment of hardship loans
- At 31 March 2014, there are \$45 million of loans that have met the repayment requirements for longer than three months and will be reclassified as performing during the June quarter.

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Credit Quality

Past due Business lending

- Past due loans in the Agribusiness & Commercial portfolios increased slightly over the quarter
- Commercial/SME past dues increased \$16m to \$55m
- Agribusiness past dues increased by \$4m to \$10m
- Corporate and Property past dues decreased by \$8m



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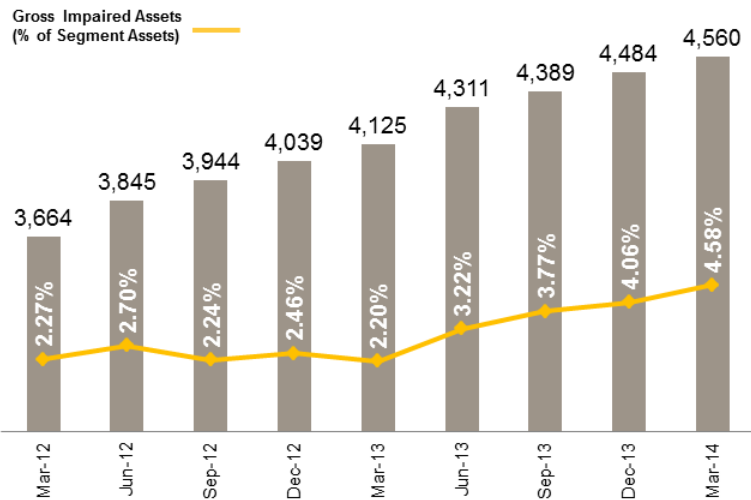
Agribusiness

Asset growth and credit quality

Outlook

- The rural sector outlook is mixed with weather related conditions and a depressed rural property market weighing on industry performance
- Recent rainfall in QLD and NSW supports an improving outlook for Grain & Mixed Farming crops
- Beef producing regions remain drought affected

Total lending and impaired %



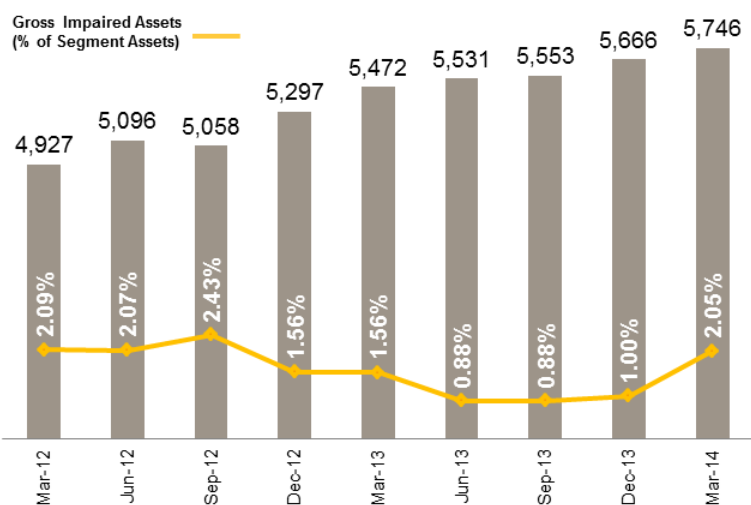
Commercial (SME)

Asset growth and credit quality

Outlook

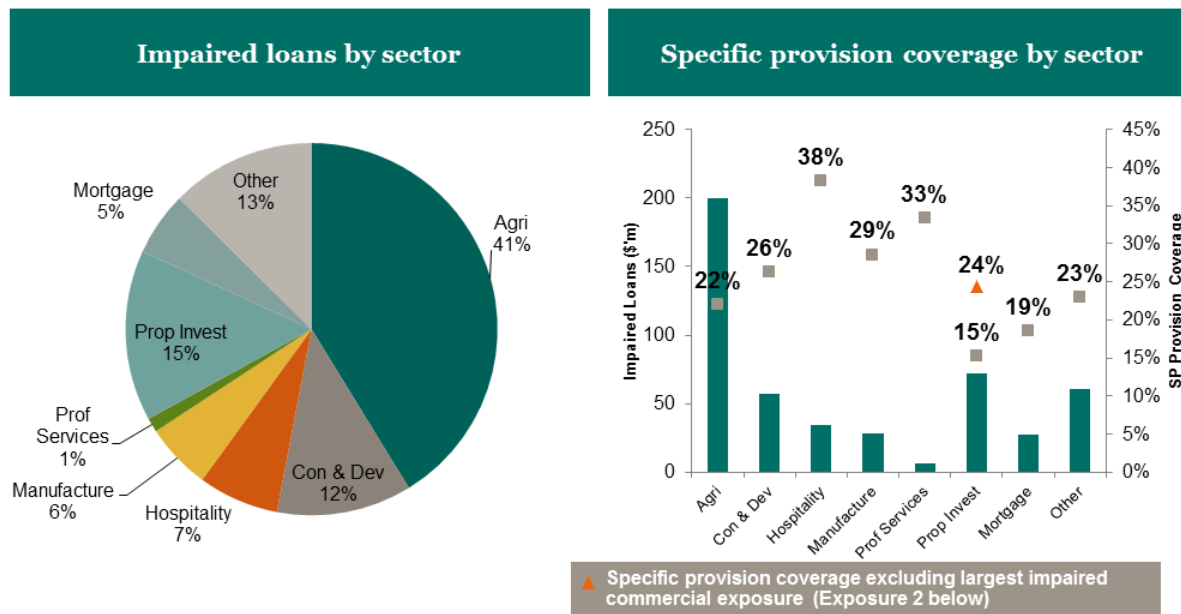
- Business conditions remain subdued and forward indicators suggest an unchanged near-term outlook

Total lending and impaired %



Credit Quality

Gross impaired loans by sector



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Credit Quality

Impairment coverage ratio

- The rise in impaired assets was due to three exposures across the Agribusiness and Commercial portfolios moving into impaired status.
- Recent valuations are such that only a small level of provisioning is required. This dilutes the specific provision coverage ratio to 23.1% at 31 March 2014.
- The Bank expects to exit Exposure 2 by 30 June 2014, along with other smaller impaired exposures, with no extra provision required.
- The Commercial portfolio remains well secured and diversified across segment and geography.

New impaired exposures	Segment	Total (\$m)	Provision (\$m)	Coverage
Exposure 1	Agribusiness	27.9	2.5	9.0%
Exposure 2	Commercial	38.3	2.8	7.3%
Exposure 3	Commercial	11.8	0.9	7.6%

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Outlook for FY15

Key targets

Lending growth	1-1.3 x system	On track
Net Interest Margin	1.75% – 1.85%	> 1.75%
Cost to Income ratio	Less than 53%	On track
Deposit to Lending ratio	60% - 70%	Maintained

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Appendix 1 - APS 330 Tables

TABLE 3: CAPITAL ADEQUACY

	CARRYING VALUE		AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	MAR-14	DEC-13	MAR-14	MAR-14	DEC-13
	\$M	\$M	%	\$M	\$M
On-balance sheet credit risk-weighted assets					
Cash Items	597	619	0	2	-
Claims on Australian and foreign Governments	1,989	1,418	-	-	-
Claims on central banks, international banking agencies, regional development banks, ADIs and overseas banks	4,937	4,771	21	1,017	1,003
Claims on securitisation exposures	1,330	1,445	20	266	289
Claims secured against eligible residential mortgages	35,952	35,482	40	14,355	13,981
Past due claims	823	668	102	837	665
Other retail assets	573	630	81	463	520
Corporate	8,862	8,621	100	8,836	8,601
Other assets and claims	209	351	97	203	348
Total Banking assets⁽¹⁾	55,272	54,005	47	25,979	25,407

⁽¹⁾ Total Banking assets differ from Banking segment assets due to the adoption of APRA classification of intangible assets, deferred tax, incorporation of trading book 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	
	MAR-14	MAR-14	MAR-14	MAR-14	DEC-13
	\$M	\$M	%	\$M	\$M
Off-balance sheet positions					
Guarantees entered into in the normal course of business	299	297	71	210	228
Commitments to provide loans and advances	7,180	1,809	58	1,057	1,115
Foreign exchange contracts	5,882	119	35	42	61
Interest rate contracts	52,055	179	49	88	84
Securitisation exposures	3,505	47	85	40	43
CVA capital charge	-	-	-	120	142
Total off-balance sheet positions	68,921	2,451	64	1,557	1,673
Market risk capital charge				333	370
Operational risk capital charge				3,275	3,275
Total on-balance sheet credit risk-weighted assets				25,979	25,407
Total Assessed Risk				31,144	30,725
Risk-weighted capital ratios				%	%
Common Equity Tier 1				8.22	8.16
Tier 1				9.66	9.63
Tier 2				3.21	3.34
Total risk-weighted capital ratio				12.87	12.97

TABLE 4: CREDIT RISK

Table 4A: Credit risk by gross credit exposure – outstanding as at 31 March 2014

	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	IM PAIRED ASSETS	PAST DUE NOT IM PAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IM PAIRED	SPECIFIC PROVISIONS
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Agribusiness	-	-	-	4,186	178	-	4,364	200	10	4,154	44
Construction & development	-	-	-	644	152	-	796	57	15	724	15
Financial services	809	1,613	5,116	320	187	298	8,343	-	-	8,343	-
Hospitality	-	-	-	989	43	-	1,032	34	-	998	13
Manufacturing	-	-	-	391	18	-	409	28	14	367	8
Professional services	-	-	-	261	11	-	272	6	1	265	2
Property investment	-	-	-	2,019	86	-	2,105	72	14	2,019	11
Real estate - Mortgage	-	-	-	35,312	1,296	-	36,608	27	394	36,187	5
Personal	-	-	-	446	11	-	457	-	9	448	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,979	124	-	2,103	61	21	2,021	14
Total gross credit risk	809	1,613	5,116	46,548	2,106	298	56,490	485	478	55,527	112
Securitisation Exposures ⁽¹⁾	-	-	1,330	3,359	34	13	4,736	-	-	4,736	-
Total including Securitisation Exposures	809	1,613	6,446	49,907	2,140	311	61,226	485	478	60,263	112
Impairment provision							(219)	(112)	(44)	(63)	
TOTAL							61,007	373	434	60,200	

⁽¹⁾ The securitisation exposures of \$3,359 million included under “Loans advances and other receivables” qualify for regulatory capital relief under APS 120 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.

⁽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 include receivables due from related parties.

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

TABLE 4: CREDIT RISK (continued)

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 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.

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

⁽⁴⁾ Receivables due from other Banks include 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 January to 31 March 2014

	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	-	-	-	4,151	177	-	4,328	184	8	4,136	42
Construction & development	-	-	-	644	147	-	791	64	18	709	17
Financial services	800	1,871	5,162	420	178	341	8,772	-	-	8,772	-
Hospitality	-	-	-	1,002	43	-	1,045	37	-	1,008	13
Manufacturing	-	-	-	397	19	-	416	28	8	380	8
Professional services	-	-	-	262	11	-	273	5	3	265	2
Property investment	-	-	-	2,004	81	-	2,085	47	8	2,030	10
Real estate - Mortgage	-	-	-	34,975	1,368	-	36,343	25	384	35,934	5
Personal	-	-	-	449	11	-	460	-	9	451	-
Government/public authorities	-	-	-	2	-	-	2	-	-	2	-
Other commercial & industrial	-	-	-	1,967	132	-	2,099	63	24	2,012	16
Total gross credit risk	800	1,871	5,162	46,273	2,167	341	56,614	453	462	55,699	113
Securitisation Exposures ⁽¹⁾	-	-	1,388	3,508	35	14	4,945	-	-	4,945	-
Total including Securitisation Exposures	800	1,871	6,550	49,781	2,202	355	61,559	453	462	60,644	113
Impairment provision							(215)	(113)	(39)	(63)	
TOTAL							61,344	340	423	60,581	

⁽¹⁾ The securitisation exposures of \$3,508 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 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.

⁽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 include receivables due from related parties.

⁽⁴⁾ Receivables due from other Banks include 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 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.

⁽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 include receivables due from related parties.

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

TABLE 4: CREDIT RISK (continued)

Table 4B: Credit risk by portfolio – 31 March 2014

	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	36,608	36,343	27	394	5	2	-
Other retail	457	460	-	9	-	1	-
Financial services	8,343	8,772	-	-	-	-	-
Government and public authorities	1	2	-	-	-	-	-
Corporate and other claims	11,081	11,037	458	75	107	17	-
Total	56,490	56,614	485	478	112	20	-

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 4C: General reserves for credit losses

	MAR-14 \$M	DEC-13 \$M
Collective provision for impairment	107	97
Ineligible Collective Provisions on Past Due not Impaired	(44)	(35)
Eligible Collective Provisions	63	62
Equity Reserve for credit losses	116	125
General Reserve for Credit losses	179	187

TABLE 5: SECURITISATION EXPOSURES

Table 5A: Summary of securitisation activity for the period

	EXPOSURES SECURITISED		RECOGNISED GAIN OR (LOSS) ON SALE	
	MAR-14	DEC-13	MAR-14	DEC-13
	\$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

Exposure type	EXPOSURE	
	MAR-14	DEC-13
	\$M	\$M
Debt securities	1,330	1,445
Total on-balance sheet securitisation exposures	1,330	1,445

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

Exposure type	PRINCIPAL OR NOTIONAL EXPOSURE	
	MAR-14	DEC-13
	\$M	\$M
Liquidity facilities	67	72
Derivative exposures	3,438	3,699
Total off-balance sheet securitisation exposures	3,505	3,771