



## **Prudential Disclosures Policy**

**Version No. 2020.1**

## Document Control

<b>Approval Date (Board)</b>	11 March 2020
<b>Version No.</b>	2020.1
<b>Next Review Date</b>	January 2021
<b>Document Owner</b>	Chief Risk Officer
<b>Prepared By</b>	Company Secretary

<b>Date</b>	<b>Version No.</b>	<b>Prepared By</b>	<b>Change Details</b>	<b>Approval Details</b>
December 2013	2013.1	Isobel Rogerson	New Policy	Approved by the ME Bank Board on 5 December 2013
December 2014	2014.1	Isobel Rogerson	Annual Review	Approved by the ME Bank Board on 4 December 2014
December 2015	2015.1	Isobel Rogerson	Annual Review	Approved by the ME Board on 3 December 2015
December 2016	2016.1	Isobel Rogerson	Annual Review	Approved by the ME Board 1 December 2016
December 2017	2017.1	Isobel Rogerson	Annual Review	Approved by the ME Board 7 December 2017
December 2018	2018.1	Adam Martin	Annual Review	Approved by the ME Board 30 January 2018
March 2020	2020.1	Freek Veldhoen & Joanna Brand	Annual Review and document control template update.	Approved by the ME Board 11 March 2020

**Once approved, an updated version of this policy must be immediately provided to the Compliance Department for inclusion on the Policy Central site.**

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## **1. Summary Information**

### **Policy Objective:**

This policy provides for ME to meet its obligations under APS330 (and other good governance practices) to make public disclosures that reflect the scope and complexity of the Bank's operations (including the sophistication of its risk management systems and processes) and are appropriate, accurate, high quality and timely. The disclosures are intended to provide information that contributes to the transparency of financial markets and enhance market discipline.

### **Application:**

This Policy applies to all ME employees.

### **Effective Date:**

1 April 2020.

### **Review Requirements:**

This Policy will be reviewed at least annually.

### **Approval:**

The ME Board is authorised to approve this policy

### **Document Owner:**

The document owner of this policy is the Chief Risk Officer.

### **Contact:**

The key contact for this policy is the Company Secretary.

### **Conflicts with Other Policies:**

Should this policy conflict with any other ME policy, the Chief Risk Officer should be contacted to resolve the discrepancy.

### **Confidentiality:**

All ME policies are confidential documents. Only the document owner can approve the release of this document to third parties.

### **Applicable Legislation:**

*Prudential Standard APS 330 - Public Disclosure*

### **Related Policies:**

Remuneration Policy

### **Penalties for Non-Compliance (organisation):**

Failure to comply with this Policy may lead to changes to ME's banking licence conditions, enforcement actions by APRA, increased supervisory activity by APRA or a change to the Bank's PAIRS and SOARS ratings within APRA.

### **Penalties for Non-Compliance (individual):**

All breaches of this policy will be investigated and may lead to disciplinary action, including dismissal.

### **Record Keeping:**

Please refer to the Archiving section of this policy (paragraph 6.6).

## 2. Definitions

The following terms (listed in alphabetical order) are utilised throughout this policy:

**AGC** means the Board Audit and Governance Committee.

**APRA** means the Australian Prudential Regulation Authority.

**APS 330** means *Prudential Standard APS 330 - Public Disclosure*.

**Confidential Information** is information which ME possesses about customers or other persons that is confidential, being provided under the terms of a legal agreement or counterparty relationship. Confidential Information includes information where:

- a) it would be a breach of a law to disclose the information;
- b) the information concerns an incomplete proposal or negotiation;
- c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- d) the information is generated for ME's internal management purposes; or
- e) the information is a trade secret.

**Disclosure** is a prudential disclosure required to be made under APS 330.

**Disclosure Schedule** is the schedule of required disclosures, including timing, frequency, method of publication and special requirements, provided in the Appendix to this policy.

**LCR** means the liquidity coverage ratio as defined in APS 330.

**Material** means information which if omitted or misstated could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

**Material risk-takers** are employees who receive a significant proportion of performance-based remuneration as defined in the ME Remuneration Policy.

**NSFR** means the net stable funding ratio as defined in APS 330.

**Other Disclosures** are public disclosures of information made by ME from time to time in addition to those required under APS 330.

**Personal information** means information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion or as otherwise defined in the *Privacy Act 1988 (Cth)* as amended from time to time.

**Proprietary Information** is information that, if shared with competitors, would render a ME investment in its products/systems less valuable by undermining its competitive position.

**Remuneration Disclosures** are disclosures relating to remuneration, as listed in Attachment G of APS 330.

**Senior Managers** are "responsible persons" as defined by the ME Fit and Proper Policy, excluding the directors and external auditor.

### **3. Context and purpose of disclosures**

- 3.1. The purpose of ME's Disclosures is to contribute to the transparency of financial markets and enhance market discipline by making accurate, high quality and timely public disclosures of information on the Bank's risk profile, risk management, capital adequacy, capital instruments and remuneration practices.
- 3.2. ME's Disclosures will be consistent with the scope and complexity of its operations and the sophistication of its risk management systems and processes.
- 3.3. ME's approach to Disclosures reflects its status as an unlisted public company with a detailed strategy for direct shareholder communications.

### **4. Disclosures required under APS 330**

- 4.1. Disclosures that must be made by ME are listed in the Disclosures Schedule.
- 4.2. Further Disclosures will be made upon written request from APRA.

### **5. Other Disclosures**

ME may from time to time make Other Disclosures, as good governance requires. The same principles in determining the content of the Disclosures will apply to the content of the Other Disclosures.

### **6. Content of disclosures**

#### **6.1. Materiality**

- 6.1.1. Disclosures must be Material.
- 6.1.2. Management will determine the materiality of disclosures with reference to relevant accounting standards, industry practice, and if necessary, advice from the Bank's external auditor or other external advisor.

#### **6.2. No disclosure of Proprietary, Confidential or Personal Information**

- 6.2.1. Items that are Proprietary, Confidential or Personal Information will not be included in a Disclosure if to do so may prejudice the Bank's, or another person's, position. This will be determined on a case by case basis.
- 6.2.2. If, pursuant to paragraph 6.2.1, an item is not included in a Disclosure, the Disclosure must instead include:
  - a) general information about the subject matter of the requirement, and
  - b) the fact that, and the reason why, the specific item of information has not been disclosed.

#### **6.3. Remuneration Disclosures**

- 6.3.1. Remuneration Disclosures will include the basis on which the remuneration is awarded and paid.

#### **6.4. Verification of content of disclosures**

- 6.4.1. Responsibility for the verification of the Disclosures is set out in the Appendix.
- 6.4.2. Disclosures must be consistent with information that:
  - a) has been subject to review by an external auditor; and
  - b) is lodged or published elsewhere or that has been already supplied to APRA.

#### **6.5. Timing, frequency and method of publication**

- 6.5.1. The required frequency and method of Disclosures are set out in the Disclosures Schedule.

#### **6.6. Archiving**

- 6.6.1. Disclosures published in the 'Regulatory Disclosures' section of the ME website must be made available for at least 12 months.
- 6.6.2. Records of all Disclosures must be kept for a minimum of seven years.

## **7. Roles & Responsibilities**

### **7.1. Board**

The Board is responsible for approving this Policy and the Remuneration Disclosures.

### **7.2. AGC**

The AGC is responsible for determining the Bank's approach to the content of its Disclosures.

### **7.3. CFO**

The Chief Financial Officer is responsible for approving all disclosures except the Remuneration Disclosures.

### **7.4. Other Employees**

7.4.1. The Chief Risk Officer is responsible for reviewing this Policy.

7.4.2. The Regulatory Reporting team is responsible for preparing all disclosures except the Remuneration Disclosures.

7.4.3. The Financial Controller is responsible for reviewing all disclosures (where relevant, with the other employees listed in the table below) except the Remuneration Disclosures.

7.4.4. Employees of the Credit Risk, Market Risk and Treasury are responsible for the verification control on the disclosures listed in the Annex.

7.4.5. The GM People Central is responsible for the preparation of the Remuneration Disclosures.

7.4.6. The Chief Experience Officer is responsible for the verification control on the Remuneration Disclosures.

## Appendix: Disclosures Schedule

Disclosure	Timing and frequency	Publication Requirements	Special Reporting Requirements	Preparation	Verification Control	Approval
Capital disclosure requirements - composition of regulatory capital in a standard form. (Attachment A of APS 330)	Annual disclosure. Made concurrently with the lodgement of the ME Annual Financial Report with ASIC.  Disclosure information is as at the balance sheet date of the corresponding financial report.	'Regulatory Disclosures' section of the ME website.	N/A	Regulatory Reporting	Review by: - Financial Controller against audited Annual Financial Report and general ledger as part of approval process; and  - Market Risk.	Chief Financial Officer
Capital disclosure requirements - reconciliation between the composition of regulatory capital and audited financial statements. (Regulatory Capital reconciliation in paragraph 12 APS 330)	Annual disclosure. Made concurrently with the lodgement of the ME Annual Financial Report with ASIC.  Disclosure information is as at the balance sheet date of the corresponding financial report.	'Regulatory Disclosures' section of the ME website.	N/A	Regulatory Reporting	Review by: - Financial Controller against audited Annual Financial Report and general ledger as part of approval process; and  - Market Risk.	Chief Financial Officer
Capital disclosure requirements - full terms and conditions of regulatory capital instruments and the	Published continuously as changes occur.	'Regulatory Disclosures' section of the ME website.	The disclosures must be updated within seven calendar days if the following occurs:	Regulatory Reporting	Review by: - Treasury; and  - Market Risk.	Chief Financial Officer



Disclosure	Timing and frequency	Publication Requirements	Special Reporting Requirements	Preparation	Verification Control	Approval
<p>main features of these instruments in a standard form. (Attachment B of APS 330)</p>			<p>(a) a new capital instrument is issued and included in Regulatory Capital; or</p> <p>(b) a capital instrument is redeemed, converted into Common Equity Tier 1 Capital, written off or otherwise changes in nature.</p>			
<p>Risk exposures and assessment disclosures - quantitative and qualitative information about capital adequacy, credit and other risks. (Attachment C of APS 330)</p>	<p>Quarterly reporting:</p> <ul style="list-style-type: none"> <li>• The Q4 disclosure must be published concurrently with the lodgement of the ME Annual Financial Report with ASIC.</li> <li>• The Q1, Q2 and Q3 disclosures must be published within 40 business days of the end of the relevant quarter.</li> </ul>	<p>'Regulatory Disclosures' section of the ME website.</p>	<p>The disclosures must include comparative information from the previous disclosure period.</p>	<p>Regulatory Reporting</p>	<p>Review by:</p> <ul style="list-style-type: none"> <li>- Financial Controller by reference to previous quarters reporting and other relevant reporting;</li> <li>- Market Risk;</li> <li>- (Table 4) review by Credit Risk by reference to other relevant reporting; and</li> <li>- (Table 5) review by Treasury by reference to other relevant reporting</li> </ul>	<p>Chief Financial Officer</p>

Disclosure	Timing and frequency	Publication Requirements	Special Reporting Requirements	Preparation	Verification Control	Approval
<p>Liquidity disclosures requirements – LCR and NSFR including composition of assets relevant for the calculation of those ratios. Disclosures are in each case to be made in a standard form. (Attachment F of APS 330)</p>	<p><b>LCR:</b> Quarterly reporting:</p> <ul style="list-style-type: none"> <li>• The Q4 disclosure must be published concurrently with the lodgement of the ME Annual Financial Report with ASIC.</li> <li>• The Q1, Q2 and Q3 disclosures must be published within 40 business days of the end of the relevant quarter.</li> </ul> <p><b>NSFR:</b>  Annual disclosure. Made concurrently with the lodgement of the ME Annual Financial Report with ASIC</p>	<p>'Regulatory Disclosures' section of the ME website.</p>	<p><b>LCR:</b>  The disclosures must include comparative information from the previous disclosure period.</p> <p><b>NSFR:</b>  The disclosures must be made in respect of each quarter for two consecutive quarters. The disclosure for the second quarter must be made as at the balance sheet date of the corresponding financial report.</p>	<p>Regulatory Reporting</p>	<p>Review by:</p> <ul style="list-style-type: none"> <li>- Treasury; and</li> <li>- Market Risk</li> </ul>	<p>Chief Financial Officer</p>
<p>Remuneration Disclosures - quantitative and qualitative information on its approach to remuneration, including aggregate information on its</p>	<p>Annual disclosure. Due within 3 months of the date the ME Annual Financial Report is filed with ASIC.</p>	<p>'Regulatory Disclosures' section of the ME website.</p>	<p>The disclosures must include comparative quantitative information from the previous disclosure period.</p>	<p>GM People Central</p>	<p>Review by Chief Experience Officer</p>	<p>ME Board</p>

<b>Disclosure</b>	<b>Timing and frequency</b>	<b>Publication Requirements</b>	<b>Special Reporting Requirements</b>	<b>Preparation</b>	<b>Verification Control</b>	<b>Approval</b>
remuneration of Senior Managers and Material risk-takers. (Attachment G of APS 330)						