



## **APRA Basel III Pillar 3 Disclosures.**

For the quarter ended:  
31 December 2021.

MEMBERS EQUITY BANK LIMITED



**Attachment A****Table 1: Common Disclosure Template**

(ME Bank is using the post 1 January 2018 capital disclosure template because it is fully applying the Basel III regulatory adjustments as implemented by APRA)

		<b>\$m</b>
<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	807.9
2	Retained earnings	600.2
3	Accumulated other comprehensive income (and other reserves)	16.9
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	1,425.0
<b>Common Equity Tier 1 capital : regulatory adjustments</b>		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	-
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	12.9
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	-
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	224.3
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	(13.8)
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	3.0
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	32.6
26f	of which: capitalised expenses	201.4
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	1.1
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
<b>28</b>	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>237.2</b>
<b>29</b>	<b>Common Equity Tier 1 Capital (CET1)</b>	<b>1,187.8</b>
<b>Additional Tier 1 Capital: instruments</b>		
30	Directly issued qualifying Additional Tier 1 instruments	297.5
31	of which: classified as equity under applicable accounting standards	297.5
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	-
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
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)	297.5
45	Tier 1 Capital (T1=CET1+AT1)	1,485.3
<b>Tier 2 Capital: instruments and provisions</b>		
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	63.8
51	Tier 2 Capital before regulatory adjustments	63.8
<b>Tier 2 Capital: regulatory adjustments</b>		
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	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)	63.8
59	Total capital (TC=T1+T2)	1,549.2
60	Total risk-weighted assets based on APRA standards	10,274.5

<b>Capital ratios and buffers</b>		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	11.56%
62	Tier 1 (as a percentage of risk-weighted assets)	14.46%
63	Total capital (as a percentage of risk-weighted assets)	15.08%
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	of which: capital conservation buffer requirement	2.50%
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)	4.56%
<b>National minima (if different from Basel III)</b>		
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)	-
<b>Amount below thresholds for deductions (not risk-weighted)</b>		
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)	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	63.8
77	Cap on inclusion of provisions in Tier 2 under standardised approach	108.0
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	-
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>		
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)	-

**Attachment B**
**Table 2: Main Features of Capital Instruments - Share Capital**

1	Issuer	Members Equity Bank Limited
2	Unique identifier	-
3	Governing law(s) of the instrument	Corporations Act 2001 (Cth)
<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible for solo/group/group & solo	Solo and Group
7	Instrument type	Ordinary shares
8	Amount recognised in Regulatory Capital	\$807.9 million
9	Par value of instrument	-
10	Accounting classification	Shareholders' equity
11	Original date of issuance	Various dates
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	"Optional call date, contingent call dates and redemption amount"	-
16	Subsequent call dates	-
<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	-
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, mandatory or optional conversion	-
28	If convertible, specify instrument type convertible into	-
29	If convertible, specify issuer of instrument it converts into	-

30	Write-down feature	No
31	If write-down, write-down trigger(s)	-
32	If write-down, full or partial	-
33	If write-down, permanent or temporary	-
34	if temporary write-down, description of write-up mechanism	-
35	Position in subordination hierarchy in liquidation	Fully subordinated
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	-

**Attachment B**

**Table 2: Main Features of Capital Instruments - Additional Tier 1**

1	Issuer	Members Equity Bank Limited
2	Unique identifier	AU3FN0039459
3	Governing law(s) of the instrument	Victoria, Australia
<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Additional Tier 1
6	Eligible for solo/group/group & solo	Solo and Group
7	Instrument type	Subordinated notes
8	Amount recognised in Regulatory Capital	AUD \$198.4 million
9	Par value of instrument	AUD \$200 million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	28 November 2017
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	"Optional call date, contingent call dates and redemption amount"	<p>"Members Equity Bank has the right (but not an obligation) to Redeem the Capital Notes. Unless a Tax Event or a Regulatory Event occurs, Members Equity Bank will only have a right to Redeem the Capital Notes on or after the fifth anniversary of the date of issue of the Capital Notes.</p> <p>Members Equity Bank may also elect to Redeem all or some Capital Notes following the occurrence of a Tax Event or a Regulatory Event. The Capital Notes may not be Redeemed on the occurrence of a Non-Viability Trigger Event.</p> <p>Members Equity Bank may only Redeem the Capital Notes if it has received APRA's prior written approval (which may or may not be given). APRA must be satisfied that, before or concurrently with Redemption:</p> <p>a) the Capital Notes will be replaced with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Capital Notes, and the replacement must be done under conditions that are sustainable for Members Equity Bank's income capacity; or</p> <p>b) having regard to the capital position of Members Equity Bank and the ME Group, Members Equity Bank does not have to replace the Capital Notes."</p>
16	Subsequent call dates	Fifth anniversary of the issue date, or any subsequent distribution payment date. (Distribution payment dates occur quarterly).



<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	3 month BBSW mid + 525 bps, quarterly in arrears
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	<p>"Capital Notes must be Written-off if a Non-Viability Trigger Event occurs. A Non-Viability Trigger Event means the earlier of:</p> <p>a) the issuance of a notice in writing by APRA to Members Equity Bank that the conversion or write-off of Relevant Securities is necessary because, without it, APRA considers that Members Equity Bank would become non-viable; or</p> <p>b) a determination by APRA notified to Members Equity Bank that without a public sector injection of capital (or equivalent capital support), Members Equity Bank would become non-viable.</p> <p>If a Non-Viability Trigger Event occurs, Members Equity Bank must convert or write-off some or all Relevant Securities (and in the case of Capital Notes, must write-off some or all Capital Notes). Where the Capital Notes are Written-off, all rights of Holders will be terminated with effect on and from the date of the Non-Viability Trigger Event."</p>
32	If write-down, full or partial	May be written down in full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	

35	Position in subordination hierarchy in liquidation	" a) ahead of common equity;
		b) equally without any preference among themselves for each series and with the holders of Equal Ranking Instruments; and
		c) behind the claims of subordinated Tier 2 instruments and Senior Creditors of Members Equity Bank. "
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	

## Attachment B

**Table 2: Main Features of Capital Instruments - Additional Tier 1**

1	Issuer	Members Equity Bank Limited
2	Unique identifier	AU3FN0046215
3	Governing law(s) of the instrument	Victoria, Australia
<b>Regulatory treatment</b>		
4	Transitional Basel III rules	Additional Tier 1
5	Post-transitional Basel III rules	Additional Tier 1
6	Eligible for solo/group/group & solo	Solo and Group
7	Instrument type	Subordinated notes
8	Amount recognised in Regulatory Capital	AUD \$99.1 million
9	Par value of instrument	AUD \$100 million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	5 December 2018
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	<p>Members Equity Bank has the right (but not an obligation) to Redeem the Capital Notes. Unless a Tax Event or a Regulatory Event occurs, Members Equity Bank will only have a right to Redeem the Capital Notes on or after the <b>fifth anniversary</b> of the date of issue of the Capital Notes.</p> <p>Members Equity Bank may also elect to Redeem all or some Capital Notes following the occurrence of a Tax Event or a Regulatory Event. The Capital Notes may not be Redeemed on the occurrence of a Non-Viability Trigger Event.</p> <p>Members Equity Bank may only Redeem the Capital Notes if it has received APRA's prior written approval (which may or may not be given). APRA must be satisfied that, before or concurrently with Redemption:</p> <p>a) the Capital Notes will be replaced with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Capital Notes, and the replacement must be done under conditions that are sustainable for Members Equity Bank's income capacity; or</p> <p>b) having regard to the capital position of Members Equity Bank and the ME Group, Members Equity Bank does not have to replace the Capital Notes.</p>
16	Subsequent call dates	Fifth anniversary of the issue date, or any subsequent distribution payment date. (Distribution payment dates occur quarterly).
<b>Coupons/dividends</b>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	3 month BBSW mid + 500 bps, quarterly in arrears
19	Existence of a dividend stopper	Yes

Attachment B

Table 2: Main Features of Capital Instruments - Additional Tier 1 (continued)

20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	<p>Capital Notes must be Written-off if a Non-Viability Trigger Event occurs. A Non-Viability Trigger Event means the earlier of:</p> <p>a) the issuance of a notice in writing by APRA to Members Equity Bank that the conversion or write-off of Relevant Securities is necessary because, without it, APRA considers that Members Equity Bank would become non-viable; or</p> <p>b) a determination by APRA notified to Members Equity Bank that without a public sector injection of capital (or equivalent capital support), Members Equity Bank would become non-viable.</p> <p>If a Non-Viability Trigger Event occurs, Members Equity Bank must convert or write-off some or all Relevant Securities (and in the case of Capital Notes, must write-off some or all Capital Notes). Where the Capital Notes are Written-off, all rights of Holders will be terminated with effect on and from the date of the Non-Viability Trigger Event.</p>
32	If write-down, full or partial	May be written down in full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation	<p>a) ahead of common equity;</p> <p>b) equally without any preference among themselves for each series and with the holders of Equal Ranking Instruments; and</p> <p>c) behind the claims of subordinated Tier 2 instruments and Senior Creditors of Members Equity Bank.</p>
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	

Attachment C  
Table 3: Capital Adequacy

<b>Risk weighted assets</b>	<b>31-Dec-21 (\$'m)</b>	<b>30-Sep-21 (\$'m)</b>
Credit risk exposures by portfolio:		
Government	-	-
Bank	214.0	280.5
Residential mortgage	8,116.2	8,023.4
Corporate	-	90.4
Other retail	198.0	196.8
Other	86.1	84.4
<b>Total credit risk exposures</b>	<b>8,614.3</b>	<b>8,675.4</b>
Securitisation exposures	26.1	28.5
Market risk exposures	-	-
Operational risk exposures	1,634.1	1,597.7
<b>Total risk weighted assets</b>	<b>10,274.5</b>	<b>10,301.6</b>
<b>Common equity Tier 1 capital ratio</b>	<b>11.56%</b>	<b>11.13%</b>
<b>Tier 1 capital ratio</b>	<b>14.46%</b>	<b>14.02%</b>
<b>Total capital ratio</b>	<b>15.08%</b>	<b>14.64%</b>

**Table 4: Credit Risk**

Credit risk exposures	31-Dec-21 (\$'m)	30-Sep-21 (\$'m)	31-Dec-21 (\$'m)	30-Sep-21 (\$'m)
	Gross Exposure		Average Exposure	
Cash and Due from Financial Institutions	352.4	419.3	439.3	482.8
Debt Securities	3,906.6	4,056.3	3,761.1	3,688.3
Loans and Advances	21,144.9	20,907.4	21,161.9	21,170.4
Other	102.8	101.3	102.7	102.6
Commitments & other non market off balance sheet exposures	2,864.4	2,709.4	2,772.1	2,726.0
Market Related Off Balance Sheet	53.5	11.3	25.3	11.2
<b>Total</b>	<b>28,424.6</b>	<b>28,205.0</b>	<b>28,262.5</b>	<b>28,181.4</b>
<b>Portfolio type</b>				
Government	3,689.4	3,466.1	3,292.3	3,093.7
Bank	464.1	812.3	739.2	876.7
Residential mortgage	23,524.6	23,110.7	23,429.5	23,382.0
Corporate	-	90.4	56.8	85.2
Other retail	445.5	457.6	460.4	467.8
Other	301.0	267.9	284.2	275.8
<b>Total</b>	<b>28,424.6</b>	<b>28,205.0</b>	<b>28,262.5</b>	<b>28,181.4</b>

Table 4: Credit Risk (continued)

Impaired and Past Due Facilities by portfolio	Impaired loans (\$'m)	Past due loans >90 days (\$'m)	Specific provision balance (\$'m)	Charges for specific provision (\$'m)	Write-offs (\$'m)
<b>31 December 2021</b>					
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential mortgage	26.7	195.3	17.0	(0.6)	0.2
Corporate	-	-	-	0.6	0.6
Other retail	6.2	-	4.1	-	0.8
Other	-	-	-	-	-
<b>Total</b>	<b>32.9</b>	<b>195.3</b>	<b>21.1</b>	<b>-</b>	<b>1.6</b>

<b>30 September 2021</b>					
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential mortgage	32.3	228.1	17.8	(1.6)	0.3
Corporate	-	-	-	0.7	0.7
Other retail	6.1	-	4.8	0.3	0.7
Other	-	-	-	-	-
<b>Total</b>	<b>38.4</b>	<b>228.1</b>	<b>22.6</b>	<b>(0.6)</b>	<b>1.7</b>

General reserve for credit losses	31-Dec-21 (\$'m)	30-Sep-21 (\$'m)
<b>General reserve for credit loss</b>		
From collective provision	52.9	53.2
From retained earnings	10.9	11.1
<b>Total</b>	<b>63.8</b>	<b>64.3</b>

Note: (1) Reconciliation of impaired loans reported in table 4(b) above to note 26 (risk management) in the annual financial statements.

	31-Dec-21 (\$'m)
Balance per table 4(b) above	<b>32.9</b>
Add: *Impaired loans from securitisation trusts that meet the requirements for regulatory capital relief.under APS 120.	-
Less: *Restructured facilities reported as impaired loans under APS 220.	0.5
<b>Impaired loans reported in the financial statements</b>	<b>32.4</b>

Securitisation trusts that meet the requirements for regulatory capital relief.under APS 120.

**Table 5: Securitisation Exposures**

<b>Exposure type</b>	<b>Current period securitisation activity (\$'m) 31-Dec-21</b>	<b>Gain/loss on sale (\$'m) 31-Dec-21</b>	<b>Current period securitisation activity (\$'m) 30-Sep-21</b>	<b>Gain/loss on sale (\$'m) 30-Sep-21</b>
Payment funding facility (drawn)	-	-	(0.2)	-
Payment funding facility (undrawn)	-	-	-	-
Liquidity funding facility (drawn)	(5.7)	-	(4.8)	-
Liquidity funding facility (undrawn)	(0.1)	-	(1.3)	-
Securities held in the banking book	(10.2)	-	(8.7)	-
<b>Total</b>	<b>(16.0)</b>	<b>-</b>	<b>(15.0)</b>	<b>-</b>

<b>Securitisation exposure</b>	<b>31-Dec-21 (\$'m)</b>	<b>30-Sep-21 (\$'m)</b>
<b>On-balance sheet securitisation exposure retained or purchased</b>		
Payment funding facility (drawn)	0.0	0.0
Liquidity funding facility (drawn)	25.1	30.8
Securities held in the banking book	105.4	115.6
<b>Off-balance sheet securitisation exposure</b>		
Payment funding facility (undrawn)	-	-
Liquidity funding facility (undrawn)	13.0	13.1
Redraw funding facility (undrawn)	17.8	12.7
<b>Total</b>	<b>161.3</b>	<b>172.2</b>



## Attachment F

As per APRA reporting standard APS 210, APRA requires ADIs to maintain a minimum 100% Liquidity Coverage Ratio (LCR). The LCR requires banks to hold sufficient High Quality Liquid Assets (HQLA) to meet net cash outflows over a 30-day period, under a regulator-defined stress scenario.

ME's LCR for the quarter ending 31 December 2021 is presented in the following table (Table 20: LCR disclosure template), using the disclosure template specified in Attachment F of APS 210 and is based on a simple average of daily LCR calculations for the quarter (i.e. 64 data points for the quarter ended 31 December 2021).

The Risk Appetite Statement (RAS) is approved by the Board and managed via the relevant management committee. The Asset and Liability Committee (ALCO) is tasked with the management and oversight of the Bank's financial risk exposures within the Board-set risk appetite. This includes capital, liquidity and funding, and interest rate risk in the banking book.

Treasury manages the Bank's liquidity and funding positions in accordance with the Board approved RAS and policy delegations. LCR is calculated daily by Treasury for liquidity management purposes and to ensure regulatory and internal buffers are maintained. The Market and Liquidity Risk department provide independent oversight of Treasury and calculate and report the Bank's LCR on a daily basis.

NCO volatility is the primary driver of fluctuations in LCR. NCO is managed by Treasury with the Bank holding sufficient liquidity buffers to absorb potential unexpected volatility.

ME's mix of High Quality Liquid Assets (HQLA), include cash, deposits with central banks, Australian Semi Government and Commonwealth Government securities. Liquid assets also include repo-eligible securities with the Reserve Bank of Australia held as Committed Liquidity Facility (CLF) collateral. ME's CLF is fully collateralised at all times.

Table 20: Liquidity coverage ratio disclosure template

Liquid assets, of which:		31-Dec-21	
		Total unweighted value (average)	Total weighted value (average)
		(A\$m)	(A\$m)
1	High-quality liquid assets (HQLA)	3,443.1	3,443.1
2	Alternative liquid assets (ALA)	4,159.0	1,900.0
3	Reserve Bank of New Zealand (RBNZ) securities		
<b>Cash outflows:</b>			
4	Retail deposits and deposits from small business customers, of which:	11,386.1	1,523.8
5	stable deposits	4,882.0	244.1
6	less stable deposits	6,491.3	1,266.9
7	Unsecured wholesale funding, of which:	1,572.4	974.1
8	operational deposits (all counterparties) and deposits in networks for cooperative banks		
9	non-operational deposits (all counterparties)	1,427.7	829.4
10	unsecured debt	144.6	144.6
11	Secured wholesale funding	15.9	-
12	Additional requirements, of which	5,421.0	736.9
13	outflows related to derivatives exposures and other collateral requirements	18.9	18.9
14	outflows related to loss of funding on debt products		
15	credit and liquidity facilities	3,363.2	202.6
16	Other contractual funding obligations	424.0	362.8
17	Other contingent funding obligations	1,614.9	152.6
<b>18</b>	<b>Total cash outflows</b>	<b>18,395.4</b>	<b>3,234.7</b>
<b>Cash inflows:</b>			
19	Secured lending (e.g. reverse repos)	26.6	-
20	Inflows from fully performing exposures	122.4	61.2
21	Other cash inflows	93.9	93.9
<b>22</b>	<b>Total cash inflows</b>	<b>242.9</b>	<b>155.1</b>
<b>23</b>	<b>Total liquid assets</b>		<b>5,343.1</b>
<b>24</b>	<b>Total net cash outflows</b>		<b>3,079.6</b>
<b>25</b>	<b>Liquidity Coverage Ratio (%)</b>		<b>173.7</b>

Attachment F  
NSFR disclosure template 31-Dec-21

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>Available Stable Funding (ASF) Item</b>						
1	Capital				1,777.6	1,777.6
2	Regulatory capital				1,777.6	1,777.6
3	Other capital instruments					
4	Retail deposits and deposits from small business customers		14,382.3			13,207.4
5	Stable deposits		5,266.8			5,003
6	Less stable deposits		9,115.5			8,204
7	Wholesale funding		6,443.0	1,254.9	1,295.5	3,662.4
8	Operational deposits					
9	Other wholesale funding		6,443.0	1,254.9	1,295.5	3,662.4
10	Liabilities with matching interdependent assets					
11	Other liabilities		138.0		22.5	22.5
12	NSFR derivative liabilities		1.8			
13	All other liabilities and equity not included in the above categories		136.2		22.5	22.5
<b>14</b>	<b>Total ASF</b>		<b>20,963.3</b>	<b>1,254.9</b>	<b>1,318.0</b>	<b>18,669.8</b>
<b>Required Stable Funding (RSF) Item</b>						
15(a)	Total NSFR (HQLA)		1,629.8	306.0	1,522.6	172.9
15(b)	ALA		121.8	85.8	1,692.5	190.0
15(c)	RBNZ securities					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities		320.4	284.6	18,817.4	12,864.9
18	Performing loans to financial institutions secured by Level 1 HQLA					
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions					

20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	34.5		30.8	36.0
21	With a risk weight of less than or equal to 35% under APS 112				
22	Performing residential mortgages, of which:	285.9	284.6	18,786.5	12,828.9
23	With a risk weight equal to 35% under APS 112	251.2	251.7	17,749.9	11,913.2
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				
25	Assets with matching interdependent liabilities				
26	Other assets:	572.2	3.3	250.6	641.5
27	Physical traded commodities, including gold				
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)				
29	NSFR derivative assets			27.3	27.3
30	NSFR derivative liabilities before deduction of variation margin posted			0.4	0.4
31	All other assets not included in the above categories	572.2	3.3	222.9	613.8
32	Off-balance sheet items	2,244.3			102.3
<b>33</b>	<b>Total RSF</b>	<b>4,888.4</b>	<b>679.7</b>	<b>22,283.0</b>	<b>13,971.6</b>
<b>34</b>	<b>Net Stable Funding Ratio (%)</b>				<b>133.6</b>