



Financial Sector (Collection of Data) (reporting standard) determination No. 2 of 2022

Reporting Standard ARS 115.0 Capital Adequacy: Standardised Measurement Approach to Operational Risk

Financial Sector (Collection of Data) Act 2001

I, Alison Bliss, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) and subsection 33(3) of the *Acts Interpretation Act 1901*, determine *Reporting Standard ARS 115.0 Capital Adequacy: Standardised Measurement Approach to Operational Risk*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I declare that the reporting standard shall begin to apply to those financial sector entities on the day it is registered on the Federal Register of Legislation.

This instrument commences upon registration on the Federal Register of Legislation.

Dated: 23 February 2022

Alison Bliss
General Manager
Data Analytics & Insights Division

Interpretation

In this Determination:

APRA means the Australian Prudential Regulation Authority.

financial sector entity has the meaning given by section 5 of the Act.

Schedule

Reporting Standard ARS 115.0 Capital Adequacy: Standardised Measurement Approach to Operational Risk comprises the document commencing on the following page.



Reporting Standard ARS 115.0

Capital Adequacy: Standardised Measurement Approach to Operational Risk

Objective of this reporting standard

This Reporting Standard sets out requirements for the provision of information to APRA relating to an authorised deposit-taking institution's operational risk regulatory capital.

It includes *Reporting Form ARF 115.0 Capital Adequacy: Standardised Measurement Approach to Operational Risk* (ARF 115.0) and the associated instructions (all of which are attached and form part of this Reporting Standard).

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. Information collected under this Reporting Standard is used by APRA for the purpose of prudential supervision including assessing compliance with *Prudential Standard APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk* (APS 115). It may also be used by the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS).

Application

3. This Reporting Standard applies to authorised deposit-taking institutions (ADIs) except:
 - (a) foreign ADIs;
 - (b) purchased payment facility providers (PPF providers); and
 - (c) ADIs which satisfy the eligibility criteria for the simplified framework.

Commencement

4. This Reporting Standard applies for reporting periods ending on or after 1 January 2023¹.

Information required

5. An ADI to which this Reporting Standard applies must provide APRA with the information required by this Reporting Standard designated for an ADI at Level 1 in respect of each reporting period.
6. If an ADI to which this Reporting Standard applies is part of a Level 2 group, the ADI must also provide APRA with the information required by this Reporting Standard designated for an ADI at Level 2 for each reporting period, unless the ADI is a subsidiary of an authorised NOHC. If the ADI is a subsidiary of an authorised NOHC, the ADI's immediate parent NOHC must provide APRA with the information required by that form for each reporting period. In doing so, the immediate parent NOHC must comply with this Reporting Standard (other than paragraphs 5 and 12 as if it were the relevant ADI).

Method of submission

7. The information required by this Reporting Standard must be given to APRA in electronic format using an electronic method available on APRA's website or by a method notified by APRA prior to submission.

Reporting periods and due dates

8. Subject to paragraph 9, an ADI to which this Reporting Standard applies must provide the information required by this Reporting Standard:

¹ ADIs with APRA's approval to use an advanced measurement approach to operational risk under APS 115 as at 31 December 2021 may report information under this Reporting Standard for reporting periods ending on or after 1 January 2022. Where an ADI with APRA's approval to use an advanced measurement approach to operational risk reports information under this Reporting Standard on or after 1 January 2022, that ADI is not required to report information under *Reporting Standard ARS 115.0 Advanced Measurement Approaches (AMA) to Operational Risk* (made by Financial Sector (Collection of Data) (reporting standard) determination No. 7 of 2018).

- (a) in respect of each financial year (within the meaning of the *Corporations Act 2001*) of the ADI; and
 - (b) in the first submission, in respect of the latest financial year and the two previous financial years.
9. APRA may, by notice in writing, change the reporting periods, or specified reporting periods, for a particular ADI, to require it to provide the information required by this Reporting Standard more frequently, or less frequently, having regard to:
 - (a) the particular circumstances of the ADI;
 - (b) the extent to which the information is required for the purposes of the prudential supervision of the ADI; and
 - (c) the requirements of the RBA or the ABS.
10. The information required by this Reporting Standard must be provided to APRA within three calendar months and 35 calendar days after the end of the reporting period to which this information relates.
11. APRA may grant an ADI an extension of a due date in writing, in which case the new due date for the provision of the information will be the date on the notice of extension.

Note: For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an ADI is nonetheless required to submit the information required no later than the due date.

Quality control

12. All information provided by an ADI under this Reporting Standard (except for the information required under paragraph 6) must be the product of systems, processes and controls that have been reviewed and tested by the external auditor of the ADI as set out in *Prudential Standard APS 310 Audit and Related Matters*. Relevant standards and guidance statements issued by the Auditing and Assurance Standards Board provide information on the scope and nature of the review and testing required from external auditors. This review and testing must be done on an annual basis or more frequently if required by the external auditor to enable the external auditor to form an opinion on the accuracy and reliability of the information provided by an ADI under this Reporting Standard.
13. All information provided by an ADI under this Reporting Standard must be subject to processes and controls developed by the ADI for the internal review and authorisation of that information. These systems, processes and controls are to assure the completeness and reliability of the information provided.

Authorisation

14. When an officer of an ADI submits information under this Reporting Standard using a method notified by APRA, it will be necessary for the officer to digitally sign the relevant information using a digital certificate or other digital identity credential acceptable to APRA.

Minor alterations to forms and instructions

15. APRA may make minor variations to:
- (a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
 - (b) the instructions to a form, to clarify their application to the form
- without changing any substantive requirement in the form or instructions.
16. If APRA makes such a variation it must notify in writing each ADI that is required to report under this Reporting Standard.

Interpretation

17. In this Reporting Standard:

AASB has the meaning in section 9 of the *Corporations Act 2001*.

ADI means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*.

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*.

business days means ordinary business days, exclusive of Saturdays, Sundays and public holidays.

due date means the relevant due date under paragraph 10 or, if applicable, paragraph 11.

foreign ADI has the meaning in section 5 of the *Banking Act 1959*.

Level 1 has the meaning in paragraph 5 of *Prudential Standard APS 001 Definitions*.

Level 2 has the meaning in paragraph 5 of *Prudential Standard APS 001 Definitions*.

reporting period means a period mentioned in paragraph 8 or, if applicable, paragraph 9.

18. In this Reporting Standard, unless the contrary intention appears, a reference to an Act, Regulation, Prudential Standard, Reporting Standard, Australian Accounting Standard or Auditing Standard is a reference to the instrument as in force or existing from time to time.

ARF_115_0: Capital Adequacy: Standardised Measurement Approach to Operational Risk

Section A: Business indicator component

	Most recent period -2 years (1)	Most recent period -1 year (2)	Most recent period (3)
1.1. Interest, lease and dividend			
1.1.1. Total interest income			
1.1.1.1. Interest income calculated using the effective interest method			
1.1.1.2. Lease income on operating leases			
1.1.1.3. Interest income from finance leases			
1.1.1.4. Total interest income adjustment			
1.1.1.4.1. Mergers and acquisitions			
1.1.1.4.2. Divestments			
1.1.2. Interest expense			
1.1.2.1. Interest expense			
1.1.2.2. Interest expense on lease liabilities			
1.1.2.3. Depreciation and amortisation expense			
1.1.2.4. Interest expense adjustment			
1.1.2.4.1. Mergers and acquisitions			
1.1.2.4.2. Divestments			
1.1.3. Interest-earning assets			
1.1.3.1. Loans and advances			
1.1.3.2. Trading securities			
1.1.3.3. Investment securities			
1.1.3.4. Property, plant and equipment under operating leases			
1.1.3.5. Finance lease receivables			
1.1.3.6. Interest-earning assets adjustment			
1.1.3.6.1. Mergers and acquisitions			
1.1.3.6.2. Divestments			
1.1.4. Dividend income			
1.1.4.1. Dividend income			
1.1.4.2. Dividend income adjustment			
1.1.4.2.1. Mergers and acquisitions			
1.1.4.2.2. Divestments			

1.2. Services

1.2.1. Fee and commission income			
1.2.1.1. Fee and commission income			
1.2.1.2. Fee and commission income adjustment			
1.2.1.2.1. Mergers and acquisitions			
1.2.1.2.2. Divestments			
1.2.2. Fee and commission expense			
1.2.2.1. Fee and commission expense			
1.2.2.2. Fee and commission expense adjustment			
1.2.2.2.1. Mergers and acquisitions			
1.2.2.2.2. Divestments			
1.2.3. Other operating income			
1.2.3.1. Other operating income			
1.2.3.2. Other operating income adjustment			
1.2.3.2.1. Mergers and acquisitions			
1.2.3.2.2. Divestments			
1.2.4. Other operating expense			
1.2.4.1. Other operating expense			
1.2.4.2. Other operating expense adjustment			
1.2.4.2.1. Mergers and acquisitions			
1.2.4.2.2. Divestments			

1.3. Financial

1.3.1. Trading book net profit/loss			
1.3.1.1. Trading book net profit/loss			
1.3.1.2. Trading book net profit/loss adjustment			
1.3.1.2.1. Mergers and acquisitions			
1.3.1.2.2. Divestments			
1.3.2. Banking book net profit/loss			
1.3.2.1. Banking book net profit/loss			
1.3.2.2. Banking book net profit/loss adjustment			
1.3.2.2.1. Mergers and acquisitions			
1.3.2.2.2. Divestments			

Section B: Operational risk regulatory capital summary

2. Business indicator	
3. Operational risk regulatory capital	
3.1. Operational risk regulatory capital as calculated	
3.2. Adjustment to operational risk regulatory capital	

Section C: Audited data period

4. Period covered by audited data

Reporting Form ARF 115.0

Capital Adequacy: Standardised Measurement Approach to Operational Risk

Instruction Guide

This instruction guide is designed to assist in the completion of the *Capital Adequacy: Standardised Measurement Approach to Operational Risk* form (ARF 115.0). This form captures the calculation of the capital requirement for operational risk using the standardised approach. In completing this form, authorised deposit-taking institutions (*ADIs*) should refer to *Prudential Standard APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk* (APS 115).

Terms highlighted in ***bold italics*** are defined in paragraph 18 of this Reporting Standard, or the Definitions in this Instruction Guide.

General directions and notes

Reporting entity

This form is to be completed by all *ADIs* on both a *Level 1* and *Level 2* basis (where applicable).

Securitisation deconsolidation principle

Except as otherwise specified in these instructions, the following applies:

1. Where an *ADI* (or a member of its *Level 2* consolidated group) participates in a securitisation that meets *APRA's* operational requirements for regulatory capital relief under *Prudential Standard APS 120 Securitisation* (APS 120):
 - (a) special purpose vehicles (SPVs) holding securitised assets may be treated as non-consolidated independent third parties for regulatory reporting purposes, irrespective of whether the SPVs (or their assets) are consolidated for accounting purposes; and
 - (b) the assets, liabilities, revenues and expenses of the relevant SPVs may be excluded from the *ADI's* reported amounts in *APRA's* regulatory reporting returns.
2. Where an *ADI* (or a member of its *Level 2* consolidated group) participates in a securitisation that does not meet *APRA's* operational requirements for regulatory capital relief under APS 120, or the *ADI* undertakes a funding-only securitisation or

synthetic securitisation, such assets are to be reported as on-balance sheet in *APRA's* regulatory reporting returns.

Unit of measurement

Report monetary amounts on ARF 115.0 in whole Australian dollars (no decimal place).

Amounts denominated in foreign currency are to be converted to AUD in accordance with *AASB 121 The Effects of Changes in Foreign Exchange Rates* (AASB 121).

Exclusions

Exclude the following items from ARF 115.0:

- (a) income and expenses from insurance or reinsurance businesses;
- (b) premiums paid and reimbursements/payments received from insurance or reinsurance policies purchased;
- (c) administrative expenses, including staff expenses, outsourcing fees paid for the supply of non-financial services (e.g. logistical, information technology, or human resources services) and other administrative expenses (e.g. expenses related to information technology, utilities, telephone, travel, office supplies, or postage);
- (d) recovery of administrative expenses including recovery of payments on behalf of customers (e.g. taxes debited to customers);
- (e) expenses of premises and fixed assets, except when these expenses result from operational loss events;
- (f) depreciation/amortisation of tangible and intangible assets, except depreciation/amortisation related to lease assets, which should be included in finance and operating lease expenses;
- (g) provisions or reversal of provisions (e.g. on pensions, or commitments and guarantees given), except provisions related to operational loss events;
- (h) expenses due to share capital repayable on demand;
- (i) impairment or reversal of impairment (e.g. on financial assets, non-financial assets, investments in subsidiaries, or joint ventures and associates);
- (j) changes in goodwill recognised in profit or loss; or
- (k) corporate income tax (tax based on profits including current tax and deferred tax).

Definitions

<i>Banking book</i>	Has the meaning given in <i>Prudential Standard APS 117 Capital Adequacy</i> :
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	<i>Interest Rate Risk in the Banking Book (Advanced ADIs).</i>
Business indicator	Has the meaning given in APS 115.
Depreciation and amortisation expense	Means depreciation and impairment of right-of-use operating lease assets measured in accordance with <i>AASB 16 Leases</i> (AASB 16).
Dividend income	Means dividend income from investments in stocks and funds not consolidated in the <i>ADI's</i> financial statements, including dividend income from non-consolidated subsidiaries, joint ventures and associates. Measure dividend income in accordance with <i>AASB 9 Financial Instruments</i> (AASB 9).
Fee and commission expense	Means expenses paid for receiving advice and services. This includes but is not limited to expenses paid for: <ul style="list-style-type: none"> • outsourcing of financial services; • clearing and settlement; • custody; • servicing of securitisations; • loan commitments and guarantees received; and • foreign transactions. This excludes outsourcing fees paid for the supply of non-financial services (e.g. logistical, IT, or human resources). Measure fee and commission expense in accordance with <i>AASB 7 Financial Instruments: Disclosures</i> (AASB 7).
Fee and commission income	Means income received from providing advice and services. This includes but is not limited to income from: <ul style="list-style-type: none"> • securities services (e.g. issuance, origination, reception, transmission, or execution on behalf of customers); • clearing and settlement services; • asset management and custody services; • fiduciary transactions; • payment services; • structured finance; • servicing of securitisations; • loan commitments and guarantees given; • foreign transactions; and • providing outsourced financial services. Measure fee and commission income in accordance with AASB 7.
Finance lease receivables	Means assets held under a finance lease presented as receivables as defined in AASB 16.

<i>Interest-earning assets</i>	Means the sum of <i>loans and advances, trading securities, investment securities, property, plant and equipment under operating leases, finance lease receivables</i> , and the interest-earning assets adjustment.
<i>Interest expense (financial liabilities)</i>	Means interest expenses from financial liabilities excluding <i>interest expense on lease liabilities</i> and <i>depreciation and amortisation expense</i> . This includes but is not limited to interest expense from deposits, debt securities issued, and hedge accounting derivatives.
<i>Interest expense on lease liabilities</i>	Means interest expense from lease liabilities, measured in accordance with AASB 16. This includes but is not limited to losses from leased assets and interest expense on lease liabilities. Exclude depreciation and impairment of right-of-use operating lease assets. Report this under <i>depreciation and amortisation expense</i> .
<i>Interest income calculated using the effective interest method</i>	Means <i>interest income</i> calculated using the effective interest method as outlined in AASB 7 and <i>AASB 101 Presentation of Financial Statements</i> (AASB 101).
<i>Interest income from finance leases</i>	Means <i>interest income</i> received from financial leases, as defined in AASB 16. This includes but is not limited to: <ul style="list-style-type: none"> • profits/losses from sale of finance leases; • finance income on the net investment in finance leases; and • income related to variable lease payments not included in the net investment in finance leases.
<i>Investment securities</i>	Means securities that are not <i>trading securities</i> . These are generally securities purchased with the intent that they be held to maturity or held for a period of time though not necessarily to maturity (i.e. equity securities where it is not technically possible to hold to maturity).
<i>Lease income on operating leases</i>	Means income from operating leases as outlined in AASB 16 and <i>AASB 140 Investment Property</i> (AASB 140).
<i>Loans and advances</i>	Means total gross outstanding loans and advances measured in accordance with AASB 7.
<i>Net profit/loss from the banking book</i>	Means net profit/loss from the <i>banking book</i> . This may include net profit/loss from: <ul style="list-style-type: none"> • financial assets and liabilities measured at fair value through profit or loss in accordance with AASB 7; • realised gains/losses on financial assets and liabilities not measured at fair value through profit and loss (e.g. <i>loans and advances</i>, assets

	<p>available for sale, assets held to maturity, and financial liabilities measured at amortised cost);</p> <ul style="list-style-type: none"> • hedge accounting; and • exchange differences.
<i>Net profit/loss from the trading book</i>	<p>Means net profit/loss from the <i>trading book</i>. This may include net profit/loss from:</p> <ul style="list-style-type: none"> • trading assets and trading liabilities (e.g. derivatives, debt securities, equity securities, <i>loans and advances</i>, short positions, and other trading assets and liabilities); • hedge accounting; and • exchange differences.
<i>Other operating expenses</i>	<p>Means expenses and losses from ordinary banking operations not included in other <i>business indicator</i> items but of a similar nature, or from operational loss events.</p> <p>This may include, but is not limited to:</p> <ul style="list-style-type: none"> • losses from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (measured in accordance with <i>AASB 5 Non-current Assets Held for Sale and Discontinued Operations</i> (AASB 5)); • losses incurred as a consequence of operational loss events (e.g. fines, penalties, settlements, or replacement cost of damaged assets), which have not been provisioned/reserved for in previous years (measured in accordance with AASB 101); and • expenses related to establishing provisions/reserves for operational loss events (measured in accordance with <i>AASB 137 Provisions, Contingent Liabilities and Contingent Assets</i>). <p>Exclude losses from operating leases.</p>
<i>Other operating income</i>	<p>Means income from ordinary banking operations not included in other <i>business indicator</i> items but of a similar nature.</p> <p>This may include, but is not limited to:</p> <ul style="list-style-type: none"> • rental income from investment properties (measured in accordance with AASB 140); and • gains from non-current assets and disposal groups classified as held for sale and not qualifying as discontinued operations (measured in accordance with AASB 101 and AASB 5). <p>Exclude income from operating leases.</p>
<i>Property, plant and equipment under operating leases</i>	<p>Means property, plant and equipment subject to an operating lease as defined in AASB 16.</p>
<i>Total interest</i>	<p>Means interest expenses from all financial liabilities and other interest</p>

<i>expense</i>	<p>expenses. This includes but is not limited to:</p> <ul style="list-style-type: none"> • interest expenses from deposits, debt securities issued, financial leases, and operating leases; • interest expenses from hedge accounting derivatives; • other interest expenses; • losses from leased assets; and • depreciation and impairment of operating leased assets. <p><i>Total interest expense</i> is calculated as the sum of <i>interest expense</i>, <i>interest expense on lease liabilities</i>, <i>depreciation and amortisation expense</i>, and any adjustments to <i>total interest expense</i>.</p>
<i>Total interest income</i>	<p>Means interest income from all financial assets and other interest income. This includes but is not limited to:</p> <ul style="list-style-type: none"> • interest income from <i>loans and advances</i>; • interest income from assets available for sale; • interest income from assets held to maturity and trading assets; • interest income from financial and operating leases; • profits from leased assets; • interest income from hedge accounting derivatives; and • other interest income. <p><i>Total interest income</i> is calculated as the sum of <i>interest income calculated using the effective interest method</i>, <i>lease income on operating leases</i>, <i>interest income from finance leases</i>, and interest income adjustment.</p>
<i>Trading book</i>	Has the meaning given in <i>Prudential Standard APS 116 Capital Adequacy: Market Risk</i> .
<i>Trading securities</i>	Has the same meaning as <i>securities held for trading</i> as defined in AASB 9.

Specific instructions

Section A: Business indicator component

Section A collects information on the components of an *ADI's business indicator*.

1.1 Interest, lease and dividend

Item 1.1 collects information on interest, lease and *dividend income*, expenses and assets.

Column 1	Report the value as per the audited year-end financial statements from 2 years prior. Column 1 is a derived column with the exception of the adjustment items 1.1.1.4.1, 1.1.1.4.2, 1.1.2.4.1, 1.1.2.4.2, 1.1.3.6.1, 1.1.3.6.2, 1.1.4.2.1 and 1.1.4.2.2. Report column 1 as the value in column 3 reported two years before the current <i>reporting period</i> .
Column 2	Report the value as per the previous audited year-end financial statements. Column 2 is a derived column with the exception of the adjustment items 1.1.1.4.1, 1.1.1.4.2, 1.1.2.4.1, 1.1.2.4.2, 1.1.3.6.1, 1.1.3.6.2, 1.1.4.2.1 and 1.1.4.2.2. Report column 2 as the value in column 3 reported one year before the current <i>reporting period</i> .
Column 3	Report the value as per the most recently audited year-end financial statements.

Item 1.1.1	Report the value of <i>total interest income</i> earned during the relevant period. Item 1.1.1 is a derived item. Report the value of <i>total interest income</i> earned in item 1.1.1 as the sum of items 1.1.1.1 to 1.1.1.4 inclusive.
Item 1.1.1.1	Report the value of <i>interest income calculated using the effective interest method</i> earned during the relevant period.
Item 1.1.1.2	Report the value of <i>lease income on operating leases</i> earned during the relevant period.
Item 1.1.1.3	Report the value of <i>interest income from financial leases</i> earned during the relevant period.
Item 1.1.1.4	Report any adjustments to <i>total interest income</i> for previous periods. Item 1.1.1.4 is a derived item. Report the value of adjustments to <i>total interest income</i> for previous periods in item 1.1.1.4 as the sum of item 1.1.1.4.1 and item 1.1.1.4.2.

Item 1.1.1.4.1	Report the value of any adjustments to <i>total interest income</i> for previous periods due to mergers and/or acquisitions.
Item 1.1.1.4.2	Report the value of any adjustments to <i>total interest income</i> for previous periods due to divestments.
Item 1.1.2	Report the value of <i>total interest expense</i> incurred during the relevant period. Item 1.1.2 is a derived item. Report the <i>total interest expense</i> in item 1.1.2 as the sum of items 1.1.2.1 to 1.1.2.4 inclusive.
Item 1.1.2.1	Report the value of <i>interest expense</i> incurred during the relevant period.
Item 1.1.2.2	Report the value of <i>interest expense on lease liabilities</i> incurred during the relevant period.
Item 1.1.2.3	Report the value of <i>depreciation and amortisation expense</i> incurred during the relevant period.
Item 1.1.2.4	Report the value of any adjustments to <i>total interest expense</i> for previous periods. Item 1.1.2.4 is a derived item. Report the value of adjustments to <i>total interest expense</i> for previous periods in item 1.1.2.4 as the sum of item 1.1.2.4.1 and item 1.1.2.4.2.
Item 1.1.2.4.1	Report the value of any adjustments to <i>total interest expense</i> for previous periods due to mergers and/or acquisitions.
Item 1.1.2.4.2	Report the value of any adjustments to <i>total interest expense</i> for previous periods due to divestments.
Item 1.1.3	Report the value of <i>interest-earning assets</i> as at the end of the relevant period. Item 1.1.3 is a derived item. Report the value of <i>interest-earning assets</i> in item 1.1.3 as the sum of items 1.1.3.1 to 1.1.3.6 inclusive.
Item 1.1.3.1	Report the value of <i>loans and advances</i> as at the end of the relevant period.
Item 1.1.3.2	Report the value of <i>trading securities</i> as at the end of the relevant period.
Item 1.1.3.3	Report the value of <i>investment securities</i> as at the end of the relevant period.
Item 1.1.3.4	Report the value of <i>property, plant and equipment under operating leases</i> as at the end of the relevant period.
Item 1.1.3.5	Report the value of <i>finance lease receivables</i> as at the end of the relevant period.

Item 1.1.3.6	Report any adjustments to <i>interest-earning assets</i> for previous periods. Item 1.1.3.6 is a derived item. Report the value of adjustments to <i>interest-earning assets</i> for previous periods in item 1.1.3.6 as the sum of item 1.1.3.6.1 and item 1.1.3.6.2.
Item 1.1.3.6.1	Report the value of any adjustments to <i>interest-earning assets</i> for previous periods due to mergers and/or acquisitions.
Item 1.1.3.6.2	Report the value of any adjustments to <i>interest-earning assets</i> for previous periods due to divestments.
Item 1.1.4	Report the value of <i>dividend income</i> earned during the relevant period. Item 1.1.4 is a derived item. Report the value of <i>dividend income</i> as the sum of item 1.1.4.1 and item 1.1.4.2.
Item 1.1.4.1	Report the value of <i>dividend income</i> earned during the relevant period.
Item 1.1.4.2	Report any <i>dividend income</i> adjustments for previous periods. Item 1.1.4.2 is a derived item. Report the value of adjustments to <i>dividend income</i> for previous periods in item 1.1.4.2 as the sum of item 1.1.4.2.1 and item 1.1.4.2.2.
Item 1.1.4.2.1	Report the value of any adjustments to <i>dividend income</i> for previous periods due to mergers and/or acquisitions.
Item 1.1.4.2.2	Report the value of any adjustments to <i>dividend income</i> for previous periods due to divestments.

1.2 Services

Item 1.2 collects information on income and expenses related to services.

Column 1	Report the value as per the audited year-end financial statements from 2 years prior. Column 1 is a derived column with the exception of the adjustment items 1.2.1.2.1, 1.2.1.2.2, 1.2.2.2.1, 1.2.2.2.2, 1.2.3.2.1, 1.2.3.2.2, 1.2.4.2.1 and 1.2.4.2.2. Report column 1 as the value in column 3 reported two years before the current <i>reporting period</i> .
Column 2	Report the value as per the previous audited year-end financial statements. Column 2 is a derived column with the exception of the adjustment items 1.2.1.2.1, 1.2.1.2.2, 1.2.2.2.1, 1.2.2.2.2, 1.2.3.2.1, 1.2.3.2.2, 1.2.4.2.1 and 1.2.4.2.2. Report column 2 as the value in column 3 reported one year before the current <i>reporting period</i> .
Column 3	Report the value as per the most recently audited year-end financial

	statements.
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Item 1.2.1	Report the value of <i>fee and commission income</i> earned during the relevant period. Item 1.2.1 is a derived item. Report value of <i>fee and commission income</i> in item 1.2.1 as the sum of item 1.2.1.1 and item 1.2.1.2.
Item 1.2.1.1	Report the value of <i>fee and commission income</i> earned during the relevant period.
Item 1.2.1.2	Report any <i>fee and commission income</i> adjustments for previous periods. Item 1.2.1.2 is a derived item. Report the value of <i>fee and commission income</i> adjustments in item 1.2.1.2 as the sum of item 1.2.1.2.1 and item 1.2.1.2.2.
Item 1.2.1.2.1	Report the value of any adjustments to <i>fee and commission income</i> for previous periods due to mergers and/or acquisitions.
Item 1.2.1.2.2	Report the value of any adjustments to <i>fee and commission income</i> for previous periods due to divestments.
Item 1.2.2	Report the value of <i>fee and commission expense</i> incurred during the relevant period. Item 1.2.2 is a derived item. Report the value of <i>fee and commission expense</i> in item 1.2.2 as the sum of item 1.2.2.1 and item 1.2.2.2.
Item 1.2.2.1	Report <i>fee and commission expense</i> incurred during the relevant period.
Item 1.2.2.2	Report any <i>fee and commission expense</i> adjustments for previous periods. Item 1.2.2.2 is a derived item. Report the value of adjustments to <i>fee and commission expense</i> for previous periods in item 1.2.2.2 as the sum of item 1.2.2.2.1 and item 1.2.2.2.2.
Item 1.2.2.2.1	Report the value of any adjustments to <i>fee and commission expense</i> for previous periods due to mergers and/or acquisitions.
Item 1.2.2.2.2	Report the value of any adjustments to <i>fee and commission expense</i> for previous periods due to divestments.
Item 1.2.3	Report the value of <i>other operating income</i> earned during the relevant period. Item 1.2.3 is a derived item. Report the value of <i>other operating income</i> in item 1.2.3 as the sum of item 1.2.3.1 and item 1.2.3.2.

Item 1.2.3.1	Report the value of <i>other operating income</i> earned during the relevant period.
Item 1.2.3.2	Report any <i>other operating income</i> adjustments for previous periods. Item 1.2.3.2 is a derived item. Report the value of <i>other operating income</i> adjustments in item 1.2.3.2 as the sum of item 1.2.3.2.1 and item 1.2.3.2.2.
Item 1.2.3.2.1	Report the value of any adjustments to <i>other operating income</i> for previous periods due to mergers and/or acquisitions.
Item 1.2.3.2.2	Report the value of any adjustments to <i>other operating income</i> for previous periods due to divestments.
Item 1.2.4	Report the value of <i>other operating expenses</i> incurred during the relevant period. Item 1.2.4 is a derived item. Report the value of <i>other operating expenses</i> in item 1.2.4 as the sum of item 1.2.4.1 and item 1.2.4.2.
Item 1.2.4.1	Report the value of <i>other operating expenses</i> incurred during the relevant period.
Item 1.2.4.2	Report any adjustments to <i>other operating expenses</i> for previous periods. Item 1.2.4.2 is a derived item. Report the value of adjustments to <i>other operating expense</i> for previous periods in item 1.2.4.2 as the sum of item 1.2.4.2.1 and item 1.2.4.2.2.
Item 1.2.4.2.1	Report the value of any adjustments to <i>other operating expenses</i> for previous periods due to mergers and/or acquisitions.
Item 1.2.4.2.2	Report the value of any adjustments to <i>other operating expenses</i> for previous periods due to divestments.

1.3 Financial

Item 1.3 collects information on net profit/loss from the trading and *banking book*.

Column 1	Report the value as per the audited year-end financial statements from 2 years prior. Column 1 is a derived column with the exception of the adjustment items 1.3.1.2.1, 1.3.1.2.2, 1.3.2.2.1 and 1.3.2.2.2. Report column 1 as the value in column 3 reported two years before the current <i>reporting period</i> .
Column 2	Report the value as per the previous audited year-end financial statements. Column 2 is a derived column with the exception of the adjustment items 1.3.1.2.1, 1.3.1.2.2, 1.3.2.2.1 and 1.3.2.2.2. Report column 2 as the value in column 3 reported one year before the current <i>reporting period</i> .

Column 3	Report the value as per the most recently audited year-end financial statements.
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Item 1.3.1	Report the <i>net profit/loss from the trading book</i> for the relevant period. Item 1.3.1 is a derived item. Report the <i>net profit/loss from the trading book</i> in item 1.3.1 as the sum of item 1.3.1.1 and item 1.3.1.2.
Item 1.3.1.1	Report the <i>net profit/loss from the trading book</i> for the relevant period.
Item 1.3.1.2	Report any adjustments to <i>net profit/loss from the trading book</i> for previous periods. Item 1.3.1.2 is a derived item. Report the value of adjustments to <i>net profit/loss from the trading book</i> for previous periods in item 1.3.1.2 as the sum of item 1.3.1.2.1 and item 1.3.1.2.2.
Item 1.3.1.2.1	Report the value of any adjustments to <i>net profit/loss from the trading book</i> for previous periods due to mergers and/or acquisitions.
Item 1.3.1.2.2	Report the value of any adjustments to <i>net profit/loss from the trading book</i> for previous periods due to divestments.
Item 1.3.2	Report the <i>net profit/loss from the banking book</i> for the relevant period. Item 1.3.2 is a derived item. Report the <i>net profit/loss from the banking book</i> in item 1.3.2 as the sum of item 1.3.2.1 and item 1.3.2.2.
Item 1.3.2.1	Report the <i>net profit/loss from the banking book</i> for the relevant period.
Item 1.3.2.2	Report any adjustments to <i>net profit/loss from the banking book</i> for previous periods. Item 1.3.2.2 is a derived item. Report the value of adjustments to <i>net profit/loss from the banking book</i> in item 1.3.2.2 as the sum of item 1.3.2.2.1 and item 1.3.2.2.2.
Item 1.3.2.2.1	Report the value of any adjustments to <i>net profit/loss from the banking book</i> for previous periods due to mergers and/or acquisitions.
Item 1.3.2.2.2	Report the value of any adjustments to <i>net profit/loss from the banking book</i> for previous periods due to divestments.

Section B: Operational risk regulatory capital summary

Column 1	Report the value as per the most recently audited year-end financial statements.
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<p>Item 2</p>	<p>Report the <i>business indicator</i>.</p> <p>Item 2 is a derived item. Report the <i>business indicator</i> in item 2 as defined by the following formula:</p> $\text{ILDC} + \text{SC} + \text{FC}$ <p>where:</p> <p>interest, leases, and dividend component (ILDC) = minimum [interest component, asset component] + dividend component; and</p> <p>services component (SC) = other operating component + fee and commission component; and</p> <p>financial component (FC) = <i>trading book</i> component + <i>banking book</i> component.</p> <p><u>ILDC</u></p> <p>The interest component is calculated as the average of:</p> <ul style="list-style-type: none"> • the absolute value of: item 1.1.1 (column 1) – item 1.1.2 (column 1), • the absolute value of: item 1.1.1 (column 2) – item 1.1.2 (column 2), and • the absolute value of: item 1.1.1 (column 3) – item 1.1.2 (column 3). <p>The asset component is calculated as 2.25 per cent multiplied by the average of item 1.1.3 for columns 1, 2, and 3.</p> <p>The dividend component is calculated as the average of item 1.1.4 for columns 1, 2, and 3.</p> <p><u>SC</u></p> <p>The other operating component is calculated as the maximum of:</p> <ul style="list-style-type: none"> • the average of item 1.2.3 for columns 1, 2, and 3, and • the average of item 1.2.4 for columns 1, 2, and 3. <p>The fee and commission component is calculated as the maximum of:</p> <ul style="list-style-type: none"> • the average of item 1.2.1 for columns 1, 2, and 3, and • the average of item 1.2.2 for columns 1, 2, and 3. <p><u>FC</u></p> <p>The <i>trading book</i> component is calculated as the average of the absolute value of item 1.3.1 for columns 1, 2, and 3.</p> <p>The <i>banking book</i> component is calculated as the average of the absolute value of item 1.3.2 for columns 1, 2, and 3.</p>
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Item 3	<p>Report the operational risk regulatory capital requirement.</p> <p>Item 3 is a derived item. Report the operational risk regulatory capital requirement in item 3 as the sum of item 3.1 and item 3.2.</p>
Item 3.1	<p>Report the operational risk regulatory capital requirement as calculated.</p> <p>Item 3.1 is a derived item. Report the operational risk regulatory capital as calculated in item 3.1 as:</p> <ul style="list-style-type: none"> • 12 per cent of item 2, plus • if item 2 exceeds \$1.5 billion, 3 per cent of the amount by which item 2 exceeds \$1.5 billion, plus • if item 2 exceeds \$45 billion, 3 per cent of the amount by which item 2 exceeds \$45 billion. <p>The formula for item 3.1 is:</p> $(0.12 \times \textit{item 2}) + (0.03 \times \max[(\textit{item 2} - \$1.5 \textit{ billion}), 0]) + (0.03 \times \max[(\textit{item 2} - \$45 \textit{ billion}), 0])$
Item 3.2	<p>Report the value of the adjustment to operational risk regulatory capital if <i>APRA</i> has imposed an additional operational risk regulatory capital requirement.</p>

Section C: Audited data period

4. Period covered by audited data

Item 4	<p>Report the period end date of the period covered by the audited data used to calculate the <i>business indicator</i> in DD/MM/YYYY format.</p>
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