

Pillar 3 – Capital Adequacy and Risk Disclosures

Quarterly Update as at 31 December 2023

Introduction

Rabobank Australia Limited (“the Bank”) is an Authorised Deposit-taking Institution (“ADI”) subject to regulation by the Australian Prudential Regulation Authority (“APRA”) under the authority of the Banking Act 1959.

In accordance with the Australian Prudential Standard 330 (“APS 330”), financial institutions are required to disclose prudential information. A subset of this information is disclosed quarterly.

Verification of the Disclosure

This Pillar 3 Disclosure (“the Disclosure”) document is unaudited. However, it has been verified in accordance with the Board approved Prudential Disclosure policy.

Regulatory capital framework

From 1 January 2023, APRA’s new bank capital framework came into effect and is designed to embed “unquestionably strong” levels of capital and align Australian standards with the internationally agreed Basel III requirements. The new framework will help to ensure ADIs continue to have the financial strength to withstand future adverse economic conditions, ensuring depositors are protected and lending is supported. The new framework has resulted in changes to the calculation and presentation of capital ratio.

Scope of Application

The Bank is a Level 1 entity for regulatory (“APRA”) reporting purposes. The Bank is a solo entity, therefore does not have any subsidiaries, Level 2 entities.

Level 1	Standalone basis (“Solo”)
Level 2	The consolidation of the Bank and all its subsidiary entities other than non-consolidated subsidiaries (“Consolidated”)

Context

The Bank is on the Standardised Approach for Credit, Market and Operational risk for APRA regulatory reporting.

Nature of Business

The Bank continues to focus on the provision of flexible, competitively priced, secured loans to the rural sector in Australia and the raising of retail deposits. The Bank continues to provide online deposit product to retail clients through its Rabobank Online Savings division.

There were no significant changes in the state of affairs of the Bank during the financial year.

The following table provides a reconciliation of all regulatory capital elements to the Balance Sheet of the Bank in its audited financial statements.

REGULATORY CAPITAL RECONCILIATION				
	Balance sheet per published audited financial statements	Adjustments	Balance sheet under regulatory scope	Reference to Attachment A Table 1
	31 December 2023 AUD mln	31 December 2023 AUD mln	31 December 2023 AUD mln	
Assets				
Due from other financial institutions (including Cash and cash equivalents)	1,077.8	(3.2)	1,074.7	
Derivative financial instruments	99		99	
Financial assets at fair value through other comprehensive income	1,643.3	-	1,643.3	
Loans and advances	19,902.6	(135.3)	19,767.3	
<i>of which: IFRS 9 provision for stage 1 and 2 non-defaulted exposure are included as Tier 2 capital</i>			35.7	(f)
Due from related entities	45.7	1.5	47.2	
Net deferred tax assets	27.8	-	27.8	
<i>of which: arising from temporary differences included in CET1 regulatory Adjustments</i>			27.8	(d)
Right-of-use assets	11.6	-	11.6	
Other assets	19.3	147.8	167.0	
<i>of which: capitalised expenses included in CET1 regulatory Adjustments</i>			3.8	(g)
Total assets	22,827.0	10.8	22,837.8	
Liabilities				
Derivative financial instruments	131.6		131.6	
Deposits	14,098.4	(78.5)	14,019.8	
Due to related entities	5,436.6	1.5	5,438.1	
Other provision	10.1	0.1	10.2	
Lease liabilities	12.0	-	12.0	
Other liabilities	2.8	87.7	90.5	
Total liabilities	19,691.5	10.8	19,702.2	
Net assets	3,135.5	-	3,135.5	
Equity				
Contributed equity	330.7	-	330.7	
<i>of which: amount eligible for CET1</i>			327.2	(a)
Reserves	41.6	-	41.6	
<i>of which: AFS reserve</i>			(8.4)	(c)
<i>of which: Other reserve</i>			50.0	(e)
Retained earnings	2,763.2	-	2,763.2	
<i>of which: included in CET1</i>			2,763.2	(b)
Total equity	3,135.5	-	3,135.5	

Attachment A

Table 1: Common disclosures – composition of capital

		31 December 2023 AUD mln	Source reference to the regulatory capital reconciliation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	327.2	(a)
2	Retained earnings	2,763.2	(b)
3	Accumulated other comprehensive income (and other reserves)	41.6	(c) (e)
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	3,132.0	
	Common Equity Tier 1 capital: regulatory adjustments		
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	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	<i>of which: significant investments in the ordinary shares of financial entities</i>	-	
24	<i>of which: mortgage servicing rights</i>	-	
25	<i>of which: deferred tax assets arising from temporary differences</i>	-	

Table 1: Common disclosures – composition of capital (continued)

		31 December 2023 AUD mIn	Source in regulatory capital reconciliation
	Common Equity Tier 1 Capital: instruments and reserves		
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	31.6	
26a	<i>of which: treasury shares</i>	-	
26b	<i>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</i>	-	
26c	<i>of which: deferred fee income</i>	-	
26d	<i>of which: equity investments in financial institutions not reported in rows 18, 19 and 23</i>	-	
26e	<i>of which: deferred tax assets not reported in rows 10, 21 and 25</i>	27.8	(d)
26f	<i>of which: capitalised expenses</i>	3.8	(g)
26g	<i>of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements</i>	-	
26h	<i>of which: covered bonds in excess of asset cover in pools</i>	-	
26i	<i>of which: undercapitalisation of a non-consolidated subsidiary</i>	-	
26j	<i>of which: other national specific regulatory adjustments not reported in rows 26a to 26i</i>	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common Equity Tier 1	31.6	
29	Common Equity Tier 1 Capital (CET1)	3,100.5	
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	-	
31	<i>of which: classified as equity under applicable accounting standards</i>	-	
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 Capital before regulatory adjustments	-	
	Additional Tier 1 Capital: regulatory adjustments		
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	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	-	

Table 1: Common disclosures – composition of capital (continued)			
		31 December 2023 AUD mIn	Source in regulatory capital reconciliation
41b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40</i>	-	
41c	<i>of which: other national specific regulatory adjustments not reported in rows 41a and 41b</i>	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 Capital (AT1)	-	
45	Tier 1 Capital (T1=CET1+AT1)	3,100.5	
	Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	-	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	35.7	(f)
51	Tier 2 Capital before regulatory adjustments	35.7	
	Tier 2 Capital: regulatory adjustments		
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	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	-	
56b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55</i>	-	
56c	<i>of which: other national specific regulatory adjustments not reported in rows 56a and 56b</i>	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 Capital (T2)	35.7	
59	Total Capital (TC=T1+T2)	3,136.2	
60	Total risk-weighted assets based on APRA standards	20,908.8	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.83%	
62	Tier 1 (as a percentage of risk-weighted assets)	14.83%	
63	Total capital (as a percentage of risk-weighted assets)	15.00%	

Table 1: Common disclosures – composition of capital (continued)

		31 December 2023 AUD mIn	Source in regulatory capital reconciliation
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)	8.0%*	
65	<i>of which: capital conservation buffer requirement</i>	2.5%*	
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	1.0%**	
67	<i>of which: G-SIB buffer requirement (not applicable)</i>	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	6.83%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	n/a	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	n/a	
71	National total capital minimum ratio (if different from Basel III minimum)	n/a	
Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the ordinary shares of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	27.8	(d)
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	35.7	(f)
77	Cap on inclusion of provisions in Tier 2 under standardised approach	n/a	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	n/a	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	n/a	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2021 and 1 Jan 2022)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	-	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	-	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	-	
83	<i>Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	-	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	

* The capital conservation buffer came into effect from 1 January 2016.

** The countercyclical buffer came into effect from 1 January 2023.

Attachment C

Table 3: Capital Adequacy (Risk Weighted Equivalent)		
	31 December 2023	30 September 2023
	AUD mln	AUD mln
Credit Risk subject to standardised approach		
Corporate*	19,678.2	19,542.3
Government	-	-
Bank	235.9	274.0
Residential Mortgage	185.8	184.9
Other Retail	53.2	51.5
Other	24.1	20.0
Total capital requirement subject to standardised approach	20,177.3	20,072.7
Credit risk capital requirement relating to securitisation exposures	-	-
Market risk minimum capital requirement	2.4	-
Operational risk minimum capital requirement	729.1	729.1
Total RWA and capital requirement	20,908.8	20,801.8
Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio	14.83%	14.67%
Tier 1 Capital Ratio	14.83%	14.67%
Total Capital Ratio	15.00%	14.83%

* Note: Corporate includes corporate and private sector counterparties.

Attachment C

Table 4: Credit Risk

Exposure Type	31 December 2023		30 September 2023	
	Gross credit exposure AUD mln	Average gross credit exposure AUD mln	Gross credit exposure AUD mln	Average gross credit exposure AUD mln
Cash and liquid assets	1,074.7	1,223.5	1,372.3	1,386.5
Debt securities	1,638.6	1,430.3	1,222.1	1,407.7
Due from related entities	16.2	14.1	11.9	11.7
Loans and advances	19,810.3	19,963.1	20,116.1	20,334.5
Derivatives*	251.6	289.6	327.7	328.6
Contingent liabilities, commitments, and other off-balance sheet exposures*	2,652.7	2,518.3	2,383.9	2,124.7
Other assets	174.8	189.6	204.3	170.1
Total exposures	25,618.8	25,628.5	25,638.3	25,763.8
Portfolios subject to standardised approach	Gross credit exposure AUD mln	Average gross credit exposure AUD mln	Gross credit exposure AUD mln	Average gross credit exposure AUD mln
Corporate**	22,427.5	22,480.2	22,533.0	22,444.4
Sovereign	2,209.3	2,112.0	2,014.7	2,184.3
Bank	717.2	775.1	833.0	874.7
Residential Mortgage	185.8	185.4	184.9	188.7
Other retail	53.2	52.3	51.5	53.0
Other	25.8	23.5	21.2	18.7
Total exposures	25,618.8	25,628.5	25,638.3	25,763.8

* Note: Derivatives and off-balance sheet exposures represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS112 and APS180.

** Note: Corporate includes corporate and private sector counterparties.

Attachment C

Table 4: Credit risk (continued)

Portfolios subject to standardised approach as at 31 December 2023	Non-performing exposure AUD mln	Specific provision balance AUD mln	Charges for specific provision AUD mln	Write-offs AUD mln
Corporate*	588.0	32.6	16.3	1.0
Government	-	-	-	-
Bank	-	-	-	-
Residential Mortgage	-	-	-	-
Other retail	0.1	-	-	-
Other	-	-	-	-
Total	588.1	32.6	16.3	1.0

Portfolios subject to standardised approach as at 30 September 2023	Non-performing exposure AUD mln	Specific provision balance AUD mln	Charges for specific provision AUD mln	Write-offs AUD mln
Corporate*	300.4	17.4	3.3	-
Government	-	-	-	-
Bank	-	-	-	-
Residential Mortgage	-	-	-	-
Other retail	-	-	-	-
Other	-	-	-	-
Total	300.4	17.4	3.3	-

Balance	31 December 2023 AUD mln	30 September 2023 AUD mln
General reserve for credit losses **	35.7	34.8

* Note: Corporate includes corporate and private sector counterparties.

** Collective provision raised under the accounting standard for stage 1 and stage 2. These represent a purely forward-looking amount for future losses that are presently unidentified for performing loans.

Attachment C

Table 5: Securitisation Exposures

No securitisation or resecuritisation activity was undertaken during the 31 December 2023 or 30 September 2023 quarters.

Securitisation Exposure – Underlying asset type	31 December 2023		30 September 2023	
	Total Exposures Securitized	Recognised Gain or (Loss) on sale	Total Exposures Securitized	Recognised Gain or (Loss) on sale
	AUD mln	AUD mln	AUD mln	AUD mln
Housing Loans	–	–	–	–
Commercial Loans	–	–	–	–
Credit Cards and other Personal Loans	–	–	–	–
Auto and Equipment Finance	–	–	–	–
Other	–	–	–	–
Total	–	–	–	–

Securitisation Exposure – Securitisation facility type	31 December 2023			30 September 2023		
	On-Balance Sheet Securitisation Retained	On-Balance Sheet Securitisation Purchased	Off-Balance Sheet Securitisation Exposure	On-Balance Sheet Securitisation Retained	On-Balance Sheet Securitisation Purchased	Off-Balance Sheet Securitisation Exposure
	AUD mln	AUD mln	AUD mln	AUD mln	AUD mln	AUD mln
Securities	–	–	–	–	–	–
Liquidity support facilities	–	–	–	–	–	–
Funding facilities	–	–	–	–	–	–
Warehouse facilities	–	–	–	–	–	–
Lending facilities	–	–	–	–	–	–
Other commitments and credit enhancements	–	–	–	–	–	–
Derivative transactions	–	–	–	–	–	–
Underwriting facilities	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total	–	–	–	–	–	–

Attachment F

The Bank manages its LCR position on a daily basis according to the Board's risk appetite and includes a buffer above the minimum regulatory requirement. The Bank has centralised its liquidity management function, into the Bank's Treasury department, which manages, co-ordinates and executes all the liquidity and funding needs of the Bank.

The Bank's average LCR for the quarter increased from 129% to 130%, which continues to be above the regulatory minimum of 100%. The increase in the ratio compared to the quarter ended 30 September 2023 was mainly driven by a decrease in net cash outflows, partially offset by a decrease in holdings of liquid assets. The intra-period movements of the LCR are forecast and monitored on a daily basis, and were within the normal operating ranges of the Banks' liquidity management activity.

The Bank maintains a diverse mix of liquid assets consisting of cash with the Reserve Bank of Australia (RBA) and Australian Semi-Government and Commonwealth Government securities. The decrease in liquid assets is mainly driven by less cash balances with the RBA, partially offset by an increase of Government securities held during the quarter.

The LCR net cash outflow (NCO) represents potential cash outflows from on and off balance sheet activities within a 30 day liquidity stress scenario, after applying APRA prescribed run-off factors to maturing debt and deposits, and inflow factors to assets. As part of its overall liquidity management strategy the Bank manages its balance sheet in a manner that aims to manage NCOs within the Board's risk appetite. Average NCO's decreased over the quarter, which is driven by an increase in cash at other banks during the quarter, partially offset by an increase in outflow driven by undrawn credit facilities increasing due to loan repayments in December as a result of seasonality. The Bank has a diversified funding base aimed at reducing concentrations on funding source, tenor, and outflow risk. RBAL is primarily funded with stable customer deposits, and actively managed intercompany funding from Cooperatieve Rabobank U.A. (the Parent).

In addition, the Bank has in place a \$525m Committed Liquidity Facility with Cooperatieve Rabobank U.A. (the Parent) to boost the Bank's access to liquidity, if needed.

There are very limited foreign currency transactions in the Bank, and interest rate derivatives are used to hedge interest rate risk residing in the Bank.

APS330 Table 20: Liquidity Coverage Ratio Disclosure

		31 December 2023		30 September 2023	
		Total unweighted value (average)* AUD mln	Total weighted value (average)** AUD mln	Total unweighted value (average)* AUD mln	Total weighted value (average)** AUD mln
Liquid Assets, of which					
1	High Quality liquid assets (HQLA)		1,887		1,968
2	Alternative liquid assets (ALA)		-		-
3	Reserve bank of New Zealand (RBNZ) securities		-		-
Cash Outflows					
4	Retail deposits and deposits from small business customers, of which:	6,370	1,168	6,405	1,164
5	Stable deposits	1,815	91	1,845	92
6	Less stable deposits	4,555	1,077	4,560	1,072
7	Unsecured wholesale funding, of which:	913	506	972	520
8	Operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	Non-operational deposits (all counterparties)	913	506	972	520
10	Unsecured debt	-	-	-	-
11	Secured wholesale funding		-		-
12	Additional requirements, of which:	6,107	459	5,540	424
13	Outflows related to derivatives exposures and other collateral requirements	4	4	6	6
14	Outflows related to loss of funding on debt products	-	-	-	-
15	Credit and liquidity facilities	3,447	299	3,298	285
16	Other contractual funding obligations	-	-	-	-
17	Other contingents funding obligations	2,656	156	2,236	133
18	Total cash outflows		2,133		2,108
Cash Inflows					
19	Secured lending (e.g reverse repos)	-	-	-	-
20	Inflows from fully performing exposures	687	656	597	551
21	Other cash inflows	25	25	27	27
22	Total cash inflows***	711	681	624	578
23	Total liquid assets		1,887		1,968
24	Total net cash outflows		1,452		1,530
25	Liquidity Coverage ratio (%)		130		129
	Number of data points used (Business Days)		62		64

**Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

**Weighted values is calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

***Adjusted values is calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e cap on HQLA2 and cap on inflows).

The Bank manages its Net Stable Funding Ratio (NSFR) position on a daily basis that includes a buffer above the minimum regulatory requirement and according to the Board's risk appetite.

The NSFR represents the ratio of Available Stable Funding (ASF) against Required Stable Funding (RSF) from on and off balance sheet activities, after applying APRA prescribed ASF factors to maturing debt and deposits, and RSF factors to assets. As part of its overall liquidity management strategy the Bank manages its balance sheet in a manner that aims to manage NSFR within the Board's risk appetite. The Bank's assets mainly consist of lending to Rural clients with average maturity over 1 year, funded predominantly by retail branch clients and Rabobank Online Savings deposits. Funding shortfall is covered by intragroup funding from the Australian Branch of Rabobank.

The main source of available stable funding (ASF) were deposits from Retail and SME deposit at 51%, other wholesale funding including intragroup funding at 34% and capital 14% of total ASF. The majority of the Banks' Required Stable Funding (RSF) as at 31 December 2023 was lending to SME and corporate clients in rural sectors at 87% of the total RSF.

The Bank's NSFR as at 31 December 2023 was 113.5%, increased from 112.4% as at 30 September 2023. The total RSF decreased as at 31 December 2023 compared to 30 September is mainly driven by the increase of loan repayment in December as a result of seasonality in rural sector. Total ASF decreased to the less extent as at 31 December 2023 compared to 30 September, mainly driven by less intragroup funding, and partially offset by deposit growth from Retail and SME deposit.

Table 21: NSFR disclosure template

		December 2023					September 2023				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
Available Stable Funding (ASF) Item		No maturity	< 6 mths	6 mths to < 1yr	≥ 1yr		No maturity	< 6 mths	6 mths to < 1yr	≥ 1yr	
1	Capital	-	-	-	3,132	3,132	-	-	-	3,086	3,086
2	Regulatory capital	-	-	-	3,132	3,132	-	-	-	3,086	3,086
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers	-	11,761	-	-	10,700	-	11,137	-	-	10,138
5	Stable deposits	-	2,310	-	-	2,195	-	2,299	-	-	2,184
6	Less stable deposits	-	9,450	-	-	8,505	-	8,838	-	-	7,954
7	Wholesale funding	-	2,580	796	4,382	5,503	-	2,668	695	5,232	6,306
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	-	2,580	796	4,382	5,503	-	2,668	695	5,232	6,306
10	Liabilities with matching interdependent assets	-	-	-	-	-	-	-	-	-	-
11	Other liabilities	-	230	-	-	-	-	292	-	-	-
12	NSFR derivative liabilities				132					179	
13	All other liabilities and equity not included in the above categories	-	98	-	-	-	-	113	-	-	-
14	Total ASF					19,335					19,530
Required Stable Funding (RSF) Item											
15(a)	Total NSFR (HQLA)					79					48
15(b)	ALA					-					-
15(c)	RBNZ securities					-					-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
17	Performing loans and securities	-	967	1,130	17,914	16,079	-	1,105	838	18,914	16,758
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-

Table 21: NSFR disclosure template

		December 2023					September 2023				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
Available Stable Funding (ASF) Item		No maturity	< 6 mths	6 mths to < 1yr	≥ 1yr		No maturity	< 6 mths	6 mths to < 1yr	≥ 1yr	
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	561	-	-	84	-	586	-	-	88
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:	-	342	1,130	17,914	15,962	-	382	838	18,798	16,588
21	With a risk weight of less than or equal to 35% under APS 112	-	-	-	-	-	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-	-	-	-	-	-
23	With a risk weight equal to 35% under APS 112	-	-	-	-	-	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	65	-	-	32	-	136	-	116	82
25	Assets with matching interdependent liabilities	-	-	-	-	-	-	-	-	-	-
26	Other assets:	-	73	-	686	660	-	65	-	432	376
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				99	-				-	-
30	NSFR derivative liabilities before deduction of variation margin posted				26	26				-	36
31	All other assets not included in the above categories	-	73	-	561	634	-	65	-	275	340
32	Off-balance sheet items				6,579	216				5,899	199
33	Total RSF					17,034					17,382
34	Net Stable Funding Ratio (%)					113.51%					112.36%