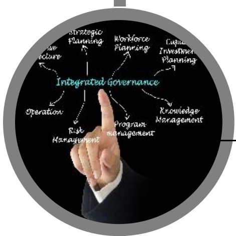
Cortell Australia Pty Ltd

CoreBIS APRA Solution

Customer Advisory Board (CAB) Meeting: 7

2021 Quarter 4



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Distribution

Document will be placed on CoreBIS Wiki.

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For the purposes of the minutes, the initial references are:

- BA = Bank Australia
- BB = Beyond Bank
- TMB = Teachers
- 86 = 86400
- BoS = Bank of Sydney
- Vol = Volt
- PN = P&N Bank
- Her = Heritage
- Gre – Greater Bank
- Nut = Nutrien
- Cor = Cortell

1. Introduction / Action Items

Cortell:

- Welcome to Nutrien

- Cortell will take minutes

1.1 Action Items from last meeting

WHO	TIMELINE	Status	ISSUE / ACTION	Comments
Cortell	Q1 2021	WIP	Update CAB on submission process for Connect	Update provided below.
Cor	Q1 2021	Open	BB mentioned ratios in last meeting that APRA are monitoring internally	If there is anything that you are seeing that we can incorporate into CoreBIS let us know
BB	Q1 2021	Open	Can we consider a training session with the auditors to bring them up to speed with CoreBIS to minimize the questions they field	We are open to this, is it possible to share with us some of their key questions and or what you would like included in this deliverable?
All	Q4 2021+	Open	September – user group to be setup to explore CoreBIS expansion (Kerri going to lead from BB)	Once data is released from APRA on the incremental changes in ARS220, re group and consider the implications for how this will play out in APRA Connect CoreBIS
All	Q3 2021	Closed	Provision of BEAR reporting for Sept quarter end to be completed directly into Connect	Any issues?
Cortell	Q1 2021	Closed	Investigate the possibility of having orderly representation of data in tables	Q 2 comments: This is possible however it does have flow on impacts for consideration. Cortell is reviewing this in line with changes to reporting standards such as ARS220.
BB	Q1 2021	Closed	Can validation rules be less confusing	Unfortunately, not, we do not foresee any changes until ARS220 comes into play

2. Executive Summary

- APRA Connect transition – APRA still to release ADI artefacts for testing. Dates for testing each specific ADI environments to be confirmed post this release (expected Q2 2022)

- ARS220 for 2023:
    - Clients to perform GAP analysis of data in their environments
    - Recommended focus on clients ECL calculation approach
    - Cortell has developed working dashboards and reports for inclusion into CoreBIS

  -> real opportunity here to revise how you conduct your internal credit reporting processes

- APRA and RBA join Global Network for Greening the Financial System (NGFS). Climate Risk will gain much greater traction in 2022. PPG release Q4 2021; Cortell will consider development opportunity for climate vulnerability assessment (refer section 3.2). Companies to start considering disclosure obligations.

- Basel Changes – risk weight changes embedded into CoreBIS for client consideration of future capital positions. Strongly suggest deriving future capital positions for your business to understand the opportunity these changes will make

- Remuneration standard finalised, rollout to commence 2023. Organisations should start reviewing impacts to their situation. Cortell looking to develop GRC application for small to mid size organisations

- APRA risk survey possibility to hit your organisation in Qtr 4

- Cortell to undertake 1-1 sessions with all clients to ensure all features and functionality of CoreBIS is being realized (ensure benefits realisation is being met).

3. Regulatory Updates

3.1 APRA Connect

APRA Connect has also been designed with the ‘collect once, use many times’ principle that enables APRA to collect data once that can be shared with other agencies.

Whilst APRA are yet to release the ADI artefacts for testing within a CoreBIS Connect world, Cortell has been working with BT in the Super space so does have some good experience and understanding of the impacts to the ADI space.

Key Learnings to Date:

- Workflow Form controls have changed to dashboard controls, this has been received positively and will be the proposed approach to move forward with in Banking.
    - Cortell is keen to work with CAB user group to define these dashboards and leverage any key ratios desired from clients
- AI opportunity is being explored to support data set controls:
    - can CoreBIS support users with automatic triggering of movements using AI forecasting
    - Natural Language processing (NLP) has been explored, not deemed to be appropriate at this point
- Validations process under review. APRA Connect processes significantly different to existing D2A process
- User experience of CoreBIS is not expected to change much, however Cortell is keen to promote more extensive use of the CoreBIS application for Clients ability to leverage the underlying data set that will be required in a post Connect world e.g. ARS220 in 2023.

ADI artefacts are expected in Qtr 2 2022 (Cortells own expectation), from which point Cortell will internally migrate the new processes in, regression test CoreBIS internally before then testing per client site.

3.2 Climate

Key terms to understand:

NGFS - Network for greening the Financial System (comprises 100+ central banks and prudential regulators from around the world) with 50+ member countries

CVA - Climate vulnerability assessment

TCFD - The Task Force on Climate-Related Financial Disclosures provides a global framework that ASIC is encouraging Australian companies to use as the primary reference for Australian corporate disclosures.

The Australian Prudential Regulation Authority (APRA) and the Reserve Bank of Australia (RBA) have published a joint statement on the actions they are taking to ensure financial institutions and the Australian financial system are prepared to respond to the financial risks of climate change.

The NGFS has developed much of the infrastructure for assessing climate risks in the banking system. Whilst the G20 has had a focus on sustainable finance for a number of years now, Climate risk is a significant part of the agenda now at the Financial Stability Board, IOSCO (International Organization of Securities Commissions) and the Basel Committee.

CVA Exercise

APRA is leading a bottom-up supervisory CVA exercise with the five largest Australian banks (their lending books encompass all parts of the Australian economy hence the expectation is for them to cover the majority of risk).

- basis for the CVA is the NGFS scenarios which are being adapted to explore Australian-specific circumstances
- The three key objectives of the CVA are:
    - assess potential financial exposure to climate risk
    - understand how banks may adjust business models and implement management actions in response to different scenarios
    - foster improvement in climate risk management capabilities.
- Results to be published in 2022

The banks' loan portfolios are assessed for their exposure to both physical and transition risk under two scenarios:

1. assumes current global policy settings continue
2. there is a late and orderly transition to global net zero emissions by 2050.

Physical risks are the direct loss from a climate event. For example, the risk that a business' assets or property (which are the collateral for a loan) is destroyed in a bushfire or a flood. Climate change can increase the frequency and severity of such events. Changing physical risks have significant implications for mortgage portfolios, which commonly have a term of around 25 years. The first part of the CVA looks at the effects of physical climate risk under the two scenarios, taking the banks' current loan books as given.

Transition risk is the result of the structural change to the economy from the move to lower emissions. Stranded assets are a good example of transition risk. Due to, say, a change in consumer demand for a product or a change in the energy policy of a country, the value of a company's assets or income it was expected to earn can decline quickly and significantly, permanently reducing the value of the company and its ability to service a loan.

Disclosure for Companies

The law in Australia requires companies to take account of, and appropriately disclose, all relevant risks. That includes the risks from climate.

The TCFD was an outcome of the Paris Agreement and it has published guidance on climate disclosures. To date, this guidance has been high level and principles based. The TCFD will shortly be publishing more detailed guidance about the form these disclosures should take.

Moreover, in response to growing demand to improve the global consistency and comparability of sustainability reporting, including climate reporting, the trustees of the IFRS Foundation propose to create an International Sustainability Standards Board. If these proposals proceed, and a decision is expected imminently, this new board would work towards setting IFRS sustainability standards, taking a climate-first approach, and building off the work of the TCFD and other sustainability standards setters.

There is consideration of a global taxonomy standard to be introduced to support climate reporting (and namely investors for comparability between countries).

Conclusion

- PPG Climate Risk will be finalised in 2021, including points with respect to governance, risk management, scenario analysis and disclosure.
- On a more positive note talk about climate opportunities for your business e.g. investment in renewable electricity and how this may promote your brand.

3.3 Loan deferral publication

For eligible borrowers, ADIs do not need to treat a repayment deferral as a loan restructuring or the period of deferral as a period of arrears.

To provide greater transparency APRA is resuming publishing of aggregate and entity-level loan repayment deferrals data, in a similar manner as in 2020/21. In this ‘second round’, however, the threshold for reporting has been lifted to those ADIs with $50 million and 50 facilities in loans subject to repayment deferral, compared to $20 million and 20 facilities in the ‘first round’.

APRA has published the load deferral statistics for the quarter, no CoreBIS clients referenced.

3.4 Market Risk Changes

The continuation of the Basel reforms, more specifically with the “unquestionably strong” stance from APRA, has seen delays for the implementation of Market Risk revised standards.

Draft standards have been released for the 117 in 2019, however implementing the Fundamental Review of the Trading Book and CVA through changes to APS 116 and APS 180 should be conducted in parallel, so that any interactions can be carefully considered. To this end, and to allow adequate time for consultation, APRA is moving the intended effective date for APS 116 and APS 180 to 1 January 2025.

Prudential standard	Consultation	Finalisation	Revised implementation
APS 117	2019	2022	2024
APS 116	2022	2023	2025
APS 180	2022	2023	2025

3.5 Negative interest rates

APRA considers the risks arising from an ADI’s lack of preparedness for zero and negative interest rates to be material since this could have significant implications for an ADI’s risk management, hedging, operational processes, contracts, product disclosures, IT and accounting systems among other areas. Insufficient preparation for the possibility of zero and negative interest rates could therefore have an adverse impact on an ADI, its customers and the markets in which it operates.

More specifically, APRA expects ADIs to, at a minimum, develop tactical solutions to implement zero and negative market interest rates and cash rate by 30 April 2022. Tactical solutions are typically shorter-term fixes, involving workarounds on the periphery of existing systems, along with overrides in downstream systems.

All products and activities are in scope for this expectation, except for lending products that do not reference the cash rate or a market rate including business lending, residential mortgages, personal loans and credit cards.

➔ If any CAB members have an impact here that Cortell needs to consider, please let us know

3.6 Mortgage lending buffer

More than one in five new loans approved in the June quarter were at more than six times the borrowers’ income!

To manage the heightened risks in banks’ mortgage lending, APRA have increased the minimum interest rate buffer they expect banks to use when assessing the serviceability of home loan applications to at least 3.0 percentage points (an increase from 2.5 percentage points previously).

3.7 APRA finalises guidance for new prudential standard on remuneration

The final Prudential Practice Guide CPG 511 Remuneration (CPG 511) has been released. In summary, it sets better practice for:

- strengthening incentives for individuals to prudently manage the risks they are responsible for;
- implementing appropriate consequences for poor risk outcomes; and
- improving oversight, transparency and accountability on remuneration.

APRA has aligned the guidance with the Government’s proposed Financial Accountability Regime (FAR) and provided additional examples of better practice, such as for applying material weight to non-financial performance measures.

The timelines for implementation are from Jan 2023 for the largest institutes and then staggered for all other organisations.

- Cortell is starting to explore a separate GRC application to support organisations with APRA compliance that may then be extended to other areas under CPS220.

3.8 Transforming risk culture: observations from APRA's pilot survey

APRA recently conducted an organisational risk culture survey conducted across 10 general insurers. The purpose was generate learnings on risk that permeate organisations, and to further support the surveyed organisations with insights into their existing practises.

Under Prudential Standard CPS 220 Risk Management, the boards of APRA-regulated entities are required to form a view of the risk culture in the institution that they govern and identify any desirable changes to the risk culture necessary to ensure that culture supports the ability of the institution to operate consistently within its risk appetite.

Defining Risk culture, APRA states that:

"risk culture refers to an entity's attitudes and behaviours towards risk management. Specifically, it is the behavioural norms and practices of individuals and groups that shape an entity's ability to identify, understand, openly discuss, escalate and act on its current and emerging risks

In particular, an entity's risk culture is influenced and shaped by two key aspects:

1. *Risk behaviours: the observable actions and behaviours of individuals and groups (for example, role modelling, operating practices and symbols, such as discussion of risk management as a standing agenda item in team meetings), and*
2. *Risk architecture: the formal structures and arrangements that support the management of risks (for example, systems, policies, procedures and governance structures)."*

APRA have further provided a breakdown of these two aspects into 10 dimensions as represented below:

Figure 1: APRA's Risk Culture 10 Dimensions

Risk Behaviours	Risk Architecture
Leadership Leaders at every level deliberately and consistently champion risk management, setting a clear tone and role-modelling appropriate risk behaviours to instil the desired risk culture throughout the entity	**Risk Culture Assessment and Board Oversight** The Board has a robust approach to overseeing the assessment of risk culture in order to form a view, identify desirable changes and ensure steps are being taken to address these changes
Decision-Making and Challenge There is a demonstrated willingness to proactively consider diverse viewpoints and to give and receive constructive challenge across the entity	**Risk Appetite and Strategy** Business and strategic decisions align with the Risk Appetite Statement
Communication and Escalation Risk issues are openly communicated across the entity, supported by an environment where people feel safe to speak up without fear of retribution	**Risk Governance and Controls** Across the entity there is effective oversight of risk, and risk management is supported by appropriate risk frameworks, policies, controls and reporting
Risk Capabilities The level of skills and learning, well-being, processes, systems and data across the three lines of defence supports effective risk management practices and behaviours	**Responsibility and Accountability** Responsibility and accountabilities for risk are clearly understood, embraced and discharged across the three lines of defence
Alignment with Purpose and Values The entity's espoused Purpose and Values promote and support good risk management behaviours	**Performance Management and Incentives** Good risk management behaviour is rewarded and poor risk behaviour has proportionate consequences

From the 10 insurers surveyed (and normalising for results), it was observed customer service and actuarial departments required the most work, whilst Financial Control teams reported a high degree of risk and control awareness and management!

Overall, it was identified that strong risk culture exists where employees are comfortable speaking up and voicing concerns with their leaders.

The survey is now going to be rolled out to 60 more institutions across all verticals, banking organisations to be this qtr.

Figure 5: Timeline for survey roll out

3.9 Policy Updates

Cross-industry

Standards and guides	Q4 2021	2022	Expected effective
Contingency planning and resolution	Consult	Finalise	2023
Operational resilience	~~Consult~~	Consult	~~2023~~ 2024
Stress testing PPG	~~Consult~~	Consult	-
Climate risk PPG	Finalise		-
Governance (CPS 510)		Consult	~~2023~~ 2024
Risk management (CPS 220)		Consult	~~2023~~ 2024
Remuneration disclosure requirements (CPS 511)*	~~Finalised~~	Consult	2023
Fit and proper (CPS 520)		Consult	TBC
NOHC authorisation guidelines	~~Finalise~~	Finalise	-

* Note: Remuneration guidance (CPG 511) will be finalised in Q4 2021

Banking

Standards and guides	Q4 2021	2022	Expected effective
Overall approach to capital requirements (APS 110)	Finalise		2023
Standardised Approach to Credit Risk (APS 112)	Finalise		2023
Internal Ratings-based Approach to Credit Risk (APS 113)	Finalise		2023
Interest Rate Risk in the Banking Book (APS 117)	~~Finalise~~	Finalise	~~2023~~ 2024
Disclosure requirements (APS 330)	~~Consult~~	Consult	~~2023~~ 2024
Credit risk management (APS 220)	Finalise		TBC
Stored-value facilities	~~Consult~~	Consult and finalise	2023

3.10 Carried forward from previous CAB

3.10.1 APS 220 – Credit Risk Management (March 2022)

Delayed but it is coming!

Appendix: High Level Timeframe - 220 Strategic Collection

Timeframe	Activity
Q3 2021	• Pilot collection (pilot group only) • Release of high-level data expectations to industry
Q4 2021	• Pilot collection (pilot group only)
Q1 2022	• Quarterly incremental collections
Q2 2022	• Quarterly incremental collections
Q3 2022	• Quarterly incremental collections
Q4 2022	• Quarterly incremental collections • Release of finalised standards
Q1 2022	
Q2 2023 (March quarter end)	• First formal collection
Q3 2023	• Tactical standards cease

Table 1: Exposures and provisions

Complete Table 1 for all financial instruments subject to *AASB 9 Financial Instruments*.

Report data as at the end of the ***reporting period***.

	Context	Name	Unique identifier	Applicable to:	Valid values	Description
1	Loan Characteristic	Loan identifier	Y	All ADIs	Free text	Report the loan identifier. This should be a unique identifier assigned by the lender for each individual loan. It must not include any personal details such as names, addresses or date of birth. The loan identifier should be consistent across collections.
23	Loan Characteristic	Gross carrying amount of credit exposures		All ADIs	Dollar values	Report the ***gross carrying amount of credit exposures***.
28	Capital adequacy	Credit RWA		All ADIs	Dollar values	Report the value of ***credit risk-weighted assets***.

As we shift to the data space, there are significant opportunities going to present.:

- *"APRA is designing new data collections which are based on data models that can be used for multiple purposes"*
- *"Future collections… will move away from form-based returns to concept-dimension models "*
- *"The data collected by ARS 220.0 will form the basis of an ADI financial instrument data model which will be extended at a future date to include topics such as capital adequacy for credit risk amongst other areas of interest."*

➔ Possibility to form a sub-working group on what the data release will tell us, primarily in consideration for:
  - summary dashboards / ratios
  - augmented intelligence for compliance approvals

➔ Real opportunity for leveraging this to drive:
  - significant enhancements to your internal credit reporting capabilities
  - integrated management reporting suite

3.10.2 Capital Revision Framework

APRA expects ADIs to be fully compliant with the revised capital framework from 1 January 2023

Key dates are listed below:

Policy	Timing
Targeted QIS	Released July, due August 2021
Release of final Prudential Standards	November 2021
Release of draft Prudential Practice Guides (PPG)	November 2021
APRA to notify ADIs on their eligibility for the simplified framework	November 2021
Release of final PPGs	Q2 2022
Consequential amendments to related standards	Q3 2022
Attestation from accountable person that the ADI will be compliant with the updated standards	December 2022
Capital standards effective	1 January 2023

Reporting	Timing
Initial details on reporting requirements provided to ADIs	August 2021 (Q4 2021 for ARS 117)
Release of interim reporting standards (draft)	Q1 2022
Release of interim reporting standards (final)	Q3 2022
Parallel run of September 2022 quarter end Parallel run of December 2022 quarter end	Q4 2022 Q1 2023
Attestation from accountable person that the ADI will report accurate regulatory capital data	March 2023
Interim reporting requirements effective	Q1 2023
Release of final reporting standards	Q2 2024
Reporting requirements effective	Q2 2024

3.10.3 APS110 Summary Impacts:

- Definition of Small ADI incorporated:

(b) small ADI – means a standardised ADI, that is not a foreign ADI, **foreign-owned ADI** or PPF provider, that:

(i) has total assets less than $20 billion at Level 1, or where relevant Level 2;

(ii) does not operate a trading book;

(iii) has immaterial non-centrally cleared derivative exposures; and

(iv) has domestic activities only and does not source any of its funding offshore;

- Which impacts operational risk calculation:

(d) either:

(i) for small ADIs, 10 per cent of the sum of RWA calculated under sub-paragraphs (a) and (b) as capital held against operational risk; or

- Leverage Ratio Introduced

For standardised ADIs, APRA proposes to adopt a simplified approach which uses accounting-based measures that are already reported to APRA to calculate most components of the exposure measure. These simplifications are intended to reduce complexity and regulatory burden to better reflect the status of the leverage ratio requirement as a simple backstop measure.

ADIs will be expected to satisfy a minimum leverage ratio requirement at all times, but as is the case under the risk-based capital framework, they will only be required to report leverage ratios on a quarter-end basis.

The Leverage ratio for standardised ADI’s will most likely be >3%.This figure will need to be reported on your APS 330 (subject to the finalisation of the current consultation for capital reform).

The calculation of the Leverage Ratio is:

1. An ADI must calculate its leverage ratio as follows:

$$\textit{Leverage ratio} = \frac{\textit{Tier 1 Capital}}{\textit{Exposure Measure}}$$

where:

(a) Tier 1 Capital is determined in accordance with APS 111; and

(b) the exposure measure is determined in accordance with this Attachment and is calculated as the sum of:

(i) on-balance sheet exposures;

(ii) non-market related off-balance sheet exposures;

(iii) derivative exposures; and

(iv) securities financing transaction (SFT) exposures.

Key definitional considerations need to be given to balance collateral positions for your derivatives, and non-market off balance sheet related positions. (Attachment D, worth reviewing for your own impact statement).

3.10.4 APS111 Summary of Impacts

Primarily definitional changes. Several changes on convertible instruments require a review.

3.10.5 APS112 Summary Impacts

Many definitional changes that require independent consideration and impact assessments on items like:

- your credit policy e.g. the 2.5% buffer on interest rates for mortgages is being removed
- officially incorporating the First home deposit scheme to treat as if 80% LVR
- definition of what is included in a non-standard loan

Key changes are going to be in the RW% as seen below:

<table>
<tr><th colspan="2" rowspan="2">Standard loan LVR %</th><th colspan="7">RW %</th></tr>
<tr><th>≤ 50</th><th>≤ 60</th><th>≤ 70</th><th>≤ 80</th><th>≤ 90</th><th>≤ 100</th><th>> 100</th></tr>
<tr><td rowspan="2">Owner-occupied principal-and-interest mortgages</td><td>LMI</td><td rowspan="2">20</td><td rowspan="2">25</td><td rowspan="2">30</td><td rowspan="2">35</td><td>40</td><td>55</td><td>70</td></tr>
<tr><td>No LMI</td><td>50</td><td>70</td><td>85</td></tr>
<tr><td rowspan="2">Other residential mortgages</td><td>LMI</td><td rowspan="2">25</td><td rowspan="2">30</td><td rowspan="2">40</td><td rowspan="2">45</td><td>50</td><td>70</td><td>85</td></tr>
<tr><td>No LMI</td><td>65</td><td>85</td><td>105</td></tr>
</table>

4. Other Updates

4.1 Taxonomy updates

There are a number of taxonomy changes that are being released in November for the commencement of Qtr 1 reporting in 2022.

Please view these changes through your CoreBIS Return Management Screen and be aware of tagging changes that may be required in Qtr 1 2022.

4.2 CoreBIS Features Document, Benefits realisation and Controls Listing

As Cortell continues investing in value to be provided to clients, we believe it is a good idea to undertake collaborative sessions with CAB members to understand the extent of the features that are being used and where Cortell can provide additional support to clients.

Cortell is proposing to take 1-1 sessions with all clients to:

- Understand how they are using CoreBIS
- Identify whether the benefits realisation opportunities are being met
- Ensure customers understand the full functionality available to them
- Receive any specific feedback from clients
- Ensure that CoreBIS controls are aligned to client control frameworks and vice versa

CoreBIS

FEATURE	DESCRIPTION	CONTROL	BENEFIT
WORKFLOW			
Workflow Administration	Create and manage worfklow versions. Allows workflow to be copied from previous period for submission or resubmission purposes.	Formal data retention strategy to ensure all workflow versions are maintained for future reference and analysis. Enables resubmissions to be prepared whilst maintaining the integrity of each submission version.	Effective management of submission process whilst maintaining integrity of historically submitted data in case where resubmission is required.
Data user assignments	Allows assignment per user per tagged data source to be assigned security access level of read or write and assigns the user per tagged data source the task of reviewer or approver.	Separation of duties with accountability over review and approval of source data.	Assigns designated owner or owners so that responsibilities are clearly understood.
Form selection	Required forms to be submitted for a specific period are pre-populated in CoreBIS from APRA data and this can be reviewed to confirm inclusion. Forms can be removed if not required. Additional forms can be manually entered on form selection to generate additional forms, as an example the ability to prepare a quarterly form on monthly basis.	Automated load from APRA of required forms to be submitted ensures complete data set for accuracy, completeness and timeliness.	Direct feed from APRA detailing which forms to be submitted each period results in complete data capture and eliminates risk of omitting a form to be submitted for that period.
Form user assignments	Workflow administrator assigns a user by entity, per form to one task within a three tier review process. The review process consists of Reviewer, Approver and Submit to APRA. A task cannot be approved until it is reviewed, or Submit to APRA until it has been approved. Completing the Submit to APRA task within the workflow will lock the data for data retention purposes before actual submission through Return Management.	Separation of duties clearly defined with accountability over tasks for review, approval and submitting forms direct to APRA. The three tier review process reduces the potential for an individual to compromise data integrity. Locking of submitted workflow versions ensures accurate data retention for audit purposes.	Assigns designated owner or owners so that responsibilities are clearly understood and accountability for completion of allocated tasks.
Workflow Dashboard	Workflow dashboard is a graphical representation of task status for specified workflow version. This allows for high level review of status of workflow for current period to allow follow up if required.	Up to date monitoring of workflow status in a format that can be quickly reviewed to ensure tasks are on track and forms are submitted within required timeframes.	Enhanced visibility of status of workflow results in time saving.
Detailed Task Listing	Detailed task listing provides a summary table of forms to be submitted for the current workflow period, the due date for the data to be submitted to APRA and the current workflow status. A notes section allows for comments to be added for additional information to be provided to the reviewer regarding workflow status.	Allocation of formal roles and responsibilities and reporting mechanism to track status of workflow tasks to ensure timely delivery of APRA forms.	Detailed task listing ensures users are aware of tasks to be completed and due dates for the purposes of time management. Allows for follow up of owner assigned to a task to ensure on time completion.
Daily Workflow	Daily workflow provides a summary table of APRA forms and due dates to assist with management of day to day workloads.	Allocation of formal roles and responsibilities and reporting mechanism to track status of workflow tasks to manage tasks daily to ensure timely delivery of APRA forms.	Detailed task listing ensures users are aware of tasks to be completed and due dates for the purposes managing tasks on a daily basis. Allows for follow up of owner assigned to a task to ensure on time completion.

It is envisaged this line of work will support clients with their internal controls, better prepare clients for audit work, and also provide Cortell with good understanding as to enhancements Cortell can make to support our client base e.g. SOC audits.

➔ Cortell will organise sessions with respective organisations starting in November

5. Demonstrable assets

Enhancements to existing features

New Features

- NF25: Stat / ASIC Reporting*
- ARS220 Dashboards
- Basel 4 Capital changes / impact
- CoreBIS Management Reporting

*Not part of monthly migrations.

6. Other Feedback

What would you like to see in the product?

How can we help?

7. Appendix 1: Terms of Engagement for CAB

CAB Context

The **CoreBIS** Customer Advisory Board (CAB) has been established to ensure the **CoreBIS** platform provides its users with the best features and functionality possible to achieve their regulatory deliverables.

CAB will provide a forum where member improvement ideas can be tabled, shared, and agreed upon in a collaborative environment before moving forward into development and release into their respective production environment.

The CAB will also provide an opportunity to openly discuss regulatory changes impacting the industry and any relevant flow on effects that will impact CAB members and CoreBIS.

It is expected the CAB forum will provide valuable input into its members internal and external audit processes and support their own internal risk management processes. In addition, CAB documentation can support supervisory reviews and/or site visits from APRA.

CAB Meetings

Meetings to be held once per quarter, in the month leading into Quarter end, on a date as agreed by consensus with members

- A quorum of two members is required for voting, with a majority required before moving forward with any feature enhancements or development initiatives
- Members are welcome to have more than one attendee at the meetings; however only one vote is permitted per member client
- Cortell will take notes and distribute minutes of meetings to each member

- # Appendix 2: Minutes and ACTION ITEMS FOR NEXT MEETING

Beyond Bank

➔ Are there any Ratios for control we should consider (Meetings with Exec)
    - ARF223 mainly
    - New lending has been the primary focus along with DTI
    - predominately as a benchmark against industry
    - market stats are used out of CoreBIS
    - Perhaps opportunity for more ratios and key risk metrices into CoreBIS

➔ Nick - Auditors Training, agreed to keep it on the radar
> Couldn't get auditors to table.
> Nutrien have also raised for SOC

➔ Connect
> Cortell will leverage Superannuation experience for ADI's
> Workflow Form replacement as an example ie using dashboards
> Validations require significant change that is being reviewed
> End state experience not changing too much with Connect
> Opportunity for more analytics that Cortell wants to make you aware of
> BB: how do you connect to APRA Connect?
> Cor: xml currently is still being used, however we need to consider this longer term and in the context of validation rules.
> BB: are we going to be able to or need to run parallel submission processes
> Cor: there will be two submission portals which will run concurrently, however it is not envisaged there will be a need to submit one form/ data set to both portals
> BA: when do you expect to be able test Connect
> Cor: our own expectations is Qtr 2 2022

➔ Climate
>Matt (BA) Est Timeframe for deployment?
> Cor: dont know.. it usually takes several years for these events to transpire into operational deliverables

➔ CoreBIS Features document
> Cortell wants to ensure you are all using CoreBIS in terms of making sure you are across the full breadth and capabilities of the application. To do this we will be scheduling 1-1 sessions with core users to listen to your feedback and identify what additional benefits you can be obtaining from CoreBIS

- ➔ Nick BB will you be undertaking interest rate budgeting within CorePLAN

    Cor – Yes. This is where we would like to work with a development partner

- ➔ BA we have challenges with the precision of the numbers being used for the 923 which we drop out of CoreBIS, is there something we can do for this?
    - Cor – yes we addressed this point recently with another client, there are different ways to approach this, if you raise a support ticket we will pick this up with you

- ➔ BB – we have challenges for those Qtrly Forms that we run on a monthly basis for internal management reporting needs, namely with regards not having access to movement reports etc. Is there something we can do?
- ➔ Tea: DQ report, are the metrics used the latest

    Cor – the data spreadsheet we use was supplied by APRA. We have gone back to APRA to check this and will revert

- ➔ BA ARS_702 - Draft standard raised in 2017, do you know if APRA are ever going to finish this?

    Cor – we will consult with APRA and see what we can find out

- ➔ First Return due..

- ➔ BB

    117 repricing, recent advise from APRA to no longer apply the 0.5% on deposits, did anyone else receive this
- ➔ Tea: interested to know of other clients experience with Capital

    Kerri (BB)

    > Not the whole way there yet.
    > Some of it is fully mapped
    > Treasury - straight forward
    > loan is mostly mapped.
    > adjustments for bespoke files
    > Resource issue with BI team. and Reg.

    Christina (BA)

    > A lot of info mapped in
    > LANA manual adj
    > Loan book / GL mapped

    James (Cor)

    > Come back to data ultimately
    > side contracts or side information sources that can sometimes be easier to just manually add in that provide a fully automated solution

-> Trent (Tea) do other clients import data on account level? Is there any concerns about size of CoreBIS to cater for the data volumes?
Cor: no issues with data volumes, performance is very rarely impacted, you can increase your RAM but at the end of the day you look at the large companies using it and there is no problems. Cortell also has a archive function within it that can be used if concerned.

- ➔ BB is it possible to extend the DQ to other Forms outside of EFS
  Cor: you can use the reconciliation module or a custom report for this, however it is something we will consider for an input parametrized report