

Capital Base

The details of the components of the capital base are set out below as at quarter end.

Table 1: Common Disclosure

Common Equity Tier 1 Capital : instruments and reserves		30-Jun-21
		\$,000
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	
2	Retained earnings	99,004
3	Accumulated other comprehensive income (and other reserves)	-239
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)</i>	
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 on Equity Tier 1 capital : regulatory adjustments	98,765
Common Equity Tier 1 Capital : regulatory adjustments (rows 7 to 27)		
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)	1,406
11	Cash-flow hedge reserve	-239
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)	22
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage service rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the ordinary shares of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	488
26a	of which: treasury shares	
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	
26c	of which: deferred fee income	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	

26f	of which: capitalised expenses	488
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	
26h	of which: covered bonds in excess of asset cover in pools	
26i	of which: undercapitalisation of a non-consolidated subsidiary	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	
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	1,675
29	Common Equity Tier 1 Capital (CET1)	97,090
Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	
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	of which: holdings of capital instruments in group members by other group members on behalf of third parties	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to Additional Tier 1 capital	
44	Additional Tier 1 capital (AT1)	
45	Tier 1 Capital (T1=CET1+AT1)	97,090
Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	15,000
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	1,170
51	Tier 2 Capital before regulatory adjustments	16,170
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	of which: holdings of capital instruments in group members by other group members on behalf of third parties	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	
57	Total regulatory adjustments to Tier 2 capital	

58	Tier 2 capital (T2)	16,170
59	Total capital (TC=T1+T2)	113,260
60	Total risk-weighted assets based on APRA standards	648,680
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.97%
62	Tier 1 (as a percentage of risk-weighted assets)	14.97%
63	Total capital (as a percentage of risk-weighted assets)	17.46%
64	Buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIBs buffer requirement, expressed as a percentage of risk-weighted assets)	7.00%
65	<i>of which: capital conservation buffer requirement</i>	2.50%
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	
67	<i>of which: G-SIB buffer requirement</i>	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	7.97%
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	
71	National total capital minimum ratio (if different from Basel III minimum)	
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)	
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)	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	7,088
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 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>	

Regulatory Capital reconciliation

	<i>Balance sheet per published financial statements as at June 2021 \$'000</i>	<i>APS330 table ref</i>
Asset		
Cash and cash equivalents	32,652	
Other financial assets	212,336	
Receivables and other assets	7,623	
Loans to members	1,236,435	
Other loans	10,275	
Property, plant and equipment	752	
Right of use assets	1,464	
Deferred tax assets	1,406	10
Intangible assets	105	26f
Taxation assets	2,995	
Total asset	1,506,043	
Liabilities		
Borrowings from financial and other institutions	74,638	
Deposits	1,321,422	
Creditors, accruals and other liabilities	6,482	
Taxation liabilities	-	
Lease liabilities	2,081	
Provisions	1,485	
Total liabilities	1,406,108	
NET ASSETS	99,935	
Member's equity		
General reserve for credit losses	1,170	50
Cash flow hedge reserve	(239)	11
Retained earnings	99,004	2
Total members' equity	99,935	

Table 3: Capital Adequacy

		Prescribed
		RWA
		\$'000
		30-Jun-21
b	(i) Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:	
	Liquid investments	51,460
	Loans - secured by residential mortgage	421,858
	Loans - other	75,581
	Loans - corporate	-
	All other assets	9,306
Total credit risk on balance sheet		558,204
Total credit risk off balance sheet		8,855
b	Capital requirements for equity exposures in IRB approach	-
c	Capital requirements for market risk	-
d	Capital requirements for operational risk	81,620
e	Capital requirements for interest rate risk	-
Total Risk Weighted assets		648,680
f	Common Equity Tier 1 Capital Ratio	14.97%
f	Tier 1 Capital Ratio	14.97%
Total Capital ratio		17.46%

Table 4: Credit Risk

30-Jun-21								
	Gross Credit Exposure	Avg. gross credit exposure	Risk-weighted	Impaired facilities	Past due facilities	Specific provisions as at end of qtr	Write off	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Cash and cash equivalents	1,272	1,312					
	Total Loans	1,247,107	1,248,919	497,438	9,677	9,677	999	937
	Debt securities	244,315	251,810	51,460				
	Other Commitments	9,306	7,484	9,306				
	Total off-balance sheet exposures	24,514	25,225	8,855				
(i)	Total exposure by major types	1,526,514	1,534,750	567,059	9,677	9,677	999	937
	Liquid investments	245,587	253,121	51,460	-	-	56	-
	Loans - secured by residential mortgage	1,171,527	1,171,241	421,858	8,548	8,548	53	-
	Loans - other	75,581	77,678	75,581	1,130	1,130	946	937
	All other assets	9,306	7,484	9,306	-	-	-	-
	Off-balance sheet exposure	24,514	25,225	8,855	-	-	-	-
b	Total exposure by portfolio	1,526,514	1,534,750	567,059	9,677	9,677	1,055	937
c	The general reserve for credit losses is \$1,169,886							

Table 5: Securitisation exposures

30-Jun-21			
a	Securitisation activity by exposure type	Total exposures securitised	Recognised gain or loss on sale
		\$'000	\$'000
	Loans	Nil	Nil
b	Securitisation Exposures	On- balance sheet	off-balance sheet
	Loans	458,136	113