

**Reconciliation of Regulatory Capital**

Statement of Financial Position	June 2017	Note	Reconciling Regulatory Capital
	\$		\$
<b>ASSETS</b>			
Cash and cash equivalents	4,371,801		
Receivables due from other financial institutions	281,422		
Financial assets available for sale or at cost	1,033,475	<i>Item 26d</i>	(1,033,475)
Trade and other receivables	2,255,052		
Financial assets held to maturity	63,390,546		
Loans and advances	279,877,893		
Property, plant and equipment	1,481,168		
Deferred tax assets	294,474	<i>Item 26e</i>	(294,474)
Intangible assets	31,124	<i>Item 26f</i>	(31,124)
Other assets	278,001		
<b>TOTAL ASSETS</b>	<b>353,294,956</b>		
<b>LIABILITIES</b>			
Payables due to other financial institutions	967,472		
Trade and other payables	971,258		
Deposits	307,247,843		
Income tax payable	3,482		
Provisions	770,764		
<b>TOTAL LIABILITIES</b>	<b>309,960,819</b>		
<b>NET ASSETS</b>	<b>43,334,137</b>		
<b>EQUITY</b>			
General Reserve	42,385,678	<i>Item 6</i>	42,385,678
Redeemed Preference Share Capital Account	239,950	<i>Item 6</i>	239,950
General Reserve for Credit Losses	708,509	<i>Item 50</i>	708,509
<b>TOTAL EQUITY</b>	<b>43,334,137</b>		
Tier 1 specific deductions relating to securitisation (excluding securitisation start-up costs)		<i>Item 26j</i>	-
Loan to Loan's Management(Tax)		<i>Item 26j</i>	(4,152)
<b>REGULATORY CAPITAL</b>			<b>41,970,912</b>

**Common Equity Tier 1 Capital: Instruments and Reserves**

1 Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	
2 Retained earnings	42,625,628
3 Accumulated other comprehensive income (and other reserves)	
4 Directly issued capital subject to phase out from CET1	
5 Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
<b>6 CET capital before regulatory adjustments</b>	<b>42,625,628</b>

**Common Equity Tier 1 Capital: Regulatory Adjustments**

7 Prudential valuation adjustments	
8 Goodwill (net of related tax liability)	
9 Other intangible 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	
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 - amount > 10% threshold	
19 Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation - amount >10% threshold	
20 Mortgage service rights - amount >10% threshold	
21 Deferred tax assets arising from temporary differences - amount >10% threshold	
22 Amount exceeding the 15% threshold	
23 of which: significant investments in the ordinary shares of financial entities	
24 of which: mortgage serving rights	
25 of which: deferred tax assets arising from temporary differences	
26 National specific regulatory adjustments	1,363,225
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 & 23	1,033,475
26e of which: deferred tax assets not reported in rows 10,21 & 25	294,474
26f of which: capitalised expenses	31,124
26g of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	
26h of which: covered bonds in excess of asset cover in pools	
26i of which: undercapitalisation of a non-consolidated subsidiary	
26j of which: other national specific regulatory adjustments not reported rows 26a to 26i	4,152
27 Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
<b>28 Total Regulatory Adjustments to Common Equity Tier 1</b>	<b>1,363,225</b>
<b>29 Common Equity Tier 1 Capital (CET1)</b>	<b>41,262,403</b>

**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	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET 1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	of which: instruments issued by subsidiaries subject to phase out	
<b>36</b>	<b>AT1 Capital before regulatory adjustments</b>	<u>-</u>

**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 >10% threshold)	
40	40 Significant investments in the capital of banking, financial & insurance entities that are outside the scope of regulatory consolidation (net of eligible short position)	
41	National specific regulatory adjustments	
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 considerations 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	
<b>44</b>	<b>Additional Tier 1 Capital (AT1)</b>	<u>-</u>
<b>45</b>	<b>Tier 1 Capital (T1 = CET1 + AT1)</b>	<u><b>41,262,403</b></u>

**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	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	708,509
<b>51</b>	<b>Tier 2 Capital before regulatory adjustments</b>	<u><b>708,509</b></u>

**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 >10% threshold)	
55 Significant investments in the Tier 2 capital of banking, financial & insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	
56 National specific regulatory adjustments	
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 consolidations not reported in rows 54 and 55	
56c of which: other national specific regulatory adjustments not reported in rows 56a and 56b	
<b>57 Total regulatory adjustments to Tier 2 Capital</b>	-
<b>58 Tier 2 Capital (T2)</b>	<b>708,509</b>
<b>59 Total Capital (TC = T1 + T2)</b>	<b>41,970,912</b>
<b>60 Total risk-weighted assets based on APRA standards</b>	<b>189,568,071</b>

**Capital Ratios and Buffers**

61 Common Equity Tier 1 (as a % of risk-weighted assets)	21.77%
62 Tier 1 (as a % of risk-weighted assets)	21.77%
63 Total Capital (as a % of risk-weighted assets)	22.14%
64 Capital Conservation Buffer(CCB) - institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer, expressed as a % of risk-weighted assets)	2.50%
65 of which: capital conservation buffer requirement	-
66 of which: ADI specific counter cyclical buffer requirements	-
67 of which: G-SIB buffer requirement (not applicable)	-
68 CET1 Available to meet Capital Conservation Buffer (as a % of risk-weighted assets)	8.64%

**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	N/A
73 Significant investments in the ordinary shares of financial entities	N/A
74 Mortgage servicing rights (net of related tax liability) n/a	N/A
75 Deferred tax assets arising from temporary differences (net of related tax liability)	N/A

**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)	N/A
77 Cap on inclusion of provisions in Tier 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 provision in Tier 2 under internal ratings-based approach	N/A

**Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)**

80 Current cap on CET 1 instruments subject to phase out arrangements	N/A
81 Amount excluded from CET 1 due to cap (excess over cap after redemptions and maturities)	N/A
82 Current cap on AT1 instruments subject to phase out arrangements	N/A
83 Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	N/A
84 Current cap on T2 instruments subject to phase out arrangements	N/A
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A