

Capital Disclosure as at 31 December 2017

This report has been prepared by Cairns Penny Savings & Loans in accordance with the disclosure requirements under Australian Prudential Regulation Authority (APRA) Australian Prudential Standard 330 Public Disclosures (APS 330).

Cairns Penny are using the post 1 July 2018 common disclosure template because it is fully applying the Basel III regulatory adjustments as prescribed by APRA.

| | 31-Dec-17 | 30-Sep-17 |
|--|------------------|------------------|
| Capital Structure | \$ | \$ |
| Common Equity Tier 1 capital | | |
| Current year & retained earnings | 8,991,851 | 8,901,462 |
| General Reserve | 6,030 | 5,906 |
| Regulatory Adjustments to Common Equity Tier 1 capital | (232,691) | (248,379) |
| Common Equity Tier 1 capital | <u>8,765,190</u> | <u>8,658,989</u> |
| Tier 2 capital net of deductions | <u>300,000</u> | <u>300,000</u> |
| Total Regulatory Capital | 9,065,190 | 8,958,989 |

| | 31-December-2017 | | | | | 30-September-2017 | | | | |
|---|--------------------|---------------------|-----------------|---------------------------|----------------------------|--------------------|---------------------|-----------------|---------------------------|----------------------------|
| | Gross Value | Risk Weighted Value | | | | Gross Value | Risk Weighted Value | | | |
| Capital Adequacy | | | | | | | | | | |
| <i>Credit risk</i> | | | | | | | | | | |
| On balance sheet | | | | | | | | | | |
| Cash and claims on ADI's | 54,937,143 | 17,427,956 | | | | 67,003,174 | 20,312,522 | | | |
| Claims secured against eligible residential mortgages | 57,251,623 | 20,336,853 | | | | 56,253,990 | 19,982,721 | | | |
| Past due claims | 281,867 | 281,867 | | | | 282,593 | 282,593 | | | |
| Other assets | 1,687,414 | 1,687,414 | | | | 2,059,303 | 2,059,303 | | | |
| Total | 114,158,047 | 39,734,090 | | | | 125,599,060 | 42,637,139 | | | |
| Off balance sheet | | | | | | | | | | |
| Guarantees | 202,506 | 10,405 | | | | 310,829 | 10,406 | | | |
| Other commitments | 8,656,383 | 1,507,181 | | | | 9,596,814 | 1,775,008 | | | |
| Total | 8,858,889 | 1,517,586 | | | | 9,907,643 | 1,785,414 | | | |
| Total RWA for credit risk | | 41,251,676 | | | | | 44,422,553 | | | |
| Securitisation | | - | | | | | - | | | |
| Market risk | | - | | | | | - | | | |
| Total RWA for operational risk | | 6,502,217 | | | | | 6,216,815 | | | |
| Total capital ratio | | 18.98% | | | | | 17.69% | | | |
| Tier 1 capital ratio | | 18.35% | | | | | 17.10% | | | |
| Credit Risk Exposure | | | | | | | | | | |
| <i>Gross exposures by portfolio</i> | | | | | | | | | | |
| Loan balances | | | | | | | | | | |
| - Households | 55,981,082 | 55,501,128 | | | | 55,021,173 | 54,278,398 | | | |
| - Commercial | 2,662,833 | 2,965,309 | | | | 3,267,785 | 3,243,982 | | | |
| Commitments | | | | | | | | | | |
| - Loans approved not yet advanced | 866,922 | 1,254,625 | | | | 1,642,328 | 2,040,738 | | | |
| - Balances available for redraw | 6,271,400 | 6,157,406 | | | | 6,043,412 | 6,035,053 | | | |
| - Guarantees | 202,506 | 256,668 | | | | 310,829 | 406,559 | | | |
| - Undrawn overdrafts & credit facilities | 1,518,061 | 1,714,568 | | | | 1,911,074 | 1,961,080 | | | |
| | Balances | Impaired | Past due | Specific Provision | Charges/ Write-offs | Balances | Impaired | Past due | Specific Provision | Charges/ Write-offs |
| Households | 55,981,082 | 0 | 576,861 | 0 | 0 | 55,021,173 | 0 | 282,551 | 0 | 0 |
| Commercial | 2,662,833 | 0 | 0 | 5,500 | 0 | 3,267,785 | 0 | 0 | 5,500 | 0 |
| | 58,643,915 | 0 | 576,861 | 5,500 | 0 | 58,288,958 | 0 | 282,551 | 5,500 | 0 |
| General Reserve for credit losses | 300,000 | | | | | 300,000 | | | | |