

Cairns Penny Savings & Loans Ltd
APS 330 - Public Disclosure of Prudential Information
as at 30 June 2018

Common Equity Tier 1 capital: instruments and reserves		A\$
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	
2	Retained earnings	9,141,806
3	Accumulated other comprehensive income (and other reserves)	6,115
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	9,147,921
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)	(171,727)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(59,945)
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)	n/a
14	Gains and losses due to changes in own credit risk on fairvalued liabilities	n/a
15	Defined benefit superannuation fund net assets	n/a
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	n/a
17	Reciprocal cross-holdings in common equity	n/a
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)	n/a
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	n/a
22	Amount exceeding the 15% threshold	n/a
23	of which: significant investments in the ordinary shares of financial entities	n/a
24	of which: mortgage servicing rights	n/a
25	of which: deferred tax assets arising from temporary differences	n/a
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	n/a
26a	of which: treasury shares	n/a
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	n/a
26c	of which: deferred fee income	n/a
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	n/a
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	n/a
26f	of which: capitalised expenses	n/a
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	n/a
26h	of which: covered bonds in excess of asset cover in pools	n/a
26i	of which: undercapitalisation of a non-consolidated subsidiary	n/a
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	n/a
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	n/a
28	Total regulatory adjustments to Common Equity Tier 1	(231,672)
29	Common Equity Tier 1 Capital (CET1)	8,916,249
Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	n/a
31	of which: classified as equity under applicable accounting standards	n/a
32	of which: classified as liabilities under applicable accounting standards	n/a
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	n/a

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)	n/a
35	of which: instruments issued by subsidiaries subject to phase out	n/a
36	Additional Tier 1 Capital before regulatory adjustments	
Additional Tier 1 Capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	n/a
38	Reciprocal cross-holdings in Additional Tier 1 instruments	n/a
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)	n/a
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)	n/a
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	n/a
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	n/a
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	n/a
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	n/a
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	n/a
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 Capital (T1=CET1+AT1)	8,916,249
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>	
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	300,000
51	Tier 2 Capital before regulatory adjustments	300,000
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)	n/a
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	n/a
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	n/a
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	n/a
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	300,000
59	Total capital (TC=T1+T2)	9,216,249
60	Total risk-weighted assets based on APRA standards	48,159,227
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.51%
62	Tier 1 (as a percentage of risk-weighted assets)	18.51%
63	Total capital (as a percentage of risk-weighted assets)	19.14%
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)	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 (not applicable)</i>	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	11.13%
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	
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	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	n/a
81	Amount excluded from CET1 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



Cairns Penny
refreshing banking

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Regulatory Capital Reconciliation

Statement of financial position	30-June-2018	Common Disclosure Table
Assets		
Cash & cash equivalents	12,661,296	
Receivables due from other financial institutions	32,052,174	
Loans & advances	59,330,779	
Deferred tax assets	59,869	10
Plant & equipment	91,234	
Intangible assets	171,727	9
Interest income accrued	328,404	
Other investments	165,660	
Other	23,961	
Total assets	104,885,104	
Liabilities		
Deposits	94,653,390	
Payables	198,789	
Interest expense accrued	461,878	
Income tax payable	27,225	
Employee benefits	90,712	
Other financial liabilities	5,187	
Total liabilities	95,437,181	
Net assets	9,447,923	
Equity		
Reserves	306,115	
Retained earnings	9,141,808	
Total equity	9,447,923	



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No capital instruments issued.

Capital Disclosure as at 30 JUNE 2018

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).

	30-Jun-18	31-Mar-18
Capital Structure	\$	\$
Common Equity Tier 1 capital		
Current year & retained earnings	9,141,806	9,070,229
General Reserve	6,115	6,086
Regulatory Adjustments to Common Equity Tier 1 capital	(231,672)	(217,003)
Common Equity Tier 1 capital	8,916,249	8,859,312
Tier 2 capital net of deductions	300,000	300,000
Total Regulatory Capital	9,216,249	9,159,312

	30-June-2018					31-March-2018				
	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	45,041,874	16,709,367				61,748,787	19,417,111			
Claims secured against eligible residential mortgages	57,552,071	20,345,036				56,775,760	20,261,962			
Past due claims	1,786	1,786				1,800	1,800			
Other assets	2,135,122	2,135,122				1,797,068	1,797,068			
Total	104,730,853	39,191,311				120,323,415	41,477,941			
Off balance sheet										
Guarantees	545,715	10,406				515,083	10,406			
Other commitments	11,342,212	2,266,856				8,617,856	1,497,378			
Total	11,887,927	2,277,262				9,132,939	1,507,784			
Total RWA for credit risk		41,468,573					42,985,725			
Securitisation		-					-			
Market risk		-					-			
Total RWA for operational risk		6,690,654					6,502,217			
Total capital ratio		19.13%					18.51%			
Tier 1 capital ratio		18.51%					17.90%			
Credit Risk Exposure										
<i>Gross exposures by portfolio</i>										
Loan balances										
- Households	56,389,732	55,974,585				55,559,438	55,770,260			
- Commercial	2,959,916	2,844,667				2,729,418	2,696,126			
Commitments										
- Loans approved not yet advanced	2,673,900	1,748,140				822,380	844,651			
- Balances available for redraw	6,739,848	6,453,896				6,167,944	6,219,672			
- Guarantees	545,715	530,399				515,083	358,795			
- Undrawn overdrafts & credit facilities	1,928,465	1,700,725				1,472,984	1,495,523			
	Balances	Impaired	Past due	Specific Provision	Charges/ Write-offs	Balances	Impaired	Past due	Specific Provision	Charges/ Write-offs
Households	56,389,732	0	579,433	0	0	55,559,438	0	1,800	0	0
Commercial	2,959,916	0	0	5,500	0	2,729,418	0	0	5,500	0
	59,349,648	0	579,433	5,500	0	58,288,856	0	1,800	5,500	0
General Reserve for credit losses	300,000					300,000				

Cairns Penny Savings & Loans Ltd
APS 330 Public Disclosure
As at 30 June 2018

Remuneration

This disclosure is made pursuant to the requirements of Prudential Standard APS 330 Public Disclosure and is completed in accordance with Cairns Penny Remuneration Policy.

The period reported is the financial year ended 30 June each year, and is updated accordingly.

Qualitative Disclosures
Remuneration Responsibility

The Board of Directors has appointed a Board Remuneration committee to assist the Board to oversee, implement and review the Remuneration Policy.

The Board Remuneration committee consists of not less than three non-executive Directors, a majority of whom must be independent.

The objective of the committee is to provide a basis to attract, retain and reward staff while managing or removing risk incentives associated with remuneration by:

- (a) Undertaking review of, and making recommendations to the Board on, the Remuneration policy.
- (b) Making recommendation to the Board on the remuneration of:
 - Each responsible person, as set out in the Company's Fit and Proper policy, excluding external auditors and non-executive directors;
 - Risk and financial control personnel; and
 - All other persons for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of the company.
- (c) Making recommendation to the Board on the remuneration of all other employees of the company.
- (d) Undertaking review of, and making recommendations to the Board on, the Human Resources policy. Such review will be undertaken at least annually.
- (e) Determination of any bonus payments whether performance based or otherwise.

Scope

As per APS330, remuneration disclosures are to include executive managers and material risk-takers.

These are defined in CPS510 as “persons whose primary role is risk management, compliance, internal audit, financial control or actuarial control” or “all other persons...whose activities, individually or collectively, may affect the financial soundness” of the company.

Accordingly this policy applies to key management positions, being the two (2) Executive Managers within Cairns Penny.

There are no other employees outside this group considered as material risk takers.

Policy Review

The Remuneration policy was established when APS510 was originally released and is reviewed at least annually.

The Board Remuneration committee reviewed the policy during the last twelve months and recommended no changes.

Remuneration Structure

Remuneration consists of fixed components only. There is no variable component.

The fixed components consist of base salary, superannuation benefits and other fringe benefits offered to staff as outlined in their contract of employment.

The Board Remuneration committee has the authority to make bonus payments to all or any employee. No bonus payments were made during the financial year ended 30 June 2018.

Remuneration Assessment

Remuneration is reviewed annually for all staff to take effect on 1 July.

Quantitative Disclosures

The quantitative disclosures below are aggregated as all positions identified are senior managers.

Meetings

The Board Remuneration committee was held 13 July 2018 – remuneration paid to its members \$51,850.

Fluctuation & Adjustments

There have been no implicit or explicit adjustments to remuneration packages for any staff.

Total Value of Remuneration	Unrestricted	Deferred
Fixed remuneration – Cash based	\$221,849	\$21,076
Variable Remuneration - Cash based	Nil	Nil

Remuneration includes all payments made and accrued during the last financial year, including superannuation paid by the company.