



Public Disclosure of Prudential Information as at 30 June 2017

Big Sky Building Society Limited (ABN 30 087 652 079 AFSL 237994) ('Big Sky') is an Authorised Deposit Taking Institution ('ADI') subject to regulation by the Australian Prudential Regulation Authority ('APRA') and is a wholly owned subsidiary of Australian Unity Limited (ABN 23 087 648 888).

This update to Big Sky's capital adequacy and risk disclosures has been prepared in accordance with APRA prudential standard APS330 and uses the post January 2018 common disclosure template.

Big Sky Building Society is fully applying the Basel III regulatory adjustments as implemented by APRA.

Common Equity Tier 1 Capital: instruments and reserves		\$'000s	Reconciliation reference
1	Directly issued qualifying ordinary shares	12,500	Balance sheet
2	Retained earnings including current year earnings	6,756	Table A
3	Accumulated other comprehensive income (and other reserves)	40,523	Table A
4	<i>Directly issued capital subject to phase out from CET1</i>	-	
5	Ordinary share capital issued by subsidiaries and held by third parties	-	
6	Common Equity Tier 1 capital before regulatory adjustments	59,779	

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)	-	
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	(107)	
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	-	
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	-	
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	-	
20	Mortgage service rights	-	
21	Deferred tax assets arising from temporary differences (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	4,605	
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	4,343	Balance sheet
26f	of which: capitalised expenses	262	
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 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 applied to Common Equity Tier 1	4,498	
29	Common Equity Tier 1 Capital (CET1)	55,281	

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 issued by subsidiaries and held by third parties	-	
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	-	
40	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	-	
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 consolidations not reported in 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 capital 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)	55,281	

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	10,502	Table A
51	Tier 2 Capital before regulatory adjustments	10,502	

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	-	
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	-	
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)	10,502	

59	Total capital (TC=T1+T2)	65,783
60	Total risk-weighted assets based on APRA standards	402,144
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.75%
62	Tier 1 (as a percentage of risk-weighted assets)	13.75%
63	Total capital (as a percentage of risk-weighted assets)	16.36%
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 requirement</i>	-
67	<i>of which: G-SIB buffer requirement (not applicable)</i>	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	6.25%
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
Amounts 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)	-
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 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 Balance Sheet	\$'000	Reconciliation reference
ASSETS		
Cash and cash equivalents	13,149	
Trade and other receivables	1,565	
Financial assets at fair value through profit or loss	30,590	
Held-to-maturity investments	79,421	
Loans and advances	698,013	
Deferred tax assets	4,343	Row 26e
Property, plant & equipment	81	
Intangible assets	220	
	827,381	
LIABILITIES		
Trade and other payables	4,369	
Interest bearing liabilities	761,476	
Provisions	1,529	
Other liabilities	228	
	767,602	
Net assets	59,779	
EQUITY		
Contributed Equity	12,500	Row 1
Reserves	40,523	Table A
Retained earnings	6,756	Table A
	59,779	

Reconciliation between common disclosure template and regulatory balance sheet		
Table A	Per balance sheet	Reconciliation reference
Reserves		
General reserve	10,998	
Reserve for credit losses	0	
Business combination reserve	29,632	
Cash flow hedges reserve	(107)	Row 11
	40,523	
Retained earnings	6,756	Row 2

Capital Adequacy	Risk Weighted Exposure at 30 June 2017	Risk Weighted Exposure at 31 March 2017
	\$,000	\$,000
Credit Risk		
• Deposits with banks and ADIs	26,561	31,143
• Loans and advances		
o Claims secured by residential mortgage	211,099	216,281
o Other members loans	14,514	15,438
o Commercial	89,710	90,478
o Government	-	-
o Commitments for loans and advances		
- Loans approved not advanced	3,474	2,810
- Loan redraw facilities	8,033	7,507
- Guarantees	-	-
o Interest rate contracts	17	17
Cash and Claims	-	-
Other Assets	2,240	2,072
Operational Risk	46,505	44,689
Other Charges Prescribed by APRA	-	-
Total Risk Weighted Exposures	402,153	410,435
Capital Adequacy Ratio		
• Common Equity Tier 1 ratio	13.75%	13.64%
• Tier 1 ratio	13.75%	13.64%
• Total capital ratio	16.36%	16.18%

<i>Credit Risk Exposure for 3 month period ended 30 June 2017</i>	<i>Gross exposures at reporting date</i>	<i>Average gross exposures for the period</i>	<i>90 days past due</i>	<i>Impaired Facilities</i>	<i>Specific provisions balance</i>	<i>Charge for specific provisions and write-offs for the period</i>
	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>
Deposits with banks or ADIs	123,370	129,611	-	-	-	-
Loans and advances:						
On balance sheet:						
- secured by residential mortgage	583,100	584,036	3,199	1,008	1,311	63
- other members loans	14,514	20,186	42	86	35	45
- commercial	112,014	111,893	-	-	-	-
- government	-	-	-	-	-	-
Off balance sheet commitments						
- loans approved not advanced	9,683	9,485	-	-	-	-
- loan redraw limits	-	-	-	-	-	-
- revocable line of credits undrawn	24,972	25,111	-	-	-	-
- irrevocable loan drawdowns	44,698	43,609	-	-	-	-
- irrevocable standby commitments	-	-	-	-	-	-
Total loans and advances	788,981	794,319	3,282	1,094	1,346	108

The general reserve for credit losses at 30 June 2017 is (\$000):

\$10,502

<i>Credit Risk Exposure for 3 month period ended 31 March 2017</i>	<i>Gross exposures at reporting date</i>	<i>Average gross exposures for the period</i>	<i>90 days past due</i>	<i>Impaired Facilities</i>	<i>Specific provisions balance</i>	<i>Charge for specific provisions and write-offs for the period</i>
	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>	<i>\$,000</i>
Deposits with banks or ADIs	135,851	137,269	-	-	-	-
Loans and advances:						
On balance sheet:						
- secured by residential mortgage	595,392	602,290	4,477	2,269	1,248	303
- other members loans	15,438	15,162	127	182	100	54
- commercial	111,773	113,699	-	-	-	-
- government	-	-	-	-	-	-
Off balance sheet commitments						
- loans approved not advanced	9,287	6,869	-	-	-	-
- loan redraw limits	-	-	-	-	-	-
- revocable line of credits undrawn	25,249	25,464	-	-	-	-
- irrevocable loan drawdowns	42,519	41,473	-	-	-	-
- irrevocable standby commitments	-	13,976	-	-	-	-
Total loans and advances	799,659	818,933	4,604	2,451	1,348	357

The general reserve for credit losses at 31 March 2017 is (\$000):

\$10,419