



Public Disclosure of Prudential Information as at 30 June 2020

Australian Unity Bank Limited (ABN 30 087 652 079 AFSL 237994) ('AUBL') 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 AUBL'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.

AUBL 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	20,500	Balance sheet
2	Retained earnings including current year earnings	13,875	Table A
3	Accumulated other comprehensive income (and other reserves)	40,630	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	75,005	

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	-	
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)	-	
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	5,496	
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	5,482	Balance sheet
26f	of which: capitalised expenses	14	

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	5,496	
29	Common Equity Tier 1 Capital (CET1)	69,509	

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 (amount above 10% threshold)	-	
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 (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 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)	69,509	

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	5,882	Table A
51	Tier 2 Capital before regulatory adjustments	5,882	

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)	5,882
59	Total capital (TC=T1+T2)	75,391
60	Total risk-weighted assets based on APRA standards	522,574
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.30%
62	Tier 1 (as a percentage of risk-weighted assets)	13.30%
63	Total capital (as a percentage of risk-weighted assets)	14.43%
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)	6.30%
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	31,080	
Trade and other receivables	2,579	
Financial assets at fair value through profit or loss	143,669	
Held-to-maturity investments	39,246	
Loans and advances	911,793	
Deferred tax assets	5,482	Row 26e
Property, plant & equipment	-	
Intangible assets	14	
	1,133,863	
LIABILITIES		
Trade and other payables	2,111	
Interest bearing liabilities	1,055,989	
Provisions	304	
Other liabilities	454	
	1,058,858	
Net assets	75,005	
EQUITY		
Contributed Equity	20,500	Row 1
Reserves	40,630	Table A
Retained earnings	13,875	Table A

Reconciliation between common disclosure template and regulatory balance sheet		
Table A	Per balance sheet	Reconciliation reference
Contributed Equity	20,500	Row 1
General reserve	10,998	
Business combination reserve	29,632	
Cash flow hedges reserve	-	Row 11
Reserves	40,630	Row 3
Retained earnings	13,875	Row 2
Total Per Balance Sheet	75,005	

Capital Adequacy	Risk Weighted Exposure at 30 June 2020	Risk Weighted Exposure at 31 March 2020
	\$,000	\$,000
Credit Risk		
• Deposits with banks and ADIs	69,999	50,183
• Loans and advances		
○ Claims secured by residential mortgage	293,973	285,186
○ Other members loans	9,083	9,430
○ Commercial	79,926	83,169
○ Government	-	-
○ Commitments for loans and advances		
- Loans approved not advanced	6,889	16,184
- Loan redraw facilities	8,102	7,931
- Guarantees	-	-
○ Interest rate contracts	-	-
Cash and Claims	-	-
Other Assets	2,596	2,764
Operational Risk	52,006	49,082
Other Charges Prescribed by APRA	-	-
Total Risk Weighted Exposures	522,574	503,929
Capital Adequacy Ratio		
• Common Equity Tier 1 ratio	13.30%	12.96%
• Tier 1 ratio	13.30%	12.96%
• Total capital ratio	14.43%	14.09%

Credit Risk Exposure for 3 month period ended 30 June 2020	Gross exposures at reporting date	Average gross exposures for the period	90 days past due	Impaired Facilities	Specific provisions balance	Charge for specific provisions and write- offs for the period
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Deposits with banks or ADIs	215,908	193,405	-	-	-	-
Loans and advances:						
On balance sheet:						
- secured by residential mortgage	814,590	802,628	1,767	1,680	1,244	(611)
- other members loans	9,083	9,256	1,025	909	810	437
- commercial	104,571	106,492	1,683	1,683	1,023	236
- government			-	-	-	-
Off balance sheet commitments						
- loans approved not advanced	18,560	30,377	-	-	-	-
- loan redraw limits	-	-	-	-	-	-
- revocable line of credits undrawn	19,661	19,444	-	-	-	-
- irrevocable loan drawdowns	45,612	45,061	-	-	-	-
- irrevocable standby commitments	-	-	-	-	-	-
Total loans and advances	1,012,077	1,013,258	4,475	4,272	3,077	63

The general reserve for credit losses at 30 June 2020 is (\$000):

\$5,882

Credit Risk Exposure for 3 month period ended 31 March 2020	Gross exposures at reporting date	Average gross exposures for the period	90 days past due	Impaired Facilities	Specific provisions balance	Charge for specific provisions and write- offs for the period
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Deposits with banks or ADIs	170,902	168,213	-	-	-	-
Loans and advances:						
On balance sheet:						
- secured by residential mortgage	790,666	759,224	1,831	1,831	1,508	(1,718)
- other members loans	9,430	9,508	890	885	723	282
- commercial	108,413	111,863	945	945	784	(1,239)
- government	-	-	-	-	-	-
Off balance sheet commitments						
- loans approved not advanced	42,193	47,605	-	-	-	-
- loan redraw limits	19,227	19,374	-	-	-	-
- revocable line of credits undrawn	44,510	43,748	-	-	-	-
- irrevocable loan drawdowns	42,193	47,605	-	-	-	-
- irrevocable standby commitments	-	-	-	-	-	-
Total loans and advances	1,014,438	991,322	3,667	3,661	3,014	(2,675)

The general reserve for credit losses at 31 March 2020 is (\$000):

\$5,686