

Transcomm Credit Co-operative Limited

ABN 54 087 651 750

AFSL 245606

1 Public Disclosure of Prudential Information in accordance with APRA Prudential Standard APS 330 (Attachment A)

The capital disclosures detailed in the template below represents the post 1 January 2018 Basel III common disclosure requirements. Transcomm Credit Union is applying the Basel III regulatory adjustments in full as implemented by APRA. These tables should be read in conjunction with Regulatory Balance Sheet and the Reconciliation between detailed capital disclosure template and the Regulatory Balance Sheet.

	30-Jun-13 Basel III APRA \$	Reconciliation Table Reference
Common Equity Tier 1 : Instruments and reserves		
1 Directly issued qualifying ordinary shares		
2 Retained Earnings including current year earnings	5,456,825	
3 Accumulated other comprehensive income and disclosed reserves	19,250	
4 Directly issued capital subject to phase out from CET1		
5 Ordinary share capital issued by subsidiaries and held by third parties		
6 Common Equity Tier 1 capital before regulatory adjustments	5,476,075	
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		
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences		
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 benefits 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		
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 :-	374,912	
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	6,600	
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	339,863	Table B
26f	of which: capitalised expenses	28,449	
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 to Common Equity Tier 1	374,912	
29	Common Equity Tier 1 Capital (CET1)	5,101,163	

Additional Tier 1 (AT 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 issued by subsidiaries and held by third parties	
35	of which: instruments issued by subsidiaries subject to phase out	
36	Additional Tier 1 Capital before regulatory adjustments	0

Additional Tier 1 (AT 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 capital 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 rows 39 and 40	
41c	of which: any 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	0
44	Additional Tier 1 capital (AT1)	0
45	Tier 1 Capital (T1=CET1+AT1)	5,101,163

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 CET 1 and AT 1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	
49	of which: instruments issued by subsidiaries subject to phase out	

50 Provisions	122,796	Table A
51 Tier 2 Capital before regulatory adjustments	122,796	
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 consolidations 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	0	
58 Tier 2 capital (T2)	122,796	
59 Total capital (TC=T1+T2)	5,223,959	
60 Total risk weighted assets based on APRA standards	33,043,562	
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	15.44%	
62 Tier 1 (as a percentage of risk weighted assets)	15.44%	
63 Total Capital (as a percentage of risk weighted assets)	15.81%	
64 Buffer requirement	7.00%	
65 of which: capital conservation buffer requirement	2.50%	
66 of which: ADI-specific countercyclical buffer requirements	0.00%	
67 of which: G-SIB buffer requirement N/A	n/a	
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	7.81%	

National minima (if different from BASEL III)

- 69 National Common Equity Tier 1 minimum ratio
- 70 National Tier 1 minimum ratio
- 71 National total capital minimum ratio

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
- 75 Deferred tax assets arising from temporary differences

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 | 122,796 |
| 77 Cap on inclusion of provisions in Tier 2 under standardised approach | 122,796 |
| 78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach | 122,796 |
| 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
 - 81 Amount excluded from CET1 due to cap
 - 82 Current cap on AT1 instruments subject to phase out arrangements
 - 83 Amount excluded from AT1 instruments due to cap
 - 84 Current cap on T2 instruments subject to phase out arrangements
 - 85 Amount excluded from T2 due to cap
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A REGULATORY BALANCE SHEET

	30-Jun-13 Basel III APRA	Template/ Reconciliation Table Reference
Assets	\$	
Cash and cash equivalents	2,999,216	
Advances to other financial institutions	24,926,700	
Trade and other receivables	379,809	
Loans and advances	36,145,331	
Financial Assets	6,600	row 26d
Property, plant and equipment	284,135	
Other assets	179,702	
Intangible assets	28,449	row 26f
Tax assets	450,996	
TOTAL ASSETS	65,400,938	
Liabilities		
Deposits and short term borrowings	58,081,471	
Payable and other liabilities	991,396	
Tax Liabilities	3,008	
Provisions	726,190	
TOTAL LIABILITIES	59,802,065	
Net Assets	5,598,873	
Equity		
Reserves	142,048	Table A
Retained profits	5,456,825	row 2
TOTAL EQUITY	5,598,873	

B Reconciliation between Detailed Capital Templates and Regulatory Balance Sheet**Table A****Reserves**

Share capital	19252	
General reserve for credit losses	122,796	row 50
Total per Balance Sheet	142,048	

Table B**Tax Assets**

Deferred tax asset	339,863	row 26e
Tax asset	111,133	
Total per Balance Sheet	450,996	

**Transcomm Credit Union
Capital Adequacy
as at 30 June 2013**

Capital Adequacy

Total Risk Weighted Assets for Credit Risk	\$ 29,418,625.00
Total risk Weighted Assets for Market Risk	\$ -
Total Risk Weighted Assets for Operational Risk	\$ 3,624,937.00
Total Risk Weighted Assets	\$ 33,043,562.00
Common Equity Tier 1	15.44%
Tier 1	15.44%
Total Capital	15.81%

**Transcomm Credit Union
Total Credit Risk Exposure
as at 30 June 2013**

Risk Exposures	Gross Credit Risk Exposure	Average Gross Credit Risk Exposure	Risk Weighted Amounts	Impaired Facilities	Past Due	Specific Provisional and Write Offs	Charges for Specific Provisions
Cash & Liquid Assets	\$ 27,925,914	\$ 27,581,551	\$ 11,524,936				
Loans & Advances							
- Secured by Eligible Mortgage	\$ 33,334,139	\$ 33,934,451	\$ 13,105,281		\$ 152,622		
- Other Loans & Advances	\$ 2,825,809	\$ 2,925,821	\$ 2,825,809	\$ 16,131	\$ -	\$ 14,417	\$ 7,103
Plant & Equipment	\$ 284,135	\$ 300,596	\$ 284,135				
Other Assets	\$ 1,185,776	\$ 1,237,798	\$ 1,185,776				
Other Commitments	\$ 2,610,767	\$ 2,506,655	\$ 481,129				
Totals	\$ 68,166,540	\$ 68,486,871	\$ 29,407,066	\$ 16,131	\$ 152,622	\$ 14,417	\$ 7,103

General Reserve for Credit Losses \$ 122,796.00

**Transcomm Credit Union
Total Credit Risk Exposure
as at 31 March 2013**

Risk Exposures	Gross Credit Risk Exposure	Average Gross Credit Risk Exposure	Risk Weighted Amounts	Impaired Facilities	Past Due	Specific Provisional and Write Offs	Charges for Specific Provisions
Cash & Liquid Assets	\$ 27,237,187	\$ 19,315,992	\$ 7,866,362				
Loans & Advances							
- Secured by Eligible Mortgage	\$ 34,534,762	\$ 35,101,450	\$ 13,620,082		\$ 17,351		
- Other Loans & Advances	\$ 3,025,832	\$ 3,138,023	\$ 3,025,832	\$ 18,374	\$ -	\$ 12,583	\$ -
Plant & Equipment	\$ 317,057	\$ 309,665	\$ 317,057				
Other Assets	\$ 1,289,820	\$ 1,266,714	\$ 1,289,820				
Other Commitments	\$ 2,402,543	\$ 2,257,075	\$ 463,271				
Totals	\$ 68,807,201	\$ 61,388,917	\$ 26,582,424	\$ 18,374	\$ 17,351	\$ 12,583	\$ -

General Reserve for Credit Losses \$ 130,244.00

2 Remuneration (APS 330 Attachment E)

The Board Remuneration Committee is responsible for reviewing, developing and maintaining an effective policy and making recommendations to the Board on the remuneration of the Chief Executive Officer, his direct reports, other senior officers and persons, including any person specified by APRA, whose activities may, in the opinion of the Remuneration Committee, affect the financial soundness of the Credit Union.

The Remuneration Committee also makes a recommendation to the Board, for the annual remuneration of the Board as a whole and this recommendation is table by the Board at the Annual General Meeting of the members, for the members' approval.

The operations of the Remuneration Committee are governed in accordance with the Remuneration Policy which was last approved on 28th February 2013. The Remuneration Policy outlines the Committee's roles, responsibilities and terms of operations.

The members of the Remuneration Committee during the year were:

Mr. A Blyth

Mr. P Constantinou

Mr. B Dohnt

The Remuneration Committee meets at least once a year and the number of meetings held during the year is disclosed in the table of quantitative disclosure. During the year the Remuneration Committee did not engage nor sought any advice from external consultants on the remuneration structure for material risk takers.

The Remuneration Committee has reviewed the risks and remuneration structures and considers the senior managers and a contracted internal auditor as the only material risk takers in accordance with CPS 510:

Type of Employee	Number
Senior Managers	6
Managers who are responsible for the operations, finance, risk management and compliance, IT operations, lending and internal auditing functions.	

The Remuneration Policy is considered an important and integral part in the retention and recruitment of the necessary skilled, committed and experienced staff for the effective and prudent management of the Credit Union. Remuneration compensation levels are reviewed annually whereby the individual's performance is considered in conjunction with the Credit Union's overall performance.

The components of remuneration for all staff include:

- (a) Fixed component and
- (b) Variable component

Fixed Component

This component of salary consists of a base salary, FBT charges related to employee benefits including staff loans, motor vehicles, leave entitlements and employer contributions to superannuation funds.

Variable Component

Staff have the opportunities to participate in variable remuneration arrangements in addition to their fixed pay. Discretionary variable pay is dependent on outstanding or higher level performance and the achievement of agreed operational goals and financial objectives as set by Senior management and approved by the Board. Any variable pay for senior management is recommended by the Chief Executive Officer and approved by the Board. In the case of the Chief Executive Officer, any discretionary variable pay is recommended by the Remuneration Committee and approved by the Board.

Forms of variable remuneration may include cash bonus payments, commissions and other benefits as determined by the Board.

Director	Meetings held	Meetings attended
A Blyth	2	2
P Constantinou	2	2
B Dohnt	2	2

Remuneration of the Remuneration Committee

Remuneration of the Remuneration Committee as part of the Board

2013

\$54,643

The table below shows the number of employees who received variable remuneration, guaranteed bonuses, sign-on awards or termination payments during the financial year:

Variable remuneration, guaranteed bonuses, sign-on awards and termination pay

	2013	
	no. of employees	total \$
Variable remuneration award-discretionary bonus	0	0
Guaranteed Bonus	0	0
Sign-on award	0	0
Termination Payments	0	0

Total value of remuneration awards for the current financial year

	Unrestricted	Deferred
	\$	\$
Fixed remuneration		
Cash based	\$1,015,966	\$0
Shares and share-linked instruments	\$0	\$0
Other	\$0	\$0
Variable remuneration		
Cash based	\$0	\$0
Shares and share-linked instruments	\$0	\$0
Other	\$0	\$0