

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. MyLife MyFinance 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.

Table 1	30-Jun-18 Basel III APRA	Reconciliation Table Reference
Common Equity Tier 1 : Instruments and reserves	\$	
1 Directly issued qualifying ordinary shares	12,719,929	
2 Retained Earnings including current year earnings	-1,765,404	
3 Accumulated other comprehensive income and disclosed reserves	0	Table A
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	10,954,525	
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 :-	2,239,567	
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	6,900	
26e of which: deferred tax assets not reported in rows 10, 21 and 25	2,091,726	Table B
26f of which: capitalised expenses	140,941	
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	2,239,567	
29 Common Equity Tier 1 Capital (CET1)	8,714,958	
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)	8,714,958	

Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	1,545,748	
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	298,185	Table A
51	Tier 2 Capital before regulatory adjustments	1,843,933	
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)	1,843,933	
59	Total capital (TC=T1+T2)	10,558,891	
60	Total risk weighted assets based on APRA standards	43,829,938	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	19.88%	
62	Tier 1 (as a percentage of risk weighted assets)	19.88%	
63	Total Capital (as a percentage of risk weighted assets)	24.09%	
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)	16.09%	
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	298,185	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	298,185	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach	298,185	
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		
A	REGULATORY BALANCE SHEET	30-Jun-18	Template/
		Basel III APRA	Reconciliation
			Table Reference
	Assets	\$	
	Cash and cash equivalents	2,876,640	
	Advances to other financial institutions	29,207,197	
	Trade and other receivables	342,671	
	Loans and advances	59,632,444	
	Financial Assets	6,900	row 26d
	Property, plant and equipment	284,648	
	Other assets	105,885	
	Intangible assets	140,941	row 26f
	Tax assets	2,091,983	
	TOTAL ASSETS	94,689,309	
	Liabilities		
	Deposits and short term borrowings	80,113,829	
	Payable and other liabilities	895,393	
	Long term Borrowings	2,000,000	
	Tax Liabilities	0	
	Provisions	427,377	
	TOTAL LIABILITIES	83,436,599	
	Net Assets	11,252,710	
	Equity		
	Paid-up ordinary share capital	12,719,929	

Reserves	298,185	Table A
Retained profits	-1,765,404	row 2
TOTAL EQUITY	11,252,710	

B Reconciliation between Detailed Capital Templates and Regulatory Balance Sheet

Table A

Reserves

Share capital	0	
General reserve for credit losses	298,185	row 50

Total per Balance Sheet

298,185

Table B

Tax Assets

Deferred tax asset	2,091,726	row 26e
Tax asset	257	

Total per Balance Sheet

2,091,983

2 CAPITAL INSTRUMENTS WITHIN MYLIFE MYFINANCE

The regulatory capital in the ADI is limited to :

- * Paid-up ordinary share capital
- * Retained earnings
- * Capital reserves
- * Share capital
- * Statutory reserves
- * General reserves for credit losses

Disclosure template for main features of Regulatory capital instruments

1	Issuer	MyLife MyFinance Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Victoria
Regulatory treatment		
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	Tier 2
6	Eligible at solo/group/group & solo	Group and solo
7	Instrument type (ordinary shares/preference shares/subordinated notes/other)	Subordinated debt
8	Amount recognised in Regulatory Capital (Currency in mil, as of most recent reporting date)	\$1.55M
9	Par value of instrument	\$2.0M
10	Accounting classification	Liability-Amortised over the last 4 years
11	Original date of issuance	05-September-2014
12	Perpetual or dated	Dated
13	Original maturity date	04-September-2021
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	After 5 (five) years from the Issue Date, on any Interest Payment date on giving not more than 60 nor less than 30 days notice to the Holder, redeem all or any part of the Outstanding Principal Amount together with Interest Accrued to the date fixed for the redemption.
16	Subsequent call dates, if applicable	N/A
Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	3.5% p.a.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	Only upon occurrence of a non-viability trigger event and where APRA considers the issuer will become non-viable.
32	If write-down, full or partial	Write down only to the point without it whwere APRA would consider the issuer to become non-viable.
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The instrument is subordinated to depositors and all general creditors but ranks ahead of Common Tier 1 and Additional Tier 1 capital.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

CAPITAL COMPONENTS

The capital held by MyLife MyFinance Limited exceeds the policy and minimum capital prescribed by the APRA Prudential Standards. This excess facilitates the future growth within MyLife MyFinance Limited.

The capital ratio is the amount of capital described in Table 1 divided by the risk weighted assets :

CAPITAL STRUCTURE		30-Jun-18	31-Mar-18
Tier 1 Capital			
	Paid Up Ordinary Share Capital	\$12,719,929	\$12,719,929
	Retained earnings	-\$1,765,404	-\$489,131
	Less deductions from Tier 1	\$2,239,567	\$1,671,725
	Common Equity Tier 1 Capital	\$8,714,958	\$10,559,073
	Additional Tier 1 Capital	\$0	\$0
	Net Tier 1 Capital	\$8,714,958	\$10,559,073
Tier 2 Capital			
	Net Tier 2 Capital (net of deductions)	\$1,843,933	\$1,932,884

Total Capital Base	\$10,558,891	\$12,491,957
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CAPITAL REQUIREMENTS

Capital requirements for MyLife MyFinance Limited is determined by the risk weights of the relevant assets held. MyLife MyFinance Limited has a Board approved minimum capital limit of 15.5%. The level of capital as at 30 June 2018 is 24.09%.

The risk weighted assets for each asset grouping as set out in the table below is determined by the APRA Prudential Standard APS 112. These are prescribed risk weights to measure the level of risk based on the nature and level of security supporting the assets recovery.

The risk weighted assets held as at the end of the quarter ended 30 June 2018 is as follows:

MyLife MyFinance CAPITAL ADEQUACY as at 30 June 2018	30-Jun-18	31-Mar-18
Total Risk weighted Assets for Credit Risk	\$39,227,035	\$37,548,964
Total Risk weighted Assets for Market Risk	\$0	\$0
Total Risk weighted Assets for Operational Risk	\$4,602,903	\$4,441,061
TOTAL Risk Weighted Assets	\$43,829,938	\$41,990,025
COMMON EQUITY TIER 1	19.88%	25.15%
TIER 1	19.88%	25.15%
TOTAL CAPITAL	24.09%	29.75%

MyLife MyFinance TOTAL CREDIT RISK EXPOSURE as at 30 June 2018	Gross Credit Risk Exposure	Average Gross Credit Risk Exposure	Risk Weighted Amounts	Impaired facilities	Past due	Specific Provisions and write-offs	Charges for specific provisions
Cash and Liquid assets	\$32,083,836	\$33,976,655	\$10,874,640				
Loans and Advances							
Secured by Eligible Mortgages	\$57,847,017	\$53,526,718	\$21,506,654		\$125,167		
Other Loan Advances	\$1,790,064	\$1,828,010	\$1,790,064	\$4,715	\$0	\$4,636	\$0
Plant and Equipment	\$284,648	\$279,882	\$284,648				
Other Assets	\$2,808,991	\$2,383,230	\$2,808,991				
Other commitments	\$5,825,039	\$5,586,401	\$1,962,038				
TOTALS	\$100,639,595	\$97,580,896	\$39,227,035	\$4,715	\$125,167	\$4,636	\$0

GENERAL RESERVES FOR CREDIT LOSSES \$298,185

MyLife MyFinance TOTAL CREDIT RISK EXPOSURE as at 31 March 2018	Gross Credit Risk Exposure	Average Gross Credit Risk Exposure	Risk Weighted Amounts	Impaired facilities	Past due	Specific Provisions and write-offs	Charges for specific provisions
Cash and Liquid assets	\$31,577,787	\$34,054,883	\$11,372,563				
Loans and Advances							
Secured by Eligible Mortgages	\$54,202,311	\$48,481,910	\$20,395,011		\$127,827		
Other Loan Advances	\$1,861,430	\$1,865,928	\$1,861,430	\$16,592	\$0	\$13,874	\$0
Plant and Equipment	\$290,019	\$270,801	\$290,019				
Other Assets	\$1,986,978	\$2,070,483	\$1,986,978				
Other commitments	\$5,167,209	\$6,152,120	\$1,642,963				
TOTALS	\$95,085,734	\$92,896,125	\$37,548,964	\$16,592	\$127,827	\$13,874	\$0

GENERAL RESERVES FOR CREDIT LOSSES \$280,319

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 General Manager, 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 ADI.

The Remuneration Committee also makes a recommendation to the Board, for the annual remuneration of the Board as a whole and this recommendation is tabled at the Board September Meeting.

The operations of the Remuneration Committee are governed in accordance with the Remuneration Policy which was last approved on 19th September 2017. The Remuneration Policy outlines the Committee's roles, responsibilities and terms of operations.

The members of the Remuneration Committee during the year were:

Mr. P Constantinou
Mr. D Vaughan
Ms. F Rowland

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	8
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 and other benefits as determined by the Board.

Director	Meetings held	Meetings attended
Mr. P Constantinou	1	1
Mr. D Vaughan	1	1
Ms. F Rowland	1	1

Remuneration of the Remuneration Committee

Remuneration of the Remuneration Committee as part of the Board

2018
\$83,750

2017
\$62,400

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	2018		2017	
	no. of employees	total \$	no. of employees	total \$
Variable remuneration award-discretionary bonus	0	\$0	0	\$0
Guaranteed Bonus	0	\$0	0	\$0
Sign-on award	0	\$0	0	\$0
Termination Payments	1	\$90,587	2	\$321,699
Total value of remuneration awards for the current financial year				
	Unrestricted \$	Deferred \$	Unrestricted \$	Deferred \$
Fixed remuneration				
Cash based	\$1,598,317	\$0	\$1,085,898	\$0
Shares and share-linked instruments	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Variable remuneration				
Cash based	\$0	\$0	\$0	\$0
Shares and share-linked instruments	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0