

FIRST CHOICE CREDIT UNION LTD
PUBLIC DISCLOSURES 30 JUNE 2020

COMMON DISCLOSURE TEMPLATE

First Choice Credit Union is using the post 1 January 2018 common disclosure template when making its capital disclosures so as to fully apply the Basel III regulatory adjustments as implemented by the Australian Prudential Regulatory Authority (APRA).

Common Equity Tier 1 capital: instruments and reserves		AUD (\$)
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	n/a
2	Retained Earnings	7,354,318
3	Accumulated other comprehensive income (and other reserves)	309,003
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)</i>	n/a
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	n/a
6	Common Equity Tier 1 capital before regulatory adjustments	7,663,321
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	n/a
8	Goodwill (net of related tax liability)	n/a
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	87,702
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	0
11	Cash-flow hedge reserve	n/a
12	Shortfall of provisions to expected losses	n/a
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II)	n/a
14	Gains and losses due to changes in own credit risk on fair valued 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)	n/a
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)	n/a
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)	68,902
22	Amount exceeding the 15% threshold	n/a
23	of which: significant investments in the ordinary shares of financial	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)	135,510
26a	of which: treasury shares	0
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	0
26c	of which: deferred fee income	0
26d	of which: equity investments in financial institutions not reported in rows	78,638
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	0
26f	of which: capitalised expenses	0
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	0
26h	of which: covered bonds in excess of asset cover in pools	0
26i	of which: undercapitalisation of a non-consolidated subsidiary	0
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	0
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	292,114
29	Common Equity Tier 1 Capital	7,371,207

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	n/a
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	n/a
36	Additional Tier 1 Capital before regulatory adjustments	0
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 & 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	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	0
44	Additional Tier 1 capital (AT1)	0
45	Tier 1 Capital (T1=CET1 + AT1)	7,371,207

Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	n/a
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	n/a
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)	n/a
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	n/a
50	Provisions	447,443
51	Tier 2 Capital before regulatory adjustments	447,443
Tier 2 Capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	n/a
53	Reciprocal cross-holdings in Tier 2 instruments	n/a
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)	n/a
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.	n/a
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 consolidations not reported in rows 54	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	0
58	Tier 2 capital (T2)	447,443
59	Total capital (TC=T1+T2)	7,818,650
60	Total risk-weighted assets based on APRA standards	40,607,475
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.15%
62	Tier 1 (as a percentage of risk-weighted assets)	18.15%
63	Total capital (as a percentage of risk-weighted assets)	19.25%
64	Buffer requirement (minimum CET1 requirements 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 requirements</i>	2.50%
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	0.00%
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)	11.30%
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III)	
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	n/a
73	Significant investments in the ordinary shares of financial entities	n/a
74	Mortgage service rights (net of related tax liability)	n/a
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0
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)	447,443
77	Cap on inclusion of provisions in Tier 2 under standardised approach	447,443
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	n/a
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>	n/a
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	n/a
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	n/a
83	<i>Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)</i>	n/a
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	n/a
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	n/a

REGULATORY CAPITAL RECONCILIATION

First Choice Credit Union Ltd Audited Balance Sheet as at 30 June 2020

	\$	Mapping to Common Disclosure Template Item #
ASSETS		
Cash and liquid assets	5,850,252	
Receivables	162,534	
Prepayments	32,923	
Loans and advances to members	42,549,022	
Investment Securities	27,741,179	
Property, plant and equipment	898,735	
Intangibles	87,702	9
Deferred tax assets	97,329	21
TOTAL ASSETS	77,419,676	
LIABILITIES		
Deposits from members	68,579,678	
Creditor accruals and settlement accounts	594,500	
Current tax liabilities	34,362	
Provisions	71,946	
Deferred tax liabilities	28,426	21
TOTAL LIABILITIES	69,308,912	
NET ASSETS	8,110,764	
MEMBERS' EQUITY		
Asset revaluation reserve	267,139	3
Reserve for credit losses	447,443	50/76/77
FVOIC Reserve	41,864	
Retained Earnings	7,354,318	2
TOTAL MEMBERS' EQUITY	8,110,764	

Reconciliation capital item 21

	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	<u>68,902</u>
Balance Sheet	Deferred tax assets	97,329
	Deferred tax liabilities	<u>(28,426)</u>
		<u>68,903</u>

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MAIN FEATURES OF CAPITAL INSTRUMENTS

At the current time First Choice has no capital instruments included as part of regulatory capital.

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RISK EXPOSURES AND ASSESSMENT
CAPITAL ADEQUACY

Capital requirements (in terms of risk-weighted assets by portfolio)

	Assets 30/09/2020	Risk Weighted Assets 30/09/2020	Assets 30/06/2020	Risk Weighted Assets 30/06/2020
	\$	\$	\$	\$
Cash	247,068	0	229,016	0
Claims on ADIs	36,779,138	13,481,271	33,284,277	12,068,886
Eligible Residential Mortgages	34,885,779	14,138,776	33,555,311	13,829,334
Past Due Loans	11,991	11,991	50,015	50,015
Other claims on private sector counterparties (other loans)	8,695,106	8,695,106	8,943,696	8,943,696
Fixed Assets	1,675,357	1,675,357	898,735	898,735
Other Assets	183,955	183,955	112,763	112,763
Securitised assets	0	0	0	0
Loans not yet funded	2,571,598	903,959	1,049,372	393,680
Loans available for redraw and undrawn overdraft facilities	4,297,754	0	3,819,643	0
Irrevocable standby commitments	2,386,564	0	2,466,524	0
Total capital requirements (in terms of risk-weighted assets) for credit risk and securitisation		39,090,415		36,297,109
Total capital requirements (in terms of risk-weighted assets) for operational risk		4,310,366		4,310,366
Total capital requirements (in terms of risk-weighted assets)		43,400,781		40,607,475
Common Equity Tier 1 ratio		17.23%		18.15%
Tier 1 ratio		17.23%		18.15%
Total Capital ratio		18.26%		19.25%

FIRST CHOICE CREDIT UNION LTD
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RISK EXPOSURES AND ASSESSMENT
CREDIT RISK

TOTAL GROSS CREDIT RISK EXPOSURE AND AVERAGE GROSS EXPOSURE OVER PERIOD

	Gross Credit Risk Exposure 30-Sep-20 \$	Average Gross Exposure over the period 30-Sep-20 \$	Gross Credit Risk Exposure 30-Jun-20 \$	Average Gross Exposure over the period 30-Jun-20 \$
Gross exposures by portfolio				
Authorised Deposit Taking Institutions	36,779,138	32,128,797	33,284,277	30,528,483
Loans	43,712,209	43,422,290	42,683,483	43,071,594
Commitments	9,255,916	7,562,760	7,335,539	7,048,436
Other non-market off-balance sheet exposures	-	-	-	-

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RISK EXPOSURES AND ASSESSMENT
CREDIT RISK
CREDIT RISK BY PORTFOLIO

Credit Exposure	Balance	Balance	Impaired	Impaired	Past Due	Past Due	Specific	Specific	Specific	Specific	Write Offs	Write Offs	
	30/09/2020	30/06/2020	30/09/2020	30/06/2020	30/09/2020	30/06/2020	Provision	Provision	Provision	Provision	30/09/2020	30/06/2020	
ADIs	36,779,138	33,284,277	-	-	-	-	-	-	-	-	-	-	
Residential mortgages	35,278,054	33,977,575	-	-	-	-	-	-	-	-	-	-	
Other retail	8,033,290	8,266,478	12,138	50,015	-	-	119,333	134,461	-	15,128	106,235	-	1,476
Corporate	400,865	439,431	-	-	-	-	-	-	-	-	-	-	-
Total Loans	43,712,209	42,683,484	12,138	50,015	-	-	119,333	134,461	-	15,128	106,235	-	1,476
Commitments	9,255,916	7,335,539	-	-	-	-	-	-	-	-	-	-	-
Other non-market off-balance sheet exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	89,747,263	83,303,300	12,138	50,015	-	-	119,333	134,461	-	15,128	106,235	-	1,476

FIRST CHOICE CREDIT UNION LTD
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RISK EXPOSURES AND ASSESSMENT
CREDIT RISK
GENERAL RESERVE FOR CREDIT LOSSES

	30-Sep-20	30-Jun-20
	\$	\$
General Reserve for credit losses	447,443	447,443

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RISK EXPOSURES AND ASSESSMENT
Securitisation Activity

a) Summary of current period's securitisation activity:

Total amount of exposures securitised	Nil
Recognised gain or loss on sale	n/a - no sales

b) Aggregate on-balance sheet and off-balance sheet exposures

	30-Sep-20	30-Jun-20
	\$	\$
On-balance sheet securitisation exposures retained or purchased by exposure type	-	-
On-balance sheet securitisation exposures retained or purchased by exposure type - mortgage secured housing loan	-	-