

**Pulse Credit Union Limited**  
 Incorporating Pulse Credit union Ltd, La Trobe University Division and Melbourne University Division  
**Annual Capital Disclosures as required by APRA prudential standard APS 330**

As at 30 June 2019

\$'000

The Credit Union is using the post 1 January 2018 common disclosure template (Attachment A to APS 330) because it is fully applying the Basel III regulatory adjustments as implemented by APRA.

|   |  |              |
|---|--|--------------|
| <b>Common Equity Tier 1 capital: instruments &amp; reserves</b> |  |              |
| 1   | Directly issued qualifying ordinary share (and equivalent for mutually-owned entities) capital   | 0            |
| 2   | Retained Earnings  | 6,402        |
| 3   | Accumulated other comprehensive income (and other reserves)  | 787          |
| 4   | Directly issued capital subject to phase out from CET1 (mutually owned companies)  | 0            |
| 5   | Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)   | 0            |
| 6   | <b>Common Equity Tier 1 capital before regulatory adjustments</b>  | <b>7,189</b> |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>     |  |              |
| 7   | Prudential valuation adjustments   | 0            |
| 8   | Goodwill (net of related tax liability)  | 0            |
| 9   | Other intangibles other than mortgage servicing rights (net of related tax liability)  | 0            |
| 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  | 0            |
| 12  | Shortfall of provisions to expected losses   | 0            |
| 13  | Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)  | 0            |
| 14  | Gains and losses due to changes in own credit risk on fair valued liabilities  | 0            |
| 15  | Defined benefits superannuation fund net assets  | 0            |
| 16  | Investments in own shares (if not already netted off paid-in capital on reported balance sheet)  | 0            |
| 17  | Reciprocal cross-holdings in common equity   | 0            |
| 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) | 0            |
| 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)   | 0            |
| 20  | Mortgage service rights (amount above 10% threshold)   | 0            |
| 21  | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)  | 0            |
| 22  | Amount exceeding the 15% threshold   | 0            |
| 23  | of which: significant investments in the ordinary shares of financial entities   | 0            |
| 24  | of which: mortgage servicing rights  | 0            |
| 25  | of which: deferred tax assets arising from temporary differences   | 0            |
| 26  | National specific regulatory adjustments (sum of 26a to 26j below)   | 351          |
| 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 18,19 and 23   | 199          |
| 26e   | of which: deferred tax assets not reported in rows 10, 21 and 25   | 0            |
| 26f   | of which: capitalised expenses   | 152          |
| 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  | 0            |
| 28  | <b>Total regulatory adjustments to Common Equity Tier 1</b>  | <b>351</b>   |
| 29  | <b>Common Equity Tier 1 Capital (CET1)</b>   | <b>6,839</b> |
| <b>Additional Tier 1 Capital Instruments</b>                    |  |              |
| 30  | Directly issued qualifying Additional Tier 1 Instruments   | 0            |
| 31  | of which: classified as equity under applicable accounting standards   | 0            |
| 32  | of which: classified as liabilities under applicable accounting standards  | 0            |
| 33  | <i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>   | 0            |
| 34  | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)  | 0            |
| 35  | of which: instruments issued by subsidiaries subject to phase out  | 0            |
| 36  | <b>Additional Tier 1 Capital before regulatory adjustments</b>   | <b>0</b>     |
| <b>Additional Tier 1 Capital: regulatory adjustments</b>        |  |              |
| 37  | Investments in own Additional Tier 1 instruments   | 0            |
| 38  | Reciprocal cross-holdings in Additional Tier 1 Instruments   | 0            |
| 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) | 0            |
| 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)   | 0            |
| 41  | National specific regulatory adjustments (sum of rows 41a, 41b and 41c)  | 0            |
| 41a   | of which: holdings of capital instruments in group members by other group members on behalf of third parties   | 0            |
| 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  | 0            |
| 41c   | of which: other national specific regulatory adjustments not reported in rows 41a and 41b  | 0            |
| 42  | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions   | 0            |
| 43  | <b>Total regulatory adjustments to Additional Tier 1 Capital</b>   | <b>0</b>     |
| 44  | <b>Additional Tier 1 capital (AT1)</b>   | <b>0</b>     |
| 45  | <b>Tier 1 Capital (T1=CET1+AT1)</b>  | <b>6,839</b> |

|  |  |        |
|--|--|--------|
| <b>Tier 2 Capital: instruments and provisions</b>  |  |        |
| 46   | Directly issued qualifying Tier 2 instruments  | 0      |
| 47   | Directly issued capital instruments subject to phase out from Tier 2   | 0      |
| 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)   | 0      |
| 49   | of which: instruments issued by subsidiaries subject to phase out  | 0      |
| 50   | Provisions   | 213    |
| 51   | <b>Tier 2 Capital before regulatory adjustments</b>  | 213    |
| <b>Tier 2 Capital: regulatory adjustments</b>  |  |        |
| 52   | Investments in own Tier 2 instruments  | 0      |
| 53   | Reciprocal cross-holdings in Tier 2 instruments  | 0      |
| 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 | 0      |
| 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   | 0      |
| 56   | National specific regulatory adjustments (sum of rows 56a, 56b and 56c)  | 0      |
| 56a  | of which: holdings of capital instruments in group members by other group members on behalf of third parties   | 0      |
| 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  | 0      |
| 56c  | of which: other national specific regulatory adjustments not reported in rows 56a and 56b  | 0      |
| 57   | <b>Total regulatory adjustments to Tier 2 capital</b>  | 0      |
| 58   | <b>Tier 2 capital (T2)</b>   | 213    |
| 59   | <b>Total capital (TC=T1+T2)</b>  | 7,051  |
| 60   | <b>Total risk weighted assets based on APRA standards</b>  | 47,834 |
| <b>Capital ratios and buffers</b>  |  |        |
| 61   | Common Equity Tier 1 (as a percentage of risk weighted assets)   | 14.30% |
| 62   | Tier 1 (as a percentage of risk weighted assets)   | 14.30% |
| 63   | Total Capital (as a percentage of risk weighted assets)  | 14.74% |
| 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   | 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 (not applicable)  | N/A    |
| 68   | Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)   | 13.85% |
| <b>National minima (if different from BASEL III)</b>   |  |        |
| 69   | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)  | 0      |
| 70   | National Tier 1 minimum ratio (if different from Basel III minimum)  | 0      |
| 71   | National total capital minimum ratio (if different from Basel III minimum)   | 0      |
| <b>Amount below thresholds for deductions (not risk weighted)</b>  |  |        |
| 72   | Non-significant investments in the capital of other financial entities   | 0      |
| 73   | Significant investments in the ordinary shares of financial entities   | 0      |
| 74   | Mortgage servicing rights (net of related tax liability)   | 0      |
| 75   | Deferred tax assets arising from temporary differences (net of related tax liability)  | 0      |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>  |  |        |
| 76   | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)   | 0      |
| 77   | Cap on inclusion of provisions in Tier 2 under standardised approach   | 0      |
| 78   | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)   | 0      |
| 79   | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  | 0      |
| <b>Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b> |  |        |
| 80   | Current cap on CET1 instruments subject to phase out arrangements  | 0      |
| 81   | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)  | 0      |
| 82   | Current cap on AT1 instruments subject to phase out arrangements   | 0      |
| 83   | Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)   | 0      |
| 84   | Current cap on T2 instruments subject to phase out arrangements  | 0      |
| 85   | Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)   | 0      |

**Reconciliation of the above regulatory capital elements to the reported audited Statement of Financial Position for 30 June 2019**

|   | Statement of financial position | Capital elements | Item      |
|---|---------------------------------|------------------|-----------|
|   | \$'000                          | \$'000           |           |
| <b>Assets</b>   |                                 |                  |           |
| Cash and liquid assets  | 6,000                           |                  |           |
| Advances to other financial institutions                            | 63,307                          |                  |           |
| Receivables   | 306                             |                  |           |
| Loans and advances  | 39,813                          |                  |           |
| Investments - not allowed as asset for capital adequacy calculation | 199                             | -199             | 26d       |
| Investments - other   | 2,500                           |                  |           |
| Investment / Dual Use Property                                      | 2,000                           |                  |           |
| Property, plant and equipment                                       | 120                             |                  |           |
| Deferred tax assets   | 155                             |                  |           |
| Intangible Assets   | 152                             | -152             | 26f       |
| Other assets  | 299                             |                  |           |
| <b>Total assets</b>   | <b>114,851</b>                  |                  |           |
| <b>Liabilities</b>  |                                 |                  |           |
| Deposits and short term borrowings                                  | 106,025                         |                  |           |
| Creditor accruals and settlement accounts                           | 777                             |                  |           |
| Deferred tax liability  | 337                             |                  |           |
| Provision for Tax   | 0                               |                  |           |
| Provisions  | 311                             |                  |           |
| <b>Total liabilities</b>  | <b>107,450</b>                  |                  |           |
| <b>Net assets</b>   | <b>7,401</b>                    |                  |           |
| <b>Members' funds</b>   |                                 |                  |           |
| Retained earnings   | 6,401                           | 6,401            | 2         |
| Reserves for credit losses  | 213                             | 213              | 50        |
| Other reserves  | 787                             | 787              | 3         |
| <b>Total members' funds</b>   | <b>7,401</b>                    |                  |           |
| <b>Total capital elements</b>                                       |                                 | <b>7,050</b>     | <b>59</b> |