

**FIRST CHOICE CREDIT UNION LTD
PUBLIC DISCLOSURES 30 JUNE 2014**

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		A\$
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	n/a
2	Retained Earnings	6,183,813
3	Accumulated other comprehensive income (and other reserves)	198,707
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	6,382,520
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)	88,980
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	n/a
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)	n/a
22	Amount exceeding the 15% threshold	n/a
23	of which: significant investments in the ordinary shares of financial entities	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)	146,150
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	78,938
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	52,693
26f	of which: capitalised expenses	14,519
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	235,130
29	Common Equity Tier 1 Capital	6,147,390
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	issued by subsidiaries and held by third parties (amount allowed in group AT1)	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 and 40	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)	6,147,390
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	340,451
51	Tier 2 Capital before regulatory adjustments	340,451
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 and 55	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)	340,451
59	Total capital (TC=T1+T2)	6,487,841
60	Total risk-weighted assets based on APRA standards	30,350,424
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	20.25%
62	Tier 1 (as a percentage of risk-weighted assets)	20.25%
63	Total capital (as a percentage of risk-weighted assets)	21.38%
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)	13.37%
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	340,451
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 2014**

	\$	Mapping to Common Disclosure Template Item #
ASSETS		
Cash and liquid assets	4,492,490	
Receivables due from financial institutions	14,931,345	
Receivables	97,590	
Prepayments	4,867	
Loans and advances to members	33,045,924	
Available for sale investments	78,938	26d
Property, plant and equipment	862,915	
Intangibles	103,499	26f
Deferred tax assets	103,721	26e
TOTAL ASSETS	53,721,289	
LIABILITIES		
Deposits from members	46,220,443	
Creditor accruals and settlement accounts	541,553	
Current tax liabilities	18,896	
Provisions	59,409	
Deferred tax liabilities	51,028	26e
TOTAL LIABILITIES	46,891,329	
NET ASSETS	6,829,960	
MEMBERS' EQUITY		
Asset revaluation reserve	198,705	3
Reserve for credit losses	447,443	50/76/77
Retained Earnings	6,183,812	2
TOTAL MEMBERS' EQUITY	6,829,960	

Additional Commentary for reconciliation for capital items 2, 26e, 26f and 50

Item 2	Retained Earnings	<u>6,183,813</u>
Balance Sheet	Retained Earnings	<u>6,183,812</u>
	Rounding	<u>1</u>
Item 50	Provisions	<u>340,451</u>
Balance Sheet	Reserve for Credit Losses	<u>447,443</u>
Refer Item 77	Portion of Reserve for Credit Losses in excess of 1.25% of Credit Risk Weighted Assets	(106,992)

FIRST CHOICE CREDIT UNION LTD
PUBLIC DISCLOSURES

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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PUBLIC DISCLOSURES 31 DECEMBER 2014

RISK EXPOSURES AND ASSESSMENT
CAPITAL ADEQUACY

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

	Assets 31/12/14	Risk Weighted Assets 31/12/14	Assets 30/09/14	Risk Weighted Assets 30/09/14
	\$	\$	\$	\$
Cash	280,883	0	299,718	0
Claims on ADIs	23,599,018	8,032,184	21,020,230	7,202,732
Eligible Residential Mortgages	20,214,994	7,874,513	20,524,203	8,138,067
Past Due Loans	38,830	38,830	69,464	69,464
Other claims on private sector counterparties (other loans)	11,717,854	11,717,854	12,057,438	12,057,438
Fixed Assets	864,512	864,512	858,230	858,230
Other Assets	41,683	41,683	50,947	50,947
Securitised assets	0	0	0	0
Loans not yet funded	1,882,871	751,815	1,455,837	629,533
Loans available for redraw	1,380,902	0	1,366,394	0
Irrevocable standby commitments	1,811,457	0	1,750,973	0
Total capital requirements (in terms of risk-weighted assets) for credit risk and securitisation		29,321,391		29,006,411
Total capital requirements (in terms of risk-weighted assets) for operational risk		3,219,251		3,114,336
Total capital requirements (in terms of risk-weighted assets)		32,540,642		32,120,747
Common Equity Tier 1 ratio		19.39%		19.38%
Tier 1 ratio		19.39%		19.38%
Total Capital ratio		20.52%		20.51%

**FIRST CHOICE CREDIT UNION LTD
PUBLIC DISCLOSURES 31 DECEMBER 2014**

RISK EXPOSURES AND ASSESSMENT

CREDIT RISK

TOTAL GROSS CREDIT RISK EXPOSURE AND AVERAGE GROSS EXPOSURE OVER PERIOD

	Gross Credit Risk Exposure 31-Dec-14	Average Gross Exposure over the period 31-Dec-14	Gross Credit Risk Exposure 30-Sep-14	Average Gross Exposure over the period 30-Sep-14
	\$	\$	\$	\$
Gross exposures by portfolio				
Authorised Deposit Taking Institutions	23,599,018	20,802,020	21,020,229	19,984,450
Loans	32,038,367	32,653,530	32,717,793	32,701,832
Commitments	6,410,564	5,924,783	5,947,378	5,891,736
Other mon-market off-balance sheet exposures	-	42,951	-	86,153

**FIRST CHOICE CREDIT UNION LTD
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**RISK EXPOSURES AND ASSESSMENT
CREDIT RISK
CREDIT RISK BY PORTFOLIO**

Credit Exposure	Balance 31/12/2014	Balance 30/09/2014	Impaired 31/12/2014	Impaired 30/09/2014	Past Due 31/12/2014	Past Due 30/09/2014	Specific Provision 31/12/2014	Specific Provision 30/09/2014	Specific Provision Charges 31/12/2014	Specific Provision Charges 30/09/2014	Write Offs 31/12/2014	Write Offs 30/09/2014
ADIs	23,599,018	21,020,229	-	-	-	-	-	-	-	-	-	-
Residential mortgages	22,138,649	22,431,585	-	-	-	-	-	-	-	-	-	-
Other retail	8,306,745	8,532,119	215,573	142,361	-	-	66,689	66,689	-	(2,059)	-	-
Corporate	1,592,973	1,754,089	-	64,486	-	-	-	-	-	-	-	-
Total Loans	32,038,367	32,717,793	215,573	206,847	-	-	66,689	66,689	-	(2,059)	-	-
Commitments	6,410,564	5,947,378	-	-	-	-	-	-	-	-	-	-
Other non-market off- balance sheet exposures	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	62,047,949	59,685,400	215,573	206,847	-	-	66,689	66,689	-	(2,059)	-	-

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

	31-Dec-14	30 September 2014
	\$	\$
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

	31-Dec-14	30 September 2014
	\$	\$
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	-	-