

**MEMBERS EQUITY BANK PTY LIMITED**

**Basel III Pillar 3 Disclosures: Prudential Standard APS 330 (Attachment C)**

**For the period ended: 30 September 2013**

Table 3: Capital Adequacy

	30-Sep-13 Risk Weighted Assets \$m
(a) <b>Subject to the Standardised approach</b>	
Residential Mortgage	3,782.4
Other Retail	321.3
Corporate	271.6
Bank	366.5
Government	-
Other	39.0
<b>Capital Requirement for Credit Risk by Portfolio</b>	<b>4,780.9</b>
<b>Capital Requirement for Credit Risk Relating to Securitisation Exposures</b>	<b>78.5</b>
(b) <b>Capital requirements for equity exposures in the IRB approach (simple risk-weighted method)</b>	-
(c) <b>Capital Requirement for Market Risk</b>	-
(d) <b>Capital requirement for Operational Risk</b>	<b>691.9</b>
(e) <b>Capital requirements for interest rate risk in the banking book (IRRBB)</b>	-
(f) <b>Common Equity Tier 1 Capital Ratio</b>	<b>10.78%</b>
<b>Tier 1 Capital Ratio</b>	<b>10.78%</b>
<b>Total Capital Ratio</b>	<b>11.70%</b>

Table 4(a): Total Gross &amp; Average Credit Risk Exposures

Credit Exposure Type	Period End 30-Sep-13 Gross Credit Risk Exposure \$m	Period End 30-Jun-13 Gross Credit Risk Exposure \$m	Period End 30-Sep-13 Average Gross Credit Exposure \$m
Cash and Due from Financial Institutions	83.5	94.9	150.6
Debt Securities	1,673.9	1,488.5	1,628.8
Loans and Advances	10,265.5	9,709.9	9,981.5
Other	81.9	47.7	85.3
Commitments and other non market off balance sheet exposures	1,554.2	1,481.1	1,502.7
Market Related Off Balance Sheet	29.9	20.3	31.9
<b>Total exposures</b>	<b>13,689.0</b>	<b>12,842.4</b>	<b>13,380.8</b>

Portfolios Subject to Standardised Approach	Period End 30-Sep-13 Gross Credit Risk Exposure \$m	Period End 30-Jun-13 Gross Credit Risk Exposure \$m	Period End 30-Sep-13 Average Gross Credit Exposure \$m
Residential Mortgage	10,859.2	10,195.5	10,884.0
Other Retail	684.3	674.4	320.7
Corporate	271.6	254.2	258.7
Bank	1,234.8	977.9	544.8
Government	320.0	346.6	325.9
Other	319.1	393.7	1,046.7
<b>Total Exposures</b>	<b>13,689.0</b>	<b>12,842.4</b>	<b>13,380.8</b>

Table 4(b): Impaired assets, Past due loans, Provisions and Write-offs

Portfolios Subject to Standardised Approach	30-Sep-13				
	Impaired Loans \$m	Past Due Loans >90 Days \$m	Specific Provision Balance \$m	Charges for Specific Provision \$m	Write-offs \$m
<b>For period end: 30 September 2013</b>					
Residential Mortgage	0.3	27.6	0.3	(0.3)	0.0
Other Retail	4.1	3.7	2.4	2.4	2.3
Corporate	0.5	-	0.4	0.2	-
<b>Total</b>	<b>4.9</b>	<b>31.2</b>	<b>3.2</b>	<b>2.2</b>	<b>2.3</b>

Portfolios Subject to Standardised Approach	30-Jun-13				
	Impaired Loans \$m	Past Due Loans >90 Days \$m	Specific Provision Balance \$m	Charges for Specific Provision \$m	Write-offs \$m
<b>For period end: 30 June 2013</b>					
Residential Mortgage	35.0	20.7	0.6	0.6	0.0
Other Retail	4.3	3.1	2.4	3.0	2.4
Corporate	0.2	-	0.2	0.1	-
<b>Total</b>	<b>39.6</b>	<b>23.8</b>	<b>3.2</b>	<b>3.6</b>	<b>2.4</b>

Table 4(c): General Reserve for Credit Losses

	30-Sep-13 \$m	30-Jun-13 \$m
General Reserve for Credit Losses	17.6	15.5

Table 5(a): Securitisation Activity

Securitisation Activity	Sep-13		Jun-13	
	Total Amount of Exposure Securitised \$m	Recognised Gain or Loss on Sale \$m	Total Amount of Exposure Securitised \$m	Recognised Gain or Loss on Sale \$m
Residential mortgages	80.8	-	171.9	-
<b>Total</b>	<b>80.8</b>	<b>-</b>	<b>171.9</b>	<b>-</b>

Table 5(b): Securitisation Exposures

Securitisation Exposures	30-Sep-13	30-Jun-13
	Exposures Retained/ Purchased \$m	Exposures Retained/ Purchased \$m
<b>On-balance sheet</b>		
Available-for-sale	202.6	258.8
Net loans and advances	40.3	40.3
<b>Total</b>	<b>242.9</b>	<b>299.1</b>
	30-Sep-13	30-Jun-13
	\$m	\$m
<b>Off-balance sheet</b>		
Commitments and other non market off-balance sheet exposures	7.3	7.3
<b>Total</b>	<b>7.3</b>	<b>7.3</b>