

MEMBERS EQUITY BANK PTY LIMITED

APRA Basel II Pillar 3 Disclosure

APS 330: Public Disclosure of Prudential Information

Table 15: Capital Structure

	31 March 2010 \$m
Tier 1 capital	
Paid up ordinary shares	350.1
Retained earnings, including current year earnings	1.5
Gross Tier 1 capital	351.6
Deductions from Tier 1 capital	
Future Income Tax Benefit	- 3.7
Intangible assets	- 18.5
Loan establishment costs	- 8.7
Total Tier 1 capital deductions	- 30.8
Net Tier 1 capital	320.8
Tier 2 capital	
Upper Tier 2 capital	3.0
Lower Tier 2 capital	66.0
Net Tier 2 capital	69.0
Total capital base	389.8

Table 16: Capital Adequacy

	31 March 2010 Risk Weighted Assets \$m
Subject to the Standardised approach	
Residential Mortgage	1,285.2
Other Retail	295.8
Corporate	5.4
Bank	117.8
Government	-
Other	115.8
Capital requirement for credit risk by portfolio	1,819.9
Capital requirement for credit risk relating to securitisation exposures	79.2
Capital requirement for market risk	-
Capital requirement for operational risk	172.7
Total RWA and capital requirement	2,071.7

Capital ratios

Level 2 Total capital ratio	18.8%
Level 2 Tier 1 capital ratio	15.5%

Table 17: Credit Risk

Exposure type	31 March 2010	Period End 31 March 2010
	Gross credit risk exposure \$m	Average gross credit exposure \$m
Cash and due from financial institutions	71.3	37.0
Debt securities	997.4	863.8
Loans and advances	3,420.8	2,397.3
Other	44.2	43.2
Total exposures	4,533.7	3,341.3

Portfolios subject to Standardised approach	31 March 2010	Period End 31 March 2010
	Gross credit risk exposure \$m	Average gross credit exposure \$m
Residential Mortgage	3,121.4	2,121.2
Other Retail	295.8	278.6
Corporate	10.4	4.2
Bank	594.4	451.3
Government	49.5	44.1
Other	462.2	442.0
Total exposures	4,533.7	3,341.3

Portfolios subject to the Standardised approach	Impaired loans \$m	Past due loans >90 days \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Other Retail	8.3	3.6	2.3	-	4.7
Corporate	-	-	-	-	-
Bank	-	-	-	-	-
Government	-	-	-	-	-
Other	-	-	-	-	-
Total	8.3	4.6	2.3	0.0	4.7
	Balance \$m				
General reserve for credit losses	4.3				