

Regulatory Capital Reconciliation

The below disclosures are required to be updated annually, in line with the lodgement of Cuscal's annual financial reports under the Corporations Act.

CUSCAL LIMITED
STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

	Accounting Consolidation	Accounting & Regulatory Differences	Additional Disclosures	Level 2 Regulatory Consolidation	Common Disclosure Template Line Item
	\$m	\$m	\$m	\$m	
ASSETS					
Cash and cash equivalents	602.1	(270.6)		331.5	
Receivables due from financial institutions	114.4	265.6		380.0	
Investment securities	1,552.2			1,552.2	26j
Loans	30.6			30.6	
Loans made by securitisation trusts	106.4	(106.4)		-	
Other assets	30.4	0.6	(2.6)	28.4	26j
Investments	4.1			4.1	18 & 26j
Current tax assets	1.0	0.4		1.4	
Deferred tax assets	12.1			12.1	26e
Property, plant and equipment and ATMs	7.5			7.5	
Intangible assets	57.5	-		57.5	8 & 9
Total assets	2,518.3	(110.4)	(2.6)	2,405.3	
LIABILITIES					
Payables due to financial institutions	56.9			56.9	
Deposits	1,700.1			1,700.1	
Securities sold under agreement to repo	144.7			144.7	
Discount securities issued	62.4			62.4	
Borrowings of securitisation trusts	110.4	(110.4)		-	
Derivative financial liabilities	0.2			0.2	
Other liabilities	133.8			135.0	
Deferred tax liabilities	11.3			11.3	26e
Provisions	23.5			22.3	
Total liabilities	2,243.3	(110.4)	-	2,132.9	
Net assets	275.0	-	(2.6)	272.4	
EQUITY					
Issued capital	127.1			127.1	1
Reserves					
- General reserve	2.5			2.5	3
- FVOCI reserve	3.3			3.3	3
- Other reserve	13.3			13.3	
- Reserve for credit losses	2.6		(2.6)	-	
Retained earnings	111.3			111.3	2
Equity attributable to owners of Cuscal	260.1			257.5	
Non-controlling interest	14.9			14.9	
Total equity	275.0	-	(2.6)	272.4	

"**Accounting consolidation**" is the audited consolidated statement of financial position of Cuscal Limited, its subsidiaries and other entities as at 30 June 2020 prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and interpretations.

Level 2 Regulatory Consolidation is the consolidated statement of financial position of Cuscal Limited and its subsidiaries which constitute Level 2 reporting under APRA Prudential Standard APS 001.

The Level 2 regulatory consolidation group excludes the Integrity Series 2014-1 Trust, which is included under Accounting Consolidation.

Cuscal Limited is the head of the Level 2 Group for APRA reporting purposes. Of the total assets of the Level 2 Group at year-end of \$2,405.3 million, \$2,100.9 million are held by Cuscal Limited. Cash balances held by Cuscal subsidiaries with Cuscal, as well as intercompany receivables owing between the entities of the Group, are eliminated on consolidation.

Common Disclosures

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CUSCAL LIMITED

Level 2 Regulatory Consolidation

Common disclosure template at 30 June 2020

Cuscal Limited is using the post 1 January 2018 Common Disclosure Template

Line No.	Item	\$m
Common Equity Tier 1 capital; instruments and reserves		
1	Directly issued qualifying ordinary share capital	127.1
2	Retained earnings	111.3
3	Accumulated other comprehensive income (and other reserves)	19.1
		257.5
5	Ordinary share capital issued by subsidiaries and held by third parties	0.9
6	Common Equity Tier 1 capital before regulatory adjustments	258.4
Common Equity Tier 1 capital: regulatory adjustments		
8	Goodwill	(21.6)
9	Other intangible assets other than mortgage servicing rights	(35.9)
18	Investment in financial entities	(4.1)
26	National specific regulatory adjustments	(0.3)
26e	- deferred tax assets net of deferred tax liabilities	(0.8)
26j	- other national specific regulatory adjustments	(1.1)
28	Total regulatory adjustments to Common Equity Tier 1	(63.5)
29	Common Equity Tier 1 Capital	194.9
44	Additional Tier 1 capital	-
45	Tier 1 Capital	194.9
Tier 2 Capital: instruments and provisions		
50	Provisions	2.6
58	Tier 2 capital	2.6
59	Total capital	197.5
60	Total risk-weighted assets based on APRA standards	1,004.4
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	19.5%
62	Tier 1 (as a percentage of risk weighted assets)	19.5%
63	Total capital (as a percentage of risk weighted assets)	19.7%
64	Buffer requirement	7.0%
65	<i>of which: capital conservation buffer requirement</i>	2.5%
66	<i>of which: ADI-specific countercyclical buffer</i>	0.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	12.7%

Regulatory Capital and Capital Adequacy Ratio - FY20 final dividend impacts

There are no dividends declared but not paid for the June 2020 financial year. Accordingly, there is no impact on Cuscal's 30 June 2020 Capital or Capital Adequacy Ratios.



Main Features of Regulatory Capital Instruments

The below disclosures are required to be published continuously, and must be updated within 7 days if:

- a) a new capital instrument is issued and included in Regulatory Capital; or
- b) a capital instrument is redeemed, converted into Common Equity Tier 1 Capital, written off or otherwise changes in nature.

The only capital instrument on issue at 31 March 2021 are **ordinary shares**.

The below disclosures are unchanged in content from the prior quarter disclosures and unchanged from the end of the previous financial year (June 2020).

The main features of these shares are:

Issuer	Cuscal Limited
Governing law	Corporations Act 2001
Transitional Basel III rules	Common Equity Tier 1
Post Transitional Basel III rules	Common Equity Tier 1
Eligible at solo/group	Solo and group
Amount recognised in Regulatory Capital	\$127.1 million
Par Value	Not applicable
Accounting Classification	Shareholders' equity
Perpetual or dated	Perpetual





Risk Exposures and Assessments

The disclosures below are required to be published on a quarterly basis, along with the immediately preceding disclosures.

	As at 31 Mar 2021		As at 31 Dec 2020	
	\$m	\$m	\$m	\$m
Regulatory Capital				
Common Equity Tier 1		219.1		222.5
Tier 1		219.1		222.5
Total Capital		221.7		225.1

Risk Weighted Assets

	Risk		Risk	
	Gross Exposure	Weighted Assets	Gross Exposure	Weighted Assets
	\$m	\$m	\$m	\$m
Credit Risk (excluding securitisation)				
Banks, ADI's & Supranationals	2,093.7	445.9	2,183.0	454.3
Corporate loans	0.5	0.5	0.6	0.6
Government	344.5	-	461.1	-
Residential Loans	374.3	137.4	147.1	54.3
Other assets	79.7	77.8	75.1	72.6
Off balance sheet commitments	79.2	28.4	98.4	34.9
	2,971.9	690.0	2,965.3	616.7

Securitisation risk		-		-
Operational risk		458.7		484.9
Market risk		0.2		0.3
Total Risk-weighted assets		1,148.9		1,101.9

Capital Adequacy Ratios

		%		%
> Common Equity Tier 1		19.1%		20.2%
> Tier 1		19.1%		20.2%
> Total Capital		19.3%		20.4%

Gross Exposure by Major Type of Credit Exposure	Average		Average	
	Gross Exposure	Exposure for Quarter	Gross Exposure	Exposure for Quarter
	\$m	\$m	\$m	\$m
Cash	971.7	1,005.2	999.8	844.1
Receivables from financial institutions	4.4	4.4	6.2	5.7
Loans	374.8	256.1	147.8	101.1
Investment securities	1,466.5	1,535.0	1,644.3	1,679.8
Other assets	75.3	72.5	68.8	72.5
Off balance sheet	79.2	88.2	98.4	48.7
	2,971.9	2,961.4	2,965.3	2,751.9

The following information is provided in respect of Cuscal Limited's Gross Credit Exposure at period end:

> Impaired facilities	Nil	Nil
> Past due facilities	Nil	Nil
> Specific provisions	Nil	Nil
> Amounts charged to specific provisions during the quarter	Nil	Nil
> Amounts written off during the quarter	Nil	Nil

Reserve for credit losses at period end

	2.6	2.6
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The following information is provided in respect of Cuscal Limited's Securitisation activities at period end:

	As at 31 Mar 2021	As at 31 Dec 2020
> Total amount of exposures securitised	12.6	5.2
> Recognised gains or losses on sale	Nil	Nil
> On balance sheet securitisation exposures retained or purchased	36.5	25.4
> Off balance sheet securitisation exposures	Nil	Nil

