

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 2021

	Accounting Consolidation	Accounting & Regulatory Differences	Additional Disclosures	Level 2 Regulatory Consolidation	Common Disclosure Template Line Item
	\$m	\$m	\$m	\$m	
ASSETS					
Cash and receivables due from financial institutions	972.3	(3.2)		969.1	
Investment securities	1,685.6	-		1,685.6	26j
Loans	0.7			0.7	
Loans made by securitisation trusts	81.3	(81.3)		-	
Other assets	35.1	18.8	(2.5)	51.4	26j
Investments	2.6	0.2		2.8	18 & 26j
Deferred tax assets	3.8			3.8	26e
Property, plant and equipment and ATMs	20.4	(18.0)		2.4	
Intangible assets	42.2			42.2	8 & 9
Total assets	2,844.0	(83.5)	(2.5)	2,758.0	
LIABILITIES					
Payables due to financial institutions	100.6			100.6	
Deposits	2,006.6			2,006.6	
Securities sold under agreement to repo	143.7			143.7	
Discount securities issued	9.4			9.4	
Borrowings of securitisation trusts	83.3	(83.3)		-	
Derivative financial liabilities	0.1			0.1	
Other liabilities	96.9	(0.2)		96.7	
Current tax liabilities	39.4			39.4	
Provisions	22.3			22.3	
Total liabilities	2,502.3	(83.5)	-	2,418.8	
Net assets	341.7	-	(2.5)	339.2	
EQUITY					
Issued capital	127.1			127.1	1
Reserves					
- General reserve	2.0			2.0	3
- Available for sale reserve	5.1			5.1	3
- Other reserve	0.5			0.5	
- Reserve for credit losses	2.5		(2.5)	-	
Retained earnings	204.5			204.5	2
Equity attributable to owners of Cuscal	341.7			339.2	
Non-controlling interest	-			-	
Total equity	341.7	-	(2.5)	339.2	

"**Accounting consolidation**" is the audited consolidated statement of financial position of Cuscal Limited, its subsidiaries and other entities as at 30 June 2021 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 \$2,758.0 million, \$2,757.8 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 2021

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	204.5
3	Accumulated other comprehensive income (and other reserves)	7.6
		339.2
6	Common Equity Tier 1 capital before regulatory adjustments	339.2
Common Equity Tier 1 capital: regulatory adjustments		
8	Goodwill	(21.6)
9	Other intangible assets other than mortgage servicing rights	(20.6)
18	Investment in financial entities	(2.6)
26	National specific regulatory adjustments	(4.6)
26e	- deferred tax assets net of deferred tax liabilities	(3.8)
26j	- other national specific regulatory adjustments	(0.8)
28	Total regulatory adjustments to Common Equity Tier 1	(49.5)
29	Common Equity Tier 1 Capital	289.7
44	Additional Tier 1 capital	-
45	Tier 1 Capital	289.7
Tier 2 Capital: instruments and provisions		
50	Provisions	2.5
58	Tier 2 capital	2.5
59	Total capital	292.2
60	Total risk-weighted assets based on APRA standards	1,099.3
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	26.4%
62	Tier 1 (as a percentage of risk weighted assets)	26.4%
63	Total capital (as a percentage of risk weighted assets)	26.6%
64	Buffer requirement	7.0%
65	of which: capital conservation buffer requirement	2.5%
66	of which: ADI-specific countercyclical buffer	0.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	19.6%

Regulatory Capital and Capital Adequacy Ratio June 2021 - post dividend impacts

On 17 August 2021, the Directors of Cuscal Limited approved the payment of dividends for the June 2021 financial year of 15.5 cents per ordinary share. The amount of the dividend totals \$28.9m. Had that dividend been declared as at 30 June 2021, the adjusted levels of capital and capital adequacy would have been:

Common Equity Tier 1 capital before regulatory adjustments	310.3
Common Equity Tier 1 Capital	260.8
Tier 1 Capital	260.8
Tier 2 capital	2.5
Total capital	263.3
Common Equity Tier 1 (as a percentage of risk weighted assets)	23.7%
Tier 1 (as a percentage of risk weighted assets)	23.7%
Total capital (as a percentage of risk weighted assets)	24.0%



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 30 September 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 2021).

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 30 September 2021		As at 30 June 2021	
	\$m	\$m	\$m	\$m
Regulatory Capital				
Common Equity Tier 1		266.0		289.7
Tier 1		266.0		289.7
Total Capital		268.5		292.2
Risk Weighted Assets				
	Gross Exposure	Risk Weighted Assets	Gross Exposure	Risk Weighted Assets
	\$m	\$m	\$m	\$m
Credit Risk (excluding securitisation)				
Banks, ADIs & Supranationals	2,893.9	611.8	2,487.2	586.3
Corporate loans	0.5	0.5	0.7	0.7
Government	148.0	-	165.5	-
Other assets	60.4	60.0	57.6	56.7
Off balance sheet commitments	3.1	1.7	3.2	1.8
Total Credit Risk	3,105.9	674.0	2,714.2	645.5
Securitisation risk		-		-
Operational risk		453.4		453.4
Market risk		0.5		0.4
Total Risk-weighted assets		1,127.9		1,099.3
Capital Adequacy Ratios				
> Common Equity Tier 1		23.6%		26.4%
> Tier 1		23.6%		26.4%
> Total Capital		23.8%		26.6%

	Gross Exposure	Average Exposure for Quarter	Gross Exposure	Average Exposure for Quarter
	\$m	\$m	\$m	\$m
Gross Exposure by Major Type of Credit Exposure				
Cash & receivables due from financial institutions	1,283.2	1,125.9	969.1	1,062.9
Loans	0.5	0.5	0.7	163.8
Investment securities	1,760.4	1,745.1	1,685.6	1,572.5
Other assets	58.7	56.3	55.6	65.7
Off balance sheet	3.1	3.1	3.2	43.5
	3,105.9	2,930.9	2,714.2	2,908.4

	As at 30 September 2021	As at 30 June 2021
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	0.1	Nil
> Amounts charged to specific provisions during the quarter	0.1	Nil
> Amounts written off during the quarter	Nil	Nil
Reserve for credit losses at period end	2.5	2.5

	As at 30 September 2021	As at 30 June 2021
The following information is provided in respect of Cuscal Limited's Securitisation activities at period end:		
> Total amount of exposures securitised	Nil	Nil
> Recognised gains or losses on sale	Nil	Nil
> On balance sheet securitisation exposures retained or purchased	Nil	Nil
> Off balance sheet securitisation exposures	Nil	Nil