

MEMBERS EQUITY BANK PTY LIMITED

APRA Basel II Pillar 3 Disclosure

APS 330: Public Disclosure of Prudential Information

Table 15: Capital Structure

	31 December 2009 \$m
Tier 1 capital	
Paid up ordinary shares	295.6
Retained earnings, including current year earnings	- 3.9
Gross Tier 1 capital	291.7
Deductions from Tier 1 capital	
Future Income Tax Benefit	- 4.1
Intangible assets	- 20.0
Loan establishment costs	- 7.3
Total Tier 1 capital deductions	- 31.5
Net Tier 1 capital	260.2
Tier 2 capital	
Lower Tier 2 capital	66.0
Net Tier 2 capital	66.0
Total capital base	326.2

Table 16: Capital Adquacy

	31 December 2009 Risk Weighted Assets \$m
Subject to the Standardised approach	
Residential Mortgage	1,005.9
Other Retail	285.4
Corporate	-
Bank	75.8
Government	-
Other	139.3
Capital requirement for credit risk by portfolio	1,506.3
Capital requirement for credit risk relating to securitisation exposures	50.4
Capital requirement for market risk	-
Capital requirement for operational risk	172.7
Total RWA and capital requirement	1,729.5

Capital ratios

Level 2 Total capital ratio	18.9%
Level 2 Tier 1 capital ratio	15.0%

Table 17: Credit Risk

Exposure type	31 December 2009	Period End 31 December 2009
	Gross credit risk exposure \$m	Average gross credit exposure \$m
Cash and due from financial institutions	33.0	35.8
Debt securities	858.8	883.0
Loans and advances	2,738.0	2,074.6
Other	49.0	46.8
Total exposures	3,678.9	3,040.3

Portfolios subject to Standardised approach	31 December 2009	Period End 31 December 2009
	Gross credit risk exposure \$m	Average gross credit exposure \$m
Residential Mortgage	2,452.1	1,805.0
Other Retail	285.4	274.4
Corporate	-	-
Bank	383.9	425.2
Government	49.6	41.7
Other	507.9	493.9
Total exposures	3,678.9	3,040.3

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
Residential Mortgage	-	0.9	-	-	-
Other Retail	8.5	3.2	2.1	-	3.4
Corporate	-	-	-	-	-
Bank	-	-	-	-	-
Government	-	-	-	-	-
Other	-	-	-	-	-
Total	8.5	4.1	2.1	0.0	3.4
	Balance \$m				
General reserve for credit losses					4.6