

INDUE LTD APRA PUBLIC DISCLOSURE

ANNUAL DISCLOSURE - 30 JUNE 2017

indue

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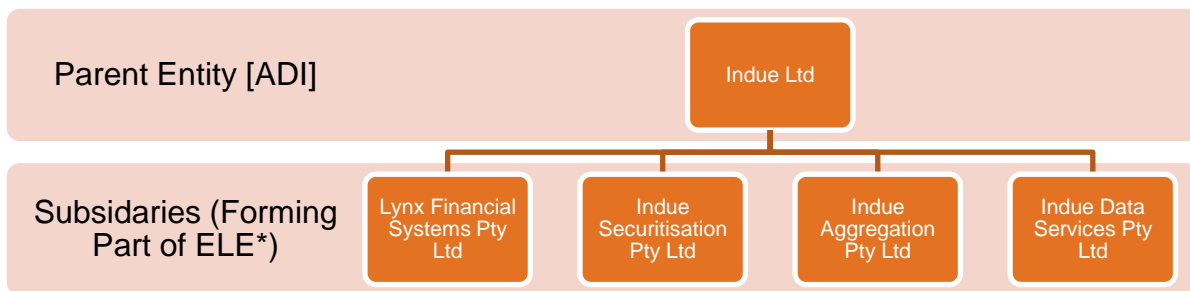
Indue Group – APS 330 Annual Disclosure Requirements

Indue Ltd holds an Authorised Deposit-taking Institution (ADI) licence and is therefore subject to regulation by the Australian Prudential Regulation Authority (APRA). Indue Ltd is the head entity of the Indue Group and is locally incorporated and Australian owned.

The specified information is outlined in Australian Prudential Standard 330 Capital Adequacy: Public Disclosure (APS 330), which can be found on APRA’s website. The purpose of this report is to make available to the general public, specified information in respect of:

- Requirement to define the Capital Instruments issued:
 - APS330 Attachment A: Common Disclosure Template
 - APS330 Attachment B: Main features of Capital Instruments
- Requirement to provide a reconciliation of Indue’s Balance sheet 30 June 2017 to Regulatory Capital Adequacy composition
- Requirement to disclose Indue’s Remuneration policies and processes:
 - APS330 Attachment G: Remuneration

In accordance with the requirements of APS 330 the information disclosed in this report is disclosed on a Level 1 basis, which incorporates all of Indue’s subsidiaries, each of which are approved by APRA to comprise an Extended Licensed Entity (ELE), as outlined in the chart below.



The specified information is required to be disclosed on an annual basis.

The following report is for the 2016/17 Financial Year.

APS 330 Attachment A: Common Disclosure Template

| Common Equity Tier 1 capital : instruments and reserves | | A\$m |
|---|--|-----------|
| 1 | Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital | 17 |
| 2 | Retained earnings | 31 |
| 3 | Accumulated other comprehensive income (and other reserves) | 1 |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies) | NA |
| 5 | Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | NA |
| 6 | Common Equity Tier 1 capital before regulatory adjustments on Equity Tier 1 capital : regulatory adjustments | 50 |
| Common Equity Tier 1 capital : regulatory adjustments | | |
| 7 | Prudential valuation adjustments | NA |
| 8 | Goodwill (net of related tax liability) | 4 |
| 9 | Other intangibles other than mortgage servicing rights (net of related tax liability) | NA |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | NA |
| 11 | Cash-flow hedge reserve | NA |
| 12 | Shortfall of provisions to expected losses | NA |
| 13 | Securitisation gain on sale (as set out in paragraph 562 of Basel II framework) | NA |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | NA |
| 15 | Defined benefit superannuation fund net assets | NA |
| 16 | Investments in own shares (if not already netted off paid-in capital on reported balance sheet) | NA |
| 17 | Reciprocal cross-holdings in common equity | NA |
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) | NA |
| 19 | Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | NA |
| 20 | Mortgage service rights (amount above 10% threshold) | NA |
| | | |

Common Equity Tier 1 capital : regulatory adjustments (cont)

| | | |
|-----------|--|-----------|
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 0 |
| 22 | Amount exceeding the 15% threshold | NA |
| 23 | of which: significant investments in the ordinary shares of financial entities | NA |
| 24 | of which: mortgage servicing rights | NA |
| 25 | of which: deferred tax assets arising from temporary differences | NA |
| 26 | National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j) | 15 |
| 26a | of which: treasury shares | NA |
| 26b | of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI | NA |
| 26c | of which: deferred fee income | 0 |
| 26d | of which: equity investments in financial institutions not reported in rows 18, 19 and 23 | NA |
| 26e | of which: deferred tax assets not reported in rows 10, 21 and 25 | 0 |
| 26f | of which: capitalised expenses | 13 |
| 26g | of which: investments in commercial (non-financial) entities that are deducted under APRA rules | 2 |
| 26h | of which: covered bonds in excess of asset cover in pools | NA |
| 26i | of which: undercapitalisation of a non-consolidated subsidiary | NA |
| 26j | of which: other national specific regulatory adjustments not reported in rows 26a to 26i | NA |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | NA |
| 28 | Total regulatory adjustments to Common Equity Tier 1 | 19 |
| 29 | Common Equity Tier 1 Capital (CET1) | 31 |

Additional Tier 1 Capital: instruments

| | | |
|-----------|---|-----------|
| 30 | Directly issued qualifying Additional Tier 1 instruments | NA |
| 31 | of which: classified as equity under applicable accounting standards | NA |
| 32 | of which: classified as liabilities under applicable accounting standards | NA |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | NA |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | NA |

| Additional Tier 1 Capital: instruments (cont) | | |
|--|--|-----------|
| 35 | of which: instruments issued by subsidiaries subject to phase out | NA |
| 36 | Additional Tier 1 Capital before regulatory adjustments | 0 |
| Additional Tier 1 Capital: regulatory adjustments | | |
| 37 | Investments in own Additional Tier 1 instruments | NA |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | NA |
| 39 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) | NA |
| 40 | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | NA |
| 41 | National specific regulatory adjustments (sum of rows 41a, 41b and 41c) | NA |
| 41a | of which: holdings of capital instruments in group members by other group members on behalf of third parties | NA |
| 41b | of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40 | NA |
| 41c | of which: other national specific regulatory adjustments not reported in rows 41a and 41b | NA |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | NA |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | 0 |
| 44 | Additional Tier 1 capital (AT1) | 0 |
| 45 | Tier 1 Capital (T1=CET1+AT1) | 31 |
| Tier 2 Capital: instruments and provisions | | |
| 46 | Directly issued qualifying Tier 2 instruments | NA |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | NA |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2) | NA |
| 49 | of which: instruments issued by subsidiaries subject to phase out | NA |
| 50 | Provisions | NA |
| 51 | Tier 2 Capital before regulatory adjustments | 0 |
| Tier 2 Capital: regulatory adjustments | | |
| 52 | Investments in own Tier 2 instruments | NA |

| Tier 2 Capital: regulatory adjustments (cont) | | |
|--|---|---------------|
| 53 | Reciprocal cross-holdings in Tier 2 instruments | NA |
| 54 | Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) | NA |
| 55 | Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions | NA |
| 56 | National specific regulatory adjustments (sum of rows 56a, 56b and 56c) | NA |
| 56 a | of which: holdings of capital instruments in group members by other group members on behalf of third parties | NA |
| 56 b | of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55 | NA |
| 56 c | of which: other national specific regulatory adjustments not reported in rows 56a and 56b | NA |
| 57 | Total regulatory adjustments to Tier 2 capital | 0 |
| 58 | Tier 2 capital (T2) | 0 |
| 59 | Total capital (TC=T1+T2) | 31 |
| 60 | Total risk-weighted assets based on APRA standards | 172 |
| Capital ratios and buffers | | |
| 61 | Common Equity Tier 1 (as a percentage of risk-weighted assets) | 17.88% |
| 62 | Tier 1 (as a percentage of risk-weighted assets) | 17.88% |
| 63 | Total capital (as a percentage of risk-weighted assets) | 17.88% |
| 64 | Institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIBs buffer requirement, expressed as a percentage of risk-weighted assets) | 7% |
| 65 | of which: capital conservation buffer requirement | 2.5% |
| 66 | of which: ADI-specific countercyclical buffer requirements | 0% |
| 67 | of which: G-SIB buffer requirement | NA |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets) | 10.88% |
| National minima (if different from Basel III) | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | NA |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum) | NA |
| 71 | National total capital minimum ratio (if different from Basel III minimum) | NA |

| Amount below thresholds for deductions (not risk-weighted) | | |
|--|--|----|
| 72 | Non-significant investments in the capital of other financial entities | NA |
| 73 | Significant investments in the ordinary shares of financial entities | NA |
| 74 | Mortgage servicing rights (net of related tax liability) | NA |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | 0 |
| Applicable caps on the inclusion of provisions in Tier 1 | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | NA |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | NA |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | NA |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | NA |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022) | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | NA |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | NA |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | NA |
| 83 | Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities) | NA |
| 84 | Current cap on T2 instruments subject to phase out arrangements | NA |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | NA |

Note: Indue is using post 1 January 2018 capital disclosure template because it is fully applying the Basel III regulatory adjustments as implemented by APRA.

Addendum to Attachment A: Common Disclosure Template

| Items (AUD m) | APRA (After applying national discretions) | BASEL III (Not applying national discretions) |
|--|--|---|
| CET1 after regulatory adjustments (CET1) | 31 | 31 |
| Additional Tier 1 capital after regulatory adjustments (AT1) | 0 | 0 |
| Tier 1 capital (Tier 1 = CET1 + AT1) | 31 | 31 |
| Tier 2 capital after regulatory adjustments (T2) | 0 | 0 |
| Total capital (Total capital = Tier 1 + Tier 2) | 31 | 31 |
| Total Risk Weighted Assets (RWA) | 172 | 172 |
| Capital ratios (%) | | |
| CET1 Ratio (CET1/Total RWA) | 17.88% | 17.88% |
| Tier 1 Ratio (Tier 1/Total RWA) | 17.88% | 17.88% |
| Total Capital Ratio (Total capital/Total RWA) | 17.88% | 17.88% |

APS330 Attachment B: Main features of Capital Instruments

A and B Class Shares

A shareholder of Indue Ltd is not entitled to hold more than 15% of the A Class voting shares. A Class shares will be converted to B Class non-voting shares in the event of a change in A Class share ownership. The voting right is the only discrepancy between A and B Class share features.

Disclosure template for main features of regulatory capital instruments

| | | |
|-----------------------------|---|--|
| 1 | Issuer | Indue Ltd |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | NA |
| 3 | Governing law(s) of the instrument | Corporations Act 2001 |
| <i>Regulatory treatment</i> | | |
| 4 | Transitional Basel III rules | Common Equity Tier 1 |
| 5 | Post-transitional Basel III rules | Common Equity Tier 1 |
| 6 | Eligible at solo/group/group&solo | Group |
| 7 | Instrument type (ordinary shares/preference shares/subordinated notes/other) | Ordinary Shares |
| 8 | Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date) | Share Value in A\$m |
| 9 | Par value of instrument | Variable |
| 10 | Accounting classification | Shareholder's Equity |
| 11 | Original date of issuance | 1/12/1992 |
| 12 | Perpetual or dated | Perpetual |
| 13 | Original maturity date | No Maturity |
| 14 | Issuer call subject to prior supervisory approval | No |
| 15 | Optional call date, contingent call dates and redemption amount | No |
| 16 | Subsequent call dates, if applicable | No |
| <i>Coupons/dividends</i> | | |
| 17 | Fixed or floating dividend/coupon | NA |
| 18 | Coupon rate and any related index | NA |
| 19 | Existence of a dividend stopper | No specified dividend so no stopper required |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully Discretionary |
| 21 | Existence of step up or other incentive to redeem | No |

Disclosure template for main features of regulatory capital instruments (cont)

| | | |
|----|---|---|
| 22 | Noncumulative or cumulative | Non-cumulative |
| 23 | Convertible or non-convertible | Non-convertible |
| 24 | If convertible, conversion trigger (s) | NA |
| 25 | If convertible, fully or partially | NA |
| 26 | If convertible, conversion rate | NA |
| 27 | If convertible, mandatory or optional conversion | NA |
| 28 | If convertible, specify instrument type convertible into | NA |
| 29 | If convertible, specify issuer of instrument it converts into | NA |
| 30 | Write-down feature | No |
| 31 | If write-down, write-down trigger(s) | NA |
| 32 | If write-down, full or partial | NA |
| 33 | If write-down, permanent or temporary | NA |
| 34 | If temporary write-down, description of write-up mechanism | NA |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Ordinary A and B Class shares are highest form of capital and qualify as Common Equity Tier 1, subordinate to no other instrument |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | NA |

APS 330 Attachment G: Remuneration

Remuneration Disclosures

Oversight of Remuneration:

- Indue's Board Remuneration Committee is responsible for overseeing Indue's remuneration policies and practices, and making recommendations to the Indue Board. The roles and objectives of the Remuneration Committee are set out in the Remuneration Committee Charter which is reviewed by the Board on an annual basis. During the reporting period, the Remuneration Committee met three (3) times, and was comprised of Directors Dawson Petie, Grant Devine, Scott King and George Bell. During the year Director Devine resigned effective 28 November 2016 and was succeeded by Director Bell effective 31 January 2017.
- During the reporting period, the CEO and Remuneration Committee engaged the services of the Korn Ferry Hay Group for the provision of annual remuneration review advice on benchmarking, remuneration data, market movements and trends, and job evaluation services.
- Indue has adopted a Group Remuneration Policy. This policy forms part of Indue's risk and management frameworks, and applies to all employees and Directors. Further details on this policy are set out below.
- In accordance with APRA Prudential requirements and Indue's Group Remuneration Policy, Indue classifies the members of its Executive Leadership Team as Senior Managers. During the reporting period, the following nine (9) positions were included in this classification: Chief Executive Officer (resigned 5/8/2016), Executive Director – Systems & Technology (resigned 16/9/2016), Executive Director – Product & Strategy (promoted to CEO role effective 8/8/2016), Chief Financial Officer, General Counsel & Chief Risk Officer, Chief Information Officer (role replaced Executive Director – Systems & Technology effective 6/2/2017), Group Executive – Sales & Relationships (effective 5/9/2016), Group Executive – Delivery (effective 5/9/2016) and Group Executive – Product & Marketing (effective 5/9/2016).

Design and Structure of Indue's Remuneration Processes:

- The key objectives of Indue's Group Remuneration Policy are to: (a) ensure clear alignment and appropriate balance between risk and reward in the management of all remuneration matters; (b) establish processes and systems to reinforce a culture of high performance while minimising likelihood of unintended or adverse outcomes; and (c) establish an appropriate level of prudence in the overall management of remuneration matters.
- The Board Remuneration Committee and the Indue Board reviewed the Group Remuneration Policy during the reporting period. Changes were made to the Group Remuneration Policy for the purposes of increasing clarity and updating organisational information. These changes were not considered material.
- In recognition of the pivotal role that positions such as the Chief Financial Officer and General Counsel & Chief Risk Officer play in managing Indue's risk, financial and compliance framework, Indue has implemented separate remuneration practices for these roles. These practices, which are reviewed by the Board Remuneration Committee and Indue Board, include restricting the "at risk" income (e.g. income earned under short term incentive programs and deferred long term incentive schemes) and linking at risk opportunities to the individual's performance against risk-based objectives rather than the overall company performance.

Remuneration Processes: Taking Account of Current and Future Risks

- Indue's Board is responsible for, and maintains discretion for approving payments (including withdrawing or deferring payments) under Indue's short term incentive and deferred long term incentive schemes. This ensures that any current and future risks (including circumstances and risks which may be unforeseen, significant or unexpected) are taken into consideration by Indue's Board.
- One of the key performance areas within Indue's corporate performance objectives is risk management. The risk management performance target (which includes achievement of standards of legal, regulatory and corporate compliance) must be achieved in order for any employee to qualify for a short or long term incentive payment.
- Indue's corporate performance objectives are considered and set by the Board on an annual basis. This includes an assessment of whether Indue's corporate objectives for risk management are relevant and appropriate for Indue's business operations. No material changes to Indue's corporate risk management objectives were made during the reporting period.
- As part of the annual Remuneration Review process the Remuneration Committee and Board undertakes a review of all recommendations relating to the remuneration of the CEO and Executive Leadership Team. The CEO and Remuneration Committee also undertakes a review of all recommendations relating to the remuneration of all other staff. This approach ensures stronger alignment and consistency of remuneration outcomes.

Remuneration Processes: The Link between Performance and Remuneration

- For the reporting period, the Indue Board established the remuneration performance metrics that formed part of the corporate performance framework. These metrics were applied to the Executive Leadership Team and included performance targets across a number of key areas including Financial, People, Customer Satisfaction, Productivity, IT & Systems Effectiveness and Risk Management & Compliance.
- Indue's remuneration practices include an annual review of remuneration and the operation of a short term incentive scheme (for information on Indue's deferred long term incentive scheme refer to section below).
 - Indue's annual performance review process takes into consideration factors such as overall market and industry trends; growth in remuneration benchmarks; and individual performance levels. Where an individual's performance has "not met" expectations, that individual's remuneration is reviewed, however, a pay increase may not be applied.
 - Indue's short term incentive scheme creates a direct link between performance and remuneration. For the Executive Leadership Team, an assessment is undertaken against Indue's corporate performance framework (which is set at an institution-wide level except for the two positions of the Chief Financial Officer and General Counsel & Chief Risk Officer, where achievement is assessment against individual performance).
- Indue's Board maintains ultimate discretion in circumstances where the corporate performance targets have not been met. This discretion includes: withdrawing any payment (in full or part); deferring any payment; not undertaking annual remuneration review increases; or approving the payment (after taking into consideration the key risks of the business and the company's financial soundness and shareholder value).

Remuneration Processes: Long Term Performance

- Indue's Deferred Long Term Incentive (DLTI) scheme is designed to promote responsible decision making that focuses on creating sustainable value for the company without introducing significant risk and volatility. Indue's DLTI is based on deferral of payments over the four year life of each program, with 75% of payments deferred until the end of years 3 and 4. Participants in Indue's DLTI are selected at the discretion of the Board and include those in positions strategically important to the achievement of Indue's long term objectives. The Board maintains discretion to vary participants and sets the payment profile for each participant (which is typically a percentage of an individual's fixed annual remuneration).
- Each year the Board assesses the company's performance against its long term objectives. Where the annual target has been met and the company is in a sufficiently sound financial position, then the full percentage allocated for that period vests in favour of the individual. Where the annual target has not been met, the Board has discretion to authorise, withdraw or vary the amount that is vested.

Variable Remuneration

- Indue applies up to two variable components of remuneration, the short term incentive scheme and deferred long term incentive scheme. Both of these incentives are cash-based. These variable components of remuneration are fixed or represented as a percentage of an individual's fixed annual remuneration. The range of these variable components is documented in Indue's Group Remuneration Policy. Indue's Executive Leadership Team (and some members of the Senior Leadership Team) participate in both the short term incentive and long term incentive schemes. For the reporting period, all employees were eligible to participate in the short term incentive scheme.
- During the reporting period, seven (7) members of the Executive Leadership Team received a variable remuneration payment.

Other Disclosures (for the reporting period)

- Number and total amount of guaranteed bonuses awarded: Nil.
- Number and total of sign-on awards made: Nil.
- Number and total of termination payments made: Two – (\$987,179 excl. superannuation).
- Total amount of outstanding deferred remuneration: Nil
- Total amount of deferred remuneration paid out in the reporting period for Senior Managers (Indue's Executive Leadership Team)*: \$123,584 (Excl. superannuation)
- Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments: Nil.
- Total amount of reductions during reporting period due to ex post explicit adjustments: Nil.
- Total amount of reductions during the financial year due to post ex post implicit adjustments: Nil.

| Total Value of remuneration awards for the current financial year | Unrestricted | Deferred |
|---|--------------|-----------|
| Fixed remuneration: | | |
| Cash Based for Senior Managers (Indue's Executive Leadership Team)* | \$1,812,002 | \$0 |
| Share based / Linked | \$0 | \$0 |
| Other | \$0 | \$0 |
| Variable Remuneration: | | |
| Cash Based for Senior Managers (Indue's Executive Leadership Team)* | \$568,126 | \$123,584 |
| Share based / Linked | \$0 | \$0 |
| Other | \$0 | \$0 |

* Payments relate to employee's performance during the 2016/17 financial year.

APS 330 Reconciliation of Consolidated Balance Sheet

Net Assets to APS 112 Risk Weighted Assets (RWA)

| Financial Year | Balance Sheet '000's | | Average Risk Weighting | RWA | |
|---|----------------------|----------------|------------------------|---------------|---------------|
| | 2017 | 2016 | | 2017 | 2016 |
| Assets | | | | | |
| Cash and cash equivalents | 84,442 | 95,275 | 17% | 14,103 | 10,475 |
| Receivables due from Australian Tax Office | 788 | 2,583 | 0% | nil | nil |
| Receivables due from other financial institutions | 4,061 | 1,937 | 20% | 812 | 387 |
| Loans and advances | 8,057 | 601 | 3% | 254 | 479 |
| Trade and other receivables | 7,186 | 8,758 | 82% | 5,898 | 7,876 |
| Investments held to maturity | 237,178 | 215,363 | 20% | 47,436 | 43,073 |
| Other assets | 1,096 | 1,648 | 100% | 1,093 | 1,647 |
| Property, plant and equipment | 8,670 | 8,695 | 100% | 8,670 | 8,695 |
| Intangible assets | 16,865 | 12,436 | | * | * |
| Other financial assets | 2,000 | 981 | | * | * |
| Total Assets / Total Credit RWA | 370,343 | 348,277 | | 78,266 | 72,632 |
| Liabilities | | | | | |
| Deposits | 304,120 | 295,966 | | | |
| Borrowings | 3 | 7 | | | |
| Payables due to other financial institutions | 2,957 | 3,079 | | | |
| Creditors and other liabilities | 6,006 | 4,597 | | | |
| Provisions | 6,118 | 3,815 | | | |
| Current tax liability | nil | nil | | | |
| Net deferred tax liability / (asset) | 1,582 | (1,702) | | | |
| Total Liabilities | 320,786 | 305,762 | | | |
| Net Assets / Total RWA | 49,557 | 42,518 | | 72,632 | 72,632 |

*These Assets do not qualify as RWA and are included in the Total Regulatory Capital calculation following.

Capital Adequacy Compilation

| Financial Year | 2017 | 2016 |
|--|----------------|----------------|
| Credit Risk RWA | 78,266 | 72,632 |
| Operational Risk RWA | 93,415 | 99,520 |
| Total RWA for Capital Adequacy Purposes | 171,681 | 172,152 |
| Regulatory Capital - see Below | 30,689 | 27,395 |
| Capital Adequacy Ratio | 17.88% | 15.91% |

Composition of Total Regulatory Capital

| Financial Year | 2017 | 2016 |
|--|---------------|---------------|
| Tier 1 Capital | | |
| Contributed Equity | 17,265 | 17,265 |
| Revaluation Reserves (Property) | 1,246 | 1,210 |
| Retained profits | 31,046 | 24,043 |
| Total Tier 1 Capital | 49,557 | 42,518 |
| Deductions from Tier 1 Capital | | |
| Goodwill | 4,150 | 4,323 |
| Intangible Software Development Assets | 12,718 | 8,113 |
| Net Deferred Tax Asset | nil | 1,702 |
| Equity Exposures | 2,000 | 981 |
| Total Tier 1 Deductions | 18,868 | 15,119 |
| Total Tier 1 Capital | 30,689 | 27,399 |
| Tier 2 Capital | | |
| Total Tier 2 Capital | 0 | 0 |
| Total Capital | 30,689 | 27,399 |



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