

Orange Credit Union Limited
ABN 34 087 650 477
AFSL and Australian Credit Licence 240 768
APS330 Annual Disclosure
as at 30 June 2022

Capital Structure as at 30 June 2022

The information in this report is prepared based on Orange Credit Union's financial records and audited financial statements as at 30 June 2022. Orange Credit Union has no other legal entities that would comprise a consolidated group.

Table A below details the components of the capital base as at the financial year ended 30 June 2022 and agree with the audited accounts.

The table sets out the elements of capital held by Orange Credit Union including the reconciliation of any adjustments required by the APRA Prudential Standards to the audited financial statements. Adjustments are usually in the form of deductions of assets not regarded as recoverable in the short term (such as intangible assets and deferred tax assets), and or discounts made to eligible capital of a short term nature.

Table B reconciles the elements of Orange Credit Union's regulatory capital back against the Credit Union's audited Statement of Financial Position at 30 June 2022 and is referenced back to Table A.

In complying with the capital disclosure requirements of APS330, Orange Credit Union is using the post 1 January 2018 common template as it is fully applying the Basel III regulatory adjustments as implemented by the Australian Prudential Regulatory Authority (APRA).

Table A Capital Base elements

APRA Row Ref	Common Disclosure Template	A\$m	Reconciliation Table Ref or item no. on Balance Sheet
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	N/A	
2	Retained earnings	24,212,167	a
3	Accumulated other comprehensive income (and other reserves)	223,372	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)</i>	N/A	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	N/A	
6	Common Equity Tier 1 capital before regulatory adjustments	24,435,539	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	N/A	
8	Goodwill (net of related tax liability)	N/A	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	N/A	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	348,420	b-c
11	Cash-flow hedge reserve	N/A	
12	Shortfall of provisions to expected losses	N/A	
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	N/A	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	N/A	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	N/A	
17	Reciprocal cross-holdings in common equity	N/A	
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)	N/A	
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)	N/A	
20	Mortgage service rights (amount above 10% threshold)	N/A	
22	Amount exceeding the 15% threshold	N/A	
24	of which: mortgage servicing rights	N/A	
25	of which: deferred tax assets arising from temporary differences	N/A	

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APRA Row Ref	Common Disclosure Template	A\$m	Reconciliation Table Ref or item no. on Balance Sheet
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	481,590	
26a	of which: treasury shares	N/A	
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	N/A	
26c	of which: deferred fee income	N/A	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	N/A	
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	N/A	
26f	of which: capitalised expenses	481,590	d
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	0	e
26h	of which: covered bonds in excess of asset cover in pools	N/A	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	N/A	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	N/A	
28	Total regulatory adjustments to Common Equity Tier 1	830,010	
29	Common Equity Tier 1 Capital (CET1)	23,605,529	
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments	N/A	
31	of which: classified as equity under applicable accounting standards	N/A	
32	of which: classified as liabilities under applicable accounting standards	N/A	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	N/A	
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)	N/A	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	N/A	
36	Additional Tier 1 Capital before regulatory adjustments	N/A	
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	N/A	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	N/A	
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)	N/A	
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)	N/A	
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	N/A	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	N/A	
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	N/A	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	N/A	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	N/A	
43	Total regulatory adjustments to Additional Tier 1 capital	0	
44	Additional Tier 1 capital (AT1)	0	
45	Tier 1 Capital (T1=CET1+AT1)	23,605,529	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	N/A	
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	N/A	
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)	N/A	

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APRA Row Ref	Common Disclosure Template	A\$m	Reconciliation Table Ref or item no. on Balance Sheet
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	N/A	
50	Provisions	1,416,113	f
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	N/A	
53	Reciprocal cross-holdings in Tier 2 instruments	N/A	
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)	N/A	
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	N/A	
56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	N/A	
56a	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	N/A	
56b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55</i>	N/A	
56c	<i>of which: other national specific regulatory adjustments not reported in rows 56a and 56b</i>	N/A	
57	Total regulatory adjustments to Tier 2 capital	1,416,113	
58	Tier 2 capital (T2)	1,416,113	
59	Total capital (TC=T1+T2)	25,021,641	
60	Total risk-weighted assets based on APRA standards	129,108,816	
Capital Ratios and Buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.28%	
62	Tier 1 (as a percentage of risk-weighted assets)	18.28%	
63	Total capital (as a percentage of risk-weighted assets)	19.38%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7.00%	
65	<i>of which: capital conservation buffer requirement</i>	2.50%	
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	N/A	
67	<i>of which: G-SIB buffer requirement</i>	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	11.28%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	N/A	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	N/A	
71	National total capital minimum ratio (if different from Basel III minimum)	N/A	
Applicable caps on the inclusion of provisions in Tier 2			
72	Non-significant investments in the capital of other financial entities	N/A	
73	Significant investments in the ordinary shares of financial entities	N/A	
74	Mortgage servicing rights (net of related tax liability)	N/A	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N/A	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	3,072,916	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,416,113	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N/A	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N/A	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	N/A	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	N/A	

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82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	N/A	
83	<i>Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)</i>	N/A	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	N/A	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	N/A	

Capital Instruments

Orange Credit Union Limited holds no capital instruments.

Table B Regulatory Capital Reconciliation as at 30 June 2022

	Balance Sheet as per published financial statements	Balance Sheet under regulatory scope of consolidation
	\$	\$
ASSETS		
Cash and liquid assets	32,061,079	32,061,079
Receivables	1,318,267	1,318,267
Loans and advances to members	172,832,644	172,832,644
Investment securities	87,219,270	
- At amortised cost		85,354,616
- Society One		1,855,000
- Transaction Solutions Ltd		9,654
Property, plant and equipment	315,605	315,605
Current taxation assets	45,204	45,204
Deferred taxation assets	350,079	350,079
Intangibles	481,589	481,589
TOTAL ASSETS	294,623,737	294,623,737
LIABILITIES		
Deposits from members	265,494,666	265,494,666
Payables and other liabilities	1,274,477	1,274,477
Provisions	342,484	342,484
Taxation liabilities	1,658	
- Deferred Tax on Deferred Capital Gains		1,658
TOTAL LIABILITIES	267,113,285	267,113,285
NET ASSETS	27,510,452	27,510,452
MEMBERS' EQUITY		
General reserve for credit losses	3,072,916	
- Up to 1.25% of risk weighted assets		1,416,113
- Over 1.25% of risk weighted assets		1,656,803
		3,072,916
Retained profits	24,437,536	24,437,536
FVOCI Reserve	0	0
TOTAL MEMBERS' EQUITY	27,510,452	27,510,452