

**First Option Bank Ltd - Regulatory Disclosures as at 31st March 2020**

| Capital Adequacy   |                      |                |
|--|----------------------|----------------|
|  | Risk Weighted Assets |                |
|  | 31-Mar-20            | 31-Dec-19      |
| <b>(a) Capital requirements for Credit Risk (by portfolio)</b> |                      |                |
| Loans - secured by residential mortgage                        | 57,560               | 59,791         |
| Loans - other  | 10,884               | 10,301         |
| Deposits with Banks and other ADIs                             | 17,081               | 17,280         |
| All Other assets   | 335                  | 388            |
| <b>Total Credit Risk On-Balance Sheet</b>                      | <b>85,860</b>        | <b>87,760</b>  |
| Loans approved not advanced                                    | 1,025                | 103            |
| Loan redraw facilities   | 2,826                | 2,808          |
| Guarantees   | 194                  | 194            |
| <b>Total Credit Risk Off-Balance Sheet (commitments)</b>       | <b>4,045</b>         | <b>3,105</b>   |
| <b>(b) Capital requirements for Market Risk</b>                | <b>0</b>             | <b>0</b>       |
| <b>(c) Capital requirements for Operational Risk</b>           | <b>12,519</b>        | <b>12,519</b>  |
| <b>Total risk weighted exposures</b>                           | <b>102,424</b>       | <b>103,385</b> |
| <b>Total Regulatory Capital</b>                                | <b>14,564</b>        | <b>14,456</b>  |
| <b>Capital adequacy ratio:</b>                                 |                      |                |
| CET1 Capital Ratio %   | 13.78%               | 13.55%         |
| Tier 1 Capital Ratio %   | 13.78%               | 13.55%         |
| Total Capital Ratio %  | 14.22%               | 13.98%         |

| Securitisation Arrangements  |                  |                  |
|--|------------------|------------------|
| The credit union has entered into arrangements for securitised loans to support its liquidity arrangements from time to time |                  |                  |
|  | <b>Total</b>     | <b>Total</b>     |
|  | <b>31-Mar-20</b> | <b>31-Dec-19</b> |
|  | <b>\$</b>        | <b>\$</b>        |
| <b>On Balance Sheet Securitisation</b>   |                  |                  |
| Mortgage Loans   | -                | -                |
| Other Loans / Revolving Credit   | -                | -                |
| <b>Off Balance Sheet Securitisation</b>  |                  |                  |
| Mortgage Loans   | 0                | 0                |
| Other Loans / Revolving Credit   | -                | -                |
| <b>Total Securitised Loans</b>   | <b>0</b>         | <b>0</b>         |
| The recognised gain or loss on securitised arrangements entered into in the past quarter is \$nil                            |                  |                  |

| Credit Risk  |  |  |                     |                  |                     |   |  |
|--|--|--|---------------------|------------------|---------------------|---|--|
| For the 3 month period ended 31st March 2020                                   |  |  |                     |                  |                     |   |  |
|  | Gross exposures at the end of the period | Average gross exposures for the period | Impaired facilities | 90 days past due | Specific provisions | Charge for specific provisions and write offs |  |
|  | \$'000                                   | \$'000                                 | \$'000              | \$'000           | \$'000              | \$'000  |  |
| <b>Deposits with banks, ADIs &amp; other</b>                                   |  |  |                     |                  |                     |   |  |
| Cuscal - rated A1/A+   | 17,866                                   | 14,742                                 |                     |                  |                     |   |  |
| Banks - rated A1/A+ and above  | 21,685                                   | 19,935                                 |                     |                  |                     |   |  |
| Banks - rated below A1/A+  | 13,500                                   | 15,000                                 |                     |                  |                     |   |  |
| Other rated ADIs   | 2,010                                    | 2,009                                  |                     |                  |                     |   |  |
| Corporates   | -  | -                                      |                     |                  |                     |   |  |
| Unrated ADIs   | 6,577                                    | 7,077                                  |                     |                  |                     |   |  |
| <b>Total</b>   | <b>61,638</b>                            | <b>58,762</b>                          |                     |                  |                     |   |  |
| <b>Loans and commitments</b>   |  |  |                     |                  |                     |   |  |
| On-balance sheet:  |  |  |                     |                  |                     |   |  |
| Secured by residential mortgage  | 163,926                                  | 165,951                                | -                   | 1,093            | -                   | -   |  |
| Other  | 8,012                                    | 7,032                                  | 81                  | -                | 112                 | 8   |  |
| Commercial   | 3,470                                    | 3,647                                  | -                   | -                | -                   | -   |  |
| Off-balance sheet commitments:   |  |  |                     |                  |                     |   |  |
| Loans approved not advanced  | 4,207                                    | 2,896                                  |                     |                  |                     |   |  |
| Loan redraw limits   | 15,485                                   | 15,455                                 |                     |                  |                     |   |  |
| Irrevocable standby commitments  | 7,120                                    | 7,171                                  |                     |                  |                     |   |  |
| Revocable undrawn line of credits  | 4,109                                    | 4,061                                  |                     |                  |                     |   |  |
| Guarantees   | 388                                      | 388                                    |                     |                  |                     |   |  |
| <b>Total</b>   | <b>206,715</b>                           | <b>206,601</b>                         | <b>81</b>           | <b>1,093</b>     | <b>112</b>          | <b>8</b>                                      |  |
| The general reserve for credit losses at quarterly reporting date is (\$'000): |  |  |                     |                  | <u>\$450</u>        |   |  |

| Credit Risk  |  |  |                     |                  |                     |   |  |
|--|--|--|---------------------|------------------|---------------------|---|--|
| For the 3 month period ended 31st December 2019                                |  |  |                     |                  |                     |   |  |
|  | Gross exposures at the end of the period | Average gross exposures for the period | Impaired facilities | 90 days past due | Specific provisions | Charge for specific provisions and write offs |  |
|  | \$'000                                   | \$'000                                 | \$'000              | \$'000           | \$'000              | \$'000  |  |
| <b>Deposits with banks, ADIs &amp; other</b>                                   |  |  |                     |                  |                     |   |  |
| Cuscal - rated A1/A+   | 16,363                                   | 13,034                                 |                     |                  |                     |   |  |
| Banks - rated A1/A+ and above  | 18,185                                   | 15,352                                 |                     |                  |                     |   |  |
| Banks - rated below A1/A+  | 15,500                                   | 17,000                                 |                     |                  |                     |   |  |
| Other rated ADIs   | 2,009                                    | 2,009                                  |                     |                  |                     |   |  |
| Corporates   | -  | -                                      |                     |                  |                     |   |  |
| Unrated ADIs   | 10,577                                   | 8,743                                  |                     |                  |                     |   |  |
| <b>Total</b>   | <b>62,634</b>                            | <b>56,137</b>                          |                     |                  |                     |   |  |
| <b>Loans and commitments</b>   |  |  |                     |                  |                     |   |  |
| On-balance sheet:  |  |  |                     |                  |                     |   |  |
| Secured by residential mortgage  | 166,859                                  | 166,956                                | -                   | 3,075            | -                   | -   |  |
| Other  | 7,382                                    | 6,376                                  | 80                  | -                | 104                 | 3   |  |
| Commercial   | 3,500                                    | 3,707                                  | -                   | -                | -                   | -   |  |
| Off-balance sheet commitments:   |  |  |                     |                  |                     |   |  |
| Loans approved not advanced  | 1,585                                    | 1,561                                  |                     |                  |                     |   |  |
| Loan redraw limits   | 15,426                                   | 15,572                                 |                     |                  |                     |   |  |
| Irrevocable standby commitments  | 7,222                                    | 6,960                                  |                     |                  |                     |   |  |
| Revocable undrawn line of credits  | 4,014                                    | 4,079                                  |                     |                  |                     |   |  |
| Guarantees   | 388                                      | 388                                    |                     |                  |                     |   |  |
| <b>Total</b>   | <b>206,375</b>                           | <b>205,597</b>                         | <b>80</b>           | <b>3,075</b>     | <b>104</b>          | <b>3</b>                                      |  |
| The general reserve for credit losses at quarterly reporting date is (\$'000): |  |  |                     |                  | <u>\$449</u>        |   |  |