

Police Credit Union Ltd.

ABN: 30 087 651 205

Capital Structure

For the financial year ended 30 June 2009

| | Consolidated |
|--|-----------------------------------|
| | \$ |
| Tier 1 Capital | |
| Reserves | 10,708,914 |
| Retained Earnings, including current year earnings | 26,544,556 |
| Deductions from Tier 1 Capital | 130,514 |
| Tier 2 Capital (net of deductions) | 587,404 |
| Total Capital Base | <hr/> 37,710,360 <hr/> |

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Capital Adequacy

at 30 June 2009

| | Consolidated |
|---|--------------------|
| Capital Requirements (in terms of risk-weighted assets) for: | \$ |
| Credit Risk by Portfolio | |
| Residential Mortgages | 132,307,542 |
| Other Retail | 54,660,290 |
| Corporate | 3,995,419 |
| Other ADI's | 13,057,201 |
| All Other | 13,146,788 |
| Total Credit Risk | 217,167,240 |
| Market Risk | 0 |
| Operational Risk | 36,636,519 |
| | <hr/> |
| Total Capital Requirements for Consolidated Group (\$) | 253,803,759 |
| Capital Ratio for Consolidated Group | 14.86% |
| Tier 1 Capital Ratio for Consolidated Group | 14.73% |

Credit Risk Exposure

For the quarter ended 30 June 2009

| Exposure by type | Gross \$ Value as at end of the period | Gross \$ average for the period |
|--|---|------------------------------------|
| Cash and Cash Equivalents | | |
| Authorised Deposit taking Institutions | 8,115,499 | 5,577,856 |
| Receivables (other) | | |
| All Other | 1,672,855 | 1,159,999 |
| Derivatives | | |
| Banks | - | - |
| Loans | | |
| Residential Mortgages | 347,846,224 | 334,815,464 |
| Other Retail | 62,211,663 | 67,764,137 |
| Authorised Deposit taking Institutions | 50,306,931 | 58,291,074 |
| Total | <hr/> 470,153,172 | <hr/> 467,608,530 |

Impaired / past due facilities, provisions and losses

at 30 June 2009

| | |
|---------------------------------------|-----------|
| Impaired facilities | \$ |
| Other Retail | 53,432 |
| Past due facilities | \$ |
| Residential Mortgages | 223,335 |
| Specific impairment allowances | |
| Other Retail | 80,709 |

Impairment Losses

for the quarter ended 30 June 2009

Charges for loan impairment

| | |
|--|---------|
| Other Retail: | |
| Write-off's | 143,683 |
| Recoveries of amounts previously written off | 40,248 |
| Specific allowances reduced | 68,627 |

| | |
|--|------------------|
| General Reserve for Credit Losses | 1,155,427 |
|--|------------------|
