

Prudential Disclosures

Police Credit Union

ABN 30 087 651 205

As at 30 June 2010

Police Credit Union Ltd.

ABN: 30 087 651 205

Capital Structure

For the financial year ended 30 June 2010

| | Consolidated |
|--|---------------------|
| | \$ |
| Tier 1 Capital | |
| Reserves | 11,688,814 |
| Retained Earnings, including current year earnings | 29,916,180 |
| Minority Interests | 38,914 |
| Deductions from Tier 1 Capital | (620,381) |
| Tier 2 Capital (net of deductions) | 615,117 |
| Total Capital Base | 41,638,644 |



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Capital Adequacy

at 30 June 2010

| | Consolidated |
|---|---------------------|
| | \$ |
| Capital Requirements (in terms of risk-weighted assets) for: | |
| Credit Risk by Portfolio | |
| Residential Mortgages | 151,820,680 |
| Other Retail | 44,070,354 |
| Corporate | 8,251,627 |
| Other ADI's | 19,952,815 |
| All Other | 14,208,964 |
| Total Credit Risk | 238,304,440 |
| Market Risk | 0 |
| Operational Risk | 39,004,645 |
| Total Capital Requirements for Consolidated Group (\$) | 277,309,085 |
| Capital Ratio for Consolidated Group | 15.02% |
| Tier 1 Capital Ratio for Consolidated Group | 14.79% |

Credit Risk Exposure

For the quarter ended 30 June 2010

| Exposure by type | Gross \$ Value as at end of the period | Gross \$ average for the period |
|--|---|--|
| Cash and Cash Equivalents | | |
| Authorised Deposit taking Institutions | 30,368,417 | 17,708,452 |
| Receivables (other) | | |
| All Other | 1,240,020 | 1,392,258 |
| Derivatives | | |
| Banks | - | - |
| Loans | | |
| Residential Mortgages | 393,677,936 | 370,098,959 |
| Other Retail | 63,107,482 | 62,065,973 |
| Authorised Deposit taking Institutions | 64,034,185 | 49,210,554 |
| Total | 552,428,040 | 500,476,197 |

Impaired / past due facilities, provisions and losses

at 30 June 2010

| | |
|---------------------------------------|-----------|
| Impaired | \$ |
| Residential Mortgages | 196,028 |
| Other Retail | 39,313 |
| Past due facilities | |
| Residential Mortgages | 79,886 |
| Other Retail | 1,824 |
| Specific impairment allowances | |
| Residential Mortgages | - |
| Other Retail | 80,219 |

Impairment Losses

for the quarter ended 30 June 2010

Charges for loan impairment

| | |
|--|--------|
| Other Retail: | |
| Write-off's | 80,595 |
| Recoveries of amounts previously written off | 25,730 |
| Specific allowances reduced | 15,638 |

| | |
|--|------------------|
| General Reserve for Credit Losses | 1,183,140 |
|--|------------------|

