

Regulatory capital reconciliation

	A\$m
Equity per Balance Sheet	
Paid-up ordinary share capital and other qualifying instruments	138.4
Retained and current year's earnings	(29.2)
Unrealised gains and losses on available-for-sale items	0.6
Reserves from equity-settled share-based payments	10.3
All other reserves specified by APRA	0.2
General reserve for credit losses	1.2
Equity per Balance Sheet	121.5
<u>Adjustments</u>	
General reserve for credit losses	(1.2)
Common Equity Tier 1 Capital Before Regulatory Adjustments	120.3
Common Equity Tier 1 Capital: Regulatory Adjustments	
Deferred tax assets in excess of deferred tax liabilities	(10.3)
Equity exposures in other financial institutions other than ADIs	(0.8)
Total Regulatory Adjustments to Common Equity Tier 1 Capital	(11.1)
Total Common Equity Tier 1 Capital	109.2
Tier 2 Capital	
General reserve for credit losses - Standardised approach (to a maximum of 1.25% of total credit RWA)	0.7
Total Capital	109.9

Tyro Payments Limited - 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	\$ 138.4
2	Retained earnings	(\$ 29.2)
3	Accumulated other comprehensive income (and other reserves)	\$ 11.1
6	Common Equity Tier 1 capital before regulatory adjustments	\$ 120.3
Common Equity Tier 1 capital : regulatory adjustments		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(\$ 10.3)
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)	(\$ 0.8)
28	Total regulatory adjustments to Common Equity Tier 1	(\$ 11.1)
29	Common Equity Tier 1 Capital (CET1)	\$ 109.2
Additional Tier 1 Capital: instruments		\$ Nil
Additional Tier 1 Capital: regulatory adjustments		\$ Nil
45	Tier 1 Capital (T1=CET1+AT1)	\$ 109.2
Tier 2 Capital: instruments and provisions		\$ Nil
50	Provisions - General Reserve for Credit Losses	\$ 0.7
51	Tier 2 Capital before regulatory adjustments	\$ 0.7
Tier 2 Capital: regulatory adjustments		\$ Nil
58	Tier 2 capital (T2)	\$ 0.7
59	Total capital (TC=T1+T2)	\$ 109.9
60	Total risk-weighted assets based on APRA standards	\$ 61.5
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	178%
62	Tier 1 (as a percentage of risk-weighted assets)	178%
63	Total capital (as a percentage of risk-weighted assets)	179%
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 1.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	6%
65	<i>of which: capital conservation buffer requirement</i>	1.5%
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	172%
National minima (if different from Basel III)		\$ Nil
Amount below thresholds for deductions (not risk-weighted)		\$ Nil
Applicable caps on the inclusion of provisions in Tier 2		\$ Nil
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		\$ Nil

Tyro Payments Limited - Attachment B
Main features of capital instruments

Disclosure template for main features of Regulatory Capital instruments		30/06/2017
1	Issuer	Tyro Payments Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Corporations Act
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	Common Equity Tier 1 Capital
5	Post-transitional Basel III rules	Common Equity Tier 1 Capital
6	Eligible at solo/group/group & solo	Solo
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)	\$ 138.4
9	Par value of instrument	N/A
10	Accounting classification	Contributed equity
11	Original date of issuance	3/02/2003
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons/dividends</i>	N/A
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Tyro Payments Limited - Attachment C

Risk exposures and assessment (all ADIs)

Table 3 : Capital Adequacy			As at 30/06/2017
(a)	Capital requirements (in terms of risk-weighted assets) for:		
	• credit risk (excluding securitisation) by portfolio;		
	Government		-
	Bank & Other Financial Institutions		\$ 24.8
	Business Lending		\$ 4.5
	Other		\$ 26.3
	• securitisation.		-
(b)	Capital requirements (in terms of risk-weighted assets) for equity exposures in the IRB approach (simple risk-weighted method).		-
(c)	Capital requirements (in terms of risk-weighted assets) for market risk.		-
(d)	Capital requirements (in terms of risk-weighted assets) for operational risk.		\$ 5.9
(e)	Capital requirements (in terms of risk-weighted assets) for interest rate risk in the banking book (IRRBB) (IRB/AMA approved Australian- owned ADIs only).		-
(f)	Common Equity Tier 1, Tier 1 and Total Capital ratio for the consolidated banking group.		
	Capital Ratios %		
	Common Equity Tier 1 Capital		178%
	Tier 1 Capital		178%
	Total Capital		179%
Table 4 : Credit Risk			
(a)	Total gross credit risk exposures, plus average gross exposure over the period, broken down by:		
	• major types of credit exposure and		
	Cash and liquid assets		\$ 25.6
	Investment securities		\$ 20.3
	Due from other financial institutions		\$ 50.9
	Loans		\$ 4.5
	Other assets		\$ 27.7
			\$ 129.0
	• separately, by portfolio.		
	Government		\$ 16.3
	Bank & Other Financial Institutions		\$ 81.8
	Business Lending		\$ 4.5
	Corporate		-
	Other		\$ 26.4
			\$ 129.0
(b)	Impaired and Past Due Facilities by portfolio:		
	• Amount of past due facilities provided as at period end		\$ 0.0
	• Amount of impaired facilities provided as at period end		\$ 0.0
	• Specific provisions as at period end		\$ 0.0
	• Charges for specific provisions and write-offs during the period		\$ 0.1
(c)	The general reserve for credit losses and collective provision.		\$ 1.2
Table 5 : Securitisation exposures			\$ Nil

Tyro Payments Limited – Attachment G

Remuneration

Qualitative disclosures		For the period 01 July 2016 to 30 June 2017
(a)	Information relating to the bodies that oversee remuneration. Disclosures must include:	
	<ul style="list-style-type: none"> the name, composition and mandate of the main body overseeing remuneration; 	Board Nominations and Remuneration Committee
	<ul style="list-style-type: none"> the name of external consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process; 	No external consultants
	<ul style="list-style-type: none"> a description of the scope of the ADI's Remuneration Policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches; and 	<p>The primary objective of the Nominations and Remuneration Committee is to assist the Board in fulfilling its responsibilities in the management of pay and reward policies and practices. Responsibility on a level 1 basis.</p> <p>In addition to any other objectives, it is the objective of the Remuneration Policy that performance based components of remuneration are designed to encourage behaviour that supports Tyro's long term financial soundness and the risk management framework of Tyro.</p> <p>The objective of Tyro's risk management framework is to support the achievement of Tyro's financial and business goals, minimising losses and maximising opportunities for Tyro. The performance-based components of remuneration at Tyro are designed to align remuneration with prudent risk-taking and incorporate adjustments to reflect:</p> <ul style="list-style-type: none"> - The outcomes of business activities; - The risk related to the business activities taking account, where relevant, of the cost of associated capital; and - The time necessary for the outcomes of those business activities to be reliably measured.
<ul style="list-style-type: none"> a description of the types of persons considered as material risk takers and as senior managers as defined in paragraph 21 of this Prudential Standard, including the number of persons in each group. 	<p>The Remuneration Policy covers each responsible person, as defined in Prudential Standard CPS520 Fit and Proper excluding non-executive directors:</p> <ol style="list-style-type: none"> 1. CEO, CRO/Company Secretary, CFO, and Directors of: Customer Support; Engineering; Marketing; Operations; Product; and Sales (9 individuals) 2. Persons whose primary role is risk management, compliance, internal audit, financial control or actuarial control (collectively 'risk and finance personnel') (1 individual) 3. There are no other persons for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of Tyro. 	

Tyro Payments Limited – Attachment G (cont'd)

Qualitative disclosures		For the period 01 July 2016 to 30 June 2017
(b)	Information relating to the design and structure of remuneration processes. Disclosures must include:	
	<ul style="list-style-type: none"> an overview of the key features and objectives of remuneration policy; 	Tyro's remuneration objectives and the structure of the remuneration arrangements, include but are not limited to performance based remuneration components for those classes of persons included in the policy. Further information is covered in section (a).
	<ul style="list-style-type: none"> whether the Remuneration Committee reviewed the ADI's Remuneration Policy during the past year, and if so, an overview of any changes that were made; and 	No changes were made to the Remuneration Policy in the current year.
	<ul style="list-style-type: none"> a discussion of how the ADI ensures that risk and financial control personnel (as defined in paragraph 48(b) of CPS 510) are remunerated independently of the businesses they oversee. 	The Remuneration Policy forms part of the overall risk management framework at Tyro is designed to align prudent risk taking behaviour with remuneration. The Remuneration Policy is designed to ensure that the structure of remuneration of risk and financial personnel, including performance-based components if any, does not compromise their independence in carrying out their role.
(c)	Description of the ways in which the ADI seeks to link performance during a performance measurement period with levels of remuneration. Disclosures must include:	
	<ul style="list-style-type: none"> an overview of the key risks that the ADI takes into account when implementing remuneration measures; 	Current and future risks taken into account: <ol style="list-style-type: none"> System uptime BCP review, testing Transaction growth Losses Profitability Risks are monitored and reported to the Risk Committee bi-monthly
	<ul style="list-style-type: none"> an overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed); 	
	<ul style="list-style-type: none"> a discussion of the ways in which these measures affect remuneration; and. 	The Board may adjust performance-based components of remuneration downwards, to zero if appropriate
	<ul style="list-style-type: none"> a discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration. 	No changes were made to the remuneration policy in the current year

Tyro Payments Limited – Attachment G (cont'd)

Qualitative disclosures		For the period 01 July 2016 to 30 June 2017
(d)	Description of the ways in which the ADI seeks to link performance during a performance measurement period with levels of remuneration. Disclosures must include:	
	<ul style="list-style-type: none"> an overview of the main performance metrics for the ADI, top-level business lines and individuals; 	The Board may adjust performance-based components of remuneration downwards, to zero if appropriate, in relation to, if such adjustments are necessary:
	<ul style="list-style-type: none"> a discussion of how amounts of individual remuneration are linked to institution-wide and individual performance; and 	- To protect the financial soundness of Tyro; or
	<ul style="list-style-type: none"> a discussion of the measures the ADI will in general implement to adjust remuneration in the event that performance metrics are weak. 	- Respond to significant unexpected or unintended consequences that were not foreseen by the Board Remuneration Committee.
(e)	Description of the ways in which the ADI seeks to adjust remuneration to take account of longer-term performance. Disclosures must include:	
	<ul style="list-style-type: none"> a discussion of the ADI's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across persons or groups of persons, a description of the factors that determine the fraction and their relative importance; and 	
	<ul style="list-style-type: none"> a discussion of the ADI's policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements. 	No clawback arrangements in place
(f)	Description of the different forms of variable remuneration that the ADI utilises and the rationale for using these different forms. Disclosures must include:	
	<ul style="list-style-type: none"> an overview of the forms of variable remuneration offered (i.e., cash, shares and share-linked instruments and other forms); and 	Variable remuneration is an eligible bonus amount
	<ul style="list-style-type: none"> a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across persons or groups of persons), a description the factors that determine the mix and their relative importance. 	

Tyro Payments Limited – Attachment G (cont'd)

Quantitative disclosures		For the period 01 July 2016 to 30 June 2017
(g)	Number of meetings held by the main body overseeing remuneration during the financial year and the remuneration paid to its members	4
(h)	The number of persons having received variable remuneration award during the financial year	11
	Number and total amount of guaranteed bonuses awarded during the financial year	N/A
	Number and total amount of sign-on awards made during the financial year	3
	Number and total amount of termination payments made during the financial year	2
(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.	
(j)	Breakdown of the amount of remuneration awards for the financial year in accordance with Table 18A below to show: - fixed and variable; - deferred and non-deferred; and - different forms used (cash, shares and share-linked instruments and other forms).	
(k)	Quantitative information about persons' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration: - Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. - Total amount of reductions during the financial year due to ex post explicit adjustments. - Total amount of reductions during the financial year due to ex post implicit adjustments.	

Tyro Payment Limited – Attachment G (cont'd)

Senior Managers

Total value of remuneration awards for the current financial year	Unrestricted	Deferred
Fixed remuneration		
• Cash-based	\$2,139,126	No ¹
• Shares and share-linked instruments	\$471,688	Yes ²
• Other	\$120,659	No ³
Variable remuneration		
• Cash-based	\$684,633	Yes ⁴
• Shares and share-linked instruments	N/A	N/A
• Other	N/A	N/A

Material Risk Takers

Total value of remuneration awards for the current financial year	Unrestricted	Deferred
Fixed remuneration		
• Cash-based	-	-
• Shares and share-linked instruments	-	-
• Other	-	-
Variable remuneration		
• Cash-based	-	-
• Shares and share-linked instruments	-	-
• Other	-	-

Note 1 Includes base salary and superannuation contributions

Note 2 Represents the face value of share options issued in the financial year

Note 3 Includes long service leave accruals and salary sacrificed benefits for the financial year

Note 4 Includes bonus award for the financial year including superannuation, which is paid in the following financial year