

St Andrew's Capital Adequacy Disclosure

31 August 2018



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St Andrew's

St Andrew's issues a variety of consumer credit insurance, simple life insurance and related general insurance contracts.

These policies are issued by St Andrew's Life Insurance Pty Ltd (ABN 98 105 176 243) (SALI) and St Andrew's Insurance (Australia) Pty Ltd (ABN 89 075 044 656) (SAI).

All St Andrew's entities are wholly owned subsidiaries of the Bank of Queensland Limited (ABN 32 009 656 740).

Purpose of this Report

To protect the interests of policy owners, APRA issues Prudential Standards with which life and general insurance companies must comply.

Life Insurance Prudential Standard 110 applies to life insurance companies such as SALI and General Insurance Prudential Standard 110 applies to general insurance companies such as SAI.

These standards require a life or general insurer to maintain adequate capital against the risks associated with its activities.

The Standards also require St Andrew's to publish certain financial information about its capital position, as contained in this report.

This document is available on St Andrew's website: <http://www.standrews.com.au/>

St Andrew's Life Insurance Pty Ltd (SALI)

The below items have been calculated as at 31 August 2018.

SALI Disclosures (\$'000)

Common Equity Tier 1 Capital	35,672
Add / (subtract) regulatory adjustments to Common Equity Tier 1 Capital	<u>(15,354)</u>
Total Capital Base	<u>20,318</u>
Prescribed Capital Amount	10,000
Capital adequacy multiple	2.0

SALI Statutory Funds and General Fund Disclosures (\$'000)

	Statutory Fund No. 1	General Fund
Net Assets	34,736	936
Add / (subtract) regulatory adjustments to Net Assets	<u>(15,354)</u>	-
Total Capital Base	<u>19,382</u>	<u>936</u>
Prescribed Capital Amount	2,872	13
Capital adequacy multiple	6.7	72

St Andrew's Insurance (Australia) Pty Ltd (SAI)

The below items have been calculated as at 31 August 2018.

SAI Disclosures (\$'000)

Common Equity Tier 1 Capital	12,270
Add / (subtract) regulatory adjustments to Common Equity Tier 1 Capital	396
Total Capital Base	<u>12,666</u>
Prescribed Capital Amount	6,016
Capital Adequacy Multiple	2.1

Glossary

Term	Definition
APRA	The Australian Prudential Regulatory Authority (APRA) oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, friendly societies and most members of the superannuation industry.
Capital Adequacy Multiple	The Capital Adequacy Multiple is equal to the Capital Base divided by the Prescribed Capital Amount.
Capital Base	The Capital Base consists of paid-up ordinary shares and shareholder retained profits reduced by items which APRA does not deem eligible for inclusion, including Deferred Acquisition Costs and Deferred Tax Assets.
Common Equity Tier 1 Capital	Common Equity Tier 1 Capital is the highest quality of capital available reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It comprises ordinary share capital, retained earnings and reserves less prescribed deductions.
General Fund	The General Fund is the shareholder's fund of a life insurance company.
Prescribed Capital Amount	The Prescribed Capital Amount is a measure of the capital requirement of an insurance company.
Regulatory Adjustments	Regulatory Adjustments are applied to assets using a prescribed methodology for the purposes of calculating the Capital Base.
Statutory Fund	A Statutory Fund of a life insurance company is a fund that: (a) is established in the records of a life company; and (b) relates solely to the life insurance business of the company or a particular part of that business.