



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

30 SEPTEMBER 2019

Prudential Disclosures

For the quarter ended 30 September 2019

INTRODUCTION

As a locally incorporated ADI using the standardised approach under Basel III regulatory requirements, Illawarra Credit Union Ltd (“the Credit Union”) is required to disclose information about their capital and risk exposure under Australian Prudential Standard APS 330.

CAPITAL MANAGEMENT

The Credit Union calculates capital requirements by analysing various major risks faced by the Credit Union and ensuring appropriate levels of capital are maintained to cover those risks. Major risks considered include credit risk, interest rate risk, liquidity risk, operational risk, reputational risk and economic risk. The Credit Union’s Risk Management framework presents information about the Credit Union’s exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, the management of capital, and incorporates rules and ratios established by the Australian Prudential Regulation Authority.

The Credit Union has complied with all external capital requirements, as well as maintaining healthy capital ratios in order to support our ongoing business activities.

Capital Adequacy	30th Sep 2019	30th Jun 2019
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
– Claims secured by residential mortgages	173,406	176,769
– Other retail loans	13,948	14,181
– Claims on ADI's & Banks	29,924	27,218
– Corporate claims	-	-
– Other claims	8,567	8,530
– Other non-market off balance sheet exposures	3,219	5,851
Capital requirements - Credit Risk	229,064	232,549
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	36,985	36,985
TOTAL Risk Weighted Assets	266,049	269,534
Common Equity Tier 1 Ratio	15.41%	15.07%
Tier 1 Capital Ratio	15.41%	15.07%
Total Capital Ratio	15.99%	15.63%

General Reserve for Credit Losses	\$'000
as at 30th September 2019	1,542
as at 30th June 2019	1,488

Credit Risk as at 30th September 2019	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	599	564
– ADI's & Banks	119,160	112,457
– Loans: Residential secured	480,781	484,508
– Loans: Other	16,112	16,010
– Loans: Total	496,893	500,518
– Other	7,540	7,585
– Other non-market off balance sheet exposures	91,792	92,023
Total exposures	715,984	713,147

Prudential Disclosures

For the quarter ended 30 September 2019

Credit Risk as at 30th September 2019	Impaired	Past Due	Collective Provision	Collective Expense	Collective Charge	Specific Provision	Specific Charge
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
– Cash items							
– ADI's & Banks							
– Loans: Residential secured		2,165					
– Loans: Investment secured		-					
– Loans: Other	1,279	32	34	11	-	68	34
– Loans: Total	1,279	2,197	34	11	-	68	34
– Other							
– Other non-market off balance sheet exposures							
Total exposures	1,279	2,197	34	11	-	68	34

Credit Risk as at 30th June 2019	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	511	533
– ADI's & Banks	125,049	121,598
– Loans: Residential secured	488,662	486,603
– Loans: Other	16,977	16,615
– Loans: Total	505,639	503,219
– Other	8,530	7,695
– Other non-market off balance sheet exposures	96,306	96,841
Total exposures	736,036	729,887

Credit Risk as at 30th June 2019	Impaired	Past Due	Collective Provision	Collective Expense	Collective Charge	Specific Provision	Specific Charge
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
– Cash items							
– ADI's & Banks							
– Loans: Residential secured		2,610					
– Loans: Investment secured		-					
– Loans: Other	786	44	113	18	80	113	80
– Loans: Total	786	2,654	113	18	80	113	80
– Other							
– Other non-market off balance sheet exposures							
Total exposures	786	2,654	113	18	80	113	80