ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

31 DECEMBER 2019

Prudential Disclosures
For the quarter ended 31 December 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 requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	$'000	$'000
− Claims secured by residential mortgages	170,760	173,406
− Other retail loans	13,809	13,948
− Claims on ADI's & Banks	37,446	29,924
− Corporate claims	-	-
− Other claims	8,675	8,567
− Other non-market off balance sheet exposures	4,062	3,219
Capital requirements - Credit Risk	234,752	229,064
Capital requirements - Market Risk	-	
Capital requirements - Operational Risk	36,732	36,985
TOTAL Risk Weighted Assets	271,484	266,049
Common Equity Tier 1 Ratio	15.28%	15.41%
Tier 1 Capital Ratio	15.28%	15.41%
Total Capital Ratio	15.81%	15.99%

General Reserve for Credit Losses	
	$'000
as at 31st December 2019	1,439
as at 30th September 2019	1,542

Credit Risk as at 31st December 2019	Total Gross Exposure	Average Gross Exposure (Qtr)
	$'000	$'000
− Cash items	725	612
− ADI's & Banks	128,325	122,146
− Loans: Residential secured	472,737	476,472
− Loans: Other	16,109	16,145
− Loans: Total	488,846	492,617
− Other	8,675	7,552
− Other non-market off balance sheet exposures	91,615	91,381
Total exposures	**718,186**	**714,308**

Prudential Disclosures
For the quarter ended 31 December 2019

Credit Risk as at 31st December 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		1,342					
− Loans: Investment secured		958					
− Loans: Other	507	62	39	1	6	39	6
− Loans: Total	507	2,362	39	1	6	39	6
− Other							
− Other non-market off balance sheet exposures							
Total exposures	507	2,362	39	1	6	39	6

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

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	69
− Loans: Total	1,279	2,197	34	11 -	68	34	69
− Other							
− Other non-market off balance sheet exposures							
Total exposures	1,279	2,197	34	11 -	68	34	69