



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

31 MARCH 2020

Prudential Disclosures

For the quarter ended 31 March 2020

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	31st Mar 2020	31st Dec 2019
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
– Claims secured by residential mortgages	170,856	170,760
– Other retail loans	14,040	13,809
– Claims on ADI's & Banks	37,578	37,446
– Corporate claims	-	-
– Other claims	8,462	8,675
– Other non-market off balance sheet exposures	5,149	4,062
Capital requirements - Credit Risk	236,085	234,752
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	36,732	36,732
TOTAL Risk Weighted Assets	272,817	271,484
Common Equity Tier 1 Ratio	15.38%	15.28%
Tier 1 Capital Ratio	15.38%	15.28%
Total Capital Ratio	15.94%	15.81%

General Reserve for Credit Losses	\$'000
as at 31st March 2020	1,540
as at 31st December 2019	1,439

Credit Risk as at 31st March 2020	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	490	516
– ADI's & Banks	118,437	121,216
– Loans: Residential secured	475,971	473,743
– Loans: Other	14,932	15,555
– Loans: Total	490,903	489,297
– Other	8,462	7,454
– Other non-market off balance sheet exposures	92,949	93,436
Total exposures	711,241	711,918

Prudential Disclosures

For the quarter ended 31 March 2020

Credit Risk as at 31st March 2020	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	99	892					
– Loans: Investment secured		-					
– Loans: Other	21	44	56	9	26	56	26
– Loans: Total	120	936	56	9	26	56	26
– Other							
– Other non-market off balance sheet exposures							
Total exposures	120	936	56	9	26	56	26

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

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