



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

31 DECEMBER 2020

Prudential Disclosures

For the quarter ended 31 December 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 Dec 2020	30th Sep 2020
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
- Claims secured by residential mortgages	155,538	156,006
- Other retail loans	13,729	14,685
- Claims on ADI's & Banks	60,980	57,796
- Corporate claims	-	-
- Other claims	8,049	8,016
- Other non-market off balance sheet exposures	13,097	5,423
Capital requirements - Credit Risk	251,393	241,926
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	37,104	36,863
TOTAL Risk Weighted Assets	288,497	278,789
Common Equity Tier 1 Ratio	15.43%	15.77%
Tier 1 Capital Ratio	15.43%	15.77%
Total Capital Ratio	15.83%	16.25%

General Reserve for Credit Losses	\$'000
as at 31st December 2020	1,175
as at 30th September 2020	1,336

Credit Risk as at 31st December 2020	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
- Cash items	639	550
- ADI's & Banks	187,943	189,090
- Loans: Residential secured	433,169	432,955
- Loans: Other	14,731	15,765
- Loans: Total	447,900	448,718
- Other	8,049	7,171
- Other non-market off balance sheet exposures	120,059	108,019
Total exposures	764,590	753,547

Prudential Disclosures

For the quarter ended 31 December 2020

Credit Risk as at 31st December 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		637					
– Loans: Investment secured		-					
– Loans: Other		6	96	8	14	96	14
– Loans: Total		6	96	8	14	96	14
– Other							
– Other non-market off balance sheet exposures							
Total exposures		6	96	8	14	96	14

Credit Risk as at 30th September 2020	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	484	499
– ADI's & Banks	190,664	185,930
– Loans: Residential secured	434,128	441,778
– Loans: Other	16,299	15,612
– Loans: Total	450,427	457,389
– Other	8,016	7,171
– Other non-market off balance sheet exposures	95,994	93,766
Total exposures	745,585	744,753

Credit Risk as at 30th September 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		1,250					
– Loans: Investment secured		-					
– Loans: Other		119	90	7	27	90	27
– Loans: Total		119	90	7	27	90	27
– Other							
– Other non-market off balance sheet exposures							
Total exposures		119	90	7	27	90	27