



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

30 SEPTEMBER 2021

Prudential Disclosures

For the quarter ended 30 September 2021

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 2021	30th Jun 2021
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
- Claims secured by residential mortgages	229,978	205,679
- Other retail loans	14,013	14,299
- Claims on ADI's & Banks	19,746	36,296
- Corporate claims	-	-
- Other claims	7,742	7,848
- Other non-market off balance sheet exposures	21,257	20,866
Capital requirements - Credit Risk	292,736	284,988
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	38,453	38,453
TOTAL Risk Weighted Assets	331,189	323,441
Common Equity Tier 1 Ratio	13.52%	13.88%
Tier 1 Capital Ratio	13.52%	13.88%
Total Capital Ratio	13.87%	14.25%

General Reserve for Credit Losses	\$'000
as at 30th September 2021	1,137
as at 30th June 2021	1,076

Credit Risk as at 30th September 2021	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
- Cash items	348	325
- ADI's & Banks	85,063	91,621
- Loans: Residential secured	628,352	606,392
- Loans: Other	16,557	16,444
- Loans: Total	644,909	622,835
- Other	7,742	6,898
- Other non-market off balance sheet exposures	124,308	123,884
Total exposures	862,370	845,561

Prudential Disclosures

For the quarter ended 30 September 2021

Credit Risk as at 30th September 2021	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		2,168					
– Loans: Investment secured		-					
– Loans: Other	23	430	94	18	26	94	26
– Loans: Total	23	2,598	94	18	26	94	26
– Other							
– Other non-market off balance sheet exposures							
Total exposures	23	2,598	94	18	26	94	26

Credit Risk as at 30th June 2021	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	386	366
– ADI's & Banks	105,024	120,480
– Loans: Residential secured	570,121	540,506
– Loans: Other	14,852	15,222
– Loans: Total	584,973	555,727
– Other	7,848	7,013
– Other non-market off balance sheet exposures	119,252	129,494
Total exposures	817,483	813,078

Credit Risk as at 30th June 2021	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		182					
– Loans: Investment secured		-					
– Loans: Other	9	418	86	28	-	86	-
– Loans: Total	9	600	86	28	-	86	-
– Other							
– Other non-market off balance sheet exposures							
Total exposures	9	600	86	28	-	86	-