



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

31 DECEMBER 2021

Prudential Disclosures

For the quarter ended 31 December 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	31st Dec 2021	30th Sep 2021
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
- Claims secured by residential mortgages	231,153	229,978
- Other retail loans	13,311	14,013
- Claims on ADI's & Banks	19,917	19,746
- Corporate claims	-	-
- Other claims	10,595	7,742
- Other non-market off balance sheet exposures	20,320	21,257
Capital requirements - Credit Risk	295,296	292,736
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	40,533	38,453
TOTAL Risk Weighted Assets	335,829	331,189
Common Equity Tier 1 Ratio	13.69%	13.52%
Tier 1 Capital Ratio	13.69%	13.52%
Total Capital Ratio	14.05%	13.87%

General Reserve for Credit Losses	\$'000
as at 31st December 2021	1,138
as at 30th September 2021	1,072

Credit Risk as at 31st December 2021	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
- Cash items	170	139
- ADI's & Banks	91,168	75,399
- Loans: Residential secured	626,830	654,729
- Loans: Other	15,121	15,992
- Loans: Total	641,951	670,720
- Other	10,595	9,199
- Other non-market off balance sheet exposures	121,972	132,574
Total exposures	865,856	888,031

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Credit Risk as at 31st December 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		1,811					
– Loans: Investment secured		-					
– Loans: Other	34	24	75	1	(23)	75	(23)
– Loans: Total	34	1,834	75	1	(23)	75	(23)
– Other							
– Other non-market off balance sheet exposures							
Total exposures	34	1,834	75	1	(23)	75	(23)

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

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	99	18	26	94	26
– Loans: Total	23	2,598	99	18	26	94	26
– Other							
– Other non-market off balance sheet exposures							
Total exposures	23	2,598	99	18	26	94	26