



**ABN 14 087 650 771**

**QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES**

**31 MARCH 2022**

# Prudential Disclosures

## For the quarter ended 31 March 2022

### 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 2022	31st Dec 2021
Capital requirements - Credit Risk	Risk Weighted Assets \$'000	Risk Weighted Assets \$'000
– Claims secured by residential mortgages	244,416	231,153
– Other retail loans	13,645	13,311
– Claims on ADI's & Banks	22,384	19,917
– Corporate claims	-	-
– Other claims	10,131	10,595
– Other non-market off balance sheet exposures	7,707	20,320
<b>Capital requirements - Credit Risk</b>	<b>298,283</b>	<b>295,296</b>
<b>Capital requirements - Market Risk</b>	<b>-</b>	<b>-</b>
<b>Capital requirements - Operational Risk</b>	<b>40,533</b>	<b>40,533</b>
<b>TOTAL Risk Weighted Assets</b>	<b>338,816</b>	<b>335,829</b>
<b>Common Equity Tier 1 Ratio</b>	<b>13.71%</b>	<b>13.69%</b>
<b>Tier 1 Capital Ratio</b>	<b>13.71%</b>	<b>13.69%</b>
<b>Total Capital Ratio</b>	<b>14.03%</b>	<b>14.05%</b>

General Reserve for Credit Losses	\$'000
as at 31st March 2022	1,102
as at 31st December 2021	1,138

Credit Risk as at 31st March 2022	Total Gross Exposure \$'000	Average Gross Exposure (Qtr) \$'000
– Cash items	136	154
– ADI's & Banks	103,506	89,317
– Loans: Residential secured	664,399	652,330
– Loans: Other	15,572	15,347
– Loans: Total	679,971	667,677
– Other	10,131	9,223
– Other non-market off balance sheet exposures	88,243	78,275
<b>Total exposures</b>	<b>881,987</b>	<b>844,644</b>

## Prudential Disclosures

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Credit Risk as at 31st March 2022	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	136	154
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– Other non-market off balance sheet exposures	88,243	78,275
Total exposures	881,987	844,644

Credit Risk as at 31st March 2022	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		1,927					
– Loans: Investment secured		-					
– Loans: Other	33	44	96	0	21	96	21
– Loans: Total	33	1,971	96	0	21	96	21
– Other							
– Other non-market off balance sheet exposures							
Total exposures	33	1,971	96	0	21	96	21

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

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