



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

31 MARCH 2021

Prudential Disclosures

For the quarter ended 31 March 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 Mar 2021	31st Dec 2020
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
- Claims secured by residential mortgages	171,376	155,538
- Other retail loans	13,945	13,729
- Claims on ADI's & Banks	54,807	60,980
- Corporate claims	-	-
- Other claims	8,049	8,049
- Other non-market off balance sheet exposures	27,189	13,097
Capital requirements - Credit Risk	275,366	251,393
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	37,104	37,104
TOTAL Risk Weighted Assets	312,470	288,497
Common Equity Tier 1 Ratio	14.35%	15.43%
Tier 1 Capital Ratio	14.35%	15.43%
Total Capital Ratio	14.72%	15.83%

General Reserve for Credit Losses	\$'000
as at 31st March 2021	1,169
as at 31st December 2020	1,175

Credit Risk as at 31st March 2021	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
- Cash items	438	478
- ADI's & Banks	157,079	161,001
- Loans: Residential secured	475,715	456,271
- Loans: Other	15,411	15,053
- Loans: Total	491,126	471,323
- Other	8,049	7,067
- Other non-market off balance sheet exposures	159,181	141,897
Total exposures	815,873	781,766

Prudential Disclosures

For the quarter ended 31 March 2021

Credit Risk as at 31st March 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		1,101					
– Loans: Investment secured		-					
– Loans: Other	5	394	113	1	18	113	18
– Loans: Total	5	1,495	113	1	18	113	18
– Other							
– Other non-market off balance sheet exposures							
Total exposures	5	1,495	113	1	18	113	18

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

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	404	96	8	14	96	14
– Loans: Total	6	1,041	96	8	14	96	14
– Other							
– Other non-market off balance sheet exposures							
Total exposures	6	1,041	96	8	14	96	14