



ABN 14 087 650 771

QUARTERLY PRUDENTIAL CAPITAL DISCLOSURES

31 DECEMBER 2022

Prudential Disclosures

For the quarter ended 31 December 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 Dec 2022	30th Sep 2022
Capital requirements - Credit Risk	Risk Weighted Assets	Risk Weighted Assets
	\$'000	\$'000
– Claims secured by residential mortgages	280,437	284,149
– Other retail loans	13,818	14,149
– Claims on ADI's & Banks	15,102	17,006
– Corporate claims	-	-
– Other claims	10,766	10,476
– Other non-market off balance sheet exposures	3,028	1,520
Capital requirements - Credit Risk	323,151	327,300
Capital requirements - Market Risk	-	-
Capital requirements - Operational Risk	46,400	43,587
TOTAL Risk Weighted Assets	369,551	370,887
Common Equity Tier 1 Ratio	13.78%	13.39%
Tier 1 Capital Ratio	13.78%	13.39%
Total Capital Ratio	13.79%	13.41%

General Reserve for Credit Losses

	\$'000
as at 31st December 2022	63
as at 30th September 2022	51

Prudential Disclosures

For the quarter ended 31 December 2022

Credit Risk as at 31st December 2022	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	134	138
– ADI's & Banks	67,093	67,251
– Loans: Residential secured	764,209	767,869
– Loans: Other	17,493	17,623
– Loans: Total	<u>781,702</u>	<u>785,490</u>
– Other	10,766	9,151
– Other non-market off balance sheet exposures	<u>70,895</u>	<u>67,801</u>
Total exposures	930,590	929,831

Credit Risk as at 31st December 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		3,299					
– Loans: Investment secured		375					
– Loans: Other	3,683	104	123	0	(23)	123	(23)
– Loans: Total	<u>3,683</u>	<u>3,779</u>	<u>123</u>	<u>0</u>	<u>(23)</u>	<u>123</u>	<u>(23)</u>
– Other							
– Other non-market off balance sheet exposures							
Total exposures	3,683	3,779	123	0	(23)	123	(23)

Credit Risk as at 30th September 2022	Total Gross Exposure	Average Gross Exposure (Qtr)
	\$'000	\$'000
– Cash items	107	134
– ADI's & Banks	69,163	79,559
– Loans: Residential secured	768,893	734,500
– Loans: Other	18,490	18,181
– Loans: Total	<u>787,383</u>	<u>752,680</u>
– Other	10,476	9,125
– Other non-market off balance sheet exposures	<u>70,895</u>	<u>73,351</u>
Total exposures	938,024	914,847

Credit Risk as at 30th September 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		3,287					
– Loans: Investment secured		1,054					
– Loans: Other	836	110	146	0	27	146	27
– Loans: Total	<u>836</u>	<u>4,451</u>	<u>146</u>	<u>0</u>	<u>27</u>	<u>146</u>	<u>27</u>
– Other							
– Other non-market off balance sheet exposures							
Total exposures	836	4,451	146	0	27	146	27