

## Risk exposures and assessment

Quarterly Disclosures for the period ended: **31-Mar-18**

### Capital Adequacy

Holiday Coast Credit Union's capital requirements (in terms of risk-weighted assets) for credit, market and operational risk for the period 1 January 2018 to 31 March 2018 were as follows:

	<i>Risk-Weighted Amount (\$)</i>
<b><i>Credit Risk by Asset Portfolio</i></b>	
Residential Mortgage	156,697,809
Other Retail Loans	16,894,200
Corporate Loans	19,030,822
Claims on Australian Government	-
Claims on other ADIs and Banks	32,801,406
All other assets and claims	17,647,037
<b>Total Credit Risk</b>	<b>243,071,274</b>
<b><i>Market Risk</i></b>	
<b>Market Risk requirement</b>	<b>-</b>
<b><i>Operational Risk</i></b>	
<b>Operational Risk requirement</b>	<b>32,889,680</b>
<b>Total requirements for credit, market and operational risk</b>	<b>275,960,954</b>
<b>Capital Adequacy Ratios for the Credit Union</b>	
Common Equity Tier 1	13.57%
Tier 1	14.12%
<b>Total Capital Ratio</b>	<b>14.56%</b>

### Credit Risk Exposures

HCCU's total gross credit risk exposures and the average gross exposures for the period 1 January 2018 to 31 March 2018 were as follows:

	<i>Gross Exposure (\$)</i>	<i>Average Gross Exposure (\$)</i>
<b><i>Credit Risk Exposures</i></b>		
Residential Mortgage	414,621,726	410,779,826
Other Retail Loans	18,779,693	20,171,076
Corporate Loans	19,030,822	19,225,648
<b>Total Loans</b>	<b>452,432,241</b>	<b>450,176,550</b>
Investments with Australian Government	1,000,000	333,333
Investments with other ADIs and Banks	146,652,033	148,790,394
Commitments and other non-market off-balance sheet exposures	29,168,405	29,884,194
Debt securities	-	-
Over-the-counter derivatives	-	-
<b>Total Other</b>	<b>176,820,438</b>	<b>179,007,921</b>
<b>Total</b>	<b>629,252,679</b>	<b>629,184,471</b>

<i>Loan Portfolio</i>	<i>Gross balance</i> (\$)	<i>Impaired</i> <i>Facilities</i> (\$)	<i>Past Due</i> (\$)	<i>Specific</i> <i>Provision</i> (\$)	<i>Charge for</i> <i>Specific</i> <i>Provision</i> (\$)	<i>Write-offs</i> (\$)
Residential Mortgage	414,621,726	-	5,431,510	-	-	-
Other Retail Loans	18,779,693	140,640	452,519	53,169	(81)	42,421
Corporate Loans	19,030,822	23,223	208,304	29	(55)	-
<b>Total Loans</b>	<b>452,432,241</b>	<b>163,863</b>	<b>6,092,333</b>	<b>53,198</b>	<b>(136)</b>	<b>42,421</b>

Note: A facility is past due when a contracted payment has not been met when due or it is otherwise outside contracted arrangements and is not impaired.

**General Reserve for Credit Losses** (\$)

The balance of the general reserve for credit losses at the end of the quarter was: 1,225,000

**Securitisation Exposures**

A summary of the current quarter's activities and balances with regards to securitised loans is as follows:

<b>Loans Securitised during the quarter</b>	6,699,957
<b>On-Balance Sheet Securitisation Exposures</b>	
Claims secured by Residential Mortgage	53,639,951
<b>Off-Balance Sheet Securitisation Exposures</b>	
Claims Secured by Residential Mortgage	1,338,971
<b>Total</b>	<b><u>54,978,922</u></b>

**Notes:**

- The above disclosures should also be read in conjunction with the Capital Adequacy and Securitisation disclosures contained within the Credit Union's Annual Report for the year ended 30 June 2017.
- Balances have been determined in accordance with APRA reporting requirements which differ from the requirements of Australian Accounting Standards