

## Risk exposures and assessment

Quarterly Disclosures for the period ended: 30-Jun-17

### 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 April 2017 to 30 June 2017 were as follows:

|   | <i>Risk-Weighted<br/>Amount (\$)</i> |
|---|--------------------------------------|
| <b><i>Credit Risk by Asset Portfolio</i></b>                      |                                      |
| Residential Mortgage  | 154,322,772                          |
| Other Retail Loans  | 20,091,642                           |
| Corporate Loans   | 16,885,809                           |
| Claims on other ADIs and Banks                                    | 30,877,388                           |
| All other assets and claims                                       | 21,438,518                           |
| <b>Total Credit Risk</b>  | <b>243,616,128</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>31,969,690</b>                    |
| <b>Total requirements for credit, market and operational risk</b> | <b>275,585,818</b>                   |

### Capital Adequacy Ratios for the Credit Union

|                            |               |
|----------------------------|---------------|
| Common Equity Tier 1       | 13.12%        |
| Tier 1                     | 13.82%        |
| <b>Total Capital Ratio</b> | <b>14.14%</b> |

### Credit Risk Exposures

HCCU's total gross credit risk exposures and the average gross exposures for the period 1 April 2017 to 30 June 2017 were as follows:

| <i>Credit Risk Exposures</i>                                 | <i>Gross<br/>Exposure<br/>(\$)</i> | <i>Average Gross<br/>Exposure<br/>(\$)</i> |
|--|------------------------------------|--|
| Residential Mortgage   | 405,218,832                        | 403,895,363                                |
| Other Retail Loans   | 21,396,722                         | 21,747,931                                 |
| Corporate Loans  | 16,885,809                         | 16,968,114                                 |
| <b>Total Loans</b>   | <b>443,501,363</b>                 | <b>442,611,408</b>                         |
| Investments with other ADIs and Banks                        | 137,031,939                        | 140,039,797                                |
| Commitments and other non-market off-balance sheet exposures | 35,584,649                         | 35,335,637                                 |
| Debt securities  | -                                  | -  |
| Over-the-counter derivatives                                 | -                                  | -  |
| <b>Total Other</b>   | <b>172,616,588</b>                 | <b>175,375,434</b>                         |
| <b>Total</b>   | <b>616,117,951</b>                 | <b>617,986,842</b>                         |

| <i>Loan Portfolio</i> | <i>Gross balance</i><br><i>(\$)</i> | <i>Impaired</i><br><i>Facilities</i><br><i>(\$)</i> | <i>Past Due</i><br><i>(\$)</i> | <i>Specific</i><br><i>Provision</i><br><i>(\$)</i> | <i>Charge for</i><br><i>Specific</i><br><i>Provision</i><br><i>(\$)</i> | <i>Write-offs</i><br><i>(\$)</i> |
|-----------------------|-------------------------------------|---|--------------------------------|--|---|----------------------------------|
| Residential Mortgage  | 405,218,832                         | 300,726   | 2,979,865                      | -  | (4,489)   | -                                |
| Other Retail Loans    | 21,396,722                          | 234,098   | 383,683                        | 110,130  | (224,347)   | 5,429                            |
| Corporate Loans       | 16,885,809                          | 19  | 96                             | 8  | (31)  | -                                |
| <b>Total Loans</b>    | <b>443,501,363</b>                  | <b>534,843</b>                                      | <b>3,363,644</b>               | <b>110,138</b>                                     | <b>(228,867)</b>  | <b>5,429</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: 900,000

**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>       | -                 |
| <b>On-Balance Sheet Securitisation Exposures</b>  |                   |
| Claims secured by Residential Mortgage            | 49,242,320        |
| <b>Off-Balance Sheet Securitisation Exposures</b> |                   |
| Claims Secured by Residential Mortgage            | 1,402,361         |
| <b>Total</b>                                      | <b>50,644,681</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