

Capital Structure

These figures are current as at 30 June 2020

Type	Amount
Tier 1 Capital	
Paid up ordinary shares	
Reserves	\$ 136,300
Retained earnings, including current year earnings	\$ 20,322,728
Minority interests from consolidation of Tier 1 capital of subsidiaries	
Innovative instruments	\$ 6,000,000
Non-innovative residual instruments	
Less: Deductions from tier 1 capital, including goodwill and investments.	-\$ 1,916,001
Total Tier 1 capital (net of deductions)	\$ 24,543,027
Total Tier 2 capital (net of deductions)	\$ 830,623
Total Capital Base	\$ 25,373,650

Capital Adequacy

These figures are current as at the end of the 30 June 2020

	Amount	Mar-20
Capital requirements (in terms of risk weighted assets) for:		
Credit Risk (excluding securitisation)		
- Loans and advances		
- Claims secured by eligible residential mortgages	\$ 101,572,757	\$ 102,387,043
- Other member loans	\$ 34,108,992	\$ 35,522,850
- Commitments for loans and advances	\$ 2,033,778	\$ 1,832,623
- Deposits with Other ADI's	\$ 16,386,079	\$ 10,024,129
- Other	\$ 3,999,566	\$ 3,469,100
Total capital requirements for credit risk	\$ 158,101,172	\$ 153,235,745
Operational Risk (standardised approach)	\$ 18,032,076	\$ 16,982,691
Market Risk (standardised approach)	-	-
Tier 1 capital ratio	13.93%	14.29%
Total capital ratio	14.41%	14.77%

Credit Risk Exposure

These figures are current as at the end of the 30 June 2020

Type of Credit Exposure	Gross Exposure As at 30 June 2020	Quarterly Average gross exposure	Amount Impaired	Amount Past due facilities	Specific / Prescribed Provisions	Charge for specific provisions and write-offs for the period
Loans and Advances to Members						
On Balance Sheet						
- Claims secured by eligible residential mortgages	\$ 253,315,859	\$ 253,714,404	\$ -	\$ -		-\$ 0
- Other Loans and advances	\$ 34,498,161	\$ 35,245,778	\$ 356,757	\$ 1,058,772	\$ 128,109	-\$ 85,687
Commitments for loans and advances						
- Loans approved not yet advanced	\$ 3,134,499	\$ 3,129,613	\$ -	\$ -	\$ -	\$ -
- Revocable lines of credit undrawn	\$ 8,509,776	\$ 8,234,517	\$ -	\$ -	\$ -	\$ -
Total Loans and Advances to Members	\$ 299,458,295	\$ 300,324,312	\$ 356,757	\$ 1,058,772	\$ 128,109	-\$ 85,687
Liquidity Investments placed with Other Financial Institutions						
- Banks	\$ 54,955,553	\$ 48,498,727	\$ -	\$ -	\$ -	\$ -
- Other ADI's	\$ 6,500,000	\$ 3,666,605	\$ -	\$ -	\$ -	\$ -
Total Liquidity Investments placed with Other Financial Institutions	\$ 61,455,553	\$ 52,165,333	\$ -	\$ -	\$ -	\$ -
Balance of General Reserve for Credit Losses	\$ 830,623	\$ 824,235	\$ -	\$ -	\$ -	\$ -

These figures are current as at the end of the 31 March 2020

Type of Credit Exposure	Gross Exposures As at 31 March 20	Quarterly Average gross exposure	Amount Impaired	Amount Past due facilities	Specific / Prescribed Provisions	Charge for specific provisions and write-offs for the period
Loans and Advances to Members						
On Balance Sheet						
- Claims secured by eligible residential mortgages	\$ 252,502,521	\$ 249,209,513	\$ -	\$ -		-\$ 0
- Other Loans and advances	\$ 35,738,565	\$ 35,978,922	\$ 1,948,546	\$ 1,948,546	\$ 213,795	-\$ 79,295
Commitments for loans and advances						
- Loans approved not yet advanced	\$ 3,090,114	\$ 3,078,010	\$ -	\$ -	\$ -	\$ -
- Revocable lines of credit undrawn	\$ 7,659,306	\$ 7,669,138	\$ -	\$ -	\$ -	\$ -
Total Loans and Advances to Members	\$ 298,990,506	\$ 295,935,584	\$ 1,948,546	\$ 1,948,546	\$ 213,795	-\$ 79,295
Liquidity Investments placed with Other Financial Institutions						
- Banks	\$ 37,084,244	\$ 36,752,758	\$ -	\$ -	\$ -	\$ -
- Other ADI's	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Total Liquidity Investments placed with Other Financial Institutions	\$ 39,084,244	\$ 38,752,758	\$ -	\$ -	\$ -	\$ -
Balance of General Reserve for Credit Losses	\$ 822,192	\$ 823,880	\$ -	\$ -	\$ -	\$ -

Common Equity Tier 1 Capital: instruments and reserves		A\$	Reference to Reconciliation
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital		
2	Retained Earnings	\$ 20,322,728	
3	Accumulated other comprehensive income (and other reserves)	\$ 136,300	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)</i>		
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital : regulatory adjustments	\$ 20,459,028	
	Common Equity Tier 1 Capital: regulatory adjustments		
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)		
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	\$ 1,158,056	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability)		
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined benefit superannuation fund net assets		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	\$ 443,590	b
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
20	Mortgage service rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	\$ 314,355	c
22	Amount exceeding the 15% threshold		
23	of which: significant investments in the ordinary shares of financial entities		
24	Gross Exposures At 30 June 2018		
25	in capital on reported balance sheet)		
26	Reciprocal cross-holdings in common equity		
26a	Investments in the capital of banking, financial and		
26 b	insurance entities that are outside the scope of regulatory		
26c	consolidation, net of eligible short positions, where the		
26d	ADI does not own more than 10% of the issued share		
26e	capital (amount above 10% threshold)		
26f	Significant investments in the ordinary shares of banking,		
26g	financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
26h	Mortgage service rights (amount above 10% threshold)		
	Deferred tax assets arising from temporary differences (amount		

26i	of which: undercapitalisation of a non-consolidated subsidiary		
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	\$	-
28	Total regulatory adjustments to Common Equity Tier 1	\$	1,916,001
29	Common Equity Tier 1 Capital (CET1)	\$	18,543,027
Additional Tier 1 Capital (CET1)			
30	Directly issued qualifying Additional Tier 1 instruments	\$	6,000,000
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	\$	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 Capital before regulatory adjustments		
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)		
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties		
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40		
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	\$	-
43	Total regulatory adjustments to Additional Tier 1 capital	\$	-
44	Additional Tier 1 capital (AT1)	\$	6,000,000
45	Tier 1 Capital (T1=CET1+AT1)	\$	24,543,027
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments		
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)		
49	<i>of which: instruments issued by subsidiaries subject to</i>		

	<i>phase out</i>		
50	Provisions	\$ 830,623	a
51	Tier 2 Capital before regulatory adjustments	\$ 830,623	
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)		
55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions		
56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)		
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties		
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55		
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b		
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	\$ 830,623	
59	Total capital (TC=T1+T2)	\$ 25,373,650	
60	Total risk-weighted assets based on APRA standards	\$ 176,133,248	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.52%	
62	Tier 1 (as a percentage of risk-weighted assets)	13.93%	
63	Total capital (as a percentage of risk-weighted assets)	14.41%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: ADI-specific countercyclical buffer requirements		
67	of which: G-SIB buffer requirement (not applicable)		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)		
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	N/A	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	N/A	
71	National total capital minimum ratio (if different from Basel III minimum)	N/A	
Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the ordinary shares of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
Applicable caps on the inclusion of provisions in Tier 2			

76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	\$ 830,623	a
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

In making the following disclosures, the post 1 January 2018 common disclosure template is being used because this template is fully applying the Basel III regulatory adjustments as implemented by APRA

	Balance Sheet per published Audited Financial Statements	Adjustments	Balance Sheet under Regulatory Scope of Consolidation	Ref
	30/06/2020 \$	30/06/2020 \$	30/06/2020 \$	
ASSETS				
Cash and Deposits at Call	12,679,712		12,679,712	
Trade and other receivables	71,617	-19,236	52,381	
Loans and advances	287,814,020		287,814,020	
Less: Provision	-763,870	374,701	-389,169	
Less: General Reserve for Credit Losses		-830,623	-830,623	a
Deferred Fee Income	-204,564		-204,564	
Financial assets - available-for-sale	443,590		443,590	b
Property, Plant and Equipment	3,763,645	26,045	3,789,690	
Intangible assets	991,748	-26,045	965,703	
Deferred tax assets	314,355		314,355	c
Other assets	216,253	19,235	235,488	
Investment Securities	61,455,553		61,455,553	
Total Assets	366,782,059	-455,923	366,326,136	
LIABILITIES				
Borrowings	12,864,726	-12,864,726	0	
Deposits	324,980,422	11,664,939	336,645,361	
Other payables	1,508,785	880,253	2,389,038	
Income tax payable	190,710		190,710	
Provisions	489,205	319,536	808,741	
Total Liabilities	340,033,848	2	340,033,850	
Net Assets	26,748,211	-455,925	26,292,286	
EQUITY				
Capital Notes	5,833,258		5,833,258	
Redeemed preference share capital	136,300		136,300	
Reserve for credit losses	830,623	-830,623	0	
Retained earnings	19,948,030	374,698	20,322,728	
Total Equity	26,748,211	-455,925	26,292,286	

Disclosure - main features of Regulatory Capital instruments		
		Instrument 1
1	Issuer	Warwick Credit Union
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Qld, Australia
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	Tier 1 Capital
5	Post-transitional Basel III rules	Ineligible
6	Eligible at solo/group/group & solo	N/A
7	Instrument type (ordinary shares/preference shares/subordinated notes/other)	Capital Notes
8	Amount recognised in Regulatory Capital (Currency in mil, as of most recent reporting date)	6,000,000
9	Par value of instrument	6,000,000
10	Accounting classification	Capital Notes
11	Original date of issuance	15/12/2017
12	Perpetual or dated	Dated
13	Optional redemption date	15/12/2022
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	On any interest payment date following the 5th anniversary. Redemption of all, or some of the debt with a minimum and multiples of \$100,000
16	Subsequent call dates, if applicable	As outlined above
Coupons/dividends		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	AUD BBSW + 630 bps (incl 100% franked)
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Deposits
36	Non-compliant transitioned features	Yes

37	Gross Exposures At 30 June 2019	No write down or convertible feature
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