

South West Slopes Credit Union Ltd.
Public Disclosure of Prudential Information



31 March 2010
unaudited

30 June 2009
Audited

CAPITAL STRUCTURE

	\$ ' 000	\$ ' 000
(A) Tier 1 Capital		
Paid-up ordinary share capital	\$-	\$-
General reserves	\$-	\$-
Retained earnings	\$12,083	\$11,246
Current year earnings	\$751	\$903
Gross Tier 1 Capital	\$12,834	\$12,149
Deductions from Tier 1 Capital		
Deferred tax assests	-\$252	-\$252
Other Decuctions	\$-	-\$4
50/50 deductions from Tier 1 capital	-\$110	-\$110
Gross Deductions from Tier 1 Capital	-\$362	-\$365
Net Tier 1 Capital	\$12,472	\$11,784
Upper Tier 2 Capital		
Excess Tier 1 Capital instruments	\$-	\$-
General reserve for credit losses	\$235	\$107
Asset revaluation reserve	\$-	\$-
Net Upper Tier 2 Capital	\$235	\$107
Lower Tier 2 Capital	\$-	\$-
Net Lower Tier 2 Capital	\$-	\$-
Deductions from Tier 2 Capital		
50/50 deductions from Tier 2 capital	-\$110	-\$110
Total Deductions from Tier 2 Capital	-\$110	-\$110
Net Tier 2 Capital	\$124	\$-
Total capital base	\$12,596	\$11,784

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(B) **CAPITAL ADEQUACY / RISK WEIGHTED ASSETS**

	\$ ' 000	\$ ' 000
Risk Weighted Assets		
Credit risk Total		\$47,938,663
	Gross Assets	Risk Weighted Assets
Risk Weighted Assets		
On balance Sheet		
Class I - Cash Items	\$1,666	\$-
Class III - Claims on ADI's / Investments	\$21,290	\$4,258
Class IV - Claims secured against eligible residential mor	\$49,414	\$18,494
Class VI - Past Due Claims	\$12	\$12
Class VII - Other Assets and Claims	\$23,943	\$23,943
	\$96,325	\$46,707
Off Balance Sheet Credit Risk / Loans Approved / not advanced yet		\$1,231
		\$47,939
Market risk		\$-
Operational risk		\$5,263
Other Charges		\$-
Total Risk Weighted Assets		\$53,202

(C) The capital required and held at the end of the period is as follows

Capital Requirements for credit risk on assets (8 % RWA)	\$3,835
Capital Requirements for securitisation credit risk	\$-
Capital Requirements for Market Risk	\$-
Capital Requirements for Operational Risk (8 % RWA)	\$421
Capital Required (8 % RWA)	\$4,256
Capital Held by credit union	\$12,596
Total capital ratio	23.68%
Tier 1 capital ratio	23.44%

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- CREDIT RISK (INVESTMENTS)

The credit union uses the ratings of reputable agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA prudential Guidance Note APG 112. The credit quality assessment scale within this standard has been complied with.

	31 March 2010			
Investments with banks and other ADI's	Carrying Value \$ ' 000	Past Due \$ ' 000	Impaired \$ ' 000	Provision \$ ' 000
Cuscal - rated AA-	\$5,722	\$-	\$-	\$-
Australian Banks - rated AA and above	\$12,567	\$-	\$-	\$-
Non Bank Australian ADI - rated AA and above	\$-	\$-	\$-	\$-
Non Bank Australian ADI - rated A2	\$-	\$-	\$-	\$-
Unrated Institutions **	\$3,000	\$-	\$-	\$-
	\$21,290	\$-	\$-	\$-

** All counterparties are covered by the Government Guarantee on Deposits as any single deposit does not exceed \$1 million

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IMPAIRMENT DETAILS

The level of impaired loans by class of loan is set out below. In the Note below -

- Carrying Value is the amount of the balance sheet gross of provision
- Past Due Loans is the 'on balance sheet' loan balances which are behind in repayments past due by 30 days or more but not impaired.
- Impaired loans is the 'on balance sheet' loan balances which are at risk of not meeting all principle and interest repayments over time.
- Provision for impairment is the amount of the impairment provision allocated to the class of impaired loans
- The losses in the period equate to the additional provisions set aside for impaired loans, and bad debts written off in excess of previous provision allowances.

as at	31-Mar-10				For the quarter ended 31 March 2010	
	Carrying Value on balance sheet	Value of Loans that are past due	Value of Loans that are impaired	Provision for Impairment	Increase in Prov'n for impairment	Bad Debts in the period
	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000
Mortgage Secured	\$46,912	\$12	\$-	\$-	-\$19	\$-
Personal	\$23,319	\$-	\$211	\$321	\$8	\$55
Commercial Loans	\$455	\$-	\$-	\$-	\$-	\$-
Overdrafts	\$422	\$-	\$-	\$-	\$-	\$-
Credit Cards	\$353	\$-	\$-	\$-	\$-	\$-
	\$71,461	\$12	\$211	\$321	-\$11	\$55
Total to natural persons	\$71,261	\$12	\$211	\$321	-\$11	\$55
Corporate Borrowers	\$200	\$-	\$-	\$-	\$-	\$-
Total	\$71,461	\$12	\$211	\$321	-\$11	\$55

GENERAL RESERVE FOR CREDIT LOSSES

\$ ' 000

General reserve for Credit Losses	\$235
Total	\$235

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- CREDIT RISK (LOANS)

The classes of loans entered by the credit union is limited to loans; commitments and other non-market off balance sheet exposures. The credit union does not enter into any debt securities; and over the counter derivatives

The analysis of the credit union's loans by class is as follows:

31-Mar-10

Loans to	Carrying Value	Commitments (see below)	Other Non-market Off balance sheet exposures	Max Exposure	Average Gross Exposure in the period / quarter
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Mortgage Secured	\$46,912	\$1,718	\$-	\$48,630	\$47,349
Personal	\$23,319	\$51	\$-	\$23,370	\$23,679
Commercial loans	\$455	\$-	\$-	\$455	\$466
Credit Cards	\$353	\$635	\$-	\$988	\$330
Overdrafts	\$422	\$727	\$-	\$1,149	\$1,166
	<u>\$71,461</u>	<u>\$3,131</u>	<u>\$-</u>	<u>\$74,592</u>	<u>\$72,990</u>
Total to Natural Persons	\$71,261	\$3,131	\$-	\$74,392	\$72,895
Corporate Borrowers	\$200	\$-	\$-	\$200	\$95
	<u>\$71,461</u>	<u>\$3,131</u>	<u>\$-</u>	<u>\$74,592</u>	<u>\$72,990</u>

The commitments set out above comprise

a) Outstanding loan commitments

The loans approved but not yet funded
Of these are : Mortgage Loans

\$1,718

b) Loan Redraw Facilities

Facilities available as at 31/03/10

\$-

c) Undrawn Loan facilities

Loan facilities available to members for overdrafts and line of credit loans are as follows:

Total Value of Overdraft Facilities	\$1,149	
Total Value of Credit Card Facilities	\$988	
Less Amounts advanced O/D	\$422	
Less Amounts advanced Credit Cards	<u>\$353</u>	
Net undrawn value	\$1,362	\$1,362

These commitments are contingent on members maintaining credit standards and ongoing repayment terms on amounts drawn

Total financial commitments **\$3,131**

	Mar-10 This month	Dec-09 This month	Average	Commitments 31/03/2009
SHAREHOLDERS EQUITY				
Reserve for Credit Losses	\$234,528	\$234,528		
Current Year's Earnings net of Tax	\$751,160	\$486,953		
Retained Earnings	\$12,082,599	\$12,082,599		
TOTAL SHAREHOLDERS FUNDS	\$13,068,286	\$12,804,080		
REPRESENTED BY :				
1. Members Loans				
Personal Loans - Secured (general)+(residential mor	\$8,283,241	\$8,014,682	\$8,149	
- Unsecured (27 & 28)	\$14,975,244	\$14,638,649	\$14,807	311
- Unsecured (Interest Free)	\$60,181	\$77,565	\$69	
- Visa	\$352,705	\$307,313	\$330	
Housing Loans - Investment Housing	\$1,053,853	\$659,683	\$857	
- Owner Occupied Housing	\$45,858,495	\$45,341,021	\$45,600	892
Overdrafts - non commercial	\$220,650	\$204,823	\$213	763
Overdrafts - commercial	\$188,376	\$192,988	\$191	
Overdrawn Savings	\$13,386	\$12,700	\$13	
Commercial Loans	\$454,900	\$476,617	\$466	
Subtotal	\$71,461,032	\$69,926,042	\$70,694	
Less Provision D/Debts	-\$321,273	-\$328,116	-\$325	
			\$-	
NET MEMBER LOANS	\$71,139,759	\$69,597,926	\$70,369	
2.Fixed Assets(@Cost Less dep.n)				
Land & Buildings at Cost less Prov. Depreciation	\$530,235	\$532,836	\$532	
Plant & Equipment at Cost less Prov. Depreciation	\$420,987	\$416,375	\$419	
Total Fixed Assets	\$951,222	\$949,211	\$950	
Intangible Assets (net of amortisation)	\$66,398	\$70,671	\$69	
3.Liquid Funds				
Cash Floats (Tellers & Treasury) all Branches	\$684,044	\$781,614	\$733	
Cash Floats (ATM's)	\$982,210	\$1,125,500	\$1,054	
Working Bank Accounts (NAB & Cuscal)	\$2,222,382	\$2,109,967	\$2,166	
11A.M. Account	\$1,500,000	\$500,000	\$1,000	
Total Liquid Funds	\$5,388,637	\$4,517,081	\$4,953	
			\$-	
			\$-	
4. Investments				
Investment Securities Australian Banks - CD's	\$-	\$-	\$-	
Investment Securities Non Bank ADI's - CD's	\$-	\$-	\$-	
Investments - Other Deposits Australian Banks	\$11,567,474	\$14,067,474	\$12,817	
Investments - Other Deposits Non Bank ADI's	\$6,000,000	\$7,000,000	\$6,500	
Cuscal Commercial Shares & Member Share \$10	\$220,133	\$220,133	\$220	
Total Investments	\$17,787,608	\$21,287,608	\$19,538	
			\$-	
			\$-	
5. Other Assets				
Prepayments	\$60,249	\$37,085	\$49	
Accrued Income	\$355,028	\$335,885	\$345	
Deferred Tax Asset (previously FITB)	\$252,123	\$252,123	\$252	
Debtor VERO	\$2,822	\$2,822	\$3	
Total other assets	\$670,222	\$627,915	\$649	
			\$-	
TOTAL ASSETS	\$96,003,845	\$97,050,412	\$96,527	
Less			\$-	
TOTAL LIABILITIES (Page 2.)	\$-	\$-	\$-	
			\$-	
TOTAL NET ASSETS	\$96,003,845	\$97,050,412	\$96,527	
DIFFERENCE NET ASSETS AND CAPITAL	\$82,935,558	\$84,246,332	\$83,591	
			\$-	
			\$-	
LIABILITIES				
			\$-	
1. Member Deposits				
Call Savings	\$35,230,136	\$36,905,814	\$36,068	
Christmas Club	\$377,938	\$99,779	\$239	
7 Day Notice	\$6,248,630	\$6,316,701	\$6,283	
Term Savings	\$38,952,325	\$39,571,432	\$39,262	
			\$-	
Total Savings	\$80,809,028	\$82,893,725	\$81,851	
			\$-	
2. Loan Capital and hybrid Securities				
Members Withdrawable Shares	\$136,152	\$138,950	\$138	
Loan Capital	\$-	\$-	\$-	
Other	\$-	\$-	\$-	

Total

\$136,152

\$138,950

\$138
\$-
