

South West Slopes Credit Union Ltd.

Public Disclosure of Prudential Information



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-Dec-11				For the quarter ended 31 December 2011	
	Carrying Value on balance sheet \$ '000	Value of Loans that are past due \$ '000	Value of Loans that are impaired \$ '000	Provision for Impairment \$ '000	Increase in Prov'n for impairment \$ '000	Bad Debts in the period \$ '000
Mortgage Secured	\$ 66,258	\$ -	\$ -	\$ -	\$ -	\$ -
Personal	\$ 23,043	\$ -	\$ 167	\$ 160	\$ 25	\$ 19
Commercial Loans	\$ 1,173	\$ -	\$ -	\$ -	\$ -	\$ -
Overdrafts	\$ 516	\$ -	\$ 13	\$ 10	\$ 2	\$ -
Credit Cards	\$ 634	\$ -	\$ 6	\$ 4	\$ 2	\$ -
	\$ 91,624	\$ -	\$ 185	\$ 174	\$ 21	\$ 19
Total to natural persons	\$ 91,624	\$ -	\$ 185	\$ 174	\$ 21	\$ 19
Corporate Borrowers		\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 91,624	\$ -	\$ 185	\$ 174	\$ 21	\$ 19

GENERAL RESERVE FOR CREDIT LOSSES

	\$ '000
General reserve for Credit Losses	\$ 270
Total	\$ 270

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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.

Investments with banks and other ADI's	31 December 2011			
	Carrying Value \$ '000	Past Due \$ '000	Impaired \$ '000	Provision \$ '000
Cuscal - rated AA-	\$ 8,642	\$ -	\$ -	\$ -
Australian Banks - rated AA / A 1	\$ 12,500	\$ -	\$ -	\$ -
Australian Banks - rated A2 plus Gov Guarantee	\$ 1,000	\$ -	\$ -	\$ -
Non Bank Australian ADI - rated AA / A1	\$ -	\$ -	\$ -	\$ -
Non Bank Australian ADI - rated A2 plus Gov Guarantee	\$ 1,960	\$ -	\$ -	\$ -
Unrated Institutions **	\$ 2,000	\$ -	\$ -	\$ -
	\$ 26,103	\$ -	\$ -	\$ -

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

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30 December 2011
 unaudited

30 June 2011
 Audited

CAPITAL STRUCTURE

	\$ ' 000	\$ ' 000
(A) Tier 1 Capital		
Paid-up ordinary share capital	\$ -	\$ -
General reserves	\$ -	\$ -
Retained earnings	\$ 14,247	\$ 13,058
Current year earnings	\$ 657	\$ 1,189
Gross Tier 1 Capital	\$ 14,904	\$ 14,247
Deductions from Tier 1 Capital		
Deferred tax assests	-\$ 216	-\$ 216
Intangible Assets	-\$ 79	-\$ 112
Other Decuctions	\$ -	\$ -
50/50 deductions from Tier 1 capital	-\$ 110	-\$ 110
Gross Deductions from Tier 1 Capital	-\$ 405	-\$ 438
Net Tier 1 Capital	\$ 14,499	\$ 13,809
Upper Tier 2 Capital		
Excess Tier 1 Capital instruments	\$ -	\$ -
General reserve for credit losses	\$ 270	\$ 270
Asset revaluation reserve	\$ -	\$ -
Net Upper Tier 2 Capital	\$ 270	\$ 270
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	\$ 160	\$ 160
Total capital base	\$ 14,658	\$ 13,969

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Public Disclosure of Prudential Information



31-Dec-11

unaudited

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

	\$ ' 000	\$ ' 000
Risk Weighted Assets		
Credit risk Total		\$ 56,714
	Gross Assets	Risk Weighted Assets
Risk Weighted Assets		
On balance Sheet		
Class I - Cash Items	\$ 2,225	\$ -
Class II - Claims on the Australian Government	\$ -	\$ -
Class III - Claims on ADI's / Investments	\$ 26,103	\$ 5,521
Class IV - Claims secured against eligible residential mortgages	\$ 67,314	\$ 24,278
Class VI - Past Due Claims	\$ 104	\$ 104
Class VII - Other Assets and Claims	\$ 25,883	\$ 25,883
	\$ 121,628	\$ 55,785
Off Balance Sheet Credit Risk / Undrawn Loans & Redraw Facilities		\$ 928
		\$ 56,714
Market risk		\$ -
Operational risk		\$ 6,008
Other Charges		\$ -
Total Risk Weighted Assets		\$ 62,722

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

Capital Requirements for credit risk on assets (8 % RWA)	\$ 4,537
Capital Requirements for securitisation credit risk	\$ -
Capital Requirements for Market Risk	\$ -
Capital Requirements for Operational Risk (8 % RWA)	\$ 481
Capital Required (8 % RWA)	\$ 5,018
Capital Held by credit union	\$ 14,658
Total capital ratio	23.37%
Tier 1 capital ratio	23.12%

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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-Dec-11

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	\$ 66,258	\$ 2,434	\$ -	\$ 68,692	#REF!
Personal	\$ 23,043	\$ 96	\$ -	\$ 23,139	#REF!
Commercial loans	\$ 1,173	\$ -	\$ -	\$ 1,173	#REF!
Overdrafts	\$ 516	\$ 833	\$ -	\$ 1,350	#REF!
Credit Cards	\$ 634	\$ 738	\$ -	\$ 1,372	#REF!
	\$ 91,624	\$ 4,102	\$ -	\$ 95,726	#REF!
Total to Natural Persons	\$ 91,624	\$ 4,102	\$ -	\$ 95,726	#REF!
Corporate Borrowers	\$ -	\$ -	\$ -	\$ -	\$ 90
	\$ 91,624	\$ 4,102	\$ -	\$ 95,726	#REF!

The commitments set out above comprise

a) Outstanding loan commitments

The loans approved but not yet funded \$ 1,008
Of these are : Mortgage Loans \$ 912

b) Loan Redraw Facilities

Facilities available \$ 1,523

c) Undrawn Loan facilities

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

Total Value of Overdraft Facilities	\$ 1,330	
Total Value of Credit Card Facilities	\$ 1,371	
Less Amounts advanced O/D	\$ 497	
Less Amounts advanced Credit Cards	\$ 633	
Net undrawn value	\$ 1,571	\$ 1,571

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

Total financial commitments \$ 4,102