

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

Table A Capital Base elements

		Current Quarter 30 June 2017	Previous Quarter 31 March 2017
		\$	\$
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital		
2	Retained earnings	8,442,723	8,228,578
3	Accumulated other comprehensive income (and other reserves)		
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 before regulatory adjustments on Equity Tier 1 capital : regulatory adjustments	8,442,723	8,228,578
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)		
9	Other intangibles other than mortgage servicing rights (net of related tax liability)		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (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)		
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)		
22	Amount exceeding the 15% threshold		
23	of which: significant investments in the ordinary shares of financial entities		
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d,		

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

	26e, 26f, 26g, 26h, 26i and 26j)	229,846	328,775
26a	of which: treasury shares		
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI		
26c	of which: deferred fee income		
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23		117,696
26e	of which: deferred tax assets not reported in rows 10, 21 and 25		
26f	of which: capitalised expenses	229,846	211,079
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules		
26h	of which: covered bonds in excess of asset cover in pools		
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	229,846	328,775
29	Common Equity Tier 1 Capital (CET1)		
	Additional Tier 1 Capital: instruments	8,212,877	7,899,803
30	Directly issued qualifying Additional Tier 1 instruments		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>		
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
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		

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

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)		
45	Tier 1 Capital (T1=CET1+AT1)	8,212,877	7,899,803
	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 phase out</i>		
50	Provisions		
51	Tier 2 Capital before regulatory adjustments		
	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	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>		
56b	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55</i>		
56c	<i>of which: other national specific regulatory adjustments not reported in rows 56a and 56b</i>		
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	252,158	245,114
59	Total capital (TC=T1+T2)	8,465,035	8,144,917
60	Total risk-weighted assets based on APRA standards	51,358,936	50,417,367
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	15.99%	15.67%
62	Tier 1 (as a percentage of risk-weighted assets)	15.99%	15.67%
63	Total capital (as a percentage of risk-weighted assets)	16.48%	16.15%
64	Institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIBs buffer requirement, expressed as a percentage of risk-weighted assets)	7.50%	7.50%
65	<i>of which: capital conservation buffer requirement</i>		
66	<i>of which: ADI-specific countercyclical buffer requirements</i>		
67	<i>of which: G-SIB buffer requirement</i>		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	5.48%	5.15%

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	
71	National total capital minimum ratio (if different from Basel III minimum)	
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)	
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	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	
83	<i>Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)</i>	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

CAPITAL REQUIREMENTS

Capital requirements in the ADI is determined by the risk weights of the relevant assets held with the minimum required capital to over 8% of the risk weighted assets. The ADI maintains a capital policy level of Minimum 13.50% and a capital target of 15.50%. The level of capital as at 30 June 2017 is 16.48%.

The risk weighted assets for each asset grouping as set out in the table below is determined by the APRA Prudential Standards APS 112. These are prescribed risk weights to measure the level of risk of based on the nature and level of security supporting the assets recovery.

The risk weighted assets held as at the end of the quarter ended 30 June 2017 is as follows

Table B Risk Weighted Assets By Asset Class

	Prescribed	
	RWA	
	\$	
	Current quarter 30 June 2017	Previous quarter 31 March 2017
(a) Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio;		
• Loans - secured by residential mortgage	30,885,516	29,622,975
• Loans - other retail	6,808,616	7,138,164
• Liquid investments	4,578,048	4,568,239
• all other assets	886,907	989,133
Total credit risk on balance sheet	43,159,087	42,318,511
Total credit risk off balance sheet (commitments)		
• Undrawn financial commitments (overdrafts, credit cards, line of credit, Loans approved not advanced, guarantees)	1,404,203	1,658,576
• Capital requirements for securitisation	-	-
(b) Capital requirements for market risk.	-	-
(c) Capital requirements for operational risk.	6,795,646	6,440,280
Total Risk Weighted assets (Sum above components)	51,358,936	50,417,367

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

CAPITAL HELD BY THE ADI

The capital held by the ADI exceeds the policy and minimum capital prescribed by the APRA Prudential standards. This excess facilitates future growth within the ADI.

The capital ratio is the amount of capital described in Table C divided by the risk weighted assets

Table C

	Capital \$		Capital Ratio	
	Current quarter 30 June 2017	Previous quarter 31 March 2017	Current quarter 30 June 2017	Previous quarter 31 March 2017
Common Equity Tier 1	8,212,877	7,899,803	15.99%	15.67%
Tier 1	8,212,877	7,899,803	15.99%	15.67%
Total Capital	8,465,035	8,144,917	16.48%	16.15%

CREDIT RISK

(i) CREDIT RISK – INVESTMENTS

Surplus cash not invested in loans to members are held in high quality liquid assets. This included the funds required to be held to meet withdrawal of deposits by members of the ADI.

The ADI uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA prudential Guidance in APS112. The credit quality assessment scale within this standard has been complied with.

The table D below excludes the Equities and off balance sheet exposures. Off balance sheet exposures are set out in the table F that follows

The exposure values associated with each credit quality step are as follows in Table D:

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

Table D

Current Quarter 30 June 2017

	Current quarter					
Investments with banks and other ADI's	Average gross exposure in quarter	Carrying value on balance sheet	Past due facilities	Impaired facilities	Specific Provision as at end of qtr	Increase in specific provision and write offs in qtr
	\$	\$	\$	\$	\$	\$
Cuscal	4,633,974	6,177,801	-	-	-	-
Banks	11,766,714	10,502,126	-	-	-	-
Government	-	-	-	-	-	-
Total	16,400,688	16,679,927	-	-	-	-

Previous quarter 31 March 2017

	Previous quarter					
Investments with banks and other ADI's	Average gross exposure in quarter	Carrying value on balance sheet	Past due facilities	Impaired facilities	Specific Provision as at end of qtr	Increase in specific provision and write offs in qtr
	\$	\$	\$	\$	\$	\$
Cuscal	3,902,280	3,840,578	-	-	-	-
Banks	12,866,168	12,793,522	-	-	-	-
Government	-	-	-	-	-	-
Total	16,768,448	16,634,100	-	-	-	-

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

CREDIT RISK – LOANS

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

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 (net of deferred fees)
- Past due loans is the 'on balance sheet' loan balances which are behind in repayments past due by 90 days or more but not impaired
- Impaired loans are 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.

The impaired loans are generally not secured against residential property. Some impaired loans are secured by bill of sale over motor vehicles or other assets of varying value. It is not practicable to determine the fair value all collateral as at the balance date due to the variety of assets and condition

The analysis of the ADI's loans by class, is as follows in Table E

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

Table E [excludes off balance sheet exposures or equities. Off balance sheet exposures are set out in the table F that follows]

Current Quarter 30 June 2017

Loans Portfolio	Gross exposure value -Average for the period	Gross exposure value on balance sheet	Commitments – redraws, overdraft facilities undrawn	Past due facilities	Impaired facilities	Specific Provision as at end of qtr	Increase in specific provision and write offs in qtr
	\$	\$	\$	\$	\$	\$	\$
Mortgage secured	81,506,397	87,186,001	6,967,751	-	-	-	-
Personal	6,188,155	5,707,777	23,800	15,546	15,546	11,518	102
Overdrafts & Credit cards	1,053,292	1,130,787	745,571	16,560	21,511	18,430	1,395
Total	88,747,844	94,024,565	7,737,122	32,106	37,057	29,948	1,497

Previous quarter 31 March 2017

Loans Portfolio	Gross exposure value -Average for the period	Gross exposure value on balance sheet	Commitments – redraws, overdraft facilities undrawn	Past due facilities	Impaired facilities	Specific Provision as at end of qtr	Increase in specific provision and write offs in qtr
	\$	\$	\$	\$	\$	\$	\$
Mortgage secured	80,247,579	83,712,434	7,727,235	-	-	-	-
Personal	6,331,322	5,951,280	37,531	12,938	12,938	11,416	1,030
Overdrafts & Credit cards	1,075,694	1,215,334	551,151	18,413	20,290	17,035	1,803
Total	87,654,595	90,879,048	8,315,917	31,351	33,228	28,451	2,833

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

General Reserve for Credit Losses

This reserve is set aside to quantify the estimate for potential future losses in the loans and investments.

In addition to the provision for impairment, the board has recognised the need to make an allocation from retained earnings to ensure there is adequate protection for members against the prospect that some members will experience loan repayment difficulties in the future.

The reserve has been determined on the basis of the past experience with the loan delinquency and amounts written off.

The value of the reserve is amended to reflect the changes in economic conditions, and the relevant concentrations in specific regions and industries of employment within the loan book.

	Current quarter 30 June 2017	Previous quarter 31 March 2017
Balance	252,158	245,114

Woolworths Employees' Credit Union Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting As At June 2017
Basic public disclosure requirements on capital and credit risk

OFF BALANCE SHEET ARRANGEMENTS

The ADI has entered into arrangements for off balance sheet loans to support its liquidity requirements from time to time. The table below states the current value of off balance sheet loans managed by the ADI as at 30 June 2017

Table F

Current Quarter 30 June 2017

	Securitised Loans Off- balance sheet exposures	Off- balance sheet loans exposures
	Aggregate amount	Aggregate amount
	\$	\$
Mortgage loans	7,486	4,038,820
Personal loans	-	-
Credit cards	-	-
Total	7,486	4,038,820

The recognised gain or loss on off balance sheet arrangements entered into in the past quarter is \$ Nil

Previous Quarter 31 March 2017

	Securitised Loans Off- balance sheet exposures	Off- balance sheet loans exposures
	Aggregate amount	Aggregate amount
	\$	\$
Mortgage loans	9,239	2,880,397
Personal loans	-	-
Credit cards	-	-
Total	9,239	2,880,397