

Woolworths Team Bank Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting as at 31 December 2022
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 15.00%. The level of capital as at 31 December 2022 is 15.57%.

The risk weighted assets for each asset grouping as set out in the table below is determined by the APRA Prudential Standard APS 112. These are prescribed risk weights to measure the level of risk 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 31 December 2022 are as follows:

Table A Risk Weighted Assets By Asset Class

	Prescribed	
	RWA	
	\$	
	Current quarter 31 December 2022	Previous quarter 30 September 2022
(a) Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio;		
• Loans - secured by residential mortgage	38,479,723	39,068,912
• Loans - other retail	7,568,320	7,072,438
• Liquid investments	3,714,760	3,859,177
• all other assets	113,225	368,491
Total credit risk on balance sheet	49,876,028	50,369,017
Total credit risk off balance sheet (commitments)		
• Undrawn financial commitments (overdrafts, credit cards, line of credit, Loans approved not advanced, guarantees)	1,452,884	1,632,521
• Capital requirements for securitisation	-	-
(b) Capital requirements for market risk.	-	-
(c) Capital requirements for operational risk.	8,660,583	8,597,370
Total Risk Weighted assets (Sum above components)	59,989,495	60,598,908

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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 B divided by the risk weighted assets.

Table B

	Capital \$		Capital Ratio	
	Current quarter 31 December 2022	Previous quarter 30 September 2022	Current quarter 31 December 2022	Previous quarter 30 September 2022
Common Equity Tier 1	9,092,231	8,993,253	15.06%	14.82%
Tier 1	9,092,231	8,993,253	15.06%	14.82%
Total Capital	9,402,747	9,305,424	15.57%	15.33%

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 C below excludes the Equities and Off Balance Sheet exposures. Off Balance Sheet exposures are set out in the Table E that follows.

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

Woolworths Team Bank Limited (A.B.N. 67 087 651 803)
APS 330 Financial Reporting as at 31 December 2022
Basic public disclosure requirements on capital and credit risk

Table C

Current Quarter 31 December 2022

Investments with banks and other ADI's	Current quarter					
	Average gross exposure in quarter	Carrying value on balance sheet	Past due facilities	Impaired facilities	Specific Provision as at end of quarter	Increase in specific provision and write offs in quarter
	\$	\$	\$	\$	\$	\$
Cuscal	6,678,608	6,621,460	-	-	-	-
Banks	9,311,687	10,031,086	-	-	-	-
Government	11,863,040	10,853,275	-	-	-	-
Total	27,853,335	27,505,822	-	-	-	-

Previous quarter 30 September 2022

Investments with banks and other ADI's	Previous quarter					
	Average gross exposure in quarter	Carrying value on balance sheet	Past due facilities	Impaired facilities	Specific Provision as at end of quarter	Increase in specific provision and write offs in quarter
	\$	\$	\$	\$	\$	\$
Cuscal	7,039,144	7,870,764	-	-	-	-
Banks	8,073,808	8,013,599	-	-	-	-
Government	11,863,040	11,860,619	-	-	-	-
Total	26,975,991	27,744,982	-	-	-	-

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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:

- 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 D:

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APS 330 Financial Reporting as at 31 December 2022
Basic public disclosure requirements on capital and credit risk

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

Current Quarter 31 December 2022

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 quarter	Increase in specific provision and write offs in quarter
	\$	\$	\$	\$	\$	\$	\$
Mortgage secured	109,164,424	108,958,172	7,899,724	-	-	-	-
Personal	6,376,023	6,789,374	8,800	27,772	27,772	38,963	3,226
Overdrafts & Credit cards	794,341	834,771	1,847,052	12,984	26,172	16,862	10,479
Total	116,334,788	116,582,317	9,755,576	40,756	53,944	55,825	13,705

Previous quarter 30 September 2022

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 quarter	Increase in specific provision and write offs in quarter
	\$	\$	\$	\$	\$	\$	\$
Mortgage secured	109,756,507	110,639,604	8,751,157	-	-	-	-
Personal	6,125,827	6,353,904	8,800	28,149	28,149	35,737	-9,965
Overdrafts & Credit cards	779,189	760,654	1,163,891	5,916	8,153	6,383	-2,743
Total	116,661,523	117,754,162	9,923,848	34,065	36,302	42,120	-12,708



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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 31 December 2022	Previous quarter 30 September 2022
Balance	\$310,516	\$312,171

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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 31 December 2022

Table E

Current Quarter 31 December 2022

	Securitised Loans Off- balance sheet exposures	Off- balance sheet loans exposures
	Aggregate amount	Aggregate amount
	\$	\$
Mortgage loans	1,487	23,352,731
Personal loans	-	-
Credit cards	-	-
Total	1,487	23,352,731

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

Previous Quarter 30 September 2022

	Securitised Loans Off- balance sheet exposures	Off- balance sheet loans exposures
	Aggregate amount	Aggregate amount
	\$	\$
Mortgage loans	1,526	23,184,604
Personal loans	-	-
Credit cards	-	-
Total	1,526	23,184,604