

APS 330 Public Disclosure

Capital Adequacy and Credit Risk Exposure
as at 31 December 2021



Credit Union SA Ltd
ABN 36 087 651 232
AFSL/Australian Credit
Licence Number 241066



1. Capital Adequacy

The Credit Union's lead regulator, APRA, sets and monitors minimum capital requirements based on an Internal Capital Adequacy Assessment Process (ICAAP) prepared by the Credit Union, which sets a targeted capital range based on risk analysis and capital allocation for identified risk categories.

In implementing current capital requirements, APRA requires the Credit Union to maintain a prescribed capital adequacy ratio. The Credit Union has complied with all APRA capital adequacy requirements throughout the period.

The Credit Union maintains capital through the appropriation of retained earnings to general reserves. No other capital instruments are utilised.

The Credit Union has adopted a standardised approach to the calculation of the capital adequacy ratio in accordance with the Basel III capital framework.

There have been no material changes in the Credit Union's management of capital during the period.

1.1 Capital

1.1 Capital (as at 31 December 2021)

Common Equity Tier 1 Capital	\$'000
Retained and current year's earnings	109,143
Other reserves	1,818
Common Equity Tier 1 capital before regulatory adjustments	110,961
Common Equity Tier 1 Capital: regulatory adjustments	
Goodwill and Other Intangibles	(4,606)
Deferred Tax Assets arising from temporary differences	(1,177)
Investment in banking and financial entities	(3,223)
Equity investments in commercial entities	(4,882)
Total regulatory adjustments to Common Equity Tier 1 Capital	(13,888)
Total Common Equity Tier 1 Capital	97,073
Tier 2 Capital: instruments and provisions	
General Reserve for Credit Losses	1,450
Total Tier 2 Capital	1,450
Total Capital	98,523

1.2 Reconciliation of Regulatory Capital

	\$'000
Equity	111,850
General Reserves for Credit Losses (AASB 9)	(889)
Common Equity Tier 1 capital before regulatory adjustments	110,961
Regulatory adjustments to Common Equity Tier 1 Capital	(13,888)
Total Common Equity Tier 1 Capital	97,073
Total Tier 2 Capital	1,450
Total Capital	98,523

1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	1,010,753	360,814
other loans and advances	48,819	48,819
external liquid deposits	248,579	72,365
off balance sheet exposures	34,542	12,623
Cash	31,461	6,262
Other assets	311	311
Credit Risk Weighted Exposure	1,374,465	501,194
Operational Risk Weighted Exposure		67,915
Total Risk Weighted Exposure		569,109

1.4 Capital Adequacy Ratios

Common Equity Tier 1 Ratio	17.06%
Total Capital Ratio	17.31%

2. Credit Risk Exposure

	Gross Credit Risk at December 2021	Quarterly Average Gross Exposure	Amount Impaired	Amount Past Due 90 days	Individual Provision	Charge for Individual Provisions and Write-offs for the Period	General Reserve for Credit Losses
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and Advances to Members							
Loans and advances secured by mortgages	1,010,753	1,003,048	-	3,366	-	-	-
Other loans and advances	48,819	47,382	3,102	54	168	(11)	-
Total Loans and Advances to Members	1,059,572	1,050,430	3,102	3,420	168	(11)	2,001
External Liquid Deposits	248,579	249,890	-	-	-	-	-
Cash	31,461	21,594	-	-	-	-	-
Other Assets	311	186	-	-	-	-	-
Off Balance Sheet Exposures	34,542	33,455	-	-	-	-	-
Total Credit Risk Exposure	1,374,465	1,355,455	3,102	3,420	168	(11)	2,001