

# APS 330 Public Disclosure

Capital Adequacy and Credit Risk Exposure  
as at 30 September 2022



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 30 September 2022)

<b>Common Equity Tier 1 Capital</b>	<b>\$'000</b>
Retained and current year's earnings	110,587
Other reserves	1,558
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>112,145</b>
<b>Common Equity Tier 1 Capital: regulatory adjustments</b>	
Goodwill and Other Intangibles	(5,200)
Deferred Tax Assets arising from temporary differences	(1,099)
Investment in banking and financial entities	(4,431)
Equity investments in commercial entities	(4,399)
<b>Total regulatory adjustments to Common Equity Tier 1 Capital</b>	<b>(15,129)</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>97,016</b>
<b>Tier 2 Capital: instruments and provisions</b>	
General Reserve for Credit Losses	1,314
<b>Total Tier 2 Capital</b>	<b>1,314</b>
<b>Total Capital</b>	<b>98,330</b>

## 1.2 Reconciliation of Regulatory Capital

	\$'000
<b>Equity</b>	<b>112,847</b>
General Reserves for Credit Losses (AASB 9)	(703)
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>112,145</b>
Regulatory adjustments to Common Equity Tier 1 Capital	(15,129)
<b>Total Common Equity Tier 1 Capital</b>	<b>97,016</b>
<b>Total Tier 2 Capital</b>	<b>1,314</b>
<b>Total Capital</b>	<b>98,330</b>

## 1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	1,212,104	432,365
other loans and advances	56,165	56,165
external liquid deposits	238,169	62,242
off balance sheet exposures	50,389	18,296
Cash	27,177	5,382
Other assets	424	424
<b>Credit Risk Weighted Exposure</b>	<b>1,584,428</b>	<b>574,874</b>
<b>Operational Risk Weighted Exposure</b>		<b>69,178</b>
<b>Total Risk Weighted Exposure</b>		<b>644,052</b>

## 1.4 Capital Adequacy Ratios

<b>Common Equity Tier 1 Ratio</b>	<b>15.06%</b>
<b>Total Capital Ratio</b>	<b>15.27%</b>

## 2. Credit Risk Exposure

	Gross Credit Risk at March 2022	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	1,212,104	1,161,605	-	2,125	-	-	-
Other loans and advances	56,165	55,741	-	34	226	21	-
<b>Total Loans and Advances to Members</b>	<b>1,268,269</b>	<b>1,217,346</b>	<b>-</b>	<b>2,159</b>	<b>226</b>	<b>21</b>	<b>1,751</b>
<b>External Liquid Deposits</b>	<b>238,169</b>	<b>209,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash</b>	<b>27,177</b>	<b>32,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Assets</b>	<b>424</b>	<b>212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off Balance Sheet Exposures</b>	<b>50,389</b>	<b>51,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Credit Risk Exposure</b>	<b>1,584,428</b>	<b>1,510,839</b>	<b>-</b>	<b>2,159</b>	<b>226</b>	<b>21</b>	<b>1,751</b>