

APS 330 Public Disclosure

Capital Adequacy and Credit Risk Exposure
as at 31 December 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 31 December 2022)

Common Equity Tier 1 Capital	\$'000
Retained and current year's earnings	112,609
Other reserves	1,801
Common Equity Tier 1 capital before regulatory adjustments	114,410
Common Equity Tier 1 Capital: regulatory adjustments	
Goodwill and Other Intangibles	(5,215)
Deferred Tax Assets arising from temporary differences	(1,099)
Investment in banking and financial entities	(4,431)
Equity investments in commercial entities	(4,399)
Total regulatory adjustments to Common Equity Tier 1 Capital	(15,143)
Total Common Equity Tier 1 Capital	99,268
Tier 2 Capital: instruments and provisions	
General Reserve for Credit Losses	1,408
Total Tier 2 Capital	1,408
Total Capital	100,675

1.2 Reconciliation of Regulatory Capital

	\$'000
Equity	115,131
General Reserves for Credit Losses (AASB 9)	(721)
Common Equity Tier 1 capital before regulatory adjustments	114,410
Regulatory adjustments to Common Equity Tier 1 Capital	(15,143)
Total Common Equity Tier 1 Capital	99,268
Total Tier 2 Capital	1,408
Total Capital	100,675

1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	1,236,035	443,265
other loans and advances	57,159	57,159
external liquid deposits	207,329	56,259
off balance sheet exposures	28,084	10,279
Cash	63,310	12,610
Other assets	402	402
Credit Risk Weighted Exposure	1,592,319	579,974
Operational Risk Weighted Exposure		71,991
Total Risk Weighted Exposure		651,965

1.4 Capital Adequacy Ratios

Common Equity Tier 1 Ratio	15.23%
Total Capital Ratio	15.44%

2. Credit Risk Exposure

	Gross Credit Risk at Dec 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	1,236,035	1,224,070	-	2,349	-	-	-
Other loans and advances	57,159	56,662	-	52	187	(70)	-
Total Loans and Advances to Members	1,293,194	1,280,732	-	2,401	187	(70)	1,877
External Liquid Deposits	207,329	222,749	-	-	-	-	-
Cash	63,310	45,244	-	-	-	-	-
Other Assets	402	413	-	-	-	-	-
Off Balance Sheet Exposures	20,084	39,236	-	-	-	-	-
Total Credit Risk Exposure	1,592,319	1,558,374	-	2,401	187	(70)	1,877