

APS 330 Public Disclosure

Capital Adequacy and Credit Risk Exposure
as at 30 September 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 30 September 2021)

Common Equity Tier 1 Capital	\$'000
Retained and current year's earnings	108,320
Other reserves	2,488
Common Equity Tier 1 capital before regulatory adjustments	110,808
Common Equity Tier 1 Capital: regulatory adjustments	
Goodwill and Other Intangibles	(4,192)
Deferred Tax Assets arising from temporary differences	(1,777)
Investment in banking and financial entities	(3,223)
Equity investments in commercial entities	(4,924)
Total regulatory adjustments to Common Equity Tier 1 Capital	(13,516)
Total Common Equity Tier 1 Capital	97,292
Tier 2 Capital: instruments and provisions	
General Reserve for Credit Losses	1,544
Total Tier 2 Capital	1,544
Total Capital	98,836

1.2 Reconciliation of Regulatory Capital

	\$'000
Equity	111,742
General Reserves for Credit Losses (AASB 9)	(934)
Common Equity Tier 1 capital before regulatory adjustments	110,808
Regulatory adjustments to Common Equity Tier 1 Capital	(13,516)
Total Common Equity Tier 1 Capital	97,292
Total Tier 2 Capital	1,544
Total Capital	98,836

1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	995,342	356,972
other loans and advances	45,945	45,945
external liquid deposits	251,200	68,347
off balance sheet exposures	32,167	11,732
Cash	11,727	2,309
Other assets	62	62
Credit Risk Weighted Exposure	1,336,443	485,367
Operational Risk Weighted Exposure		66,696
Total Risk Weighted Exposure		552,063

1.4 Capital Adequacy Ratios

Common Equity Tier 1 Ratio	17.62%
Total Capital Ratio	17.90%

2. Credit Risk Exposure

	Gross Credit Risk at September 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	995,342	988,381	-	4,962	-	-	-
Other loans and advances	45,945	45,411	5,079	48	178	4	-
Total Loans and Advances to Members	1,041,287	1,033,792	5,079	5,010	178	4	2,131
External Liquid Deposits	251,200	251,073	-	-	-	-	-
Cash	11,727	11,891	-	-	-	-	-
Other Assets	62	384	-	-	-	-	-
Off Balance Sheet Exposures	32,167	32,033	-	-	-	-	-
Total Credit Risk Exposure	1,336,443	1,329,173	5,079	5,010	178	4	2,131