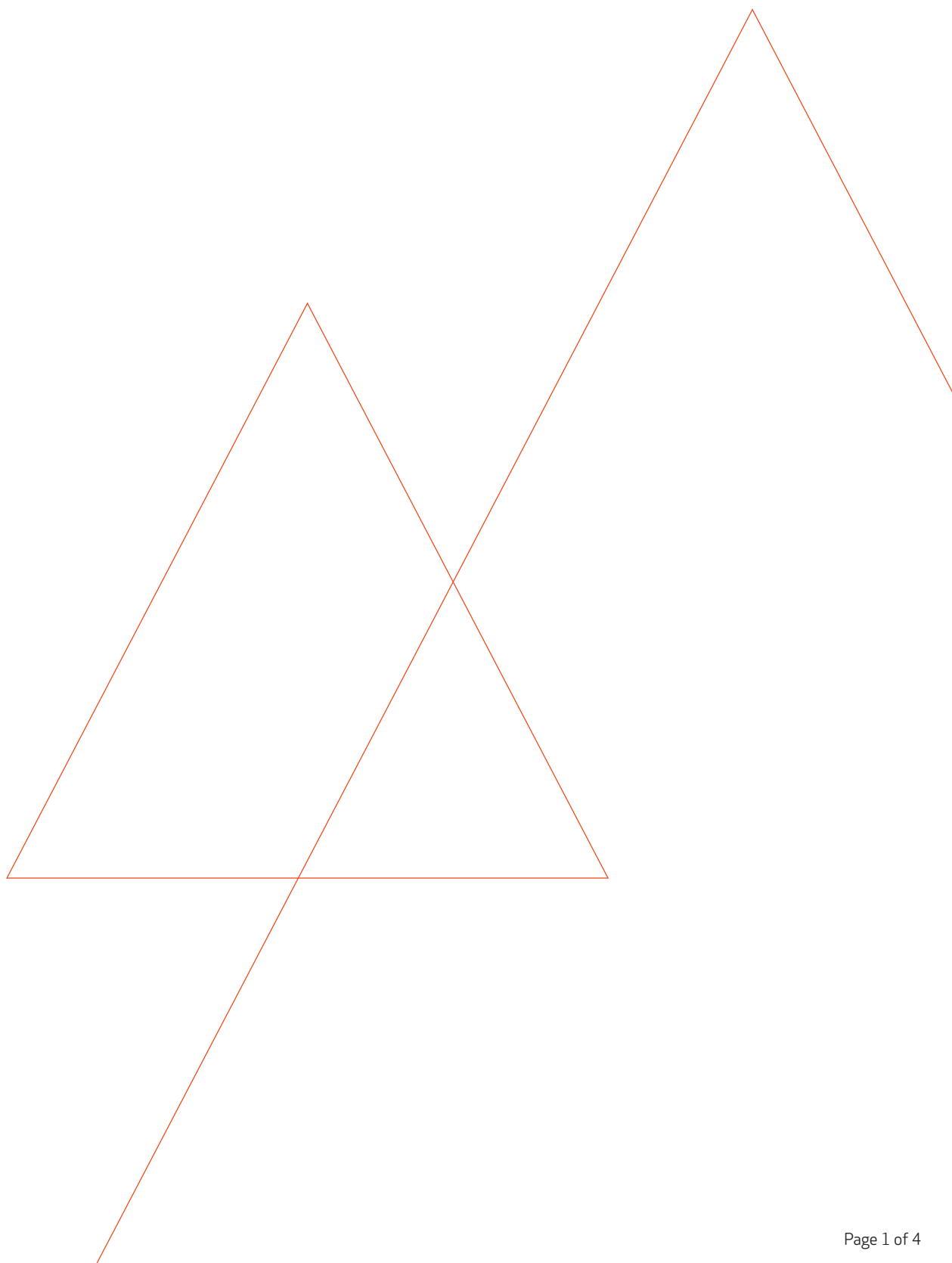


APS 330 Public Disclosure

Capital Adequacy and Credit Risk Exposure
as at 30 September 2020



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

Common Equity Tier 1 Capital	\$'000
Retained and current year's earnings	105,570
Other reserves	2,502
Common Equity Tier 1 capital before regulatory adjustments	108,072
Common Equity Tier 1 Capital: regulatory adjustments	
Goodwill and Other Intangibles	(3,192)
Deferred Tax Assets arising from temporary differences	(1,226)
Investment in banking and financial entities	(2,838)
Specific Capital adjustments relating to internal securitisation	(3,826)
Equity investments in commercial entities	(4,596)
Total regulatory adjustments to Common Equity Tier 1 Capital	(15,678)
Total Common Equity Tier 1 Capital	92,394
Tier 2 Capital: instruments and provisions	
General Reserve for Credit Losses	1,912
Total Tier 2 Capital	1,912
Total Capital	94,306

1.2 Reconciliation of Regulatory Capital

	\$'000
Equity	109,260
General Reserves for Credit Losses (AASB 9)	(1,188)
Common Equity Tier 1 capital before regulatory adjustments	108,072
Regulatory adjustments to Common Equity Tier 1 Capital	(15,678)
Total Common Equity Tier 1 Capital	92,394
Total Tier 2 Capital	1,912
Total Capital	94,306

1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	922,801	338,129
other loans and advances	34,623	34,623
external liquid deposits	250,790	87,738
off balance sheet exposures	20,197	7,524
Cash	16,577	3,278
Other assets	1,762	1,762
Credit Risk Weighted Exposure	1,246,750	473,054
Operational Risk Weighted Exposure		63,187
Total Risk Weighted Exposure		536,240

1.4 Capital Adequacy Ratios

Common Equity Tier 1 Ratio	17.23%
Total Capital Ratio	17.59%

2. Credit Risk Exposure

	Gross Credit Risk at June 2020	Quarterly Average Gross Exposure	Amount	Amount Past Due 90 days	Individual Provision	Charge for Individual Provisions and Write-offs for the Period	General Reserve for Credit Losses
	Impaired	Amount Past	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and Advances to Members							
Loans and advances secured by mortgages	922,801	919,249	781	11,829	5	-	-
Other loans and advances	34,623	33,863	11,361	208	174	74	-
Total Loans and Advances to Members	957,424	953,112	12,142	12,037	179	74	2,637
External Liquid Deposits	250,790	228,635	-	-	-	-	-
Cash	16,577	20,678	-	-	-	-	-
Other Assets	1,762	1,485	-	-	-	-	-
Off Balance Sheet Exposures	20,197	13,721	-	-	-	-	-
Total Credit Risk Exposure	1,246,750	1,217,631	12,142	12,037	179	74	2,637