

APS 330 Public Disclosure

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

	\$'000
Common Equity Tier 1 Capital	
Retained and current year's earnings	107,751
Other reserves	2,673
Common Equity Tier 1 capital before regulatory adjustments	110,424
Common Equity Tier 1 Capital: regulatory adjustments	
Goodwill and Other Intangibles	(3,956)
Deferred Tax Assets arising from temporary differences	(1,177)
Investment in banking and financial entities	(3,223)
Equity investments in commercial entities	(4,940)
Total regulatory adjustments to Common Equity Tier 1 Capital	(13,296)
Total Common Equity Tier 1 Capital	97,128
Tier 2 Capital: instruments and provisions	
General Reserve for Credit Losses	1,694
Total Tier 2 Capital	1,694
Total Capital	98,821

1.2 Reconciliation of Regulatory Capital

	\$'000
Equity	111,469
General Reserves for Credit Losses (AASB 9)	(1,045)
Common Equity Tier 1 capital before regulatory adjustments	110,424
Regulatory adjustments to Common Equity Tier 1 Capital	(13,296)
Total Common Equity Tier 1 Capital	97,128
Total Tier 2 Capital	1,694
Total Capital	98,821

1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	981,419	353,521
other loans and advances	44,877	44,877
external liquid deposits	250,946	74,032
off balance sheet exposures	31,898	11,709
Cash	12,054	2,377
Other assets	707	707
Credit Risk Weighted Exposure	1,321,901	487,223
Operational Risk Weighted Exposure		66,810
Total Risk Weighted Exposure		554,033

1.4 Capital Adequacy Ratios

Common Equity Tier 1 Ratio	17.53%
Total Capital Ratio	17.84%

2. Credit Risk Exposure

	Gross Credit Risk at December 2020	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	981,419	974,943	-	5,986	-	-	-
Other loans and advances	44,877	43,991	6,045	77	179	70	-
Total Loans and Advances to Members	1,026,296	1,018,934	6,045	6,063	179	70	2,336
External Liquid Deposits	250,946	244,878	-	-	-	-	-
Cash	12,054	11,489	-	-	-	-	-
Other Assets	707	551	-	-	-	-	-
Off Balance Sheet Exposures	31,898	28,978	-	-	-	-	-
Total Credit Risk Exposure	1,321,901	1,304,830	6,045	6,063	179	70	2,336