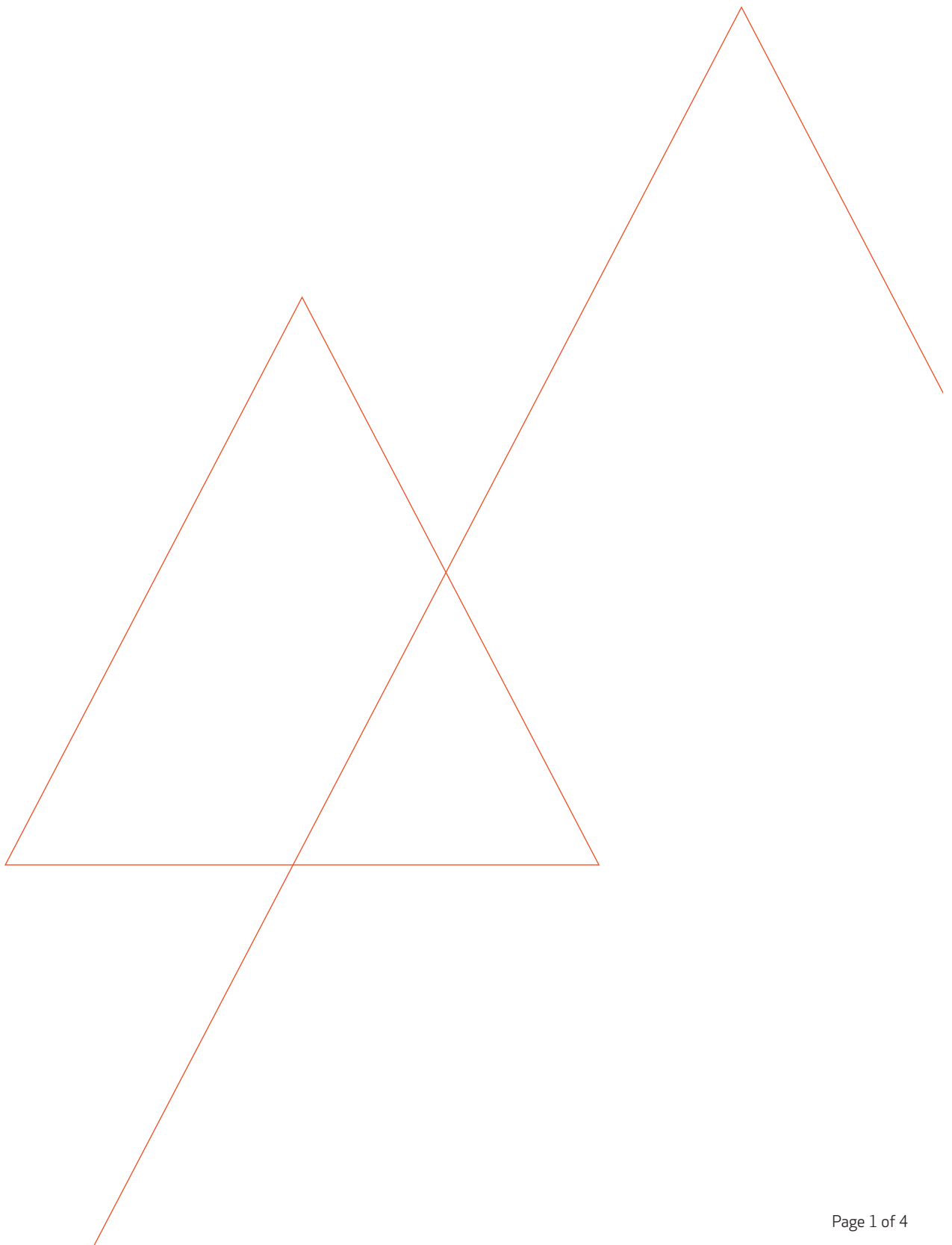


APS 330 Public Disclosure

Capital Adequacy and Credit Risk Exposure
as at 30 June 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 (as at 30 June 2020)

Common Equity Tier 1 Capital	\$'000
Retained and current year's earnings	105,291
Other reserves	2,244
Common Equity Tier 1 capital before regulatory adjustments	107,535
Common Equity Tier 1 Capital: regulatory adjustments	
Goodwill and Other Intangibles	(3,450)
Deferred Tax Assets arising from temporary differences	(1,226)
Investment in banking and financial entities	(2,838)
Specific Capital adjustments relating to internal securitisation	(3,825)
Equity investments in commercial entities	(4,698)
Total regulatory adjustments to Common Equity Tier 1 Capital	(16,037)
Total Common Equity Tier 1 Capital	91,498
Tier 2 Capital: instruments and provisions	
General Reserve for Credit Losses	2,025
Total Tier 2 Capital	2,025
Total Capital	93,523

1.2 Reconciliation of Regulatory Capital

	\$'000
Equity	108,795
General Reserves for Credit Losses (AASB 9)	(1,260)
Common Equity Tier 1 capital before regulatory adjustments	107,535
Regulatory adjustments to Common Equity Tier 1 Capital	(16,037)
Total Common Equity Tier 1 Capital	91,498
Total Tier 2 Capital	2,025
Total Capital	93,523

1.3 Capital Requirements

	Total Exposure \$'000	Risk Weighted Exposure \$'000
Credit Risk		
loans and advances secured by mortgages	915,696	334,384
other loans and advances	33,103	33,103
external liquid deposits	206,480	66,381
off balance sheet exposures	7,245	2,768
Cash	24,779	4,901
Other assets	1,207	1,207
Credit Risk Weighted Exposure	1,188,510	442,744
Operational Risk Weighted Exposure		63,187
Total Risk Weighted Exposure		505,931

1.4 Capital Adequacy Ratios

Common Equity Tier 1 Ratio	18.09%
Total Capital Ratio	18.49%

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	915,696	926,312	5,048	4718	5	-	-
Other loans and advances	33,103	34,897	353	227	144	88	-
Total Loans and Advances to Members	948,799	961,209	5,401	4,945	149	88	2,793
External Liquid Deposits	206,480	183,796	-	-	-	-	-
Cash	24,779	18,786	-	-	-	-	-
Other Assets	1,207	1,396	-	-	-	-	-
Off Balance Sheet Exposures	7,245	7,845	-	-	-	-	-
Total Credit Risk Exposure	1,188,510	1,173,032	5,401	4,945	149	88	2,793