



Capital Disclosures

Under APS330 Capital Adequacy: Public Disclosure of Prudential Information, the following information is required to be disclosed on the Credit Union's website. In making the following disclosures, the post 1 January 2018 common disclosure template is being used because SCCU is fully applying the Basel III regulatory adjustments as implemented by APRA.

As a financial institution, Southern Cross Credit Union must hold sufficient capital to support all material risks it is exposed to. In addition, it has capital plans in place to manage its position into the future.

As At 30 June
2020 \$A
(\$,000)

Common Disclosure Template

Common Equity Tier 1 capital: instruments and reserves

1 Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	Not applicable
2 Retained earnings	55,198
3 Accumulated other comprehensive income (and other reserves)	950
4 Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	Not applicable
5 Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	Not applicable
6 Common Equity Tier 1 capital before regulatory adjustments	56,148

Common Equity Tier 1 capital: regulatory adjustments

7 Prudential valuation adjustments	Not applicable
8 Goodwill (net of related tax liability)	Not applicable
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	Not applicable
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	Not applicable
11 Cash-flow hedge reserve	Not applicable
12 Shortfall of provisions to expected losses	Not applicable
13 Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	Not applicable
14 Gains and losses due to changes in own credit risk on fair valued liabilities	Not applicable
15 Defined benefit superannuation fund net assets	Not applicable
16 Investments in own shares (if not already netted off paid in capital on reported balance sheet)	Not applicable
17 Reciprocal cross-holdings in common equity	Not applicable
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	Not applicable
19 Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	Not applicable
20 Mortgage service rights (amount above 10% threshold)	Not applicable
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable
22 Amount exceeding the 15% threshold	0
23 of which: significant investments in the ordinary shares of financial entities	Not applicable
24 of which: mortgage servicing rights	Not applicable
25 of which: deferred tax assets arising from temporary differences	Not applicable
26 National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	(2,399)
26a of which: treasury shares	Not applicable
26b of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	Not applicable
26c of which: deferred fee income	Not applicable
26d of which: equity investments in financial institutions not reported in rows 18, 19 and 23	(980)
26e of which: deferred tax assets not reported in rows 10, 21 and 25	(338)
26f of which: capitalised expenses	(1,081)
26g of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	Not applicable
26h of which: covered bonds in excess of asset cover in pools	Not applicable
26i of which: undercapitalisation of a non-consolidated subsidiary	Not applicable
26j of which: other national specific regulatory adjustments not reported in rows 26a to 26i	Not applicable
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	Not applicable
28 Total regulatory adjustments to Common Equity Tier 1	(2,399)
29 Common Equity Tier 1 Capital (CET1)	53,749



Additional Tier 1 Capital: instruments

30 Directly issued qualifying Additional Tier 1 instruments	Not applicable
31 of which: classified as equity under applicable accounting standards	Not applicable
32 of which: classified as liabilities under applicable accounting standards	Not applicable
33 Directly issued capital instruments subject to phase out from Additional Tier 1	Not applicable
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	Not applicable
35 of which: instruments issued by subsidiaries subject to phase out	Not applicable
36 Additional Tier 1 Capital before regulatory adjustments	-

Additional Tier 1 Capital: regulatory adjustments

37 Investments in own Additional Tier 1 instruments	Not applicable
38 Reciprocal cross-holdings in Additional Tier 1 instruments	Not applicable
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	Not applicable
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	Not applicable
41 National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	-
41a of which: holdings of capital instruments in group members by other group members on behalf of third parties	Not applicable
41b of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	Not applicable
41c of which: other national specific regulatory adjustments not reported in rows 41a and 41b	Not applicable
42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	Not applicable
43 Total regulatory adjustments to Additional Tier 1 capital	-
44 Additional Tier 1 capital (AT1)	-
45 Tier 1 Capital (T1=CET1+AT1)	53,749

As At 30 June
2020 \$A
(\$,000)

Tier 2 Capital: instruments and provisions

46 Directly issued qualifying Tier 2 instruments	Not applicable
47 Directly issued capital instruments subject to phase out from Tier 2	Not applicable
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	Not applicable
49 of which: instruments issued by subsidiaries subject to phase out	Not applicable
50 Provisions	2,825
51 Tier 2 Capital before regulatory adjustments	2,825

Tier 2 Capital: regulatory adjustments

52 Investments in own Tier 2 instruments	Not applicable
53 Reciprocal cross-holdings in Tier 2 instruments	Not applicable
54 Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	Not applicable
55 Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	Not applicable
56 National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	Not applicable
56a of which: holdings of capital instruments in group members by other group members on behalf of third parties	Not applicable
56b of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	Not applicable
56c of which: other national specific regulatory adjustments not reported in rows 56a and 56b	Not applicable
57 Total regulatory adjustments to Tier 2 capital	-
58 Tier 2 capital (T2)	2,825
59 Total capital (TC=T1+T2)	56,575
60 Total risk-weighted assets based on APRA standards	309,047



Capital ratios and buffers

61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	17.39%
62 Tier 1 (as a percentage of risk-weighted assets)	17.39%
63 Total capital (as a percentage of risk-weighted assets)	18.31%
64 Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7.00%
65 of which: capital conservation buffer requirement	2.50%
66 of which: ADI-specific countercyclical buffer requirements	0
67 of which: G-SIB buffer requirement (not applicable)	
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	5.39%

National minima (if different from Basel III)

69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	
70 National Tier 1 minimum ratio (if different from Basel III minimum)	
71 National total capital minimum ratio (if different from Basel III minimum)	

Amount below thresholds for deductions (not risk-weighted)

72 Non-significant investments in the capital of other financial entities	Not applicable
73 Significant investments in the ordinary shares of financial entities	Not applicable
74 Mortgage servicing rights (net of related tax liability)	Not applicable
75 Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable

Applicable caps on the inclusion of provisions in Tier 2

76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	2,825
77 Cap on inclusion of provisions in Tier 2 under standardised approach	3,429
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	Not applicable
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	Not applicable

Capital instruments subject to phase-out arrangements

80 Current cap on CET1 instruments subject to phase out arrangements	Not applicable
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable
82 Current cap on AT1 instruments subject to phase out arrangements	Not applicable
83 Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	Not applicable
84 Current cap on T2 instruments subject to phase out arrangements	Not applicable
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	Not applicable

Attachment B: Main Features of Capital Instruments

Southern Cross Credit Union Ltd has no capital instruments included in its Regulatory Capital and the attachment B disclosure template is Not Applicable