

APS 330 Capital Adequacy: Market Exposure
Latvian Australian Credit Co-operative Society Ltd
Disclosure of risk management practices and capital adequacy
Latvian Australian Credit Co-operative Society Ltd and its subsidiaries

Table 1

Capital structure

as at 31 December 2009

	\$
Tier 1 capital	
General reserves	1,900,000
Retained and current years earnings	99,621
Less deductions from tier 1 capital	
- Deferred Tax Asset	31,674
- Non subsidiary entities	3,428
Tier 1 capital (net of deductions)	1,964,519
Tier 2 capital	
Tier 2 capital (net of deductions)	76,760
Total capital base	2,041,279

Table 2

Capital Adequacy

as at 31 December 2009

	Risk weighted exposure
	\$
Capital requirements - for credit risk	
Claims on banks and ADIs (deposits, bank bills)	3,652,563
Loans and advances - Claims secured by residential mortgage	2,393,044
Past Due claims	117,969
Claims on private sector counterparties	351,097
Investment in Premises, plant and equipment	370,376
Other assets	71,402
Guarantees	99,900
Commitments for loans and advances	
- Loans approved not advanced	4,769
- Loan redraw facilities	140,676
for operational risk	932,134
Total risk weighted exposures	8,133,930
Capital adequacy ratio	
- on net tier 1 capital	24.15%
- on total capital base	25.10%

Table 3

Credit risk

For the three month period ended 31 December 2009

	Gross exposures at reporting date	Average gross exposures for the period	Impaired facilities	90 days past due	Specific provisions balance	Charge for specific provisions and write-offs for the period
	\$	\$	\$	\$	\$	\$
Claims on banks or ADIs	9,554,387	9,987,170	-	-	-	-
Loans and advances						
On balance sheet:						
-secured by residential mortgage	5,849,110	5,560,884	-	117,969	-	-
- other retail	189,705	163,500	-	-	-	-
- commercial	161,392	163,211	-	-	-	-
Off balance sheet commitments						
- loans approved not advanced	9,538	30,897	-	-	-	-
- loan redraw limits	281,352	274,331	-	-	-	-
Total loans and advances	6,200,207	5,887,595	-	-	-	-

The general reserve for credit losses is \$60,000 at reporting date.