

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 March 2010

	\$
Tier 1 capital	
General reserves	1,900,000
Retained and current years earnings	114,725
Less deductions from tier 1 capital	
- Deferred Tax Asset	31,674
- Non subsidiary entities	3,428
Tier 1 capital (net of deductions)	1,979,623
Tier 2 capital	
Tier 2 capital (net of deductions)	76,760
Total capital base	2,056,383

Table 2

Capital Adequacy

as at 31 March 2010

	Risk weighted exposure
	\$
Capital requirements - for credit risk	
Claims on banks and ADIs (deposits, bank bills)	3,251,324
Loans and advances - Claims secured by residential mortgage	2,615,326
Past Due claims	116,919
Claims on private sector counterparties	375,268
Investment in Premises, plant and equipment	366,144
Other assets	61,494
Guarantees	99,900
Commitments for loans and advances	
- Loans approved not advanced	44,100
- Loan redraw facilities	104,096
for operational risk	932,134
Total risk weighted exposures	7,966,705
Capital adequacy ratio	
- on net tier 1 capital	24.85%
- on total capital base	25.81%

Table 3

Credit risk

For the three month period ended 31 March 2010

	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	9,262,964	9,729,779	-	-	-	-
Loans and advances						
On balance sheet:						
-secured by residential mortgage	6,340,600	5,769,282	-	116,919	-	-
- other retail	214,997	175,389	-	-	-	-
- commercial	160,270	161,931	-	-	-	-
Off balance sheet commitments						
- loans approved not advanced	88,200	52,947	-	-	-	-
- loan redraw limits	299,732	281,437	-	-	-	-
Total loans and advances	6,715,867	6,106,602	-	-	-	-

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