

## Overview of Capital Adequacy

Holiday Coast Credit Union Ltd, as an Authorised Deposit-Taking Institution (ADI), is regulated by the Australian Prudential Regulation Authority (APRA).



APRA has prescribed a minimum capital requirement for ADIs of 8%.

### Capital Adequacy Quarterly Disclosures for the quarter ended: 30 June 2009

Holiday Coast Credit Union's capital requirements for credit, market and operational risk for the period 1 April 2009 to 30 June 2009 were as follows:

<b>Credit Risk</b>	<b>30-Jun-09 Risk- Weighted Amount (\$)</b>
<b>Asset Portfolio</b>	
Residential Mortgage	123,437,263
Other Retail Loans	13,780,407
Corporate Loans	26,349,152
Claims on other ADIs and Banks	12,723,172
All other assets and claims	12,920,457
Total Credit Risk	<u>189,210,451</u>
<b>Market Risk</b>	
Market Risk requirement	-
<b>Operational Risk</b>	
Operational Risk requirement	<u>22,575,343</u>
Total requirements for credit, market and operational risk	<u>211,785,794</u>

### Capital Adequacy Ratio

Total Capital Ratio for the Credit Union	14.71%
Tier 1 Capital Ratio for the Credit Union	12.11%

### Credit Risk Quarterly Disclosures for the quarter ended: 30 June 2009

Holiday Coast Credit Union's total gross credit risk exposures and the average gross exposures for the period 1 April 2009 to 30 June 2009 were as follows:

<b>Credit Risk Exposures</b>	<b>Gross Exposure (\$)</b>	<b>Average Gross Exposure (\$)</b>
Residential Mortgage	291,529,930	291,453,270
Other Retail Loans	15,454,451	14,379,437
Corporate Loans	<u>26,349,152</u>	<u>26,501,893</u>
Total Loans	<u>333,333,533</u>	<u>332,334,599</u>
Investments with other ADIs and Banks	61,366,071	66,579,587
Commitments and other non-market off-balance sheet exposures	7,269,768	7,307,068
Debt securities	-	-
Over-the-counter derivatives	-	-
Total	<u>401,969,373</u>	<u>406,221,254</u>

<b>Impaired Facilities</b>	<b>Gross balance (\$)</b>	<b>Impaired Facilities (\$)</b>	<b>Past Due (\$)</b>	<b>Specific Provision (\$)</b>	<b>Movement in Specific Provision (\$)</b>	<b>Write-offs (\$)</b>
Residential Mortgage	291,529,930	1,159,573	1,874,195	186,327	42,379	-
Other Retail Loans	15,454,451	481,726	287,803	400,764	(209,092)	10,409
Corporate Loans	<u>26,349,152</u>	<u>58,951</u>	<u>1,238,956</u>	<u>5,611</u>	<u>-</u>	<u>-</u>
Total Loans	<u>333,333,533</u>	<u>1,700,250</u>	<u>3,400,954</u>	<u>592,701</u>	<u>(166,713)</u>	<u>10,409</u>

### General Reserve for Credit Losses

The balance of the general reserve for credit losses at the end of the quarter was: **(\$)** 1,407,490

Note: The above disclosures should also be read in conjunction with the Capital Adequacy disclosures contained within the Credit Union's Annual Report for the year ended 30 June 2008.

The Annual Report for the year ended 30 June 2009 will be available in September 2009.