

The University Credit Society Limited

Prudential Standard APS 330 Disclosure - as at 30 June 2010

Capital structure

The Society maintains an actively managed capital base to cover risks inherent in the business. The primary objectives of the Society's capital management are to ensure that the credit society maintains sufficient capital to support the Society's business activities and operational requirements, to ensure continuous compliance with externally imposed capital ratios and that the Society maintains healthy capital ratios to support its business. As part of Prudential Standard APS 330, the Society is required to publicly disclose information on risk, management practices and capital adequacy which is outlined below.

Tier 1 Capital	\$
Reserves	\$ 8,669,407
Retained Earnings including current year earnings	\$ 574,865
Deductions from Tier 1 Capital	(\$ 794,616)
Total Tier 1 Capital	\$ 8,449,656
Tier 2 Capital net of deductions	\$ 2,490,125
Total Capital Base	\$10,939,781

Capital adequacy

Risk weighted asset value for :	\$
Credit Risk	
Claims against residential mortgages	\$ 90,495,324
Claims against ADI's	\$ 42,083,574
Securitisation	\$ Nil
All other claims	\$ 12,955,040
Market Risk	\$ Nil
Operational Risk	\$ 7,889,335
Capital Ratios:	
Tier 1 Capital Ratio for the group	13.23 %
Total Capital Ratio for the group	17.13 %

Credit risk exposure

\$million	Gross Credit Risk Exposure	Average Gross Exposure for the quarter	Loans impaired	Loans past due 90 days	Specific Provisions	Bad Debts Expense for the quarter
Loans and Advances						
Secured	\$95,272,975	\$94,339,374	\$959,779	\$ Nil	\$175,437	\$880
Unsecured	\$ 1,284,516	\$ 1,117,253	\$ 9,413	\$ 225	\$ 9,413	\$ Nil
Total Loans & Advances	\$96,557,491	\$95,456,627	\$969,192	\$ 225	\$184,850	\$880
Liquidity Investments	\$42,083,574	\$42,870,109				
General Reserve for Credit Losses	\$ 319,232	\$ 316,749				