

The Treasury

South Canterbury Finance Limited Information Release

Release Document

April 2011

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: David Williams
Sent: Wednesday, 10 December 2008 5:18 p.m.
To: [1]
Cc: Brian McCulloch
Subject: RE: capital adequacy ratio dec 08.xls
Attachments: SCF Outline amended capital adequacy ratio.xls

[1] _____

Thank you for the calculations which you sent. I apologise that the BS2A rules are fairly complex – when we looked at your calculations there appeared to be a few misclassifications and the deductions from capital were not correctly included.

Would you mind re-performing and re-submitting the calculations? taking into account each section of the BS2A document. For example, there needs to be a charge for operational risk and a charge for market risk (for which we do not have any information about).

To provide you with some further guidance on how the calculation works, the attached outline may help you. However, as you will appreciate the calculation needs to be performed and submitted by yourselves.

Regards

David

David Williams | Reserve Bank project team | **The Treasury**
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From: [1] _____ [@scf.co.nz](mailto:_____@scf.co.nz)
Sent: Friday, 5 December 2008 4:53 p.m.
To: David Williams
Subject: capital adequacy ratio dec 08.xls

Hi David

as discussed the other day - attached is the capital adequacy ratio as discussed

I have included Oct and June 08 as sheets.

Any queries please give me a call

regards

[1]

Tier One Capital

30-Oct-08

Capital	\$	70,000,000
RE	\$	63,739,426
Defferred tax	-\$	7,579,418
Shares non-charging	-\$	25,181,000
Goodwill	-\$	149,197
Fin syn	-\$	800,000
	\$	100,029,811
 Credit Exposure	\$	1,877,552,180
		5.33%

On balance sheet	value	Risk weighting	Risk weighted exposures
Cash	\$ -	0%	\$ -
5 yr Govt Stock	\$ 500,000	10%	\$ 50,000
Lending to banks	\$ 185,709,148	20%	\$ 37,141,830
home loans	\$ -	50%	\$ -
Commerical Loans	\$ 1,652,078,654	100%	\$ 1,652,078,654
Fixed assets	\$ 70,194,896	100%	\$ 70,194,896
other	\$ 108,237,933	100%	\$ 108,237,933
		Credit conversion	Risk Weighting
Off Balance sheet			
Guarantee		100%	100% \$ -
Asset with recourse		100%	100% \$ -
Forward pruchase		100%	100% \$ -
Performance bonds	\$ 19,697,734	50%	100% \$ 9,848,867
Underwrite		50%	100% \$ -
trade contingency		20%	100% \$ -
	TOTAL		\$ 1,877,552,180

Tier One Capital

30-Jun-08

Capital	\$	70,000,000
RE	\$	68,658,233
Deferred Tax	-\$	7,579,418
Shares non-charging	-\$	25,181,000
Goodwill	-\$	1,426,931
Fin syn (50% ass)	-\$	800,000
	\$	103,670,884

Credit Exposure	\$	1,623,687,573
Tier One Capital Ratio		6.38%

On balance sheet	value	Risk weighting	Risk weighted exposures
Cash		0%	\$ -
5 yr Govt Stock	\$ 503,350	10%	\$ 50,335
Lending to banks	\$ 401,244,128	20%	\$ 80,248,826
home loans	\$ -	50%	\$ -
Commerical Loans	\$ 1,378,649,906	100%	\$ 1,378,649,906
Fixed assets	\$ 46,651,706	100%	\$ 46,651,706
other	\$ 108,237,933	100%	\$ 108,237,933

Off Balance sheet		Credit conversion	Risk Weighting	
Guarantee		100%	100%	\$ -
Asset with recourse		100%	100%	\$ -
Forward purchase		100%	100%	\$ -
Performance bonds	\$ 19,697,734	50%	100%	\$ 9,848,867
Underwrite		50%	100%	\$ -
trade contingency		20%	100%	\$ -

TOTAL \$ 1,623,687,573

Missing: Commitments and any other OBS credit
Market Risk
Operational Risk

	\$	1,935,287,023
85294068	\$	1,970,274,372
25181000	\$	34,987,349
800000		
59313068	-\$	34,987,349
59313068		
253443		
10471573		
5920312		
34207703		
110166099		