

# Incorporating the requirements of Australian Prudential Standard 330

Quarter ended  
September 2022



# Executive Summary

This document has been prepared by MyState Limited to meet the disclosure obligations set down under the Australian Prudential Regulation Authority (APRA) Australian Prudential Standard (APS) 330 Capital Adequacy: Public Disclosure of Prudential Information. This document should be read in conjunction with MyState Group’s consolidated annual financial reports.

MyState Limited (‘MyState’) is a Tasmanian-based ASX listed diversified financial services company which operates two subsidiaries; MyState Bank and TPT Wealth – each are long established and highly respected brands.

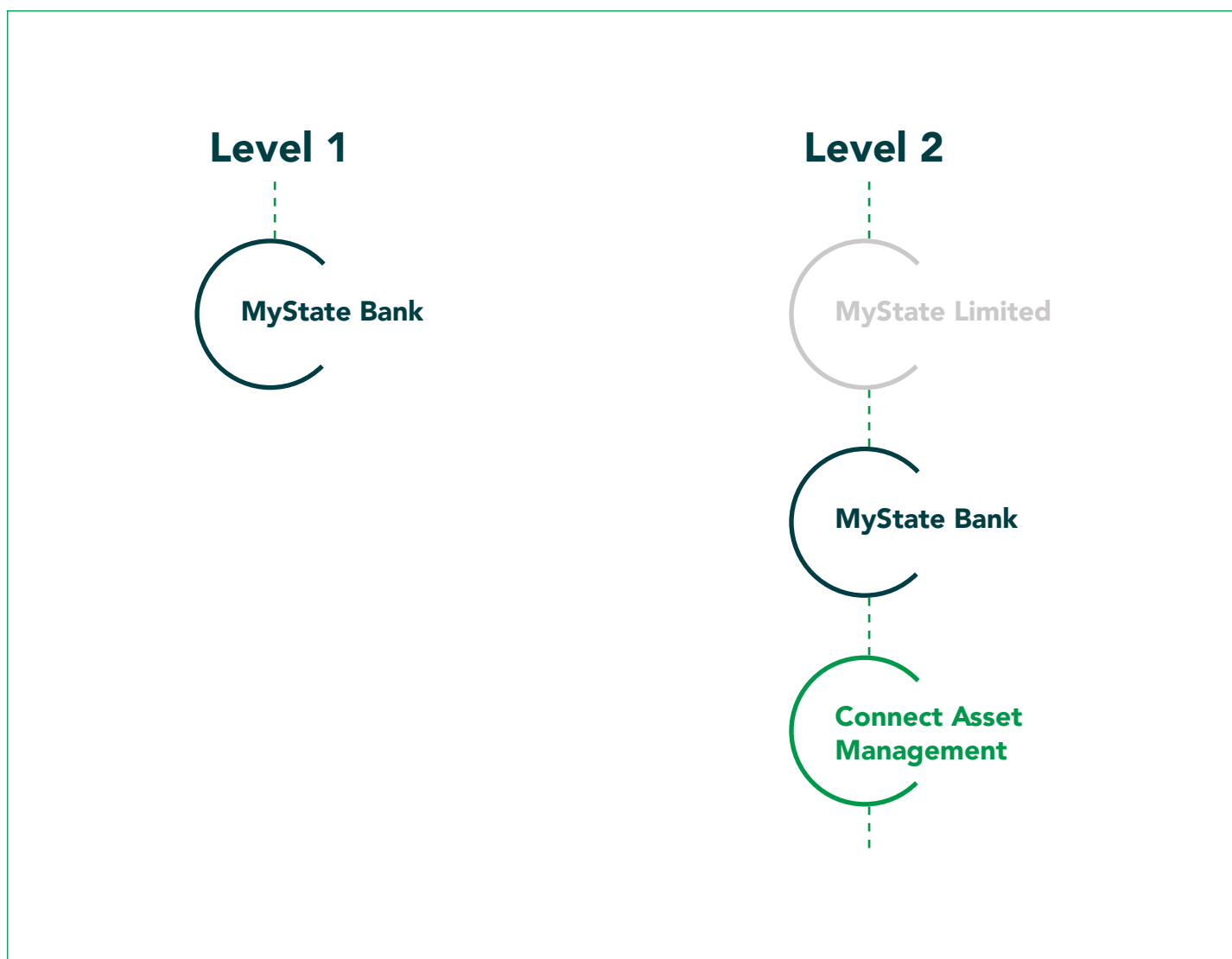
MyState seeks to ensure that it is adequately capitalised at all times, both on a stand-alone (ADI) basis and group basis. APRA monitors MyState’s capital adequacy by assessing the financial strength on two levels:

**Level 1**, MyState Bank reports on a level 1 basis.

**Level 2**, the wider MyState Limited prudential group which comprises MyState Limited (NOHC), MyState Bank (ADI), and Connect Asset Management (securitisation program manager).

## MyState Limited Group Structure

The following diagram shows the Level 1 and Level 2 conglomerate group and illustrates the different tiers of regulatory consolidation.



## Accounting Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries, including all special purpose vehicles as well as TPT Wealth. Furthermore, MyState's investment in TPT Wealth is deducted from the level 2 regulatory consolidation.

## Unconsolidated Entities

The following legal entities are included in the accounting scope of consolidation but are excluded from the regulatory scope of consolidation:

### Securitisation Special Purpose Vehicles as at 30 September 2022

|                       | Total Assets (\$m) | Total Liabilities (\$m) |
|-----------------------|--------------------|-------------------------|
| Conquest 2014-2 Trust | 35.0               | 35.0                    |
| Conquest 2016-1 Trust | 385.2              | 381.5                   |
| Conquest 2016-2 Trust | 61.7               | 61.5                    |
| Conquest 2017-1 Trust | 81.2               | 80.9                    |
| Conquest 2018-1 Trust | 106.8              | 105.9                   |
| Conquest 2019-1 Trust | 175.0              | 173.6                   |
| Conquest 2019-2 Trust | 156.5              | 155.3                   |

### Principal Activity

The trusts were established for the purpose of regulatory capital relief, via the issue of residential mortgage backed securities.

### Wealth Management and Trustee Services as at 30 September 2022

|                    | Total Assets (\$m) | Total Liabilities (\$m) |
|--------------------|--------------------|-------------------------|
| TPT Wealth Limited | 25.9               | 2.1                     |

### Principal Activity

The company acts as a trustee company in the state of Tasmania, with its activities encompassing those of trustee, executor, agent and fund manager.

# Capital Adequacy

## Capital Adequacy as at 30 September 2022

| Reference | Item Description  | Value (\$m) |
|-----------|---|-------------|
| (a)       | Capital Requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:  |             |
|           | Claims secured by residential mortgage  | 2,364.7     |
|           | Other retail  | 23.6        |
|           | All other   | 234.2       |
|           | Capital Requirements (in terms of Risk Weighted Assets) for counterparty credit risk  | 5.7         |
|           | Capital Requirements (in terms of Risk Weighted Assets) for securitisation  | 1.8         |
| (b)       | Capital Requirements (in terms of risk weighted assets) for equity exposures in the IRB approach  | N/A         |
| (c)       | Capital Requirements (in terms of risk weighted assets) for market risk   | N/A         |
| (d)       | Capital Requirements (in terms of risk weighted assets) for operational risk  | 311.7       |
| (e)       | Capital Requirements (in terms of risk weighted assets) for interest rate risk in the banking book (IRRBB) (IRB/AMA-approved Australian-owned ADI's only) | N/A         |
| (f)       | Common Equity Tier 1, Tier 1 and total Capital Ratio for the consolidated regulatory group:   |             |
|           | Common Equity Tier 1 for the regulatory group   | 10.13%      |
|           | Tier 1 Capital ratio for the regulatory group   | 12.31%      |
|           | Total Capital Ratio for the regulatory group  | 14.09%      |

# Credit Risk by Portfolio

## Credit Risk as at 30 September 2022

| Reference | Item Description   | Sep 2022<br>Quarter (\$m) | Jun 2022<br>Quarter (\$m) | Average<br>(\$m) |
|-----------|--|---------------------------|---------------------------|------------------|
| (a) (i)   | Total gross credit risk exposures (excluding equity investments and securitisation exposures), plus average gross exposure over the period, broken down by major types of credit exposure: |                           |                           |                  |
|           | <b>Loans</b>   | <b>6,441.5</b>            | <b>5,880.4</b>            | <b>6,172.4</b>   |
|           | <i>Housing</i>   | 6,368.8                   | 5,802.7                   | 6,095.7          |
|           | <i>Commercial</i>  | 50.7                      | 51.7                      | 51.8             |
|           | <i>Personal</i>  | 22.0                      | 26.0                      | 23.9             |
|           | <b>Debt Securities</b>   | <b>630.9</b>              | <b>870.7</b>              | <b>712.6</b>     |
|           | <b>Commitments and off-balance sheet exposures<sup>1</sup></b>   | <b>435.5</b>              | <b>417.9</b>              | <b>436.0</b>     |
|           | <b>Other</b>   | <b>103.6</b>              | <b>126.6</b>              | <b>115.3</b>     |
| (b) (i)   | Amount of impaired facilities, by portfolio:   |                           |                           |                  |
|           | <i>Housing</i>   | 38.4                      | 39.3                      |                  |
|           | <i>Commercial</i>  | 0.3                       | 0.3                       |                  |
|           | <i>Personal</i>  | 0.4                       | 0.3                       |                  |
| (ii)      | Amount of past due facilities, by portfolio:   |                           |                           |                  |
|           | <i>Housing</i>   | 3.7                       | 5.5                       |                  |
|           | <i>Commercial</i>  | -                         | -                         |                  |
|           | <i>Personal</i>  | 0.2                       | 0.2                       |                  |
| (iii)     | Specific provisions, by portfolio:   |                           |                           |                  |
|           | <i>Housing</i>   | 1.0                       | 1.3                       |                  |
|           | <i>Commercial</i>  | 0.2                       | -                         |                  |
|           | <i>Personal</i>  | -                         | -                         |                  |
| (iv)      | <b>Collective Provision Reconciliation<sup>2</sup></b>   |                           |                           |                  |
|           | <b>Balance at beginning of period</b>  | <b>5.2</b>                | <b>5.4</b>                |                  |
|           | Charge against impairment losses   | -                         | 0.2                       |                  |
|           | Increase/(decrease) in provision   | 0.9                       | (0.2)                     |                  |
|           | Bad debts written off  | (0.1)                     | (0.7)                     |                  |
|           | Bad debts recovered  | 0.1                       | 0.5                       |                  |
|           | Transfer to Specific Provision   | -                         | -                         |                  |
|           | Transfer from Specific Provision   | -                         | -                         |                  |
|           | <b>Balance at end of period</b>  | <b>6.0</b>                | <b>5.2</b>                |                  |
| (v)       | <b>Specific Provision Reconciliation</b>   |                           |                           |                  |
|           | <b>Balance at beginning of period</b>  | <b>1.5</b>                | <b>1.3</b>                |                  |
|           | Charged against impairment losses  | -                         | -                         |                  |
|           | Increase/(decrease) in provision   | (0.2)                     | 0.2                       |                  |
|           | Impairment provision written off   | -                         | -                         |                  |
|           | Transfer to Collective Provision   | -                         | -                         |                  |
|           | Transfer from Collective Provision   | -                         | -                         |                  |
|           | <b>Balance at end of period</b>  | <b>1.3</b>                | <b>1.5</b>                |                  |
|           | <sup>1</sup> Off Balance Sheet exposures have been converted into their credit equivalent amount.  |                           |                           |                  |
|           | <sup>2</sup> Includes General Reserve for Credit Losses.   |                           |                           |                  |

# Securitisation Exposures

## Securitisation Exposures as at 30 September 2022

| Reference | Item Description   | Sep 2022 Quarter (\$m)      | Sep 2022 Quarter (\$m)          |
|-----------|--|-----------------------------|---------------------------------|
|           |  | Total exposures securitised | Recognised gain or loss on sale |
| (a)       | Summary of current period's securitisation activity, including the total amount of exposures securitised (by exposure type) and recognised gain or loss on sale by exposure type:<br><br><i>Residential Mortgage</i> | -                           | -                               |
|           |  | On Balance Sheet            | Off Balance Sheet               |
| (b)       | Aggregate amount of total securitisation exposures retained or purchased:<br><br><i>Liquidity support facilities</i><br><br><i>Derivative facilities</i><br><br><i>Holdings of securites</i><br><br><i>Other</i>     | -<br>-<br>1,123.1<br>-      | 7.4<br>203.2<br>994.5<br>-      |

Please note that the value securitised during the quarter of \$0M is the net amount of loans securitised off balance sheet less loans moved to other securitisation vehicles.

**MyStateLimited** 

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