

MyState
LIMITED
ABN 26 133 623 962

Incorporating the
requirements of
Australian Prudential
Standard 330

QUARTER ENDING

SEPTEMBER
2015

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.

MyState Limited ('MyState') is a Tasmanian-based ASX listed diversified financial services company which operates two subsidiaries; MyState Bank and Tasmanian Perpetual Trustees – 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 separately 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.

LEVEL 1



LEVEL 2



Accounting/Regulatory Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries, including all special purpose vehicles as well as Tasmanian Perpetual Trustees. Furthermore, MyState's investment in Tasmanian Perpetual Trustees 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 2015

	Total Assets \$M	Total Liabilities \$M
Conquest 2007-1 Trust ¹	40.1	40.1
Conquest 2010-1R Trust	301.8	301.8
Conquest 2010-2 Trust	72.8	72.8
Conquest 2013-1 Trust	142.0	142.0
Conquest 2014-1 Trust	238.1	237.7
Conquest 2014-2 Trust	250.1	250.9

¹Total assets and liabilities are those that relate to the MYS group and consolidated for statutory purposes. External interest is excluded.

PRINCIPAL ACTIVITY

The trusts were established for the purpose of regulatory capital relief, via the issue of residential mortgage backed securities. Conquest 2010-1R Trust was established as an emergency liquidity reserve.

WEALTH MANAGEMENT AND TRUSTEE SERVICES AS AT 30 SEPTEMBER 2015

	Total Assets \$M	Total Liabilities \$M
Tasmanian Perpetual Trustees Pty Ltd	27.8	3.0

PRINCIPAL ACTIVITY

The Company acts as a Trustee Company in the State of Tasmania, with its activities encompassing those of trustee, executor, agent, fund manager and investment adviser.

CAPITAL ADEQUACY

CAPITAL ADEQUACY AS AT 30 SEPTEMBER 2015

Reference	Item Description	Value \$M
(a)	Capital Requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:	
	<i>Claims secured by residential mortgage</i>	1,178.0
	<i>Other retail</i>	79.9
	<i>All other</i>	117.5
	<i>Capital Requirements (in terms of Risk Weighted Assets) for securitisation</i>	0.2
(b)	Capital Requirements (in terms of risk weighted assets) for equity exposures in the IRB approach	N/A
(b)	Capital Requirements (in terms of risk weighted assets) for market risk	N/A
(c)	Capital Requirements (in terms of risk weighted assets) for operational risk	161.0
(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:	
	<i>Common Equity Tier 1 for the regulatory group</i>	11.51%
	<i>Tier 1 capital ratio for the regulatory group</i>	11.51%
	<i>Total Capital Ratio for the regulatory group</i>	13.19%

CREDIT RISK BY PORTFOLIO

CREDIT RISK AS AT 30 SEPTEMBER 2015

Reference	Item Description	September 2015 Quarter \$M	June 2015 Quarter \$M	Average \$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:			
	<i>Loans</i>	2,915.3	2,764.5	2,842.2
	<i>Debt Securities</i>	363.9	365.8	369.0
	<i>Commitments and off-balance sheet exposures¹</i>	113.9	128.8	77.9
	<i>Other</i>	89.1	63.7	77.9
(ii)	Total gross credit risk exposures (excluding equity investments and securitisation exposures), plus average gross exposure over the period, broken down by portfolio:			
	<i>Claims secured by residential mortgage¹</i>	2,947.2	2,805.2	2,885.4
	<i>Other retail¹</i>	80.3	86.6	84.0
	<i>All other</i>	454.5	431.0	448.4
(b) (i)	Amount of impaired facilities, by portfolio:			
	<i>Claims secured by residential mortgage</i>	1.1		
	<i>Other retail</i>	0.8		
	Amount of past due facilities, by portfolio:			
	<i>Claims secured by residential mortgage</i>	4.3		
	<i>Other retail</i>	0.0		
(ii)	Specific provisions, by portfolio:			
	<i>Claims secured by residential mortgage</i>	0.4		
	<i>Other retail</i>	0.5		
(iii)	Charges for specific provisions and write-offs during the period, by portfolio:			
	<i>Claims secured by residential mortgage</i>	0.4		
	<i>Other retail</i>	0.9		
(c)	The general reserve for credit losses	4.4		

¹ Off Balance Sheet exposures have been converted into their credit equivalent amount.

SECURITISATION EXPOSURES

SECURITISATION EXPOSURES AS AT 30 SEPTEMBER 2015

Reference	Item Description	September 2015 Quarter \$M	September 2015 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:		
	<i>Residential Mortgage</i>	10.2	-
	<i>Credit Card and other personal loans</i>	-	-
	<i>Commercial Loans</i>	-	-
	<i>Other</i>	-	-
		On Balance Sheet	Off Balance Sheet
(b)	Aggregate amount of total securitisation exposures retained or purchased:		
	<i>Liquidity support facilities</i>	447.7	176.0
	<i>Derivative facilities</i>	-	683.8
	<i>Holdings of securites</i>	-	-
	<i>Other</i>	-	-

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