



## **Heritage and People's Choice Limited**

**ABN 11 087 651 125**

## **APS 330 Prudential Disclosure**

**30 JUNE 2024**

# Annual Common Disclosure Template as at 30 June 2024

The Consolidated Group is applying the Basel III regulatory adjustments in full as implemented by APRA under APS 330.

<b>Common Equity Tier 1 capital: instruments and reserves</b>		<b>\$m</b>
2	Retained earnings	535.9
3	Accumulated other comprehensive income (and other reserves)	879.3
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>1,415.2</b>
<b>Common Equity Tier 1 capital : regulatory adjustments</b>		
11	Cash-flow hedge reserve	2.3
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	184.8
26d	<i>of which: equity investments in financial institutions not reported in rows 18, 19 and 23</i>	46.1
26e	<i>of which: deferred tax assets not reported in rows 10, 21 and 25</i>	63.6
26f	<i>of which: capitalised expenses</i>	45.9
26g	<i>of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements</i>	12.9
26j	<i>of which: other national specific regulatory adjustments not reported in rows 26a to 26i</i>	16.3
28	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>187.1</b>
29	<b>Common Equity Tier 1 Capital (CET1)</b>	<b>1,228.1</b>
<b>Additional Tier 1 Capital: instruments</b>		
36	<b>Additional Tier 1 Capital before regulatory adjustments</b>	-
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-
44	<b>Additional Tier 1 capital (AT1)</b>	-
45	<b>Tier 1 Capital (T1=CET1+AT1)</b>	-
<b>Tier 2 Capital: instruments and provisions</b>		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	125.0
50	Provisions	17.3
51	<b>Tier 2 Capital before regulatory adjustments</b>	<b>142.3</b>
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-
58	<b>Tier 2 capital (T2)</b>	<b>142.3</b>
59	<b>Total capital (TC=T1+T2)</b>	<b>1,370.4</b>
60	<b>Total risk-weighted assets based on APRA standards</b>	<b>8,849.1</b>
<b>Capital ratios and buffers</b>		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.88%
62	Tier 1 (as a percentage of risk-weighted assets)	13.88%
63	Total capital (as a percentage of risk-weighted assets)	15.49%
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	8.00%
65	<i>of which: capital conservation buffer requirement</i>	2.50%
66	<i>of which: ADI-specific countercyclical buffer requirements</i>	1.00%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	5.88%

# Annual Regulatory Capital Disclosure Reconciliation

as at 30 June 2024

	CDT	Consolidated Entity \$m	Adjustments (1) \$m	Regulatory Level 2 \$m
<b>Assets</b>				
Cash and cash equivalents		283.2	(0.2)	283.0
Loans and advances		20,314.4	(1,674.5)	18,639.9
<i>of which: Loan and lease origination fees and commissions paid to mortgage originators and brokers</i>	26f			32.4
<i>of which: Adjustments and exclusions to Common Equity Tier 1 Capital</i>	26j		4.0	4.0
Derivative assets		5.9		5.9
Investment securities		3,551.9		3,551.9
Other investments		97.0		97.0
<i>of which: Other ADIs or overseas equivalents, and their subsidiaries</i>	26d			0.5
<i>of which: Equity investments in financial institutions</i>	26d			45.1
<i>of which: Common Equity Tier 1 specific adjustments relating to securitisation</i>	26j		5.9	5.9
Property, plant and equipment		66.2		66.2
Intangible assets		16.9		16.9
<i>of which: Information Technology</i>	26f			10.5
<i>of which: Other intangibles</i>	26j			6.4
Interest in equity accounted investees		12.9		12.9
<i>of which: Investments in commercial (non-financial) entities that are deducted under APRA rules</i>	26g			12.9
Deferred tax assets		62.4		62.4
<i>of which: deferred tax assets not reported in rows 10, 21 and 25</i>	26e			63.6
Other assets		64.1	44.4	108.5
<i>of which: Costs associated with issuing capital instruments</i>	26f		0.2	0.2
<i>of which: Securitisation start up costs</i>	26f		2.8	2.8
<b>Total Assets</b>		<b>24,474.9</b>	<b>(1,630.3)</b>	<b>22,844.6</b>
<b>Liabilities</b>				
Deposits		19,883.7	(100.4)	19,783.3
Other financial liabilities		0.1		0.1
Derivative liabilities		5.9		5.9
Other payables		250.4	0.9	251.3
Current tax payable		0.8		0.8
Lease liabilities		41.5		41.5
Borrowings		2,827.6	(1,530.8)	1,296.8
Provisions		52.0	-	52.0
<b>Total Liabilities</b>		<b>23,062.0</b>	<b>(1,630.3)</b>	<b>21,431.7</b>
<b>Net Assets</b>		<b>1,412.9</b>	<b>-</b>	<b>1,412.9</b>
<b>Equity</b>				
Retained earnings	2,3	533.5		533.5
Reserves	3	879.4		879.4
<i>of which: Gains/(losses) on effective cash flow hedges</i>	11			2.3
<b>Total Equity</b>		<b>1,412.9</b>	<b>-</b>	<b>1,412.9</b>
Other items included in retained earnings for capital purposes			2.3	2.3
<b>Toal Common Equity Tier 1 capital</b>				<b>1,415.2</b>

(1) Adjustment column includes the entities that have been provided prudential relief and are not included in the Consolidated Entity for capital purposes

# Annual Regulatory Capital Disclosure Reconciliation (continued)

as at 30 June 2024

## Entities excluded from level 2 regulatory Consolidated Group

	Total Assets \$m	Total Liabilities \$m
<b>Securitisation</b>		
The following entities are included within the accounting consolidation but excluded from the regulatory Consolidation Group.		
Light Trust No.6	65.4	65.4
Light Trust 2017-1	83.5	83.5
Light Trust 2018-1	101.3	101.3
Light Trust 2019-1	177.6	177.6
Light Trust 2021-1	269.2	269.2
HBS Trust 2017-1	152.9	152.9
Light Trust 2023-1	781.6	781.6

# Capital Adequacy

As at 30 June 2024

<b>Risk-weighted Assets</b>	<b>\$m</b>
Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:	
Claims secured by residential mortgage	6,627.6
Other retail	766.0
Corporate	17.4
Banks and Other ADIs	520.8
Government	-
All other	118.0
<b>Total on balance sheet assets and off balance sheet exposures</b>	<b>8,049.8</b>
<b>Securitisation Risk-weighted Assets</b>	<b>12.6</b>
<b>Market Risk-weighted Assets</b>	<b>-</b>
<b>Operational Risk-weighted Assets</b>	<b>786.7</b>
<b>Total Risk-weighted Assets</b>	<b>8,849.1</b>
<b>Capital Ratios for the Consolidated Group</b>	
Common Equity Tier 1	13.88%
Tier 1	13.88%
<b>Total Capital</b>	<b>15.49%</b>

# Credit Risk

As at 30 June 2024

Exposure Type	Gross Credit Exposure	Average Gross Credit Exposure
	\$m	\$m
Loans and advances secured by residential mortgage	18,007.6	17,854.5
Other Member Loans	569.7	573.5
Commitments <sup>1</sup>	1,301.7	1,455.7
Derivatives <sup>1</sup>	14.5	25.3
Liquid Assets	3,854.8	3,999.7
Other	282.8	295.4
<b>Total</b>	<b>24,031.1</b>	<b>24,204.1</b>

Exposure Portfolios	Gross Credit Exposure	Average Gross Credit Exposure
	\$m	\$m
Claims secured by residential mortgage	19,150.6	18,988.2
Other retail	823.2	827.0
Corporate	23.0	23.2
Banks and Other ADIs	1,769.4	1,868.4
Government	2,099.9	2,319.8
All other	165.0	177.5
<b>Total</b>	<b>24,031.1</b>	<b>24,204.1</b>

<sup>1</sup> Off-balance sheet exposures have been converted to their credit equivalent amounts.

Credit Exposure Type	Non-performing facilities	Provisions held against performing exposures <sup>2</sup>	Provisions against non-performing exposures	Charges for specific provision & amounts written-off during the period
	\$m	\$m	\$m	\$m
Loans and advances secured by residential mortgage	174.8	10.9	4.0	0.6
Other Member Loans	8.4	6.4	3.7	0.1
<b>Total</b>	<b>183.2</b>	<b>17.3</b>	<b>7.7</b>	<b>0.7</b>

<sup>2</sup> Provisions held against performing exposures that represent a purely forward-looking amount for future losses that are presently unidentified.

# Securitisation

As at 30 June 2024

	Capital Relief \$m	Funding Only \$m	Self- securitisation \$m	Recognised Gain or Loss on Sale \$m
<b>Securitisation Activity for the Quarter</b>				
Residential Mortgage	-	299.4	307.6	-
<b>Total Exposures</b>	-	<b>299.4</b>	<b>307.6</b>	-

<b>Securitisation Exposure Types</b>	On-Balance Sheet \$m	Off-Balance Sheet \$m	Total Exposures \$m
Securitisation <sup>4</sup>	3,314.6	1,631.4	4,946.0
RMBS securities held	2,778.0	-	2,778.0
Redraw facilities	4.6	5.6	10.2
Swap facilities	3.8	58.1	61.9

<sup>4</sup> Loans and advances secured by residential mortgage.