

MyStateLimited 

ASX CEO Connect

7 December 2021

The human way to bank

personal use only

Agenda

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A trusted and respected brand...

MyState is a unique provider of banking, trustee and wealth management services to more than 160,000 customers across Australia through its retail brands – MyState Bank and TPT Wealth.

MyState listed on the ASX in 2009.

MyState currently has a market capitalisation of approximately \$525m and has a shareholder base of [61,500].

MyStateBank

MyState Bank is a leading challenger, digital bank. Since its establishment, it has grown its lending assets to more than \$6.0bn, offers award winning products and has market leading customer advocacy ratings.

95%* Banking
Lending | Deposits | Transactions

TPT WEALTH

TPT Wealth, a 134 year old business, is one of the oldest providers of trustee solutions in Australia. A trusted brand, today it offers contemporary financial products including asset management and trustee services.

5%* Wealth
Funds management | Trustee services

* % of Core Earnings as at 30 June 2021

... that has evolved
into a digital bank

2016

Our journey

2021

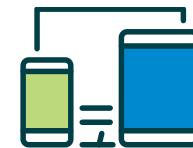
Branch based "credit union"

- Geographically concentrated customer base
- Legacy technology platforms
- Inward-focused processes
- Disparate systems and processes
- Largely manual workflow



Digital Bank

- Increasingly geographically diverse customer base
- Online origination increasing
- Customer focused processes
- Relationship focused business and people
- Digitised and simplified systems and processes
- AI enabled customer insights



Digital transformation is driving growth...



Currently enabled



2021 ESG snapshot

MyState's 2021 Annual Report included an inaugural Environmental, Social and Governance (ESG) snapshot.

ESG reporting is an evolving and increasingly important field of practice and MyState will continue to build and develop on its initial reporting.

Six ESG topics matter most to MyState



Supporting customers

Why are they important?

- We help customers by making things easier and putting things right if they go wrong.

Progress

- Customer NPS +47
- 17,000 new customers in FY21



Governance, conduct & culture

- These are the foundations of conducting our business in an ethical, responsible and transparent way.

- Governance, culture, remuneration and accountability (GCRA) self assessment
- Compliance with Modern Slavery Act



Helping our people be their best

- To drive a culture of customer centricity and execution excellence we rely on our people being at their best.

- 46% of leadership roles filled by women
- Increased investment in training



Digital enablement and data security

- As a national digital bank, we must change and evolve our systems and products to meet our customers' increasing expectations.

- 94% of transactions completed digitally
- 71% customers on Internet Banking
- 53% customers on e-Statements



Environmental sustainability

- It will help us transition to a low carbon economy.

- 90% of operations in Tasmania which is 100% self sufficient in renewable energy



Community investment

- It enables us to make a difference and support our communities.

- Sponsorship of Football Tasmania and naming rights sponsor for Tasmania's Women's Super League
- MyState Bank Student Film Festival



Strategy 02

2025 strategy

Our ambition is to rapidly grow our share in deposits, lending and FUM.

Our growth strategy is focused and bold. It builds on our strong financial position and high customer NPS to access specific growth opportunities in eastern seaboard markets, via a strong digital and AI enabled offering.

Culture and Capability

Drive a culture of customer centricity and execution excellence.

Customer Experience and Acquisition

Deliver a digital and intuitive customer experience by providing easy access banking and wealth services.

Operations

Simplify, digitise and automate processes and create value through productivity improvements.

Distribution

A simple core product set distributed through expanded digital and third party channels.

Our **PURPOSE**
is to help people
achieve
their dreams

Our **MISSION**
is to create simple
and trustworthy
digital experiences
for our customers

Enablers

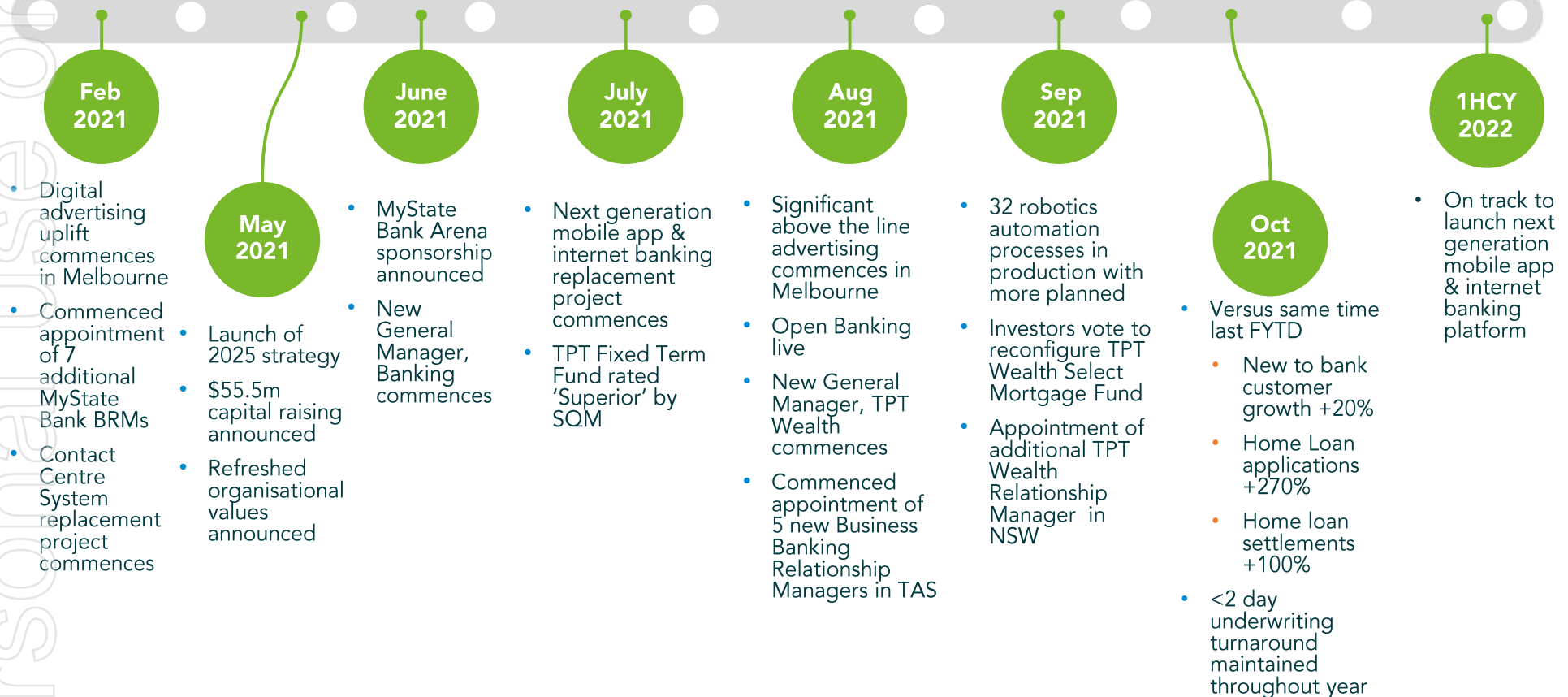
Continuous improvement program driving innovation and process automation.

A strong and flexible capital position with robust risk culture.

Values

Create customer 'wow'
Chase the better
Collaborate to win

Progress on strategic execution



2021 has been a standout year for progress



Financial highlights 03

FY21 Key highlights

Financial performance

+20.9%

Net profit after tax

-153bps

Cost to income¹

+116bps

Return on average equity

+19.2%

Earnings per share

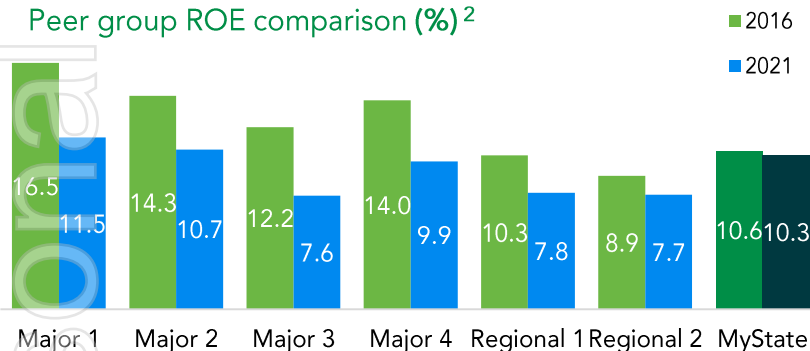
+10bps

Net interest margin

+13.2%

Customer deposits

Peer group ROE comparison (%)²



Strategic initiatives delivered

Grow

- ✓ Customer deposit growth of 13.2%
- ✓ Bank balance sheet growth of 6%, including 5% HL growth in Tasmania
- ✓ Wealth distribution capability and capacity enhanced
- ✓ \$55.5m capital raised to support growth

Increase digital capability + automation

- ✓ AI enabled home loan retention tool live
- ✓ Best in class AI insights in MyState Bank app generating over 1.5m insights per month
- ✓ Multiple improvements to internet and mobile banking platform
- ✓ New Wealth Trustee Services platform

Build our brand + capability

- ✓ Significant expansion of marketing activities into Melbourne and Tasmania
- ✓ MyState Bank Arena naming rights and sponsorship of Football Tasmania
- ✓ Significant investment in learning and development experiences

Attract + deepen relationships

- ✓ 17,000 customers have joined across the past 12 months
- ✓ Customer NPS +47; Customer funding ratio 73.4%
- ✓ COVID assistance to customers

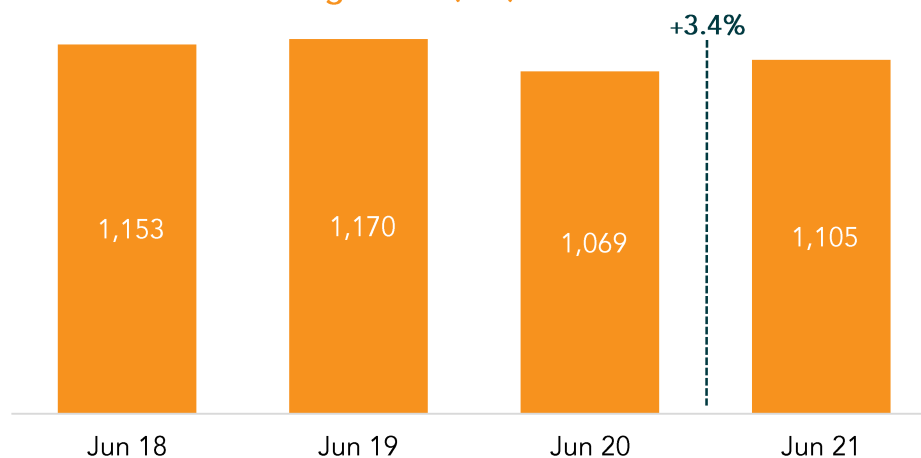
These results together with our recent capital raising have put us in a position to rapidly execute our 2025 strategy.

TPT Wealth positioned for growth

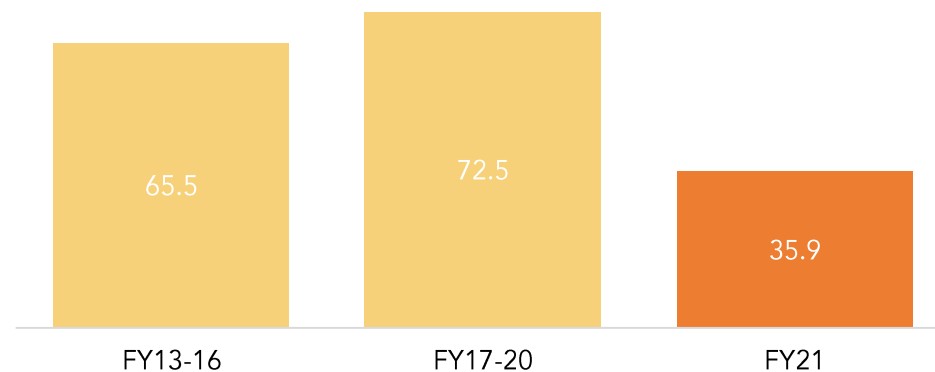
- Distribution capacity enhanced to drive growth on the eastern seaboard, to complement the team in the heartland market of Tasmania
- FUM increased 3.4% on PCP to \$1.105b driven by income fund growth
- 30% of investors on the new digital portal
- New cloud lending platform and legacy trustee system replaced
- TPT Fixed Term Fund, Long Term Fund & Select Mortgage Fund awarded a 4 Star (Superior High Investment grade) rating from SQM Research



Funds under management (\$m)



Net FUM growth (\$m)







Strategy being rapidly implemented

- Focused on rapid execution and growth
- Trusted and respected challenger brand with leading customer advocacy
- Increasing digital and AI capabilities remain a focus for future investment
- Customer deposit funding ratio +13.2% on same time last year to 74.5%
- Named in the 2021 AFR Boss list as one of the 10 most innovative companies in banking, super and financial services

— FINANCIAL REVIEW BOSS —
MOST INNOVATIVE COMPANIES

- Across the last 12 months
+18,000
new customers

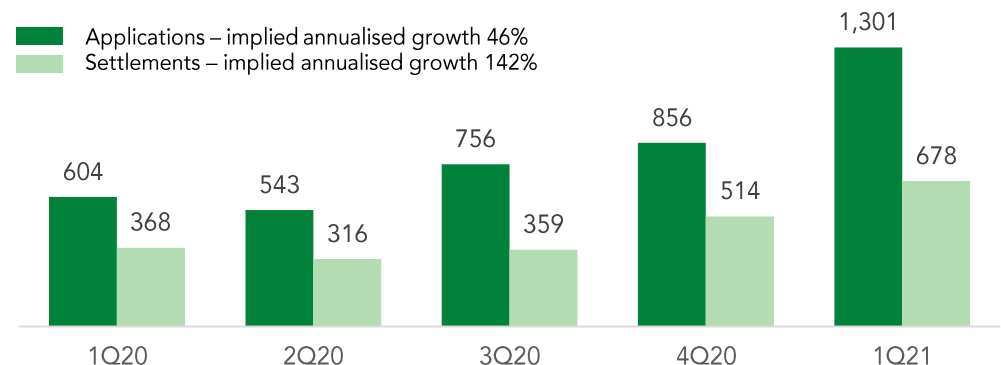
Q1 FY22 update

FY22 financial performance to date¹

Balance sheet	Sep 21	Jun 21	Change	Implied annualised growth
Home loan book	\$5.70b	\$5.45b	+4.7% ▲	+18.9%
Customer deposits	\$4.71b	\$4.46b	+5.6% ▲	+22.3%
Funds under management	\$1.11b	\$1.11b	+0.2% ▲	+0.8%
CET1 ratio	12.0%	13.1%	-109ps ▼	
Total capital ratio	13.3%	14.8%	-151bps ▼	

1. Unaudited management results. Financial performance figures compare 30 June 2021 to 30 September 2021. Percentage changes may not calculate due to rounding.

Home loan book - applications and settlements (\$m)



Closing remarks



Objectives ¹

- Rapidly accelerate balance sheet growth over the medium term, while maintaining asset quality
- Improved operating leverage (cost to income ratio) in line with business growth
- Targeting ROE accretion as capital is deployed
- Targeting growth in EPS over the medium term
- In FY22, EPS and ROE will be diluted while new capital is being fully deployed with opex rising to support customer and lending growth

1. Targets assume current market conditions persist and there is no significant change or deterioration in Federal and State Government responses to COVID-19.



Closing remarks

- Demonstrated capability on strategic execution
- Trusted and respected challenger brand with leading customer advocacy
- Increasing digital and AI capabilities remain a focus for future investment
- Established digital bank

MyState sees a significant opportunity across its markets to accelerate growth, creating value for shareholders

1H: First half of financial year

2H: Second half of financial year

ADI: Authorised deposit-taking institution

APRA: Australian Prudential Regulation Authority

Avg: Average

ASX: Australian Securities Exchange

BBSW: Bank Bill Swap Rate

BDD: Bad & Doubtful Debt Expense

bps: basis points

CAGR: Compounded annual growth rate

CET1: Common Equity Tier 1

cps: Cents per share

CTI: Cost-to-income ratio

DRP: Dividend reinvestment plan

EPS: Earnings per share

FUM: Funds under management

FY: Financial year

FYTD: Financial year to date

HY: Half year

IO: Interest only

IRB: Internal ratings-based

JAWS: relationship between income and expense growth

LVR: Loan to valuation ratio

MYS: MyState Limited

MSB: MyState Bank Limited

NII: Net Interest Income

NIM: Net Interest Margin

NPAT: Net Profit after Tax

NPBT: Net Profit before Tax

PCP: Previous Corresponding Period

RBA: Reserve Bank of Australia

RMBS: Residential mortgage-backed security

ROE: Return on equity

SPIN: Standard and Poor's Performance Index

S&P: Standard and Poor's

TD: Term deposit

TPT: TPT Wealth Limited

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Summary Information

This Presentation contains summary information about MyState Limited (ABN 26 133 623 962) and its activities current as at the date of this Presentation. The information is subject to change without notice and does not purport to be complete or comprehensive. It does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with MyState's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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