

ASX ANNOUNCEMENT

Wednesday 20 October 2021

ASX : MYS

MyState announces new Chairman and record Q1 loan book growth

20 October 2021 – At today's MyState Limited (ASX: MYS) Annual General Meeting (AGM), Chairman, Miles Hampton will be announcing that he will be retiring as MyState Chairman and director effective 31 March 2022.

Mr Hampton has been on the Board for 12 years, with eight as Chairman.

MyState Managing Director and CEO, Melos Sulicich said, "Miles' retirement signals the end of a 16 year association with Tasmanian Perpetual Trustees (TPT) and MyState Limited. His pride in Tasmania, its local businesses and people and his passion for the business has never wavered. I thank him for his counsel, advice and support."

The Board has appointed current non-executive director Mr Vaughn Richtor as the new Chairman of MyState from 1 April 2022.

Mr Richtor joined the board of MyState in 2019 after a long and distinguished career in banking.

He worked in senior roles with ING in the UK and Ireland before coming to Australia in 1995 to start ING Direct where he was Chief Executive Officer for more than a decade, during which he was responsible for establishing ING as the first digital bank in Australia.

He subsequently held a CEO role with an ING bank in India before taking overall responsibility for heading all of ING's Asian banking businesses.

Mr Richtor returned to Australia in 2012 as CEO of ING Direct, with responsibility for all of ING's banking joint ventures in Asia, including Australia.

He retired in 2016 and has subsequently had a number of board and consultancy roles.

MyState Chairman Miles Hampton said, "Vaughn's experience in building a digital banking platform at ING will be invaluable in guiding the board, and the recently announced appointment of new Chief Executive Officer Brett Morgan as the company embarks on the next exciting growth phase.

"I am also pleased to announce that with Vaughn based in Sydney, the Board has decided that Bob Gordon be appointed Deputy Chairman thereby maintaining a strong Tasmanian voice and contact."

Mr Gordon was formerly Chairman of Connect Credit Union.

Outlook – update to FY22

At today's AGM, Managing Director and CEO Melos Sulicich will report that while operating conditions remain competitive, MyState is quickly making significant progress on implementing its 2025 strategy.

The first quarter to 30 September 2021 showed MyState's home loan book increased to \$5.7 billion, up 4.7% since June 2021 with home loan applications up 115.5% on the prior comparative period (pcp) to a record \$1.3 billion in the quarter and settlements up 84.3% on pcp to \$678m, also a record quarterly amount.

In his presentation to the AGM, Mr Sulicich will report that home loan book growth in the first quarter of the new financial year of \$258m, nearly 19% on an annualised basis.

MyState is growing significantly ahead of system. Customer deposit growth continued the strong momentum seen in FY21, up 5.6% since 30 June 2021, with a customer funding ratio of 74.5% at 30 September 2021 (30 June 2021: 73.4%).

Mr Sulicich said the growth rate in the home loan book and the dramatic increase in the number of applications and settlements stems from momentum in MyState's strategy. This includes peer-leading service levels, eastern seaboard focused marketing initiatives, as well as an efficient, digitally enabled platform that can more effectively scale.

Reflecting on the solid start to the financial year, Mr Sulicich said: "These record home loan numbers are an outstanding result and a clear indication that our 2025 strategy to create scale and accelerate growth are working.

"With our strong capital position and enhanced digital foundations now in place, MyState can focus on implementing our strategy. Our high customer Net Promoter Score indicates a strong uptake in our improved banking platform and customer offering. While digital-only is part of our future mainland growth plans, we will always be the 'human way to bank', making sure the products and services are reliable and straightforward.

"The trust our customers place in us as a challenger brand is displayed by the more than 18,000 new customers joining MyState in the past 12 months and recently being named in the 2021 AFR Boss list as one of the ten most innovative companies in banking, superannuation and financial services. We have built a culture that continually innovates and improves services to deliver accelerated growth, while ensuring there is no compromising on quality."

"With FY21's \$55.5 capital raise complete and 2025 strategy now in place, we plan to see these results continue as we attract more customers from the eastern seaboard states through our offering, expansion of marketing activities, and increased presence in the broker community."

Summarising the company's results for the year to 30 June 2021, Chairman Miles Hampton said, "MyState recorded statutory net profit after tax of \$36.3 million, up 20.9% on the \$30.1 million for the previous financial year. Our evolution as a digital bank that services a more geographically diverse customer base saw us improve on most metrics. Net profit after tax, earnings per share and net interest margin all increased, and we harnessed the benefits of reduced funding costs and a significantly reduced impairment charge.

"MyState has consistently grown its loan book ahead of system. However, to remain competitive and drive the benefits that come from scale, we are targeting a sharp increase in the growth trajectory over the next four years. MyState raised a significant amount of capital in May to support this agenda. Our capital position puts us in a strong position to take market share and increase customer numbers, deposits and lending at MyState Bank and funds under management at TPT Wealth."

Retirement of Managing Director

In July 2021, MyState Limited Managing Director and CEO Melos Sulicich advised the Board of his intention to retire at the end of December 2021.

Mr Sulicich had delayed his retirement by 18-months at the request of the Board, to assist MyState in navigating the complexities of COVID-19 pandemic and lockdowns, including scaled customer support and financial assistance.

Mr Sulicich said, “After seven and a half years, I step down with a tremendous sense of pride and achievement in our people, our results and future strategy. Being a challenger has enabled MyState to be bold in our decisions and ambitions. I thank the Board and my Executive Team, our wonderful employees, fantastic customers and stakeholders for their support and look forward to watching the business continue to grow.”

MyState Chairman Miles Hampton said, “Melos has done an outstanding job re-shaping and re-focusing MyState since he joined us in 2014. Indeed, what has been achieved under his leadership gave us the confidence to pursue a more aggressive growth trajectory.

“Melos has brought a focus and vitality to the company - yes a focus on results - but more especially a focus on doing the right thing by our customers. I thank Melos for a job very well done and wish him all the best for the future.”

Appointment of a new Managing Director

Last week, MyState Limited announced that Brett Morgan has been appointed to succeed Melos Sulicich as CEO and Managing Director.

Mr Morgan worked with ING in Australia undertaking a number of key roles in the creation of Australia’s first digital bank.

After 15 years with ING in Australia he worked in India at a bank that was 40% owned by ING, before returning to Australia.

Mr Morgan is currently Chief Executive, Banking & Wholesale with ASX Listed BNK Banking Corporation Limited.

MyState Chairman Miles Hampton said, “Brett is an experienced digital banker and brings exactly the background and experience to help drive our growth agenda. We look forward to welcoming him in early 2022.”

For further information about this announcement, please see the Chairman’s address and Managing Director’s AGM presentation announced to the ASX on 20 October 2021 which can be found on MyState Limited’s website or on the ASX website.

Authorised MyState Limited Board

About MyState Limited

Registered Office: 137 Harrington Street, Hobart 7000

MyState Limited (ABN 26 133 623 962) is the ASX-listed (MYS) non-operating holding company of the diversified financial services Group consisting of MyState Bank and TPT Wealth, a trustee and wealth management company. MyState Bank is regulated by the Australian Prudential Regulatory Authority. MyState Bank and TPT Wealth hold Australian Financial Services Licences issued by the Australian Securities and Investments Commission.

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