

ASX ANNOUNCEMENT

Friday 15 December 2023

ASX: MYS

Trading update and guidance for FY24

MyState Limited (ASX: MYS) today provides a trading and guidance update for FY24.

Given market conditions, MyState has taken the considered decision to prioritise margin ahead of growing its lending book at multiples of system in FY24. While home loan book growth was 1.9x system in October, growth over the four-month period to 31 October 2023 was broadly in-line with system growth.¹

Managing Director and CEO Brett Morgan said, "Given the economic and competitive environment, MyState has taken the decision to temper its FY24 lending growth. We now expect growth to be closer to system."

As at 30 November 2023, customer funding as a percentage of total funding was in-line with guidance at 70%. There has been a continued shift from lower cost transaction and savings accounts to higher cost term deposits.

Driven by the competitive environment for lending and the change in the deposit product mix, average NIM for 1H24 is projected to be in the range 1.45% to 1.49% (2H23:1.55%).

Mr Morgan continued, "Total expenses for the Group for the five-month period ended 30 November 2023 were lower than the same time last year, reflecting MyState's ongoing focus on operating efficiency in a high-inflation environment."

As at 30 November 2023, total capital remained strong at approximately 15.4% while 30-day arrears of 0.93% remained below the industry average (30 June 2023: 0.81%). Borrowers continue to show remarkable resilience to the higher cost of living and the impact of rising interest rates. MyState Bank currently has no mortgagee in possession loans.

Based on current market conditions, MyState now expects the following outcomes in FY24:

- MyState Bank lending growth: >1.0x system (previous guidance: 2.0x system)
- MyState Bank deposit composition: >70% of funding (previous guidance: >70% of funding)
- Earnings per share: down 7.5% to 12.5% on FY23 (previous guidance: 35.5cps)
- MyState Bank cost to income ratio: 64% to 66% (previous guidance: 60.8%)
- Return on equity: between 7.5% and 8.0% (previous guidance: 8.7%)

ENDS

Authorised

MyState Limited Board

¹ RBA Lending and Credit Aggregates – D2

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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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