

TEACHERS MUTUAL
BANK LIMITED

ANNUAL GENERAL MEETING



STATEMENT OF ACCOUNTS

Glenn Sargeant, CFO



MEMBERS

↑ 2.7%

Membership refers to all shareholders that are eligible to join under the common bond.

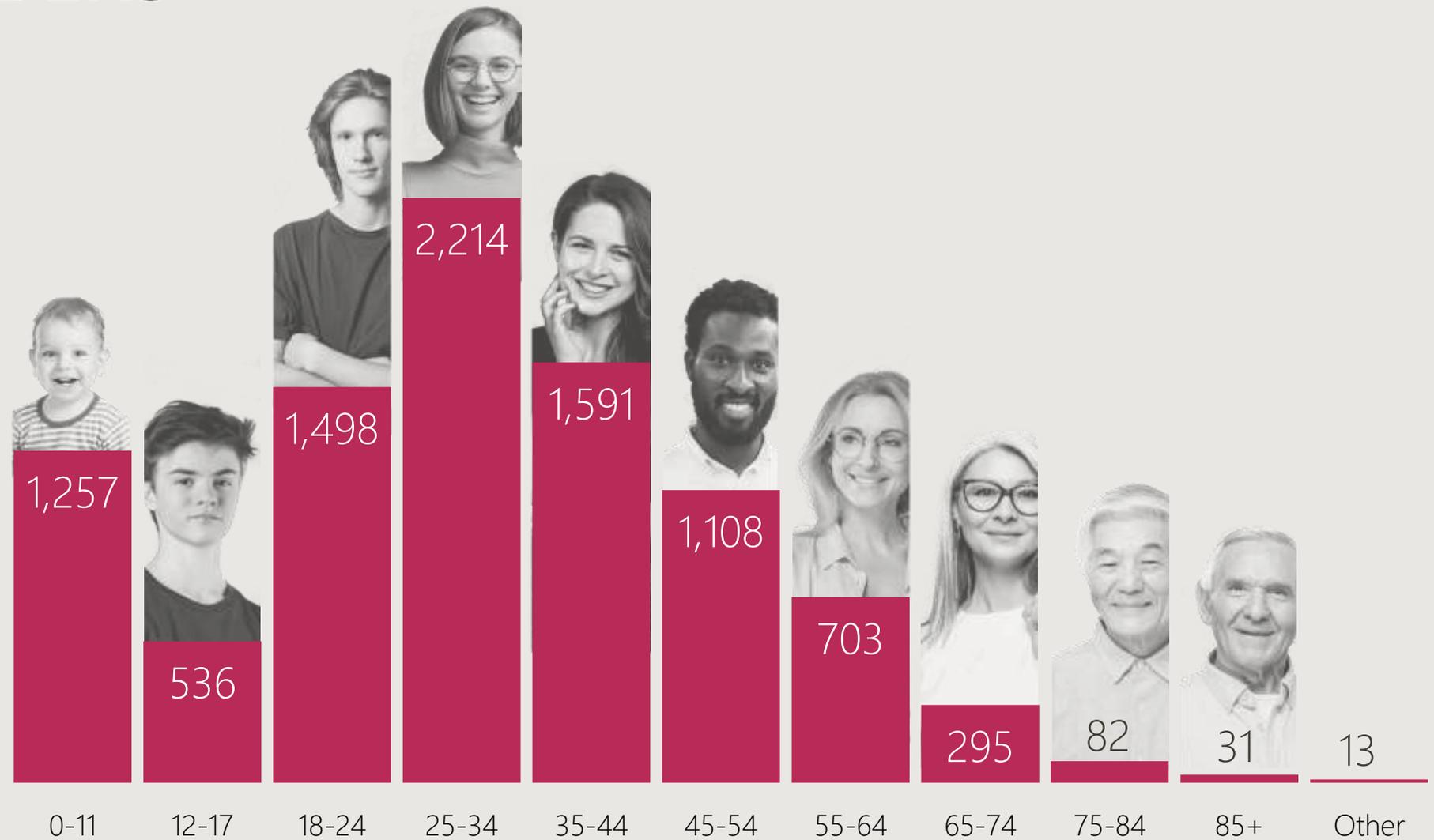


MEMBERS BY BRAND AND CHANNEL



New Members	6,422	500	1,736	670	=	9,328
Of which Broker Introduced	453	58	589	293	=	1,393
Total Members	188,540	8,151	13,249	802	=	210,742

NEW MEMBERS BY AGE

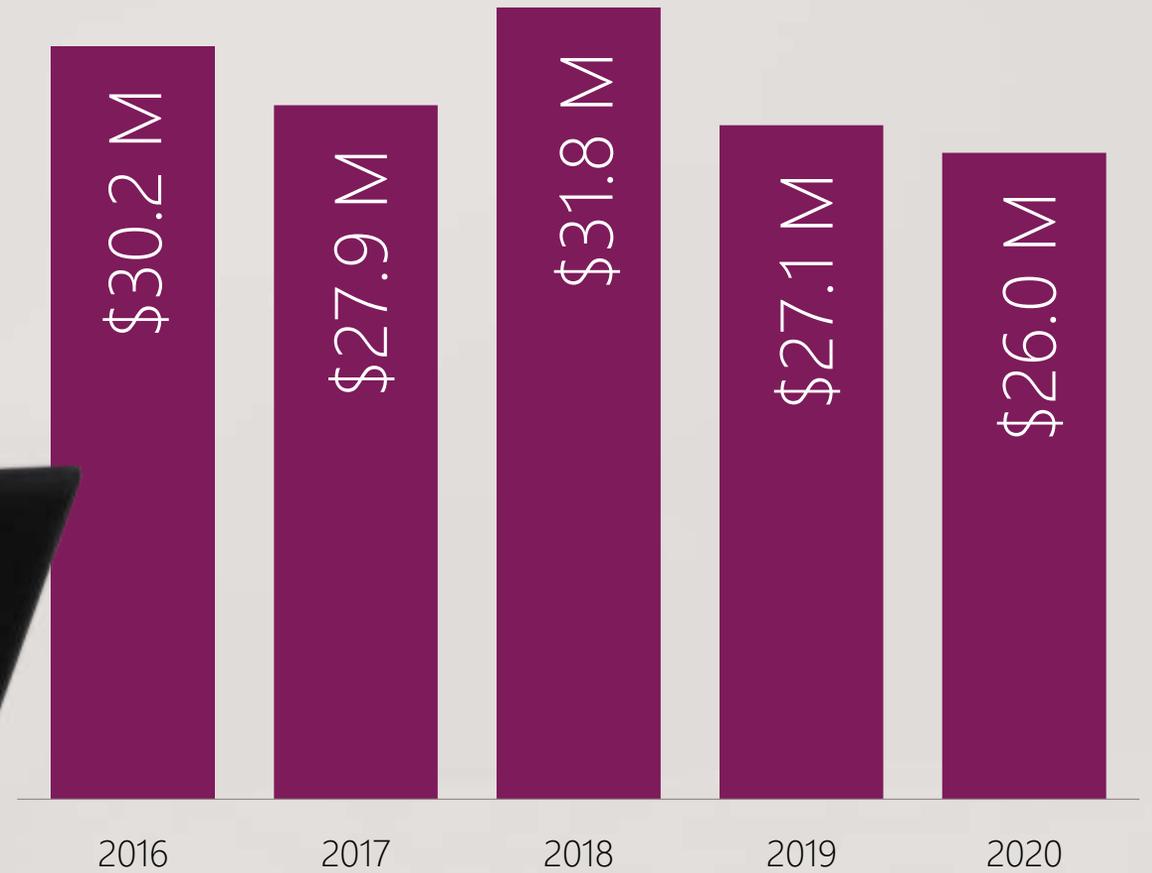




INCOME & EXPENDITURE

PROFIT AFTER TAX

↓ 3.9%



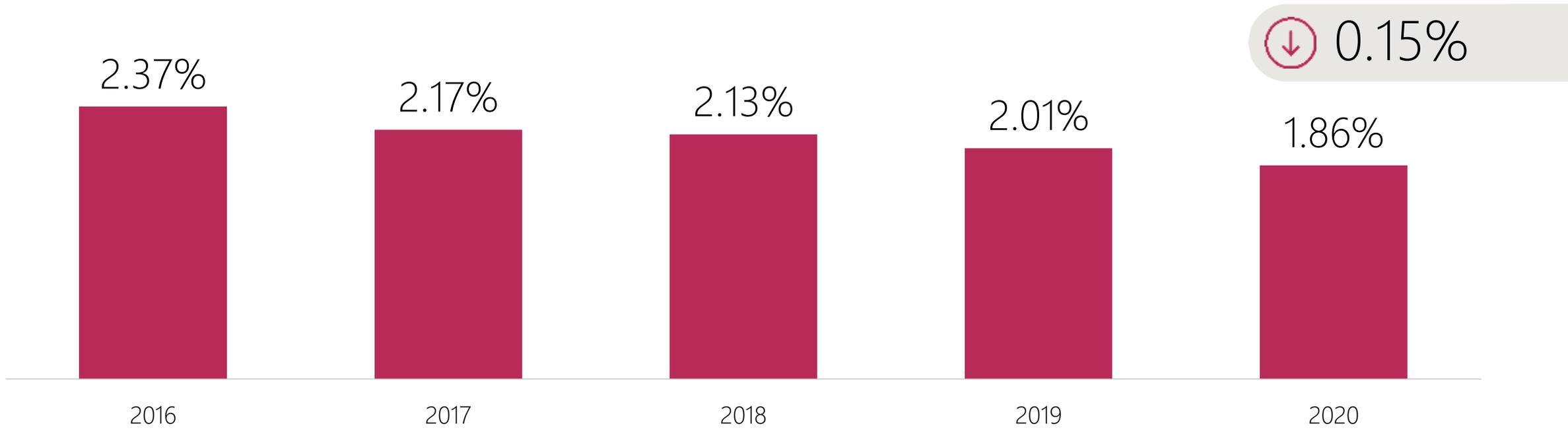
¹Parent (Bank) – Not consolidated group.

RETURN ON ASSETS



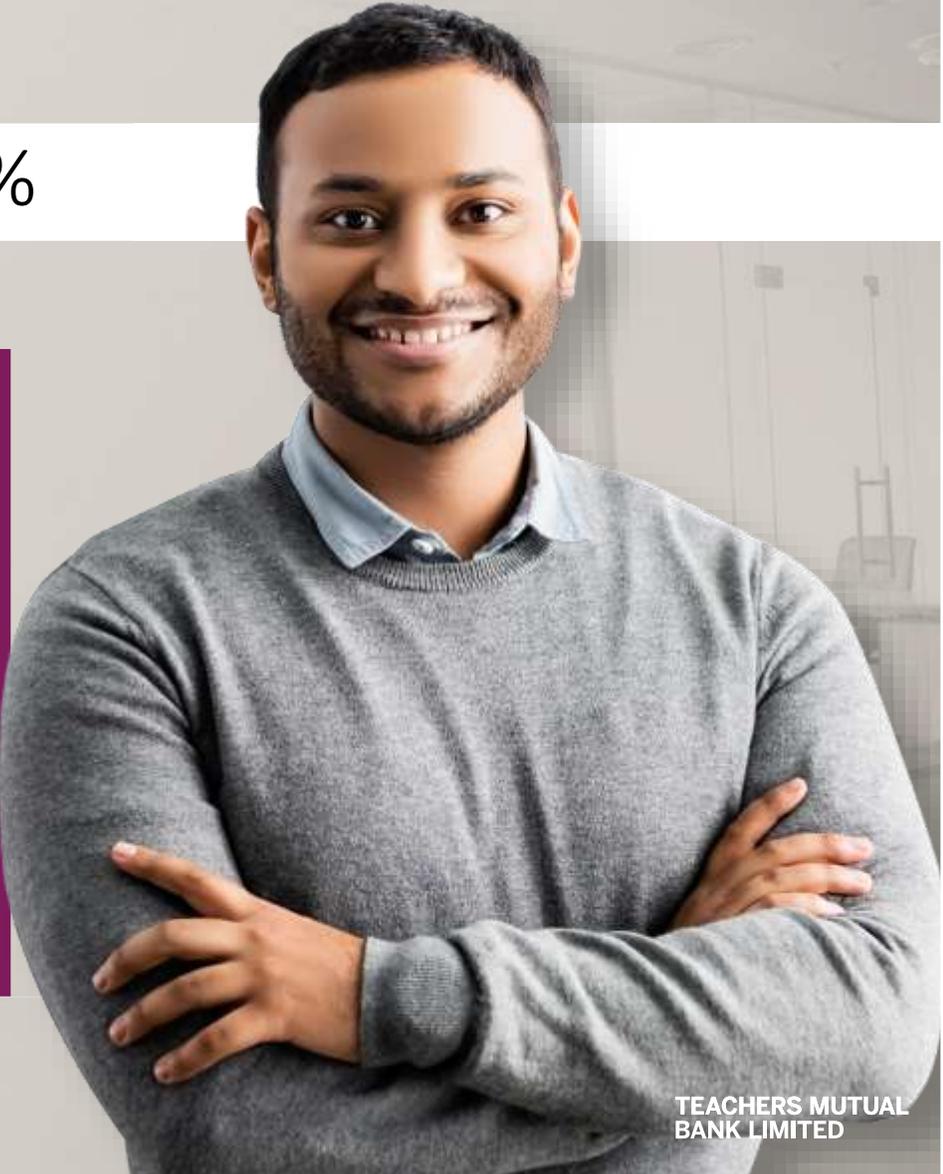
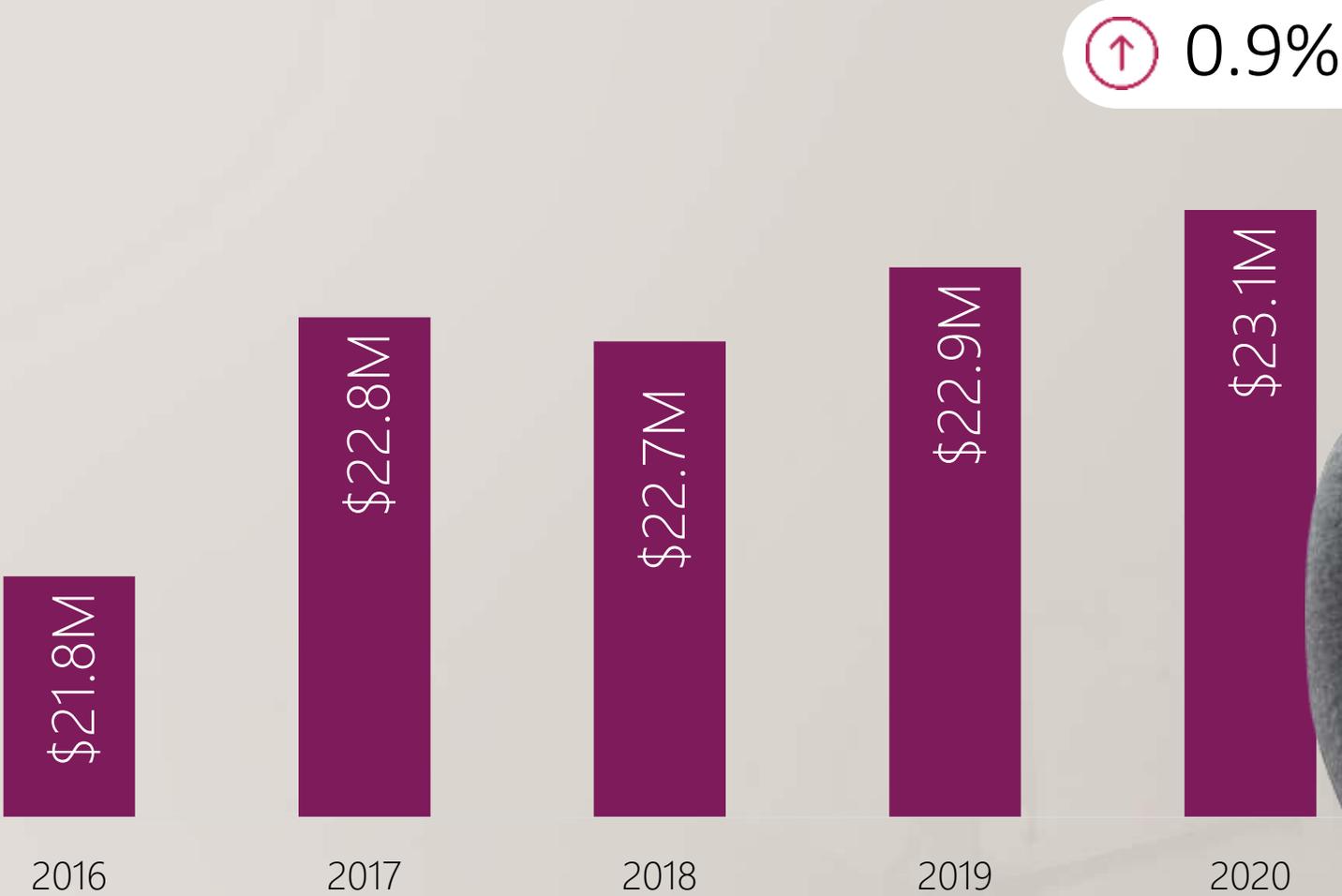
Figures represent bank, not consolidated group.

MARGIN



Refer to the notes of financial statement of changing accounting treatment impacting reduction of 0.05%

TOTAL NON-INTEREST REVENUE



FEES AND COMMISSION - REVENUE

 13.7%

	\$'000	2020	2019	Change	
 Transaction fees		853	2,436	-1,583	-65.0%
 Loan fee income - other than loan origination fees		3,526	2,850	676	23.7%
 Other fee income		673	550	123	22.5%
 General insurance commissions		2,950	3,520	-570	-16.2%
 Life Insurance commissions		374	537	-163	-30.3%
 Other commissions		224	283	-59	-20.9%
 Consumer credit insurance		1	279	-278	-99.8%
 Transaction commissions		5,072	5,268	-196	-3.7%
 Investment advisory		867	1,121	-254	-22.7%
Fee and commission revenue		14,540	16,844	-2,304	-13.7%

OTHER INCOME

 JobKeeper payments of \$5.4M

FEES AND COMMISSION - REVENUE

↓ 13.7%

	Reduced transaction fees	65% ↓	\$1.6M
	Reduced Transaction commissions made worse by COVID-19, especially foreign visa halved	4% ↓	\$0.2M
	Ceased Consumer credit insurance		\$0.3M
	Ceased Bridges Investment Advisory relationship further reductions in 2021 and none beyond	23% ↓	\$0.3M
	Reduced insurance commissions bush fires, floods, hail storms, commission rates, covid19 affect sales	23% ↓	\$0.6M

OTHER INCOME

	JobKeeper payments		\$5.4M
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TRANSACTION FEES



\$4.008M

\$3.892M

\$3.816M

\$2.436M

↓ 65.0%

\$0.853M

2016

2017

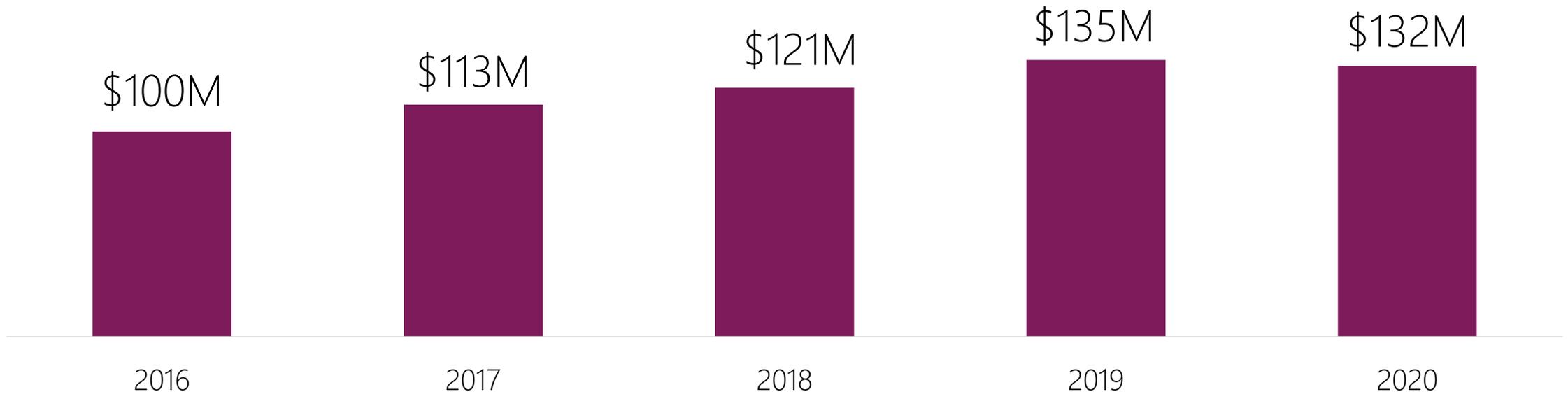
2018

2019

2020

TOTAL GENERAL ADMINISTRATION EXPENSES

↓ 2.2%



EXPENSES

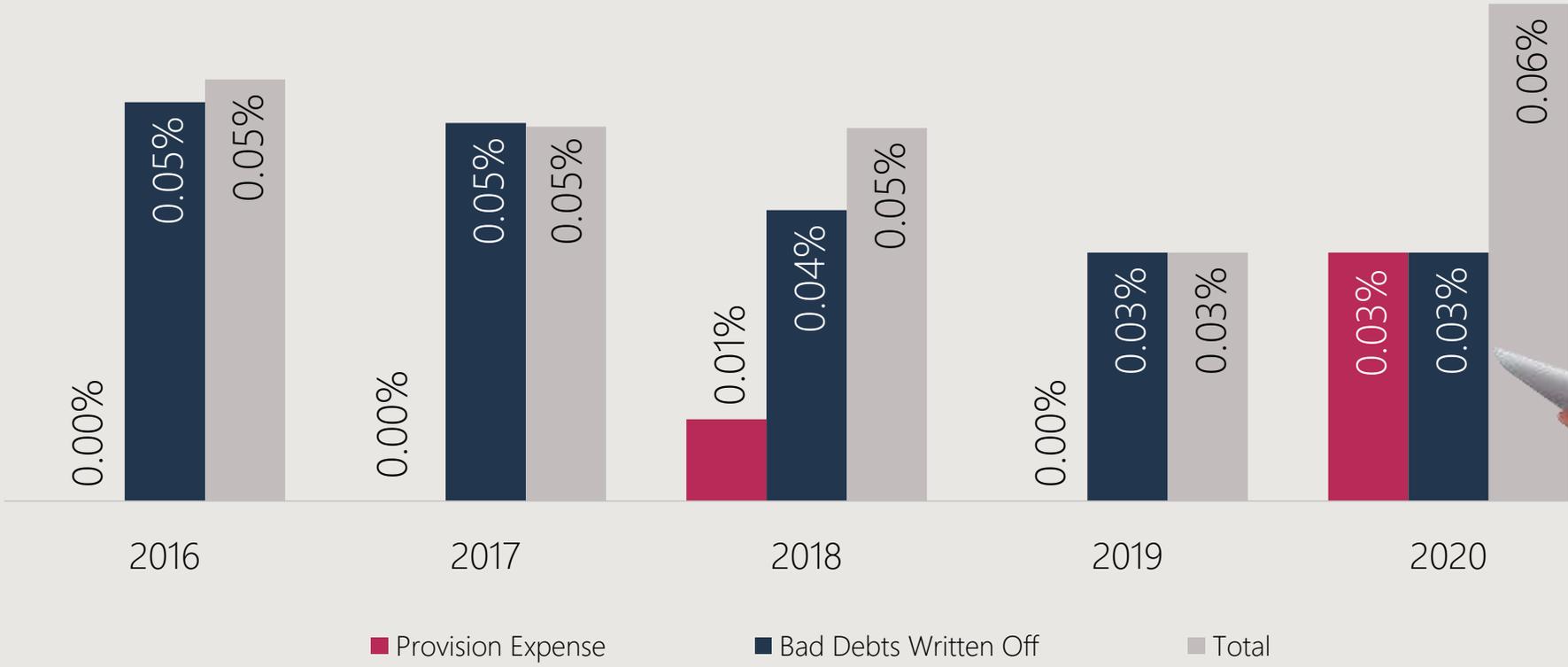
 0.8%

\$'000

	2020	2019	Change	
 Impairment losses on loans and advances	3,696	1,854	1,842	99.4%
 Written-down value of assets disposed	101	2,719	-2,618	-96.3%
 Employees compensation and benefits	77,886	73,118	4,768	6.5%
 Depreciation and amortisation	6,367	6,434	-67	-1.0%
 Auditors remuneration	241	268	-27	-10.1%
 Transaction expenses	15,121	14,523	598	4.1%
 Information technology	12,928	13,855	-927	-6.7%
 Office occupancy	3,904	3,604	300	8.3%
 Net movement in provisions for director development	0	29	-29	-100%
 Research, marketing, sponsorship and events	6,214	6,499	-285	-4.4%
 Professional fees	1,858	1,694	164	9.7%
 Statement and postage costs	1,849	1,881	-32	-1.7%
 Other administration	5,264	10,034	-4,770	-47.5%
Non-interest expenses	135,429	136,512	-1,083	-0.8%

BAD DEBTS AND PROVISION EXPENSE

AS A PERCENTAGE OF TOTAL LOANS



LOAN PROVISIONS

MANAGEMENT OVERLAY

\$'000

EXPECTED CREDIT LOSSES

 Housing
 Personal
 Credit Card
 RediCredit
 Total - households

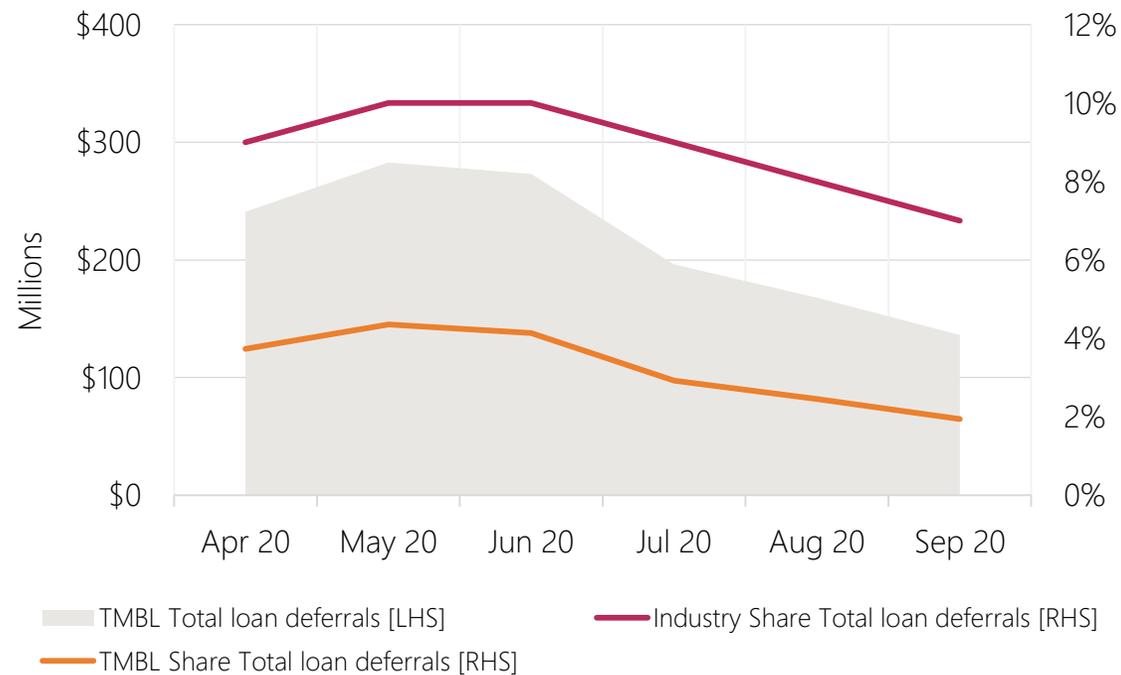
HISTORICAL LGDS AND PDS 	ADJUSTMENT FOR FORWARD-LOOKING INFORMATION 	TOTAL 
146	3,672	3,818
1,626	168	1,794
615	57	672
253	25	278
2,640	3,922	6,562



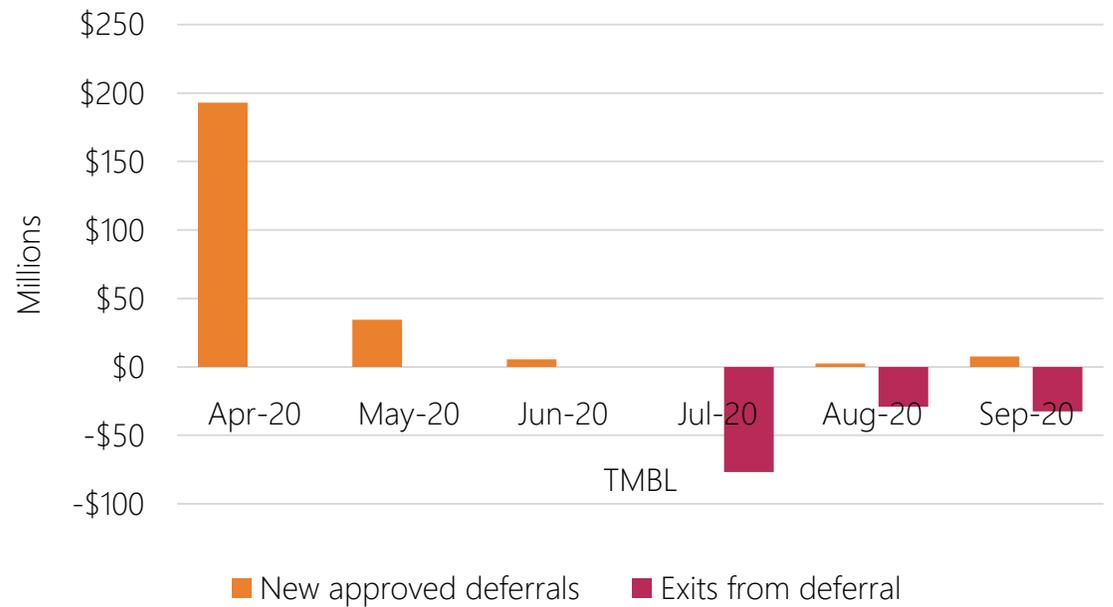
PAYMENT PAUSES



Loans subject to repayment deferral



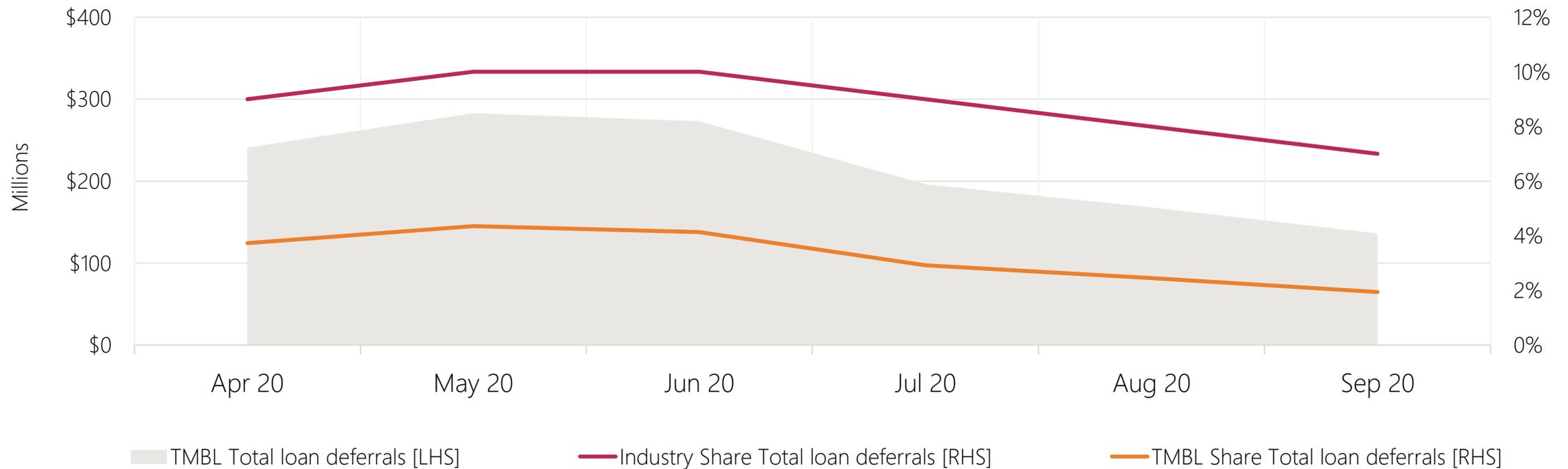
Monthly Movements



PAYMENT PAUSES



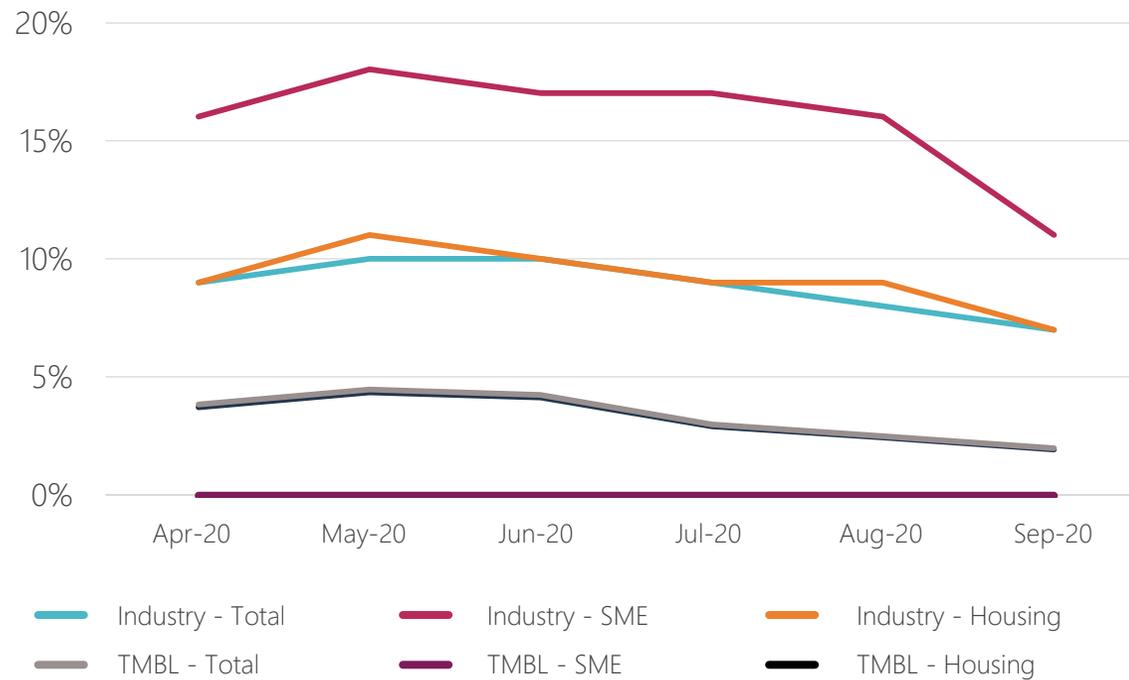
Loans subject to repayment deferral



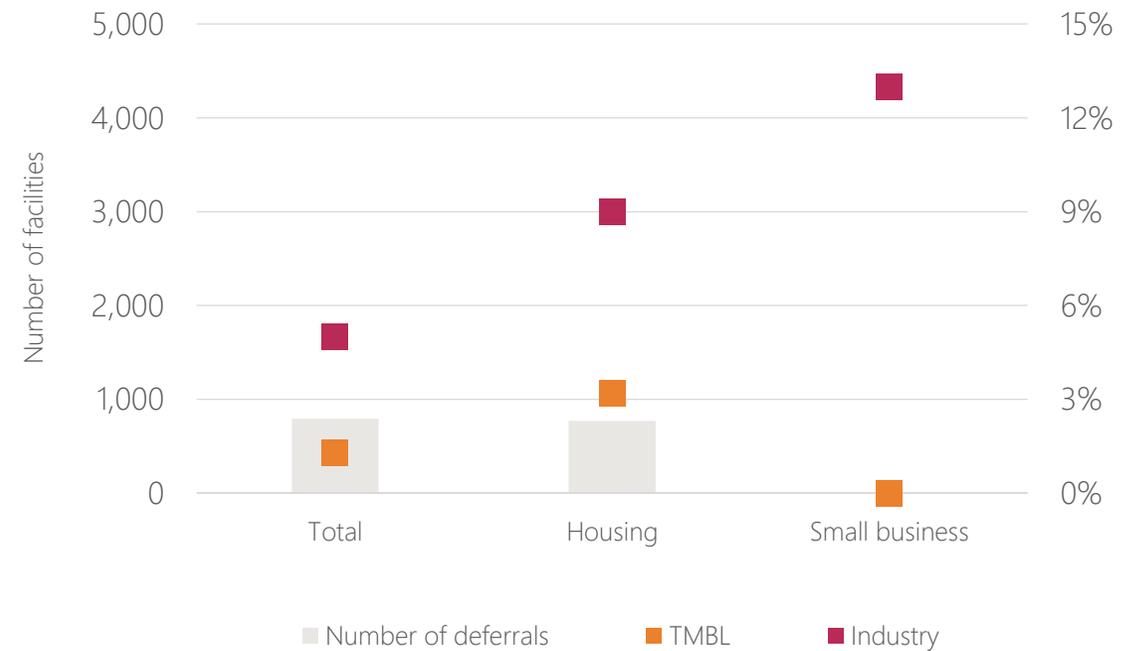
PAYMENT PAUSES



Share of Total Loans



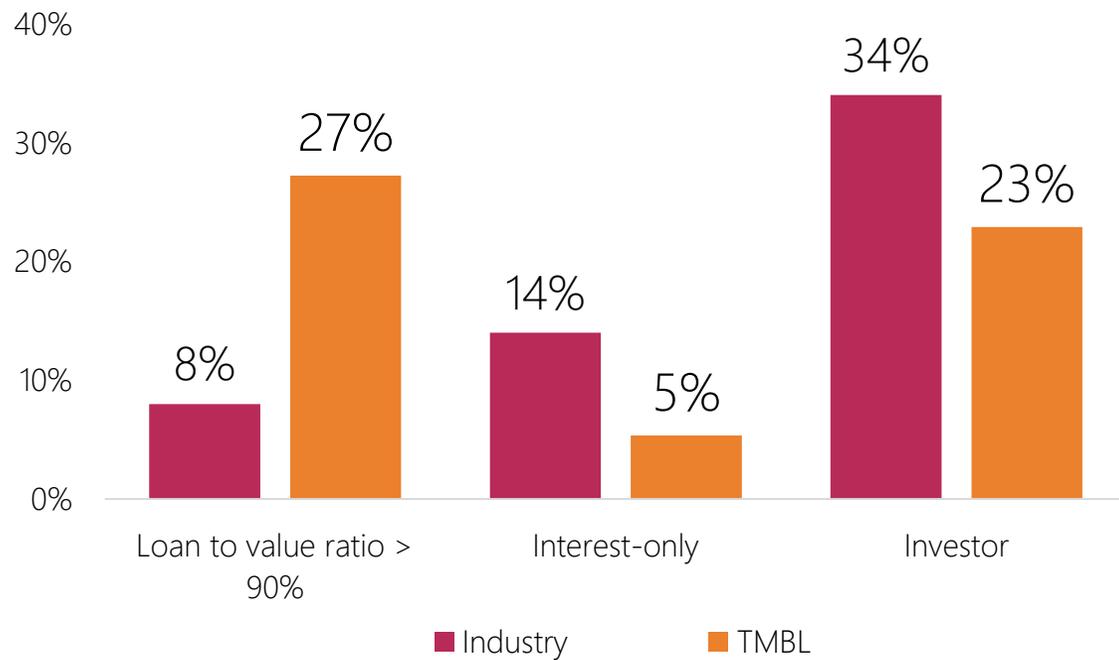
Number of loan facilities



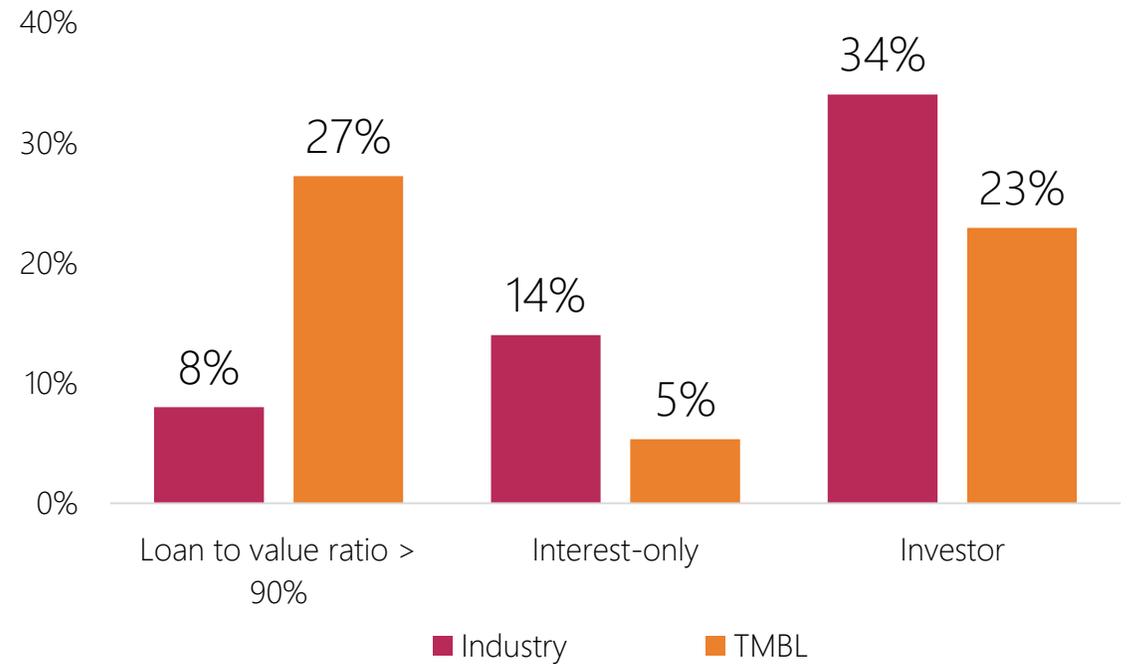
PAYMENT PAUSES



Deferred housing loans risk profile (As at Jun 20)



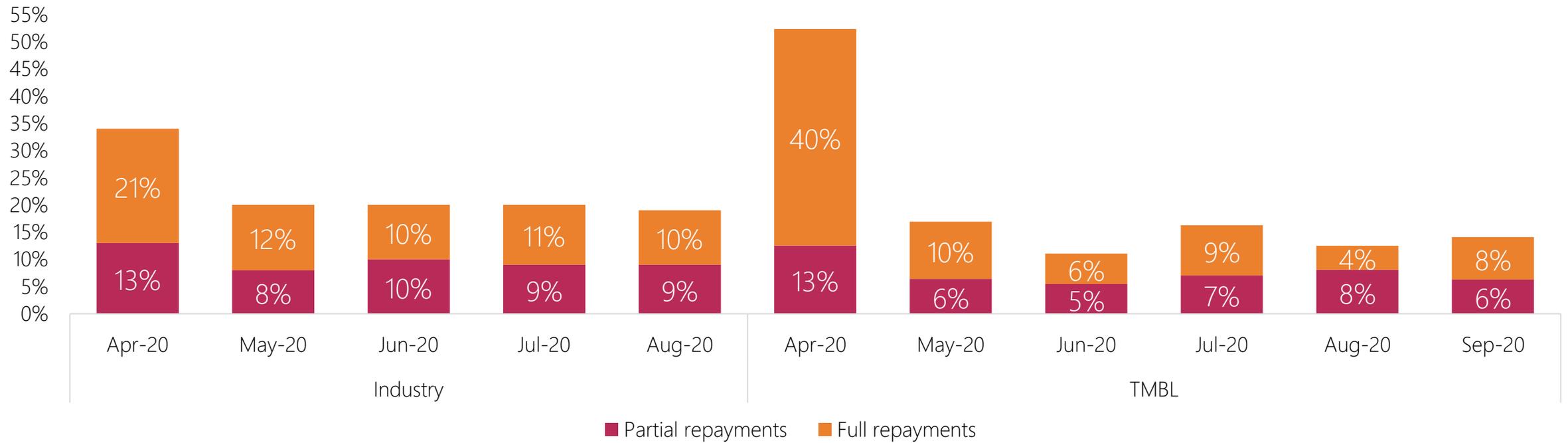
Total housing loans risk profile (As at Jun 20)



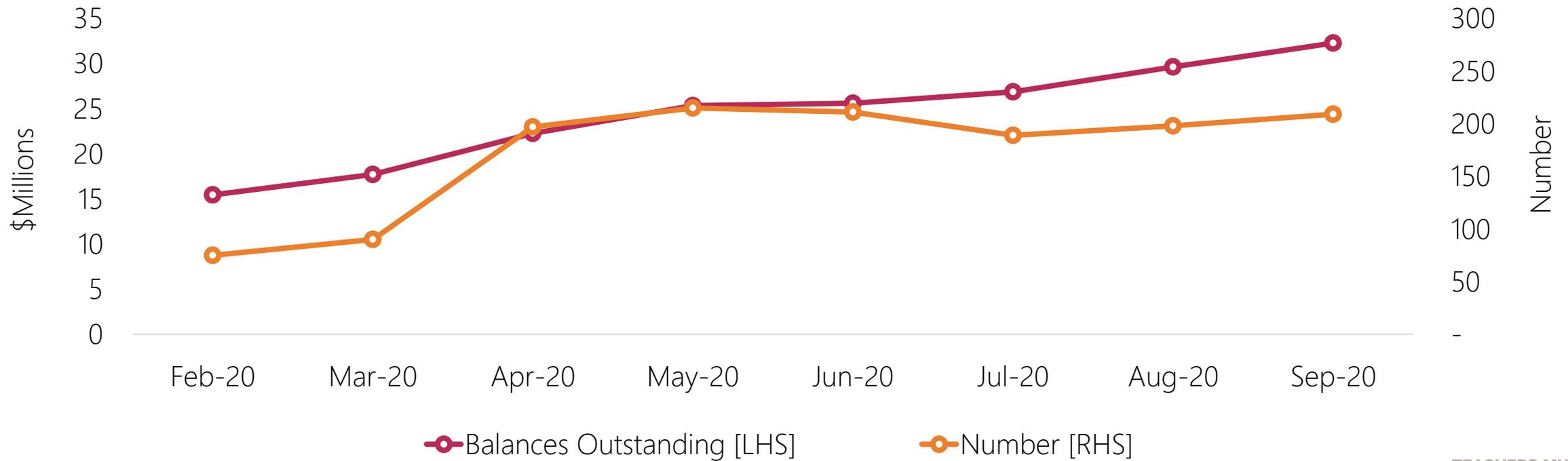
PAYMENT PAUSES



Borrowers continuing to make repayments



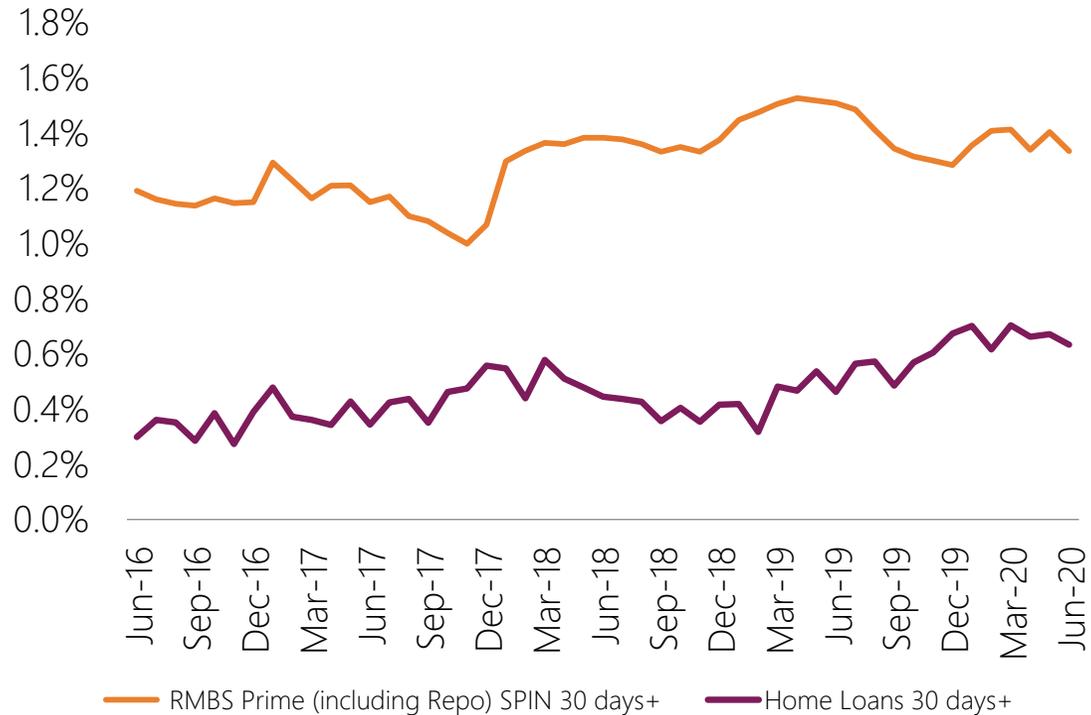
HARDSHIP



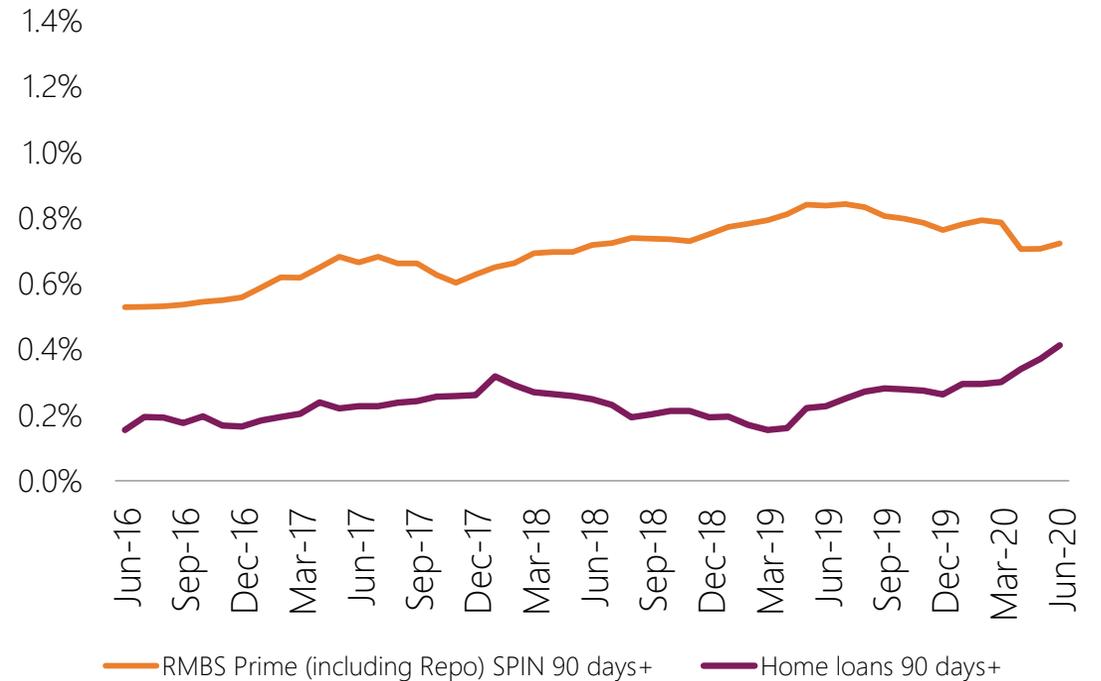
HOME LOANS ARREARS



30 days in arrears



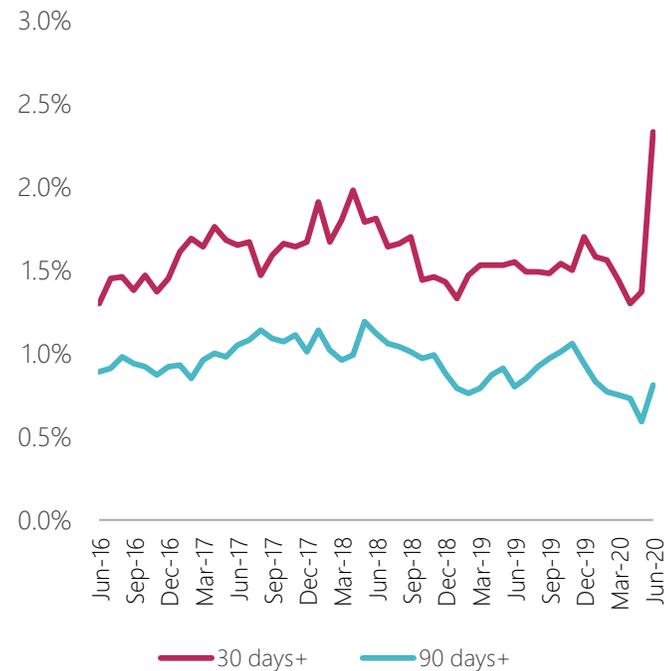
90 days in arrears



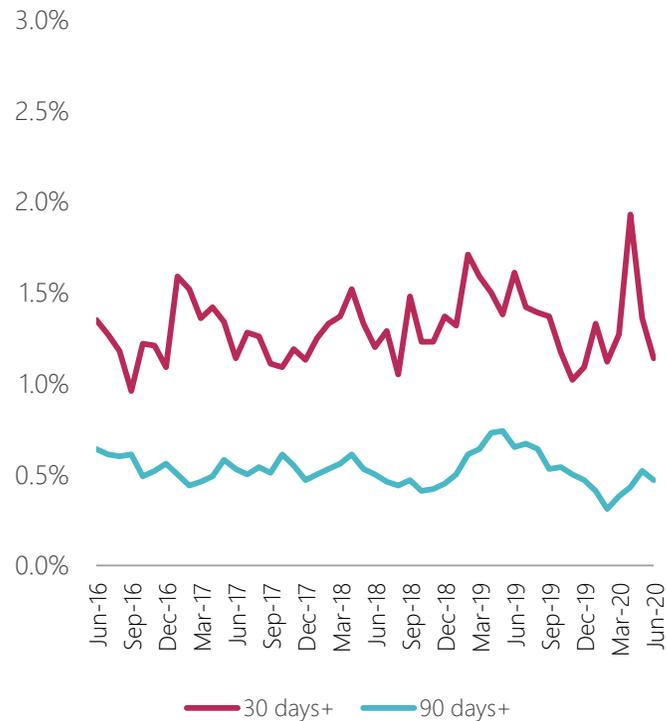
PERSONAL LOANS, CREDIT CARDS AND REDICREDIT ARREARS



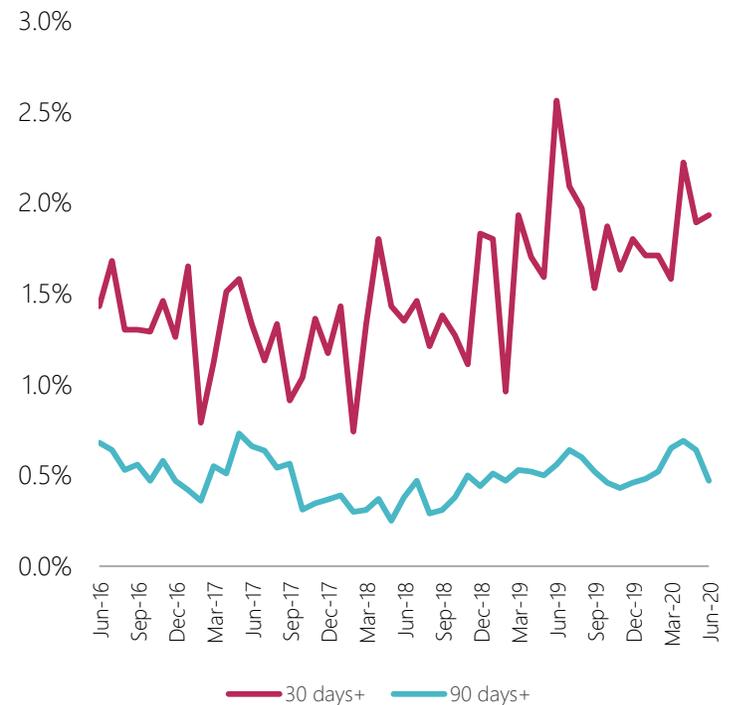
Personal Loans



Credit Cards



RediCredit



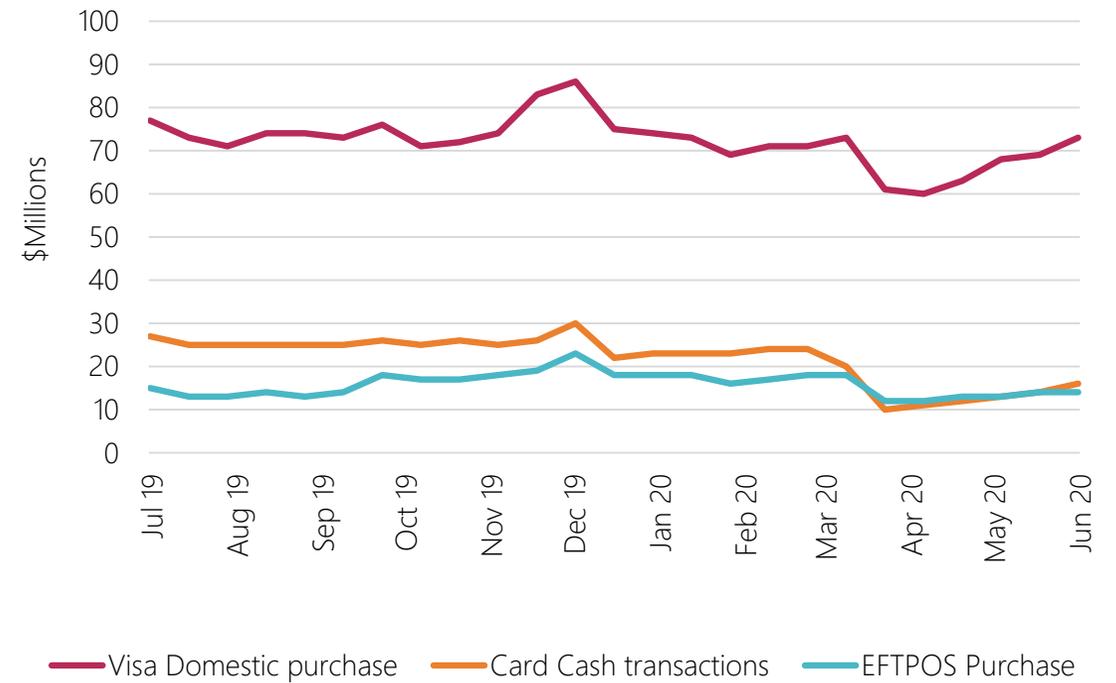
CASH FLOWS



Foreign card transactions for FY2020 (\$M)



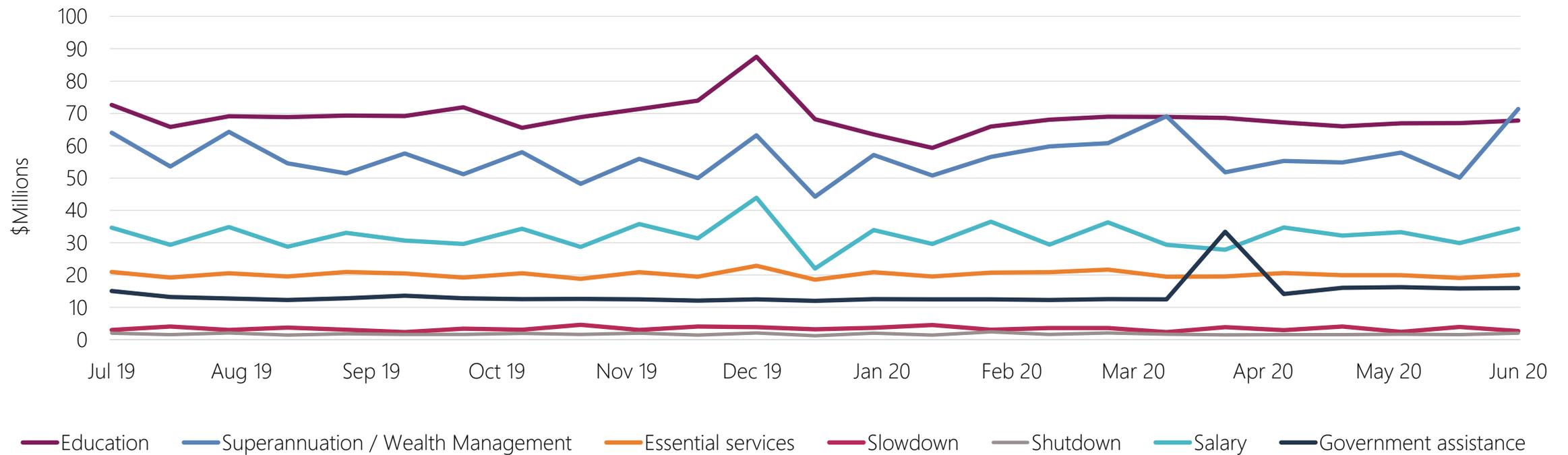
Domestic Card Transactions FY2020 (\$M)



CASH FLOWS



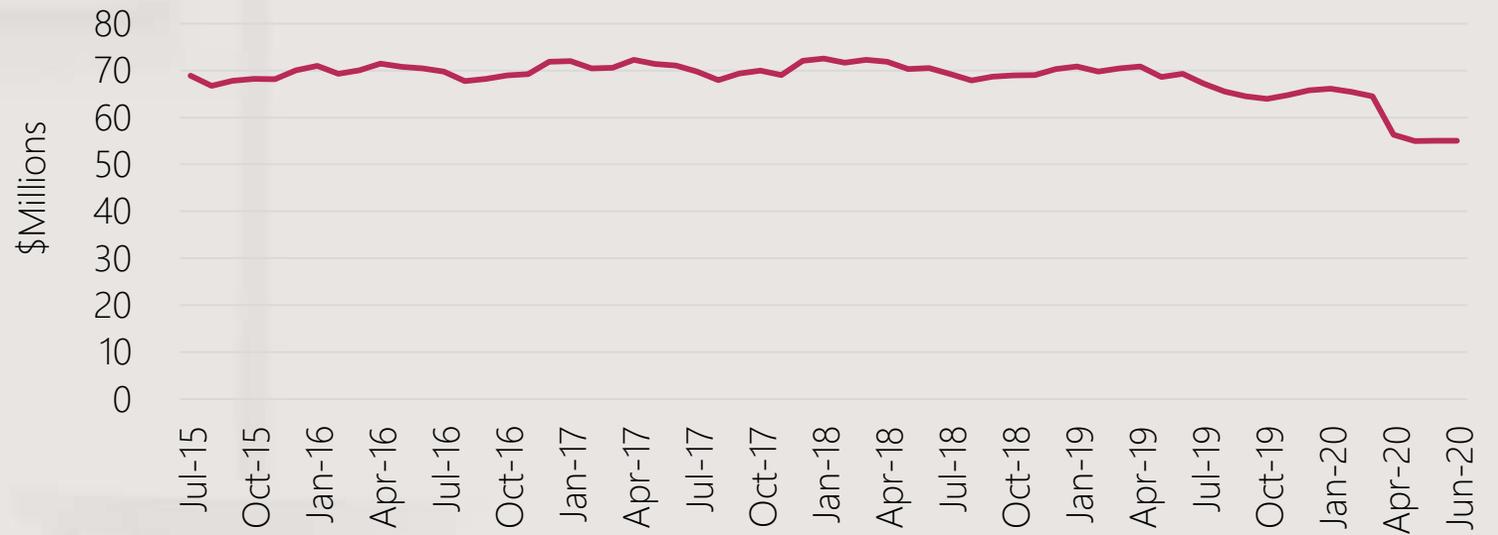
Fortnightly Value Trend by Direct Credit Category(\$M)



CREDIT CARD BALANCE

↓ 20.6%

5 Year Credit Card Balance

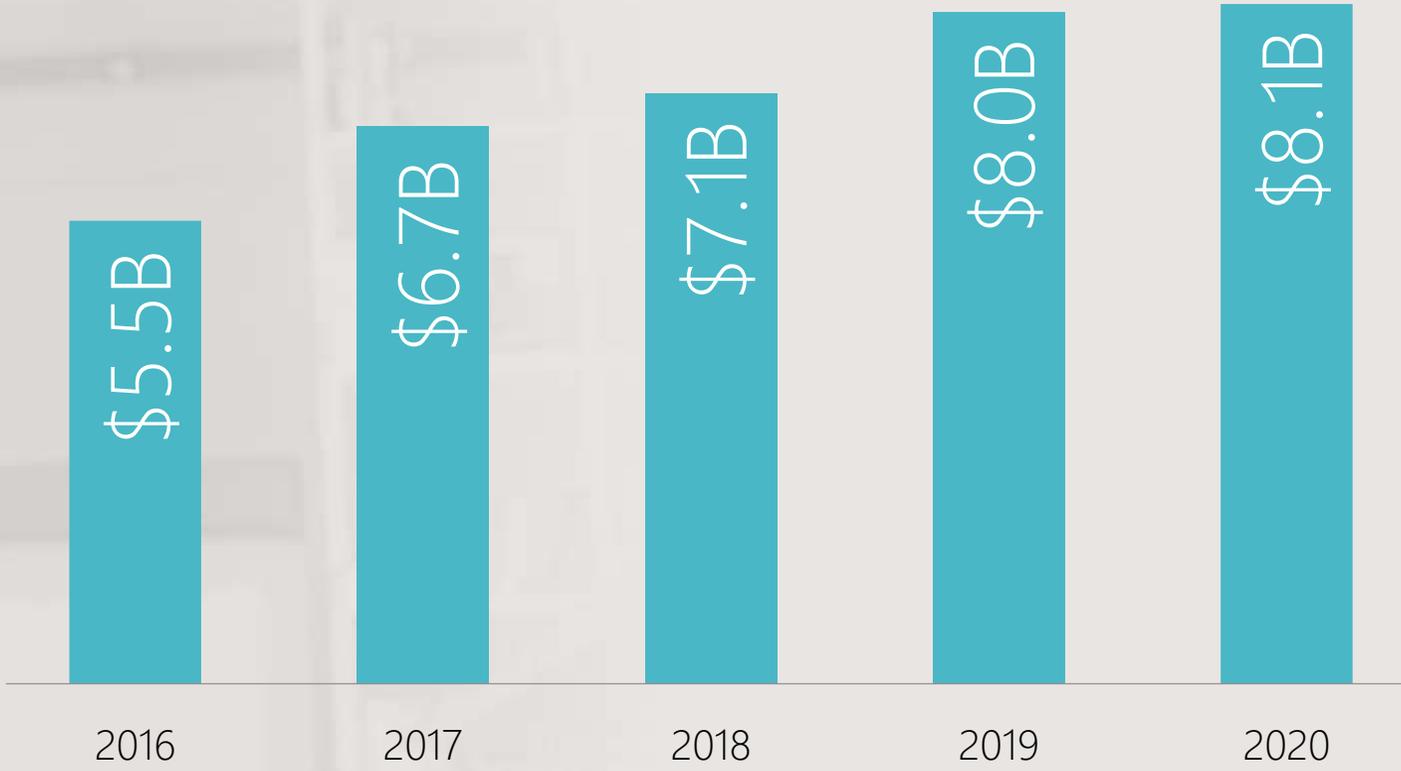
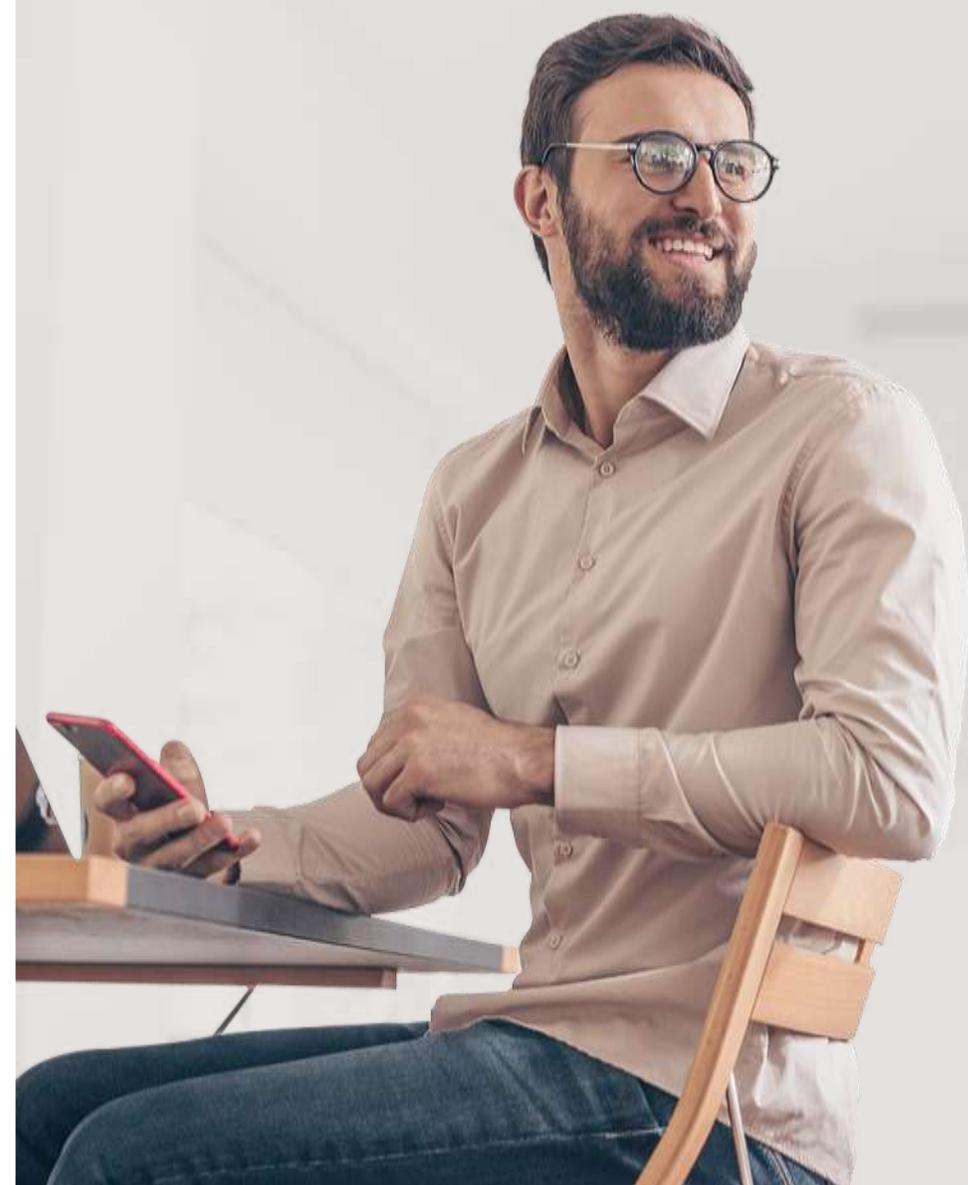




ASSETS

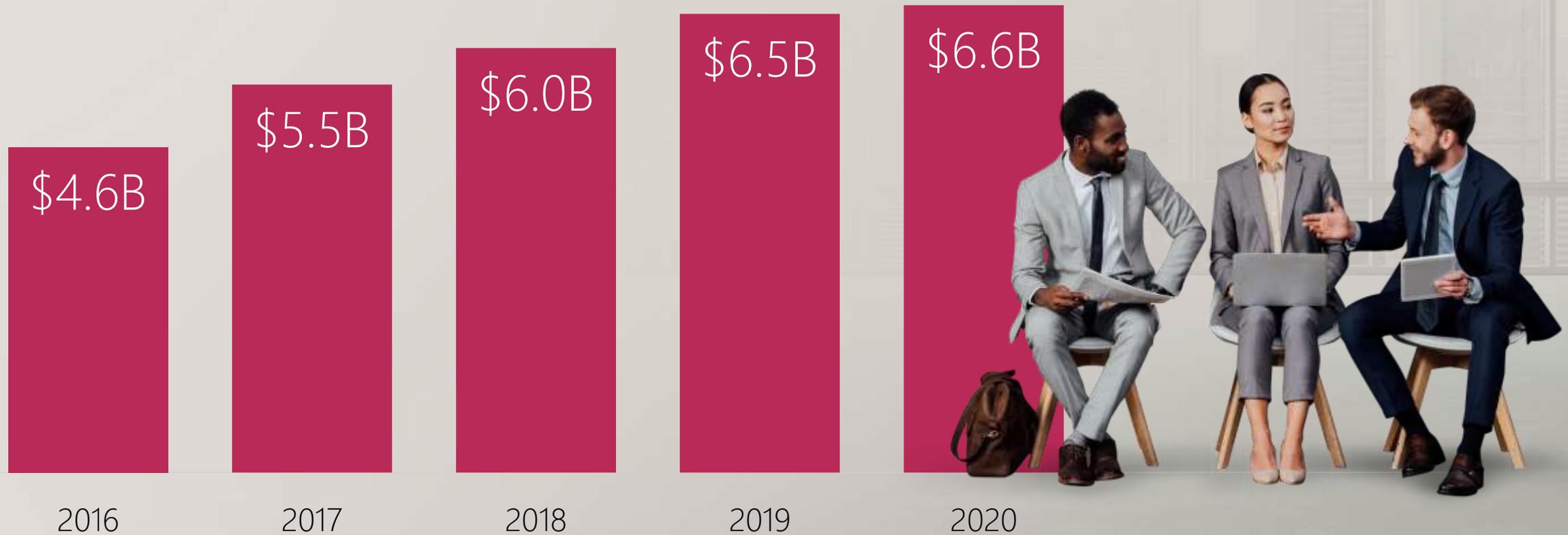
ASSETS

↑ 1.2%

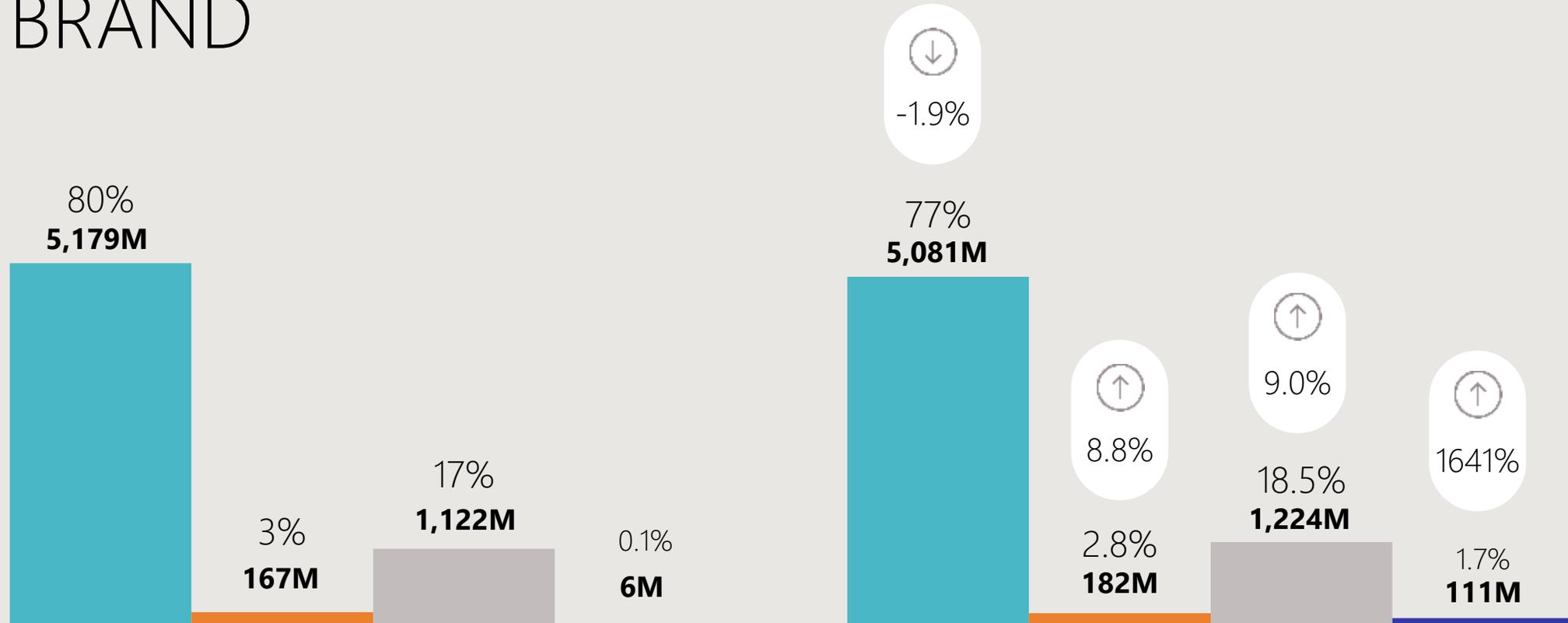


LOANS

↑ 1.9%



LOAN BALANCES BY BRAND



June 2019

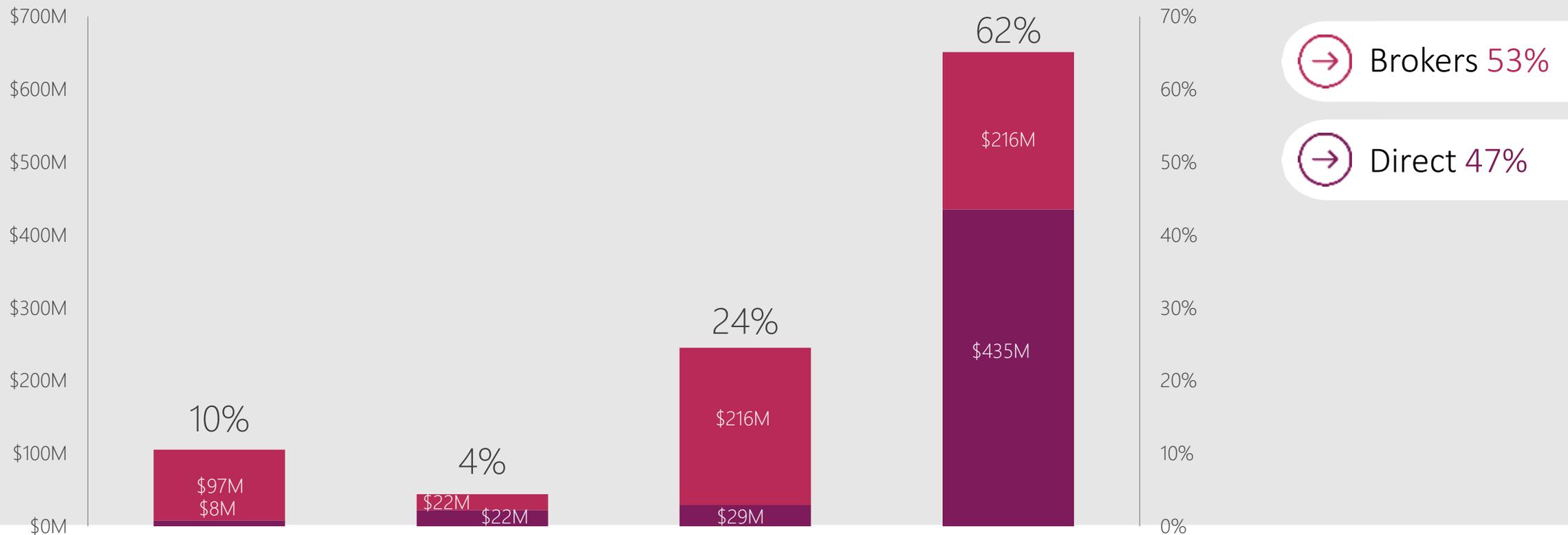


LOANS FUNDED



CATEGORY	AMOUNT	MEMBERS
 Home Loans	\$1,045,781,914	4,143
 Of which are first home buyers	\$242,204,179	1,157
 Car loans	\$18,825,185	859
 Personal loans	\$15,267,838	924
 Total	\$1,079,874,937	-
 Credit Cards limits approved	\$6,994,350	1,219

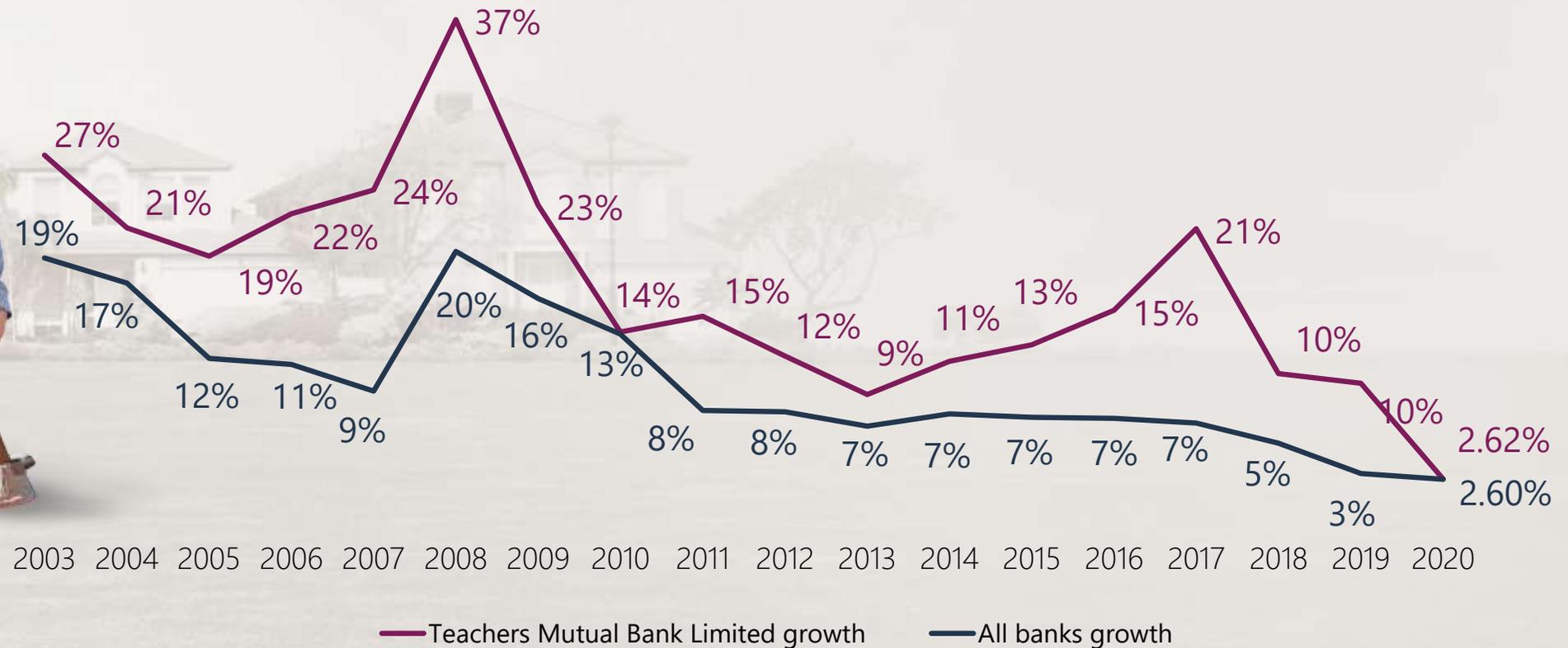
HOME LOANS FUNDED BY CHANNEL BY BRAND



LOANS TO HOUSEHOLDS

HOUSING

Owner occupied and investment growth

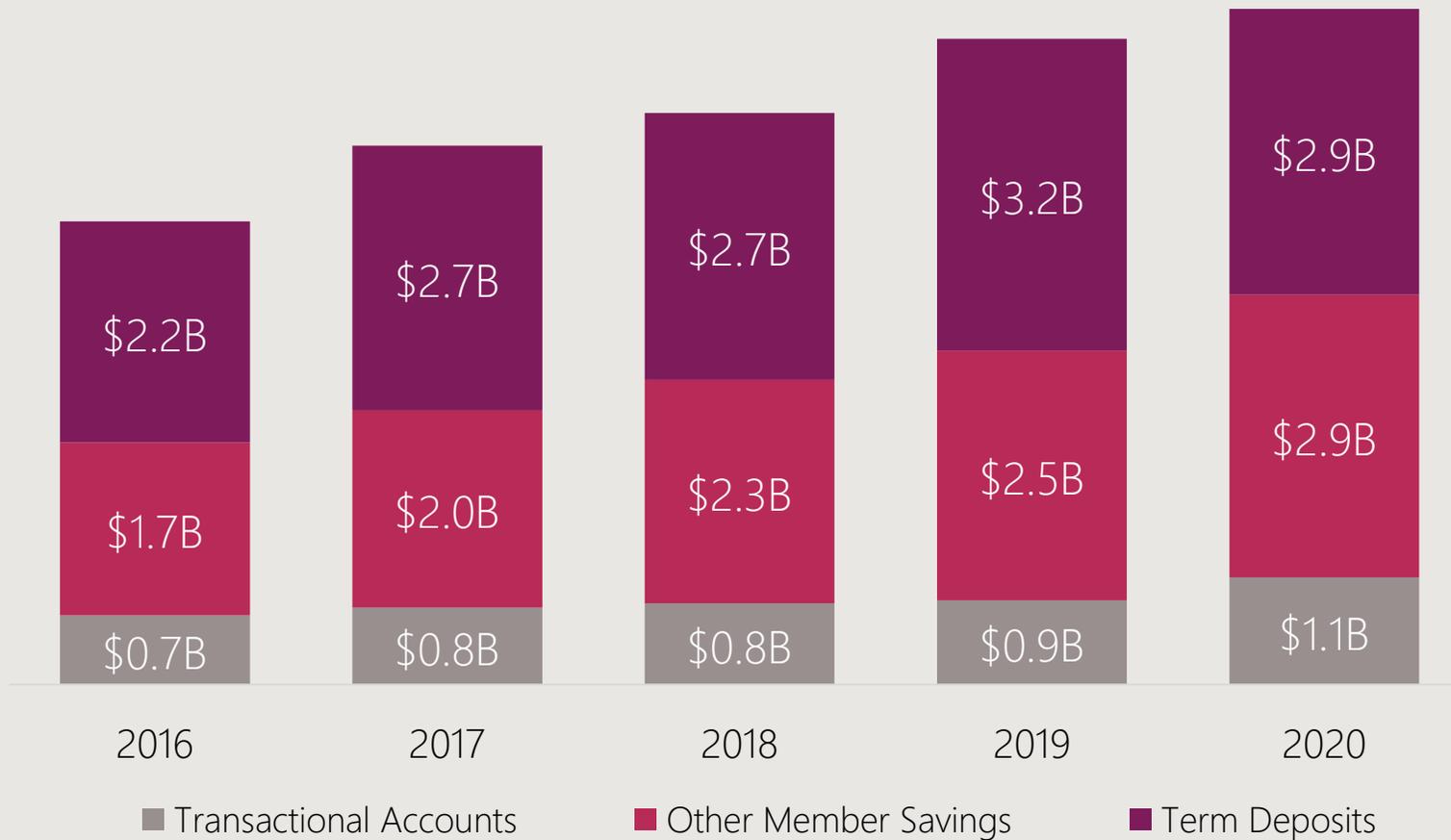




LIABILITIES



RETAIL DEPOSITS



↑ 4.5%



Transaction accounts

27.1% ↑



Savings accounts

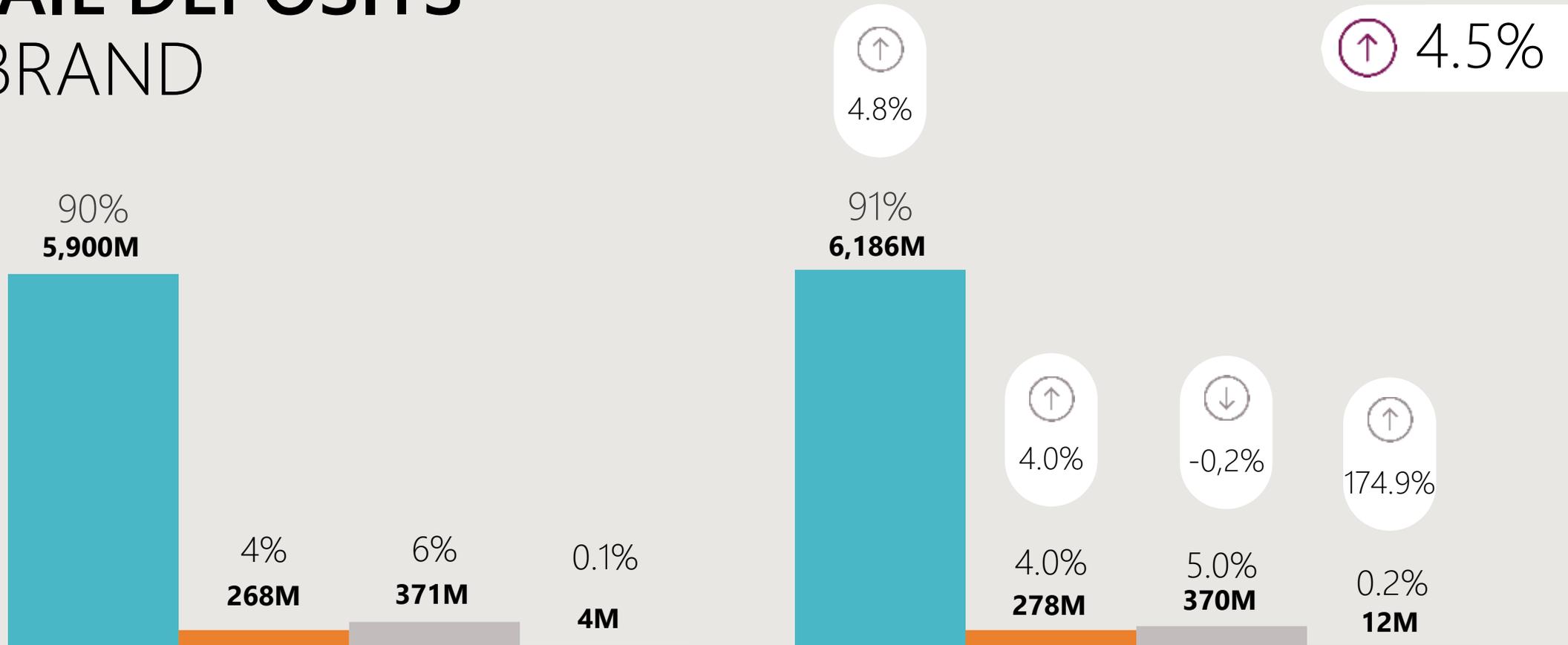
13.3% ↑



Term Deposits

-8.4% ↓

RETAIL DEPOSITS BY BRAND



June 2019



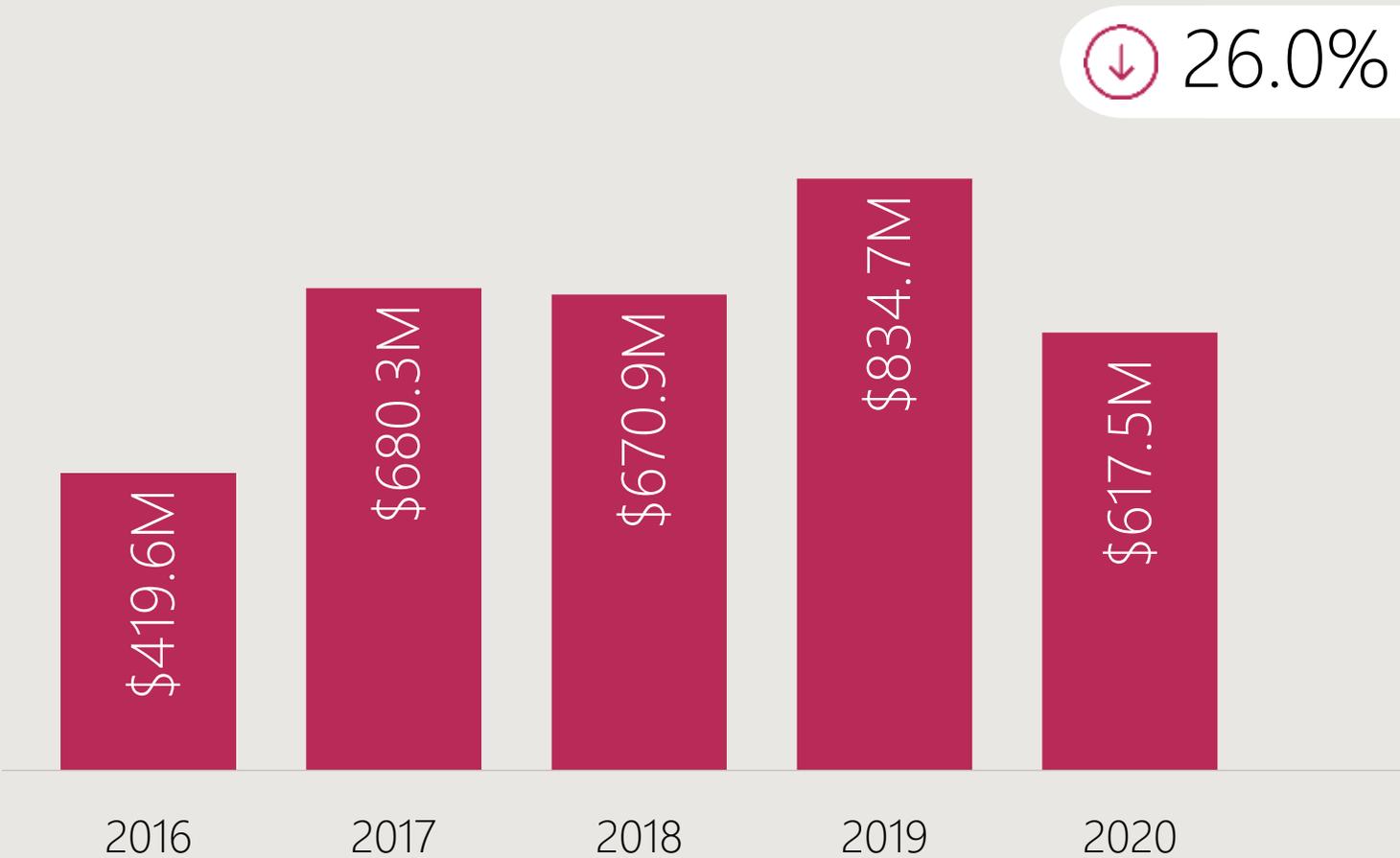
UniBank



UniBank

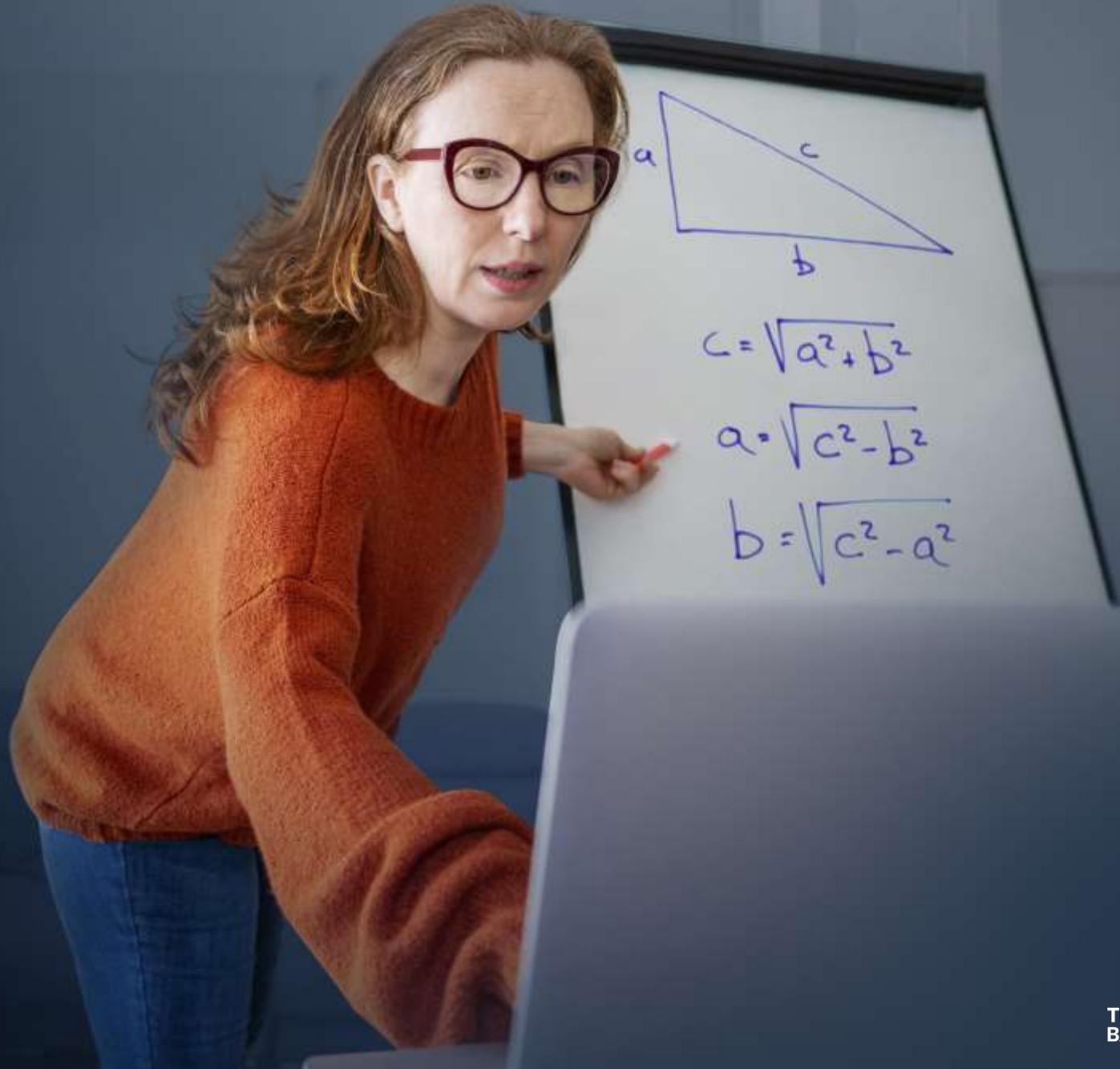


WHOLESALE FUNDING

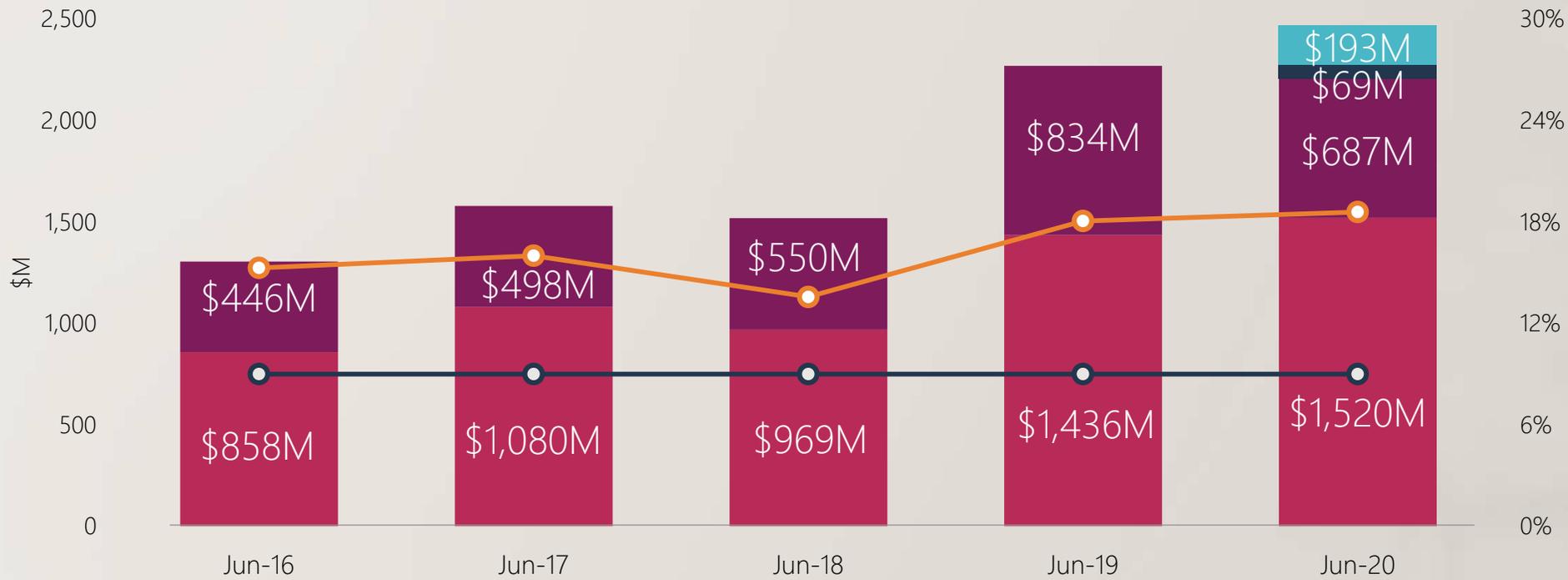




LIQUIDITY



LIQUIDITY



■ HQLA \$ Amount (LHS)

■ Non HQLA \$ less RBA reval & haircuts (LHS)

○— HLQA % excluding EdSec (RHS)

■ EdSec less RBA reval & haircuts (LHS)

■ TFF \$ Amount (LHS)

○— APRA minimum requirement 9% - APS 210 (RHS)



WHOLESALE CREDIT RATINGS



Moody's P-2/Baa1 (stable)

Excellent asset quality,
driven by TMBL's focus
on residential mortgage
lending and conservative
underwriting

Solid capitalisation

Conservative funding
profile, dominated by
retail deposits



Standard & Poor's A-2/BBB (stable)



Very strong capitalisation

Focus on low risk
residential mortgages
contributes to low
credit losses





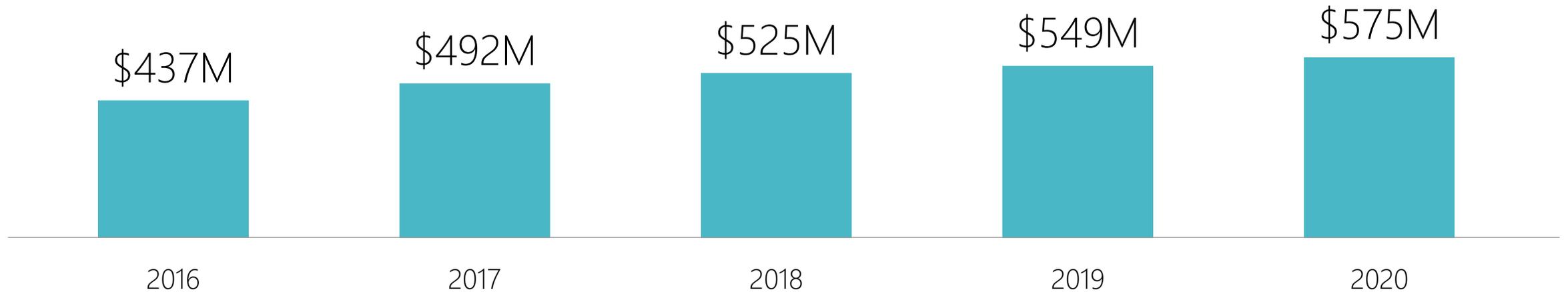
CAPITAL



RESERVES



↑ 4.9%



CAPITAL ADEQUACY **RATIO**



15.85%

15.09%

15.65%

14.81%

15.30%

2016

2017

2018

2019

2020

↑ 0.49%

SUMMARY



Members



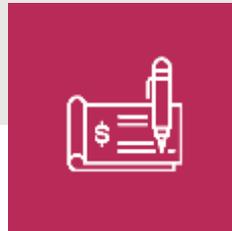
2.7%



Loans



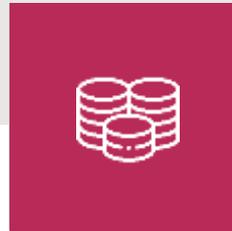
1.9%



Retail
Deposits



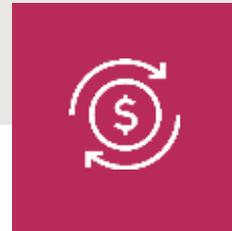
4.5%



Profit



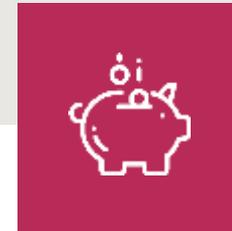
3.9%



Return on
Assets



0.04%



Reserves



4.9%



Capital
Adequacy



0.49%

A young woman with dark hair tied back, wearing a light pink V-neck sweater and dark pants, is sitting on a dark wooden bench. She is smiling broadly and looking slightly to her right. She is holding a silver laptop on her lap. The background is a blurred outdoor setting with a light-colored wall and a window.

THANK YOU