

2021 Annual Report





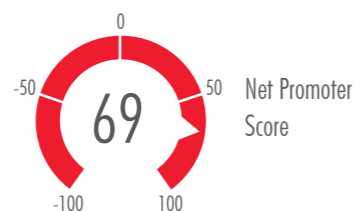
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The Mutual Bank Member Survey Results

30 June 2021

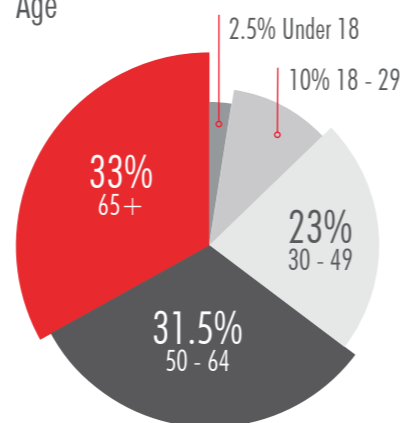
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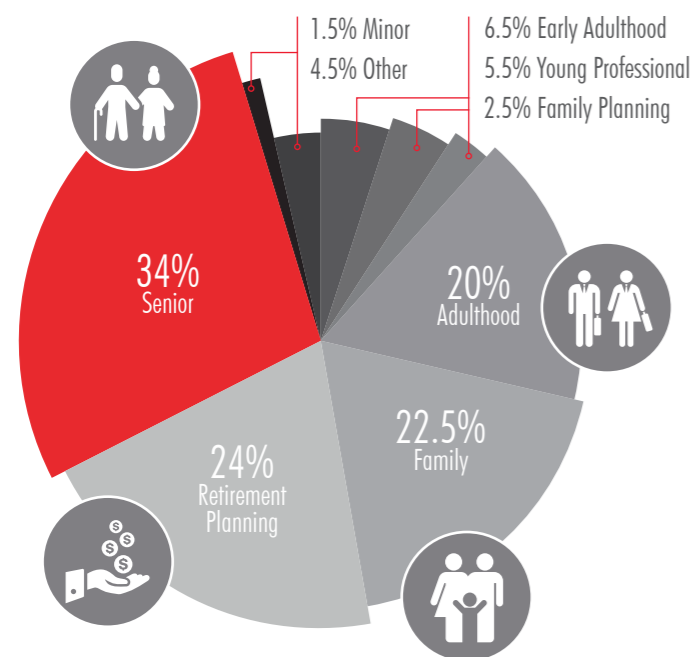
Why you bank with us



Age



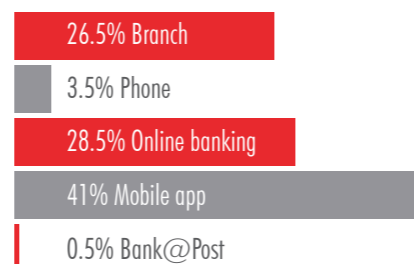
Stage of life



Relationship



Your preferred way to bank



How you rate us



"It's wonderful that you offer our community a branch as most banks or institutions in our area are at least over an hours drive away. The team is always courteous and helpful and being local is fantastic."

Your satisfaction levels



95% satisfied with our service

90% satisfied with our response times

89% satisfied with our products

79% satisfied with our branch locations

"When I first had a bank loan, the manager came out to my warehouse to look it over and have a coffee. Best personalised service I've ever had."

What is most important to you



97% Good customer service

94% Convenience

91% Local customer service

"Hours open are brilliant, even banking on a Saturday"

"You have several long-standing staff whom are genuinely caring and helpful"

What you love about banking with us

- ✓ "You treat your customers with respect and are very helpful in all situations."
- ✓ "We feel at most times... like we are important to The Mutual Bank. Nice to be part of the team."
- ✓ "I have found The Mutual Bank to be the best banking I have ever experienced, and far superior to the "major" banks."
- ✓ "Customer experience has always been 100%, staff were helpful, delightful to talk to."
- ✓ "Response time to release monies for large payments is fantastic. My last request took less than 10 minutes and was done just after closing time. Amazing service."
- ✓ "All of my issues have been resolved very quickly and my enquiries responded to in full detail. The customer service at The Mutual Bank has always been outstanding in my experience."
- ✓ "Your members feel as though you care!"
- ✓ "Customer Service is exceptional! Relationships that are respected with your customers."
- ✓ "As a sole trader I also appreciate the time taken to understand my financial situation and treat me as a strong credit despite being self-employed. In other words, credit decisions are not being decided by an algorithm!"
- ✓ "Great customer service, local and community support."

Our commitment to you We heard what is most important to you.

Banking on mobile is your preferred way to bank

- ▶ A project to bring you online statements is in progress
- ▶ An upgrade of the Mutual App is a priority project
- ▶ An internet banking upgrade with mobile responsiveness is next in line

Our local presence is important to you

- ▶ Our branch network is here to stay and our philosophy of traditional customer service remains core to who we are
- ▶ Our bank@post service remains accessible to members all over Australia

You want banking choice and convenience

- ▶ Weekly rate reviews to ensure market competitiveness continue
- ▶ Ongoing training and support for our team remains a priority
- ▶ We remain committed to balancing both traditional service and modern banking solutions



Left to right - Deb Mirisch, Trevor Robinson (Chairman), Steve Meyn, Sharon Howes, Melinda Smith

Our Values



INTEGRITY

We are accountable for our actions.



RESPECT

Relationships are at our core.



CARE

Our members and people come first.

Financial Sector Update

Despite the many challenges over the past year, The Mutual Bank's performance in FY2021 is best characterised by remarkable resilience and growth. The financial sector, as a whole, has largely remained buoyant throughout the pandemic, contrary to early predictions. Early Federal Government support for individuals and businesses eased the initial strain on borrowers and helped to sustain economic activity and stabilise markets.

Through the financial year The Mutual Bank's results have demonstrated our financial strength and resilience in the face of the economic impacts of the pandemic. While the implications continue into the new financial year, it is with confidence that we enter these new beginnings, able to reflect on the lessons learned from disruption, but also to capitalise on the unexpected opportunity and growth that has presented.

Along with many of our peers in the mutual banking sector, The Mutual Bank is continuing to work towards the completion of the Federal Government's Consumer Data Right (CDR) obligations. We continue to work with our service providers, and the Australian Competition and Consumer Commission, to ensure the safety and security of our members' financial and personal data as we implement the legislated consumer data sharing requirements of CDR as soon as possible; with focus on security and data protection.

Engagement and Satisfaction

Thank you to all who participated in our recent member survey. As a member owned institution, The Mutual Bank prides itself on the care, service, and support we provide to our members and your feedback on how we can best serve you is invaluable.

Through the survey you told us that excellent service (69%) was the top reason for banking with us, with high overall satisfaction (80%) levels. The survey results confirmed that the relationships we have with our members defines who we are. I am thrilled to report that The Mutual Bank's service delivery speaks for itself with more than 93 percent of members acknowledging the care we have for our members, and more than 95 percent

showing their support of us as a trusted local financial institution.

We heard that having both a local and digital presence is important to you, and I would like to reassure all members that our branch network is here to stay. This financial year also saw us expand our digital banking service offering, with the launch of Apple Pay and Google Pay. We now remain focused on progressing planned feature and performance upgrades to our mobile app and internet banking platforms to further improve member experience and convenience.

As a member-first organisation, with deep roots and commitment to our community, we are dedicated to continually striving for excellence for our members in all areas of our organisation, and these results speak to this commitment from our CEO Geoff, and the entire team.

Board of Directors Update

This year we farewell long-serving Board Member, Bruce Arnott, who retired at the end of April after eight years of service as a Director of The Mutual Bank, and former Director and Vice Chairman of Phoenix (NSW) Credit Union before the merger in 2011. On behalf of the Board of Directors I would like to offer my sincere thanks to Bruce for his many years of dedication.

I am very pleased to reintroduce Board Member Sharon Howes, who joined The Mutual Bank's Board of Directors in December 2020. Sharon's career has seen her build extensive executive leadership experience across manufacturing, energy, and resources sectors; as well as significant experience as a Non-Executive Director in the mutual banking sector.

The wealth of experience and expertise Sharon brings to The Mutual Bank's Board is an incredible asset to our organisation. Sharon joins seasoned Board Members Melinda Smith, Steve Meyn, and Deb Mirisch, and is a member of The Mutual Bank's Risk, and Remuneration and Nominations committees.

In May this year the Board of Directors joined the Executive Leadership Team in formally opening The Mutual Bank's new head office building in East Maitland. The COVID-safe ceremony was attended by key

project stakeholders and local representatives including Federal MP Meryl Swanson, State MP Jenny Aitchison, Maitland Mayor Cr Loretta Baker, and local elder Aunty Judy, who gave an acknowledgement of country

Strategic Achievements

As we look ahead to the next 12 months, we will be approaching the end of our current three-year strategic plan. Within our six core focus areas several key strategies have already been delivered; including the relocation of our Head Office in East Maitland and branch in Lake Macquarie, an upgrade of our core banking system, continued participation in Federal Government schemes to support first home buyers and single parents, the implementation of our People and Culture plan, the successful delivery of Apple Pay and Google Pay, and hitting major milestones in our capital and funding, including achieving over \$900 million in assets and \$680 million in our lending book.

As part of our People and Culture Plan framework, March this year also saw the evolution of The Mutual Bank's core values — Integrity, Respect and Care. Values that speak to our ethos since 1888, and the essence of who we are.

On behalf of the Board of Directors I would like to thank the entire team at The Mutual Bank for their dedication and achievements against the odds throughout the past year, and to thank you, our members, for your ongoing support.

Trevor Robinson
Chairman





Executive Team left to right: Blake Evans, Ken Archer, Geoff Seccombe, Janet Lee, Todd Paterson



Department Managers left to right: Rod Williams, Lauren Armstrong, Kieran Quigley, Nicole Richardson, John Digby Absent: Doug Crawford



Banking Managers left to right: Scott Pulbrook, Taryn Stockwell, Errol Russell, Kate Newman, Kirsty Bryson, Jillian Coulton

Strength To Support Members, Community

Throughout the challenges of the past financial year one thing that has remained unchanged is the focus and dedication of all team members at The Mutual Bank in serving our members and community.

This year our business has been on a growth trajectory, largely driven by the booming local home loan market. Record low interest rates and an unprecedented increase in prospective home buyers in the Hunter has spurred a highly competitive market with growing demand.

A few financial highlights for the year include...

- 28% increase in loans funded totalling \$220 million
- 10.8% increase in loans and advances to \$680 million
- 7.4% increase in total assets to \$902 million
- 6.7% increase in members equity to \$56 million
- 3.9% increase in profit after income tax to \$3.5 million

The Mutual Bank's balance sheet strength has allowed us to support members facing financial hardship through the pandemic and NSW floods crises. Despite having robust support available, I am proud to report that The Mutual Bank remains in a strong financial position; in fact, the KPMG Mutuals Industry Report (released November 2020) placed us in the second-best position of all customer-owned banks for bad debt.

The stability of our financial position has allowed us to continue supporting many local community organisations during some of their toughest challenges. In fact, this year has seen us increase our sponsorship program to support community groups in need, such as Mentor Support Network, whose refugee education program was at risk of defunding, and Newcastle Food Month, an event supporting the revival of struggling hospitality small businesses post-lockdown late 2020. We also supported more women's sport including the inaugural Maitland Football Club's Women's Premier

League team, who have gone on to win their first trophy at the 2021 Women's State Cup.

This financial year has also seen us bring our administration team together and settle into our new Head Office; a facility that has already provided us with the space to welcome more than 20 new team members this financial year.

Demonstrated Commitment to Traditional Service

We have maintained our objective of balancing the needs of our depositing and borrowing members within the continuing low interest rate environment. The Mutual Bank's Retirement Account continues to receive industry accolades as an award-winning product; most recently recognised in the Mozo 2021 Experts Choice Awards.

The Mutual Bank demonstrated its commitment to our local branch presence throughout the Hunter Region and we are now the only bank in Mayfield and Dungog. We're proud to buck the industry trend of permanent bricks-and-mortar closures in regional and rural areas and for providing this personal service six days a week.

Local Leaders in Modern Banking

At The Mutual Bank we believe that excellence in member service is achieved through the intersection of traditional customer care and modern banking innovation. Not only are we committed to retaining face-to-face service; proudly, we were the first Hunter-based bank to offer Apple Pay to members, and the first to have both Apple Pay and Google Pay available.

The Mutual Bank is committed to implementing best practice technology. This financial year we also performed an essential upgrade to our core banking system that has opened the way for further enhancements to our digital banking solutions.

Member Value Through Choice and Convenience

The Hunter's housing boom has seen record numbers of first home buyers entering the market, and The Mutual Bank proudly continues assisting local people into their

own homes. We remain the only local bank based in the Hunter Region offering the successful First Home Loan Deposit Scheme and New Home Guarantee Scheme, and the inaugural Family Home Guarantee Scheme.

Providing our members with the highest levels of service and support, tailored to your individual needs, is of the utmost importance to us so I thank all of the members, more than 14 percent of our membership, who responded to our recent member survey

The top three insights we gained from you...

- Our team is our greatest asset, and our service philosophy is highly valued
- The preferred way to bank is through our digital banking platforms
- Maintaining our local presence remains important to you

Your feedback is essential for inclusion in the ongoing evolution of The Mutual Bank, and we are committed to addressing continuous improvement in these priority areas over the next 12 months.

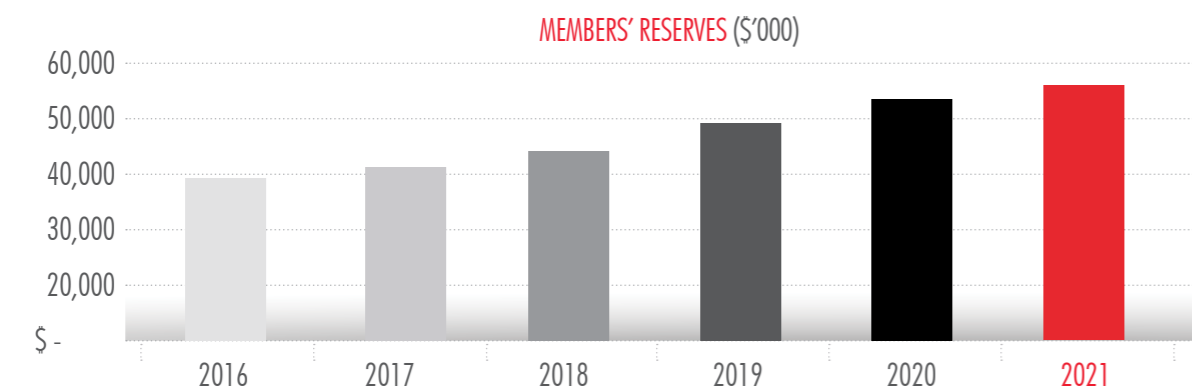
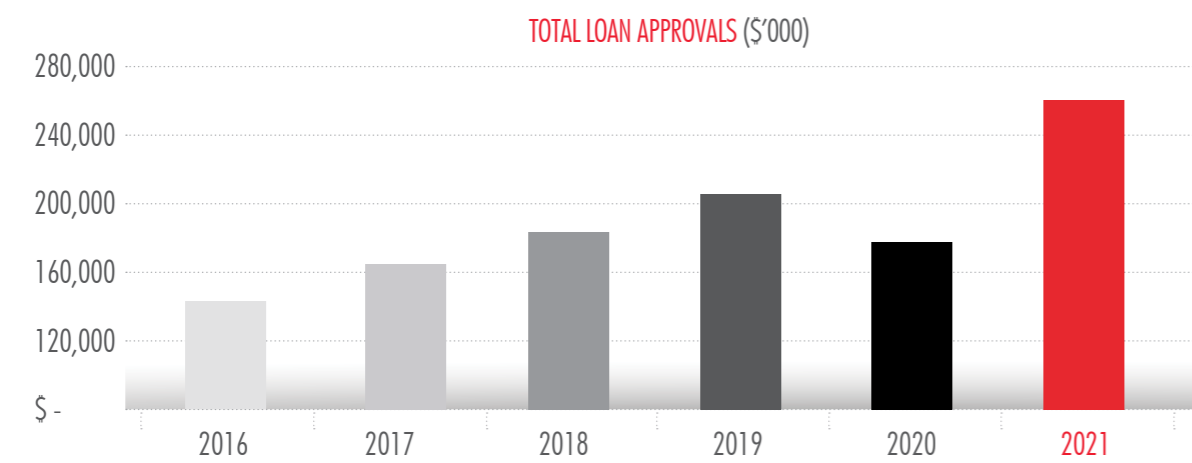
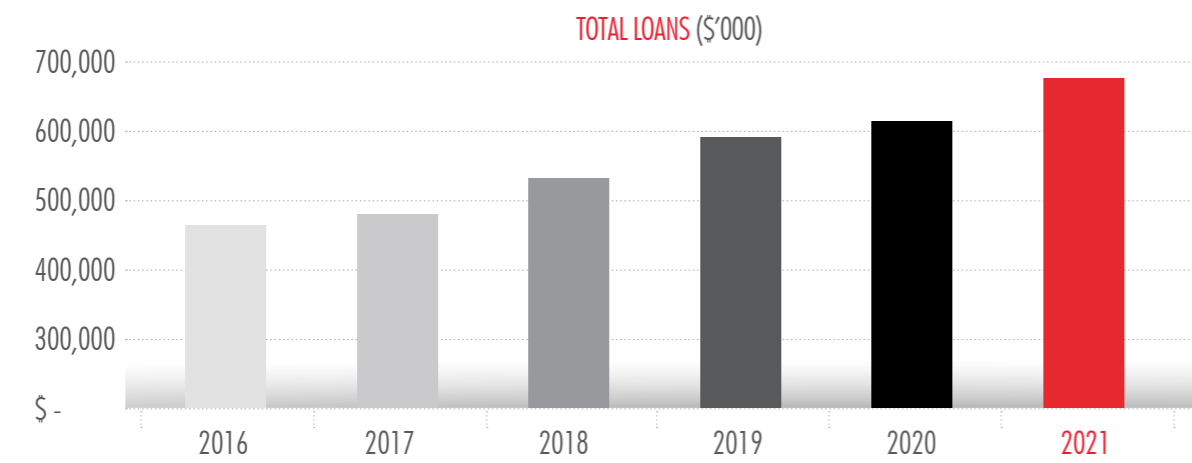
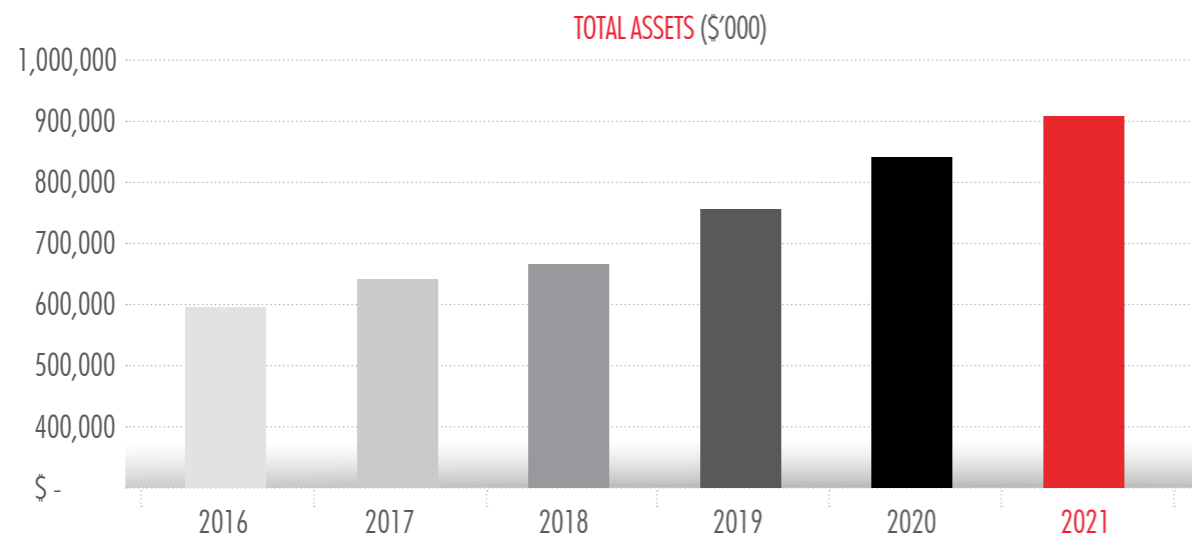
I thank the entire team for their steadfast determination and resilience, and to all members for your continued support.

Geoff Seccombe
Chief Executive Officer



Performance Charts

30 June 2021



Developing Our Team

30 June 2021



Beanies for Brain Cancer Morning Tea at Head Office



Longest serving employee - Estelle



Deneka Certificate III in Financial Services



Capri and Leanne attending Friends of Palliative Care Annual Walkathon and Fun Run



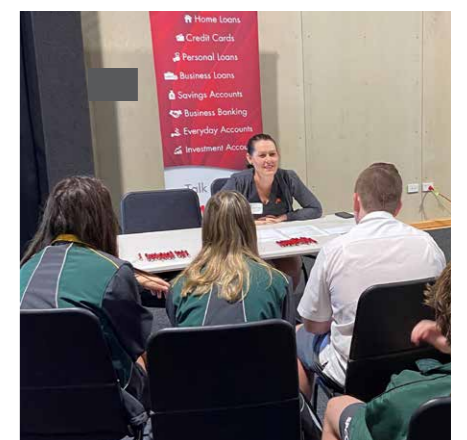
Zac Certificate III in Financial Services



Julianne attending Youth Express' Career Quest at Grossman High School



Katelyn Certificate III in Financial Services



Jillian attending Youth Express' Careers Quest at St Phillips Cessnock

Supporting Our Community

30 June 2021



City United Cricket Club

Dungog Art Society

Dungog Memorial Bowls

Dungog Public School

East Maitland Bowling Club

East Maitland Golf Club

East Maitland Junior Rugby League

East Maitland Women's Bowling Club

Easts Womens Golf Club

Filipino-Australian Society

In June our Edgeworth Team attended the 40th annual birthday celebrations of the Filipino-Australian Society of the Hunter Valley. It was a magnificent event with colourful traditional gowns which were paraded during the event. During the night guests were entertained by the Filipino-Australian Society Mubuhay Dancers and the Wowawie Dancers. Our Edgeworth Team called it an unforgettable night and look forward to attending future events.

Friends of the School Masters House

Glendale Gorillas Juniors

Gresford Show

HVTC

IF Maitland

IF Maitland took place with great success in March 2021, despite the pandemic, which was welcome community activation in the Maitland CBD. CEO Geoff Seccombe launched the festival along with Festival Director Graham Davidson and Mayor Loretta Baker at the opening ceremony.

"All of us at IF Maitland are immensely grateful to The Mutual Bank, not just for their support that made this year's

festival possible, but particularly for their commitment to support the festival into the future."

- Graham Davison, Festival Director

Maitland Croquet

Maitland District Netball Association

Maitland District Netball Association and The Mutual Bank have a strong ongoing relationship. Since 2015, The Mutual Bank has provided support contributing towards the upgrades of the Maitland Netball Courts and replacing post protectors and sporting equipment which was lost in the 2015 superstorm.

"We have proudly been sponsored by The Mutual Bank for 6 years. It has been a very supportive relationship as netball is often overlooked for support. With a membership of over 2500, we look forward to continuing our relationship with The Mutual Bank particularly as we look to stage 2 of our court development, making Maitland Netball a leader in regional facilities."

- Kim Starkey, President

Maitland Football Club

Maitland FC entered the Newcastle Herald Women's Premier League (WPL) Competition in 2021 for the first time. This was a big step forward for the club and has seen significant growth with the addition of six women's teams along with their families and supporters.

"The Mutual Bank was one of the first sponsors of Maitland FC to recognise the additional profile that women footballers would bring to the club and to the community. Maitland FC is delighted to have The Mutual Bank as one of our inaugural sponsors of women's football in Maitland following a number of years sponsoring our men's teams. The generous sponsorship from The Mutual Bank has allowed Maitland Football Club to recruit some quality players and coaching staff to

ensure we field a competitive squad in our first year."

- Chris Rafferty, Vice President

Maitland Hockey Turf Association

Maitland Indoor Sports Centre

Maitland Junior Football Club

Maitland Pickers Rugby League

Maitland Pipes and Drums

Maitland Polocrosse

Maitland Region Society of Artists

Maitland Regional Museum

Maitland Rugby Blacks Netball Club

Maitland Rugby Club

Maitland Touch Football Association

Maitland Triathlon Club

The Mutual Bank became a new sponsor of Maitland Triathlon Club in 2020. The Mutual Bank had a presence at the local competition in January 2021 with team members handing out brochures and promotional items and giving certificates to the 'Splash n Dash' competitors under 5 years.

"A huge thankyou to The Mutual Bank who sponsored our January race day earlier this year. With the presence of Covid restrictions we still managed to facilitate 7 of 8 club races for the season which wouldn't be possible without your support.

It was great to see a few familiar and some new faces from The Mutual Bank team on the day, taking a keen role in the day's activities, particularly the Junior events.

Great setup with the gazebos. Looking forward to seeing you there again."

- Michael McPherson, Club Representative

Mayfield Netball Club

Mentor Support Network

Mentor Support Network is a not-for-profit organisation that encourages disadvantaged youth in the Hunter Region to reach their full potential through the provision of education and mentor support.

This year The Mutual Bank provided funding for 10 Mentor Support Network refugee scholarships. Finance Officer, Martha Nyabadza, was excited to take up the opportunity to join the program as a mentor. Martha has been mentoring Moreen since March. Both have called the experience enjoyable and rewarding.

Newcastle Food Month

Newcastle Rugby League

Northern Suburbs Cricket Club

Northern Suburbs Cricket Club Maitland

Paterson River Rugby League Football Club Committee

Paterson Valley Community Pre-School

Port Stephens Netball Association

Raymond Terrace Cricket Club

Rotary Paterson

Rotary Telarah Rutherford

Rutherford Technology High School

Sculpture on the Farm

St Peters Anglican Church

Tenambit-Morpeth Cricket Club



Corporate Governance

The Board of The Mutual Bank is committed to excellence in governance standards and practices to ensure its sustainability and long term value to its members and the community.

The Mutual Bank operates under the Corporations Act 2001 and the guidelines and foundations of corporate governance set out by the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investment Commission

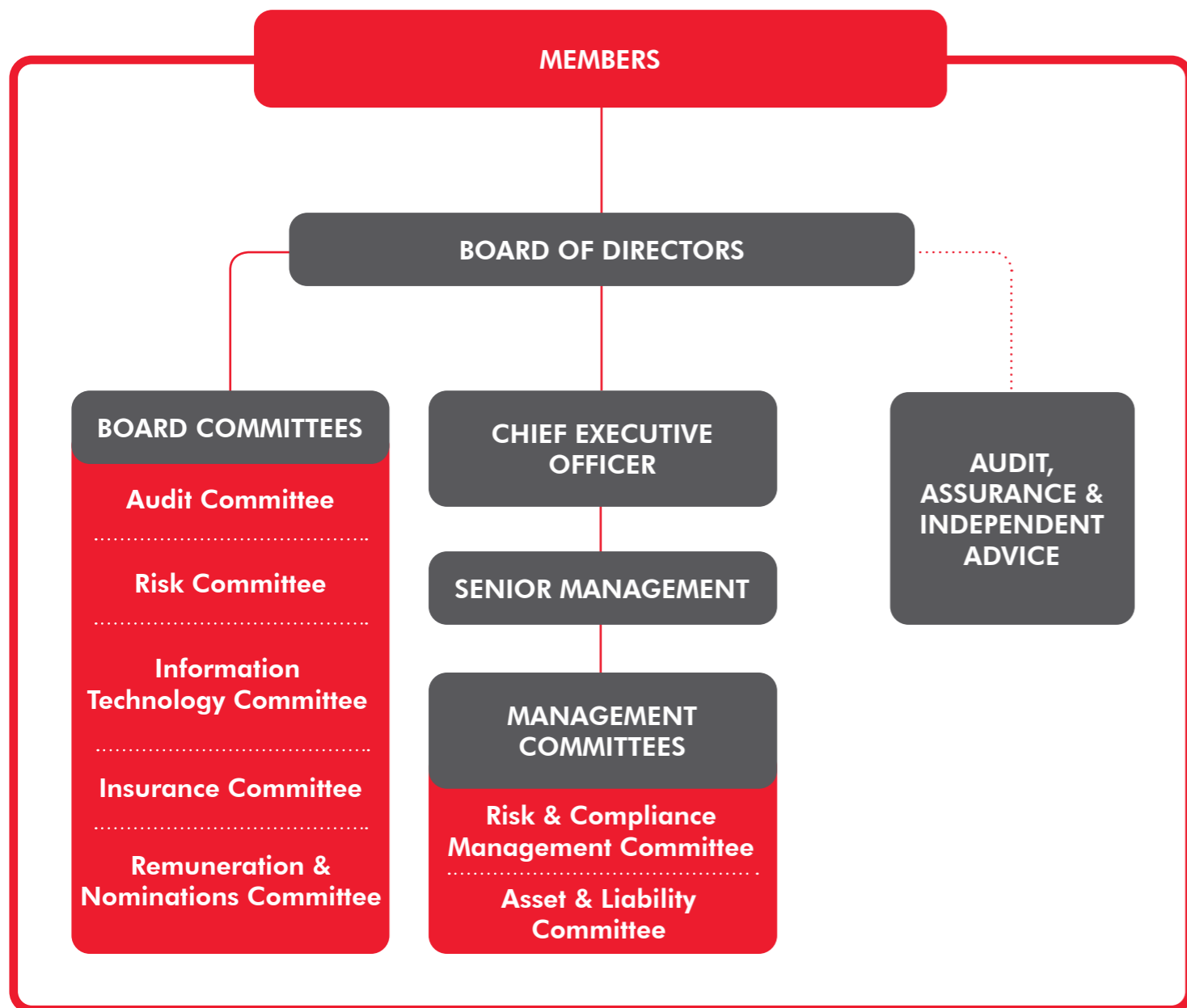
(ASIC). The Board takes an active role in ensuring corporate governance best practice.

The Mutual Bank's Governance Framework has been developed to support its strategic plan, whilst ensuring a clear oversight of key controls and effective leadership. These factors enable The Mutual Bank to operate in an effective manner with prudent management. The Board, and each employee, have a responsibility for upholding The Mutual Bank's values and

behaviours which underpin operational activities, provide transparency and protect members' interests.

The Board ensures effective control of the corporate governance framework through effective delegation, risk management and a system of assurance regarding financial and non-financial reporting.

Corporate Governance Framework: The Mutual Bank



Summary Financial Report

30 June 2021

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The financial statements and other specific disclosures have been derived from Maitland Mutual Limited and controlled entity's (Maitland Mutual Group's) full financial statements for the financial year. Other information included in the Summary Financial Statements is consistent with Maitland Mutual Group's full financial statements.

The Summary Financial Statements do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Maitland Mutual Group as the full financial statements.

A copy of Maitland Mutual Group's 2021 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.

The Directors of Maitland Mutual Limited (The Mutual Bank) present their report, together with the financial statements of the Group (Maitland Mutual Group), being Maitland Mutual Limited and its controlled entity, for the year ended 30 June 2021.

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

T. T. Robinson	S. J. Meyn
B. D. Arnott (retired 29 April 2021)	D. J. Mirisch
M. J. Smith-Coates	S. C. Howes (appointed 19 November 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Directors



Trevor T Robinson (Chairman)

Mr Robinson joined the Board in 2010 and was appointed its Chairman in June 2014. Mr Robinson, now retired, is a qualified solicitor having previously been a partner for 20 years with Clayton Utz, a major Australian Law firm. As a partner at Clayton Utz, Mr Robinson specialised in banking and financial services. Mr Robinson was head of their Retail Banking group and was, more recently, head of their Structured Capital Markets group, specialising in securitisation. Mr Robinson holds a Bachelor of Laws degree and a Bachelor of Commerce (Accounting major) degree from the University of New South Wales. Mr Robinson lives in Sydney. He is also a Director of Maple Brown Abbott Limited, a privately owned Australian investment management company.

He is also Chairman of The Mutual Bank's Remuneration and Nomination Committee and is a member of its Risk, IT and Insurance Committees.



Bruce D Arnott

Mr Arnott joined the Board in 2013 and was Chairman of The Mutual Bank's Audit Committee until the date of his retirement. He is a former Director and Vice Chairman of Phoenix (NSW) Credit Union. He has a strong background in finance with more than 30 years working in senior financial management positions at some of the region's largest companies. In his last executive role Mr Arnott was the Chief Financial Officer and Company Secretary at Hunter based publicly listed engineering company, Bradken. He also has a thorough understanding of the financial industry, particularly in relation to member based, mutual organisations. Mr Arnott holds a Bachelor of Commerce from the University of Newcastle and is a member of CPA Australia and Member of the Australian Institute of Company Directors. Mr Arnott is also a Director and current Deputy Chairman of Phoenix Health Fund Limited, a members owned private health fund and a Director of Merewether Golf Club Limited.

He was a member of The Mutual Bank's Audit, Risk and Remuneration and Nomination Committees.



Melinda J Smith-Coates

Mrs Smith-Coates joined the Board in 2014 and is Chairman of The Mutual Bank's Insurance Committee. She established her own public relations and strategic communication consultancy after more than three decades working as a journalist, news presenter and radio broadcaster, before moving into executive management roles in corporate and public affairs. She holds a Master of Business (Distinction) graduating from the University of Newcastle (UoN) and is a member of the Public Relations Institute of Australia (PRIA). Mrs Smith-Coates is an Advisory Board Member to the UoN MBA Program, and community radio station 2NURFM. She is a founding and life member of the Mentor Support Network and has been an active committee member and supporter of several charity and community organisations.

She is a member of The Mutual Bank's Insurance, IT, Audit and Remuneration and Nomination Committees.



Steven J Meyn

Mr Meyn joined the Board in 2018 and is Chairman of The Mutual Bank's Risk Committee and IT Committee. Mr Meyn is the Managing Director of PKF Newcastle and Sydney, and works within the Business Advisory team. With more than 32 years of experience as an accountant and business adviser, Mr Meyn has developed specific expertise in the field of IT consulting, business and strategic planning. Mr Meyn also works with clients across needs analysis, scoping and evaluation of new information systems, business system risk analysis, business analytics, disaster recovery planning, corporate governance and reporting. Mr Meyn holds a Bachelor of Commerce from the University of Newcastle and is a member of Chartered Accountants Australia & New Zealand (CA ANZ). Mr Meyn is Chair of PKF Australia Pty Ltd as well as an Advisory Board Member to a number of businesses and local charity Harry Meyn Foundation Ltd.

He is a member of The Mutual Bank's Risk, Audit, IT and Remuneration and Nomination Committees.



Debbie J Mirisch

Mrs Mirisch joined the Board in 2020 and is Chairman of The Mutual Bank's Audit Committee. Mrs Mirisch is the owner of Biz Synergy, a local bookkeeping and internal accounting firm, providing clients solutions to pain points that inhibit business growth, such as timely and accurate financial information. With more than 25 years of experience as an accountant, Mrs Mirisch is experienced in cloud-based technology delivery, yet places a high importance on good old-fashioned communication and relationships. Mrs Mirisch holds a Bachelor of Commerce from the University of Newcastle, is a Registered BAS Agent, a member of the Institute of Certified Bookkeepers and the Maitland Business Chamber. Mrs Mirisch has served three years as a Director and Honorary Secretary of local not-for-profit NDIS registered provider, The Mai-Wel Group, retiring from this position on 30th June 2021. Mrs Mirisch is also treasurer of the Maitland Black & White Committee, whom raise sizeable funds for the vision impaired of the Hunter Region in partnership with Vision Australia.

She is a member of The Mutual Bank's Audit and Remuneration and Nomination Committees.



Sharon C Howes

Mrs Howes joined the Board on 19 November 2020. Mrs Howes is the Managing Director of Ableson Howes and Associates, a business consultancy specialising in the provision of merger and acquisition, human capital and culture change services to the mining services, energy and manufacturing industries. With more than 30 years of experience in management and senior executive roles across the energy and manufacturing sectors as well as management consulting roles, Mrs Howes specialises in culture change, leadership development, non — financial risk management, and business improvement. Mrs Howes holds a Bachelor of Science from the University of Newcastle, a Graduate Diploma of Management from Central Queensland University, is a qualified executive coach, is a member of Hunter Business, and is a Graduate of the Australian Institute of Company Directors.

She is a member of The Mutual Bank's Risk and Remuneration and Nomination Committees.

Company Secretaries

Mr Geoffrey Seccombe. FFin, FAMI, MAICD, JP (appointed in 1994) Chief Executive Officer of The Mutual Bank since 1994 and has over 40 years experience in the finance industry.

Mr Rodney Williams. Dip Law (SAB) (appointed in 2007) Manager, Legal and Compliance of The Mutual Bank and has over 30 years experience in private practice.

Mr Rodney Williams. Dip Law (SAB) (appointed in 2007) Manager, Legal and Compliance of The Mutual Bank and has over 30 years of experience in private practice.

Principal Activities

The principal activities of Maitland Mutual Group involved the provision of financial services to members in the form of taking deposits and giving financial accommodation.

No significant change in the nature of these activities occurred during the year.

Meetings of Directors

The number of meetings of The Mutual Bank's Board of Directors and of each board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Meetings of Directors		Audit		Remuneration and Nomination	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Trevor T Robinson	11	11	-	-	1	1
Bruce D Arnott	9	9	3	3	-	-
Melinda J Smith-Coates	11	11	4	4	1	1
Steven J Meyn	11	11	4	4	1	1
Debbie J Mirisch	11	10	4	4	1	1
Sharon C Howes	7	7	-	-	1	1

	Insurance		Information Technology		Risk	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Trevor T Robinson	3	3	4	4	4	4
Bruce D Arnott	-	-	-	-	3	3
Melinda J Smith-Coates	3	3	4	4	-	-
Steven J Meyn	-	-	4	4	4	4
Debbie J Mirisch	-	-	-	-	-	-
Sharon C Howes	-	-	-	-	3	3

Member Liability

The Mutual Bank is a company limited by shares and guarantee. The Mutual Bank has not issued shares. The guarantee is provided by members of The Mutual Bank aged 18 years or older who became members after 24 October 2000 and is limited to \$5 per member. The total amount that members of The Mutual Bank are liable to contribute if The Mutual Bank is wound up is \$47,540.

Review of Operations

The Maitland Mutual Group's profit from ordinary activities after providing for income tax amounted to \$3.535 million (2020: \$3.403 million).

Maitland Mutual Group's pre-tax profit for the year was \$4.822 million (2020: \$4.660 million) representing an increase of 3.48% over the previous financial year.

Total assets increased by 7.43% to \$902.5 million for the year to 30 June 2021. (2020: increased 9.90% to \$840.1 million).

New loan funding for the year totalled \$222 million, an increase of 28% to loans funded over last year of \$174 million. The demand for these loans was met by redemptions and repayments from existing loans, accessing the Reserve Bank of Australia's Term Funding Facility, and the raising of deposits from members.

The Mutual Bank continues to operate a Trust, which holds the rights to a portfolio of secured loans to enable The Mutual Bank to secure funds from the Reserve Bank of Australia, if required, to meet short and medium term liquidity requirements.

The subsidiary member of the Group is known as Hunter Trust Repo Series No 1.

Short and Long Term Objectives

The Maitland Mutual Group has established short and long term objectives as outlined in the Maitland Mutual Group's business plan which is reviewed on an annual basis. These objectives are both financial and non-financial and are aimed towards providing exceptional financial security, value and

service to its members. These objectives are measured through both financial and non-financial key performance indicators that have been determined relevant to the industry.

Significant Changes in State of Affairs

No significant changes in the Maitland Mutual Group's financial state of affairs occurred during the financial year.

The COVID-19 pandemic and its associated social and economic impacts, which emerged in March 2020 and is ongoing, have had a significant operational impact on the Maitland Mutual Group. Australian and Global economic uncertainty has led to increased risk assessments and compliance activities, including additional reporting requirements to APRA. Social distancing measures introduced by the State and Federal Government's led to the temporary closure of some Maitland Mutual Group branches and limits to the number of staff and members in each Branch and office. Other measures related to the effects of the COVID-19 pandemic on Maitland Mutual Group's continuing operations are included at Note 1(c). This has had a significant operational impact on the Maitland Mutual Group during this financial year. These disruptions may continue while ever the COVID-19 pandemic persists.

After balance date events

The New South Wales Government announced COVID-19 related public health orders and restrictions affecting the Hunter Region on 5 August 2021, and is currently still in force as at report signing date. This has affected Maitland Mutual Group in terms of having to close Edgeworth Branch for the duration of the current public health order in order to provide increased staffing numbers in other areas of operations, and by having an increased number of staff members working from home. As at report signing date there has not been a significant increase in repayment deferral requests

and approvals, or a significant increase in delinquent loans. Maitland Mutual Group's financial results for July 2021 have been as expected compared to its budget and recent previous month's results.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 19.

Future developments

Possible developments in the operations of the Maitland Mutual Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is commercially confidential.

Indemnification of Officers

The Mutual Bank's Constitution provides that The Mutual Bank is to indemnify, unless and to the extent prohibited by statute, each Director, Executive Officer and each Company Secretary of the Maitland Mutual Group against liabilities incurred by such a person in that capacity (including legal costs incurred in defending any proceedings or appearing before any court, tribunal, government authority or other body). The Mutual Bank has entered into deeds providing for indemnity, insurance and access to documents for each of its current and former Directors in office on or after 20 October 2016. The deeds require The Mutual Bank to indemnify, to the extent permitted by law, the Directors from and against all liabilities (including costs, charges, losses, damages, expenses, penalties and liabilities of any kind) incurred in their capacity as an officer of The Mutual Bank.

Insurance of Officers

During the financial year, the Maitland Mutual Group paid a premium in respect of a contract insuring Directors and officers of the Maitland Mutual Group against liability. The officers of the Maitland Mutual Group

covered by the insurance contract include the Directors, Executive Officers and each Company Secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Maitland Mutual Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Maitland Mutual Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

Environmental Issues

The Maitland Mutual Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Proceedings on behalf of The Mutual Bank

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of The Mutual Bank.

No proceedings have been brought or intervened in on behalf of The Mutual Bank with leave of the Court under section 237 of the Corporations Act 2001.

Regulatory Capital

In accordance with Australian Prudential Standard APS 330 Public Disclosures (APS330) The Mutual Bank's Regulatory Capital reconciliation and the full terms and conditions of Regulatory Capital instruments are available on the Maitland Mutual Group's website at:

<https://www.themutual.com.au/about-us/corporate-information/aps330-prudential-disclosures>

Rounding of amounts

The Mutual Bank is an entity to which ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

This report is made in accordance with a resolution of Directors:



Trevor T Robinson
Director



Debbie J Mirisch
Director

19 August 2021

Independent Audit Report to the Members of Maitland Mutual Limited and Controlled Entity

30 June 2021



Report on the Audit of the Financial Report

Opinion

The summary financial statements of Maitland Mutual Limited and controlled entity (Maitland Mutual Group), which comprise the summary statement of financial position as at 30 June 2021, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, notes to the summary financial statements, discussion and analysis of the summary financial statements, and the Directors' declaration, are derived from the audited financial statements of the Maitland Mutual Group for the year ended 30 June 2021 as set out on pages 20 to 27.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements and auditor's report thereon.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit report on the audited financial report in our report dated 19 August 2021.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report, based on our procedures, which were conducted in accordance with Auditing Standard ASA 810: *Engagements to Report on Summary Financial Statements*.



CUTCHER & NEALE
CHARTERED ACCOUNTANTS

Newcastle, 20 August 2021



M. J. O'CONNOR CA
Partner

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Directors' Declaration

30 June 2021

The Directors of The Mutual Bank declare that the summary financial statements of the Maitland Mutual Group for the financial year ended 30 June 2021, as set out on pages 21 to 27:

- (a) comply with Accounting policies as described in Note 1; and
- (b) have been derived from and are consistent with the full financial statements of the Maitland Mutual Group.

This declaration is made in accordance with a resolution of the Board of Directors.



Trevor T Robinson
Director

East Maitland, 19 August 2021



Debbie J Mirisch
Director

Auditor's Independence Declaration



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Maitland Mutual Limited and controlled entity


I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



CUTCHER & NEALE
CHARTERED ACCOUNTANTS

Newcastle, 12 August 2021



M. J. O'CONNOR CA
Partner

Summary Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Interest revenue	2	24,447	27,940
Interest expense	2	(5,799)	(11,616)
Net interest income		18,648	16,324
Fee's and commission income	3	1,790	1,766
Fee's and commission expense	4	(1,364)	(1,166)
		426	600
Other operating income	3	8	118
Profit / (loss) on disposal of property, plant and equipment		(5)	(2)
Impairment losses on loans and advances		(14)	(93)
Employee benefits expense		(7,287)	(6,432)
Depreciation and amortisation		(2,088)	(1,591)
Marketing expenses		(320)	(373)
Printing and stationery		(143)	(104)
Property costs and lease expenses		(67)	(68)
Other expenses		(4,096)	(3,461)
Interest expense on lease liabilities		(240)	(258)
Profit before income tax		4,822	4,660
Income tax expense		(1,287)	(1,257)
Profit attributable to members		3,535	3,403
Other comprehensive income		-	-
Total comprehensive income for the year		3,535	3,403

The above Summary Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Summary Statement of **Financial Position**

as at 30 June 2021

	2021 \$'000	2020 \$'000
Assets		
Cash and cash equivalents	129,115	125,110
Loans and advances to members	680,894	614,603
Current tax receivables	457	(5)
Other receivables	865	703
Financial assets	59,083	69,674
Intangible assets	534	357
Right of use asset	4,624	4,785
Property, plant and equipment	26,881	24,416
Deferred tax assets	69	516
Total Assets	902,522	840,159
Liabilities		
Deposits from other financial institutions	44,946	79,829
Deposits due to members	756,724	688,975
Other borrowed funds	35,983	10,375
Payables and other accruals	1,511	1,040
Provisions	1,909	1,954
Lease liabilities	4,833	4,905
Total Liabilities	845,906	787,078
Net Assets	56,616	53,081
Equity		
Retained earnings	51,888	48,353
Contributed equity	4,728	4,728
Total Equity	56,616	53,081

Summary Statement of **Changes in Equity**

for the year ended 30 June 2021

2021

	Retained Earnings \$'000	Contributed Equity \$'000	Total \$'000
Opening balance at 1 July 2020	48,353	4,728	53,081
Profit attributable to members	3,535	-	3,535
Balance at 30 June 2021	51,888	4,728	56,616

2020

	Retained Earnings \$'000	Contributed Equity \$'000	Total \$'000
Opening balance at 1 July 2019	44,950	4,728	49,678
Profit attributable to members	3,403	-	3,403
Balance at 30 June 2020	48,353	4,728	53,081

Summary Statement of Cash Flows

for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Cash flows from operating activities		
Interest received	24,285	27,914
Fees and commissions received	1,790	1,766
Other cash receipts in the course of operations	316	596
Interest paid	(5,799)	(11,616)
Fees and commissions paid	(1,364)	(1,166)
Payments to employees and suppliers	(11,809)	(11,078)
Income taxes paid	(1,302)	(1,281)
Net (increase)/decrease in loans and advances to members	(66,291)	(21,609)
Net increase/(decrease) in deposits due to members/from financial institutions	32,866	67,795
Net cash provided by (used in) operating activities	(27,308)	51,321
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	14
Payment for intangible assets	(453)	(99)
Payment for property, plant and equipment	(3,398)	(17,322)
Net (purchase)/sale of financial assets	10,591	(31,818)
Net cash used by investing activities	6,740	(49,225)
Cash flows from financing activities		
Net proceeds from debt securities issued, other deposits and other borrowed funds	25,608	(236)
Repayment of leases	(1,035)	(1,171)
Net cash used by financing activities	24,573	(1,407)
Net increase/(decrease) in cash and cash equivalents held	4,005	689
Cash and cash equivalents at the beginning of the financial year	125,110	124,421
Cash and cash equivalents at the end of the financial year	129,115	125,110

Notes to the Financial Statements

for the year ended 30 June 2021

1 Accounting Policies

The summary financial statements have been prepared from the audited financial report of Maitland Mutual Limited and controlled entity (Maitland Mutual Group) for the year ended 30 June 2021. The audited report for the year ended 30 June 2021 is available at request from the Maitland Mutual Group free of charge.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived

from and are consistent with the full financial statements of the Maitland Mutual Group. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Maitland Mutual Group as the full financial statements.

The presentation currency used in the financial report is Australian dollars. The Maitland Mutual Group has applied the relief available to it under ASIC Corporations

(Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly amounts in this concise financial report have been rounded to the nearest \$1,000.

The summary financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001. The accounting policies adopted have been consistently applied to all the financial periods presented unless otherwise stated.

2 Analysis of Interest Revenue and Interest Expense

a) 2021

Interest revenue

Cash and cash equivalents
Loans and advances to members
Held to maturity investments

Interest expense

Deposits from other financial institutions
Deposits due to members
Other borrowed funds

Net interest income

Average balance \$'000	Interest \$'000	Average rate %
120,045	238	0.20
643,518	23,645	3.67
63,321	564	0.89
826,884	24,447	2.95
39,845	289	0.73
729,089	5,247	0.72
26,312	263	1.00
795,246	5,799	0.73
	18,648	

b) 20120

Interest revenue

Cash and cash equivalents
Loans and advances to members
Held to maturity investments

Interest expense

Deposits from other financial institutions
Deposits due to members
Other borrowed funds

Net interest income

Average balance \$'000	Interest \$'000	Average rate %
122,187	1,416	1.16
600,779	25,534	4.25
60,392	990	1.64
783,358	27,940	3.57
66,142	1,198	1.81
664,956	10,089	1.52
10,986	329	2.99
742,084	11,616	1.57
	16,324	

Notes to the Financial Statements

Continued for the year ended 30 June 2021

3 Non-Interest Revenue

Fee and commission income

Management fees
Transaction fees
ATM fees
Commissions

	2021 \$'000	2020 \$'000
Management fees	1,258	1,187
Transaction fees	181	187
ATM fees	190	209
Commissions	161	183
	1,790	1,766

Other operating income

Federal Government – Cashflow Boost
Other income

Federal Government – Cashflow Boost	-	100
Other income	8	18
	8	118

4 Non-Interest Expense

Fee and commission expense

Brokerage and trailing fees paid
Other

Brokerage and trailing fees paid	211	209
Other	1,153	957
	1,364	1,166

Discussion and Analysis of the Summary Financial Statements

for the year ended 30 June 2021

Information on Maitland Mutual Limited and controlled entity Financial Statements

The financial statements and disclosures in the summary financial statements have been derived from the 2021 financial statements of the Maitland Mutual Group.

A copy of the full financial statements and auditor's report will be sent to any member, free of charge, upon request. The discussion and analysis is provided to assist members in understanding the summary financial statements. The discussion and analysis is based on the Maitland Mutual Group's financial statements and the information contained in the summary financial statements has been derived from the 2021 financial statements of the Maitland Mutual Group.

Summary Statement of Profit or Loss and Other Comprehensive Income

Total interest income decreased by \$3.49 million to \$24.45 million representing a decrease of 12.50%. Interest income has mainly decreased due to the reduction in the interest rate charged on loans, cash and financial assets.

Net interest income increased by \$2.32 million to \$18.65 million. The increase in The Mutual Bank's net interest income was

mainly due to the growth in the balance of loans and advances to members.

Net fee and commission income to June 2021 decreased over the corresponding period due mainly to reduced management fees charged to members.

Employee costs increased over that of the previous year due to incremental wage increases from annual reviews and industrial awards as well as an increase in staff numbers.

Summary Statement of Financial Position

Total assets of the Maitland Mutual Group increased by \$62.36 million which represents an increase of 7.42%. The increase was due principally to increased lending volumes, increased Reserve Bank of Australia Eligible Security financial assets and construction of the new administration office at 6 Mitchell Drive, East Maitland.

Total loans to members increased by 10.79% to \$680.89 million.

Property, plant and equipment increased to \$26.88 million and was mainly due to the construction of the Maitland Mutual Group's new administration office at 6 Mitchell Drive, East Maitland.

Total liabilities increased by 7.47% to \$845.91 million and was mainly due to increases in the balances of deposits from members.

The ratio of net assets to total assets decreased from 6.32% to 6.27% due to the growth in total assets.

Summary Statement of Changes in Equity

At 30 June 2021, total equity for the Maitland Mutual Group increased by \$3.53 million to \$56.62 million. The increase in total equity was due to the Maitland Mutual Group's net profit for the year.

Summary Statement of Cash Flows

The summary statement of cash flows shows that there has been an increase in cash during the year of \$4.00 million, mainly resulting from an increase in member deposits as well as liquid funds accessed from the Term Funding Facility (TFF) announced by the Reserve Bank of Australia in March 2020. The TFF was part of a package of measures made available to support the Australian economy in response to risks attributed to the COVID-19 pandemic. Maitland Mutual Group has drawn down a total of \$27.2M increasing liquidity to meet the demand for loans and for regulatory compliance purposes.





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