



Great Southern
Bank

ANNUAL REPORT

2025





COVER STORY

Helping all Australians to own a home

We helped around 4,000 Australians to buy their first home this year, including Ashwini and Adith Potadar. Ashwini is a research scientist and Adith works in project management in the healthcare industry.

After moving to Australia five years ago, the couple settled down in Brisbane, attracted by the employment prospects, good location, and excellent school for their son, Arjun, as he enters primary school.

Strong support from the bank and their broker made the buying process smooth and fast.

“

“Now we’re close to the city for work, but we’re in a little pocket surrounded by mountains – it’s great.”

- Ashwini

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Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands on which we operate and pay our respects to Elders past and present, and to emerging community leaders. We also acknowledge the important role Aboriginal and Torres Strait Islander peoples continue to play within the communities in which Great Southern Bank operates and where our team members reside. Our head office is located in Meanjin, Brisbane, on the lands of the Turrbal and Jagera peoples.

As a leading customer-owned bank, we've been helping generations of Australians to own their own home.

Overview

About Great Southern Bank

Founded in 1946, Great Southern Bank is a leading customer-owned bank, supporting the financial aspirations of almost 420,000 Australians.

We're here to help all Australians own their own home. It's a purpose we back with competitive, multi-award winning products, and strong customer service delivered online, via our onshore contact centre and through our branch and broker networks.

We are a genuine banking alternative to the biggest banks in Australia, remaining true to the principles of fairness and mutuality that our bank was founded on almost 80 years ago.

Reflecting our commitment to working responsibly for the benefit of customers, communities and the environment, we recently joined a select number of banks globally by becoming a B Corp certified business.

About this report

Our 2025 Annual Report provides an overview of our financial and non-financial performance for the period 1 July 2024 to 30 June 2025.

Our reporting continues to evolve, showcasing our impacts as a bank and our ongoing efforts to support and create value for our customers, communities, and stakeholders. It reflects the views of our key stakeholders – including our customers - who have identified the most important focus areas for our bank (see our updated ESG Materiality Assessment on page 26).

The report also includes our transitional Climate related financial disclosures, as we prepare for new mandatory sustainability reporting requirements that apply from next year. In line with these requirements, we have increased the transparency and level of detail we disclose, addressing many of the forthcoming requirements of the Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures standard.

As part of our ongoing efforts to improve transparency, we are publishing new, non-financial metrics which reflect progress against our environmental, social and governance commitments.

Our purpose and values

Since our beginnings as Australia’s first credit union almost 80 years ago, we’ve remained committed to offering Australians a fairer, more inclusive approach to banking.

Formed through the merger of over 170 like-minded credit unions, we’ve grown into one of Australia’s leading customer-owned financial institutions – offering a strong, values-driven alternative to the major banks.

The egalitarian values that inspired our founding are still at the heart of who we are. They shape the way we work, and fuel our passion for helping our customers thrive.

Today, our purpose is firmly rooted in supporting our customers – particularly by helping more Australians achieve their goal of home ownership.

We’re proud to continue introducing new generations to the benefits of customer-owned banking, empowering them to save, build financial security, and buy their homes.

Our purpose

Helping all Australians own their own home

Our values



Customers first
We make every choice with our customers’ needs at heart.



Always growing
We believe in getting better every day – as individuals, as teammates and as a business.



Make it happen
We create real results that help our business succeed while building a lasting, sustainable future.



Keep it real
We build trust by being open and working together.

2025 highlights

	2025	2024	2023
 Customers			
Number of active customers	419,977	414,581	401,524
New lending to first home buyers	\$1.24b	\$1.32b	\$1.36b
Total new or additional lending to home buyers (\$)	\$4.6b	\$4.23b	\$4.49b
 Workplace			
Gallup employee engagement score	4.48	4.52	4.47
Senior leadership roles held by women	55%	42%	47%
Team members involved in mentoring	19%	18%	20%
 Financial performance			
Group Net Profit After Tax (NPAT)	\$43.2m	\$37.3m	\$44.5m
Total lending	\$18.0b	\$16.9b	\$16.0b
Retail deposits	\$14.5b	\$14.2b	\$13.7b

*Employee engagement measured by global provider Gallup on a scale of 0-5





A message from our CEO and Chair

It's a privilege to lead one of Australia's largest customer-owned banks as we approach 80 years of mutual commitment.

Today, almost 420,000 Australians choose to bank with us – a reflection of the strength of our values and the relevance of our customer offering. Our customers are at the centre of everything we do, guiding our work as we support them to achieve home ownership, grow their savings, start their businesses, and secure their financial futures.

Supporting Australians through a challenging year

This year continued to be challenging for many Australians. While inflation has eased and interest rates have begun to stabilise, cost-of-living pressures remain high.

We understand these challenges and are committed to offering a compelling, customer-owned alternative – built on competitive products, consistently strong service, and a clear social purpose.

Our purpose is to help all Australians to own their own home. Over the year we increased our home lending by 6.5% to \$17.5 billion, supporting a broad mix of home buyers, including refinancers and investors. First home buyers remain a key focus, with approximately 1.81% of all Australian first home buyers choosing to bank with us – more than double our natural market share.

We also helped Australians grow their deposits with consistently strong savings rates – typically ranked among the top five in the market. Total deposits grew by 2.5% to \$14.5 billion, and we were proud to be named Canstar's Customer Owned Bank of the Year for Savings for the tenth year running.

To expand our impact we launched a refreshed national brand campaign, reinforcing our commitment to home ownership and small business.

Through our Business+ offering, we delivered new features to support our ambition of building a leading, digital small business banking proposition.

Delivering sustainable results

In a highly competitive environment, we achieved a strong and sustainable financial performance, driven by solid product outcomes and disciplined cost management. Our Net Profit After Tax was \$43.2 million. As a customer-owned bank, this will be fully reinvested into the organisation to enhance products, services, and lending opportunities for our customers. Net Interest Income increased to \$368.1 million and revenue growth significantly outpaced cost growth, resulting in a lower cost-to-income ratio.

We ended the year with good momentum in our home lending, positioning us well to continue growing our bank and introduce more Australians to our customer-owned banking alternative.

Safeguarding and supporting customers

We remain committed to ensuring the financial security and wellbeing of our customers, investing further in cybersecurity, fraud prevention and scam education for our customers. Scam losses at our bank fell by 35% compared to the previous year.

When customers face hardship we are here to help, and we approved over 2,600 financial assistance agreements during the year.

Smarter, faster banking through technology

We invest in technology to deliver more seamless, secure and personalised services, and to elevate the customer experience.

Over the past year, we have continued to modernise our technology assets, improving our operations and service capability. As a result, on average we are agreeing home loans in a competitive 4.4 days, and

more quickly resolving customer service enquiries in our contact centre.

Our artificial intelligence strategy ensures we use emerging technologies in a thoughtful, purposeful way. We have brought together expertise across our bank in an AI working group that is championing safe, practical tools that deliver better outcomes for customers.

Sustainability and reconciliation

Our successful partnership with Mission Australia is enabling us to help community and social housing tenants throughout Australia. This year we upgraded several housing sites, improving their energy efficiency, reducing costs for tenants and lowering emissions.

Our operations continue to be certified carbon neutral by Climate Active. As a Certified B Corporation business we have been judged to balance profit with purpose, reflecting our ethical business practices and our social and environmental activities.

We continue to advance our sustainability and reconciliation commitments. Our Innovate Reconciliation Action Plan is now embedded in our operations, and in partnership with Carlton Football Club, we marked the first successful year of our First Nations entrepreneur support program.

Culture and people

Our people and culture are a major strength, and we work to ensure our team has the skills and resources to make banking great.

We foster an inclusive and rewarding workplace through initiatives like our partnership with Diversity Council of Australia, and by offering greater flexibility in our team benefits.

Reflecting our team's high engagement levels, our efforts were recognised for a second year with the Gallup Exceptional Workplace Award. This accolade was received by only 11 financial services companies globally and three Australian organisations in FY25.

Our future, together

Our bank is built on a foundation of competitive products, strong standards of customer service and the principles of mutuality.

On behalf of our people and our Board, thank you for your continued support and for choosing a bank that puts people first.



Paul Lewis
Managing Director and
Chief Executive Officer

Deborah O'Toole
Chair





Our impact

Helping Australians grow their business

After twenty years in a high-paced consultancy, Ben Sculls was ready for a change.

His pressure washing business may have begun as a side project but quickly blossomed into a thriving local enterprise that's now supporting his family and reshaping his community, one property at a time.

"Having reached a point where I wanted to do something more meaningful and local, while being my own boss, I haven't regretted taking on this challenge for a second," Ben reflects.

Ben joins more Australians signing up to Business+, our new, digital-first proposition for small businesses.

“

The simplicity of starting my banking was remarkable - it was super easy, a no-fuss service which suited me perfectly as a sole trader.” - Ben

Owning a home is a cherished goal for many Australians. While rising house prices and the cost-of-living present real challenges, there are many pathways to home ownership. Our purpose is to help Australians own their home by supporting them on their journey, helping build their deposit, and meet their banking needs with competitive products and services.

Owning a home

- We grew our home lending to owner-occupiers and investors by 6.5% to \$17.5 billion in FY25. Our total home lending grew at 1.06% times system.
- We helped nearly 4,000 first-home buyers in FY25. Our bank supported 1.81% of all Australian first home buyers, more than twice our overall market share.
- In October we launched our first green home offer, which includes a rate discount on loans for new builds and existing homes.

Strong savings habits

- Our savings tools have helped customers build deposits and achieve their financial goals, with retail deposits growing 2.5% to \$14.5 billion.
- We launched two new savings products – Everyday Saver and Future Saver, and encouraged customers to find the right bank accounts and digital tools through our new, online ‘Everyday Banking Hub’.
- Our savings and transaction accounts received multiple awards throughout the year, including Mozo Experts Choice (2025) for Home Saver, Finder Awards for Best Kids Savings Account, and Canstar’s Customer-Owned Bank of the Year (Savings) for an tenth consecutive year.

Customer focus

- Our customer Net Promoter Score (NPS) – a measure of how likely customers are to recommend our bank – remains significantly ahead of the big four banks, with our branch NPS achieving the highest score among our customer channels.

- We reduced average call wait times at our contact call centre to 36 seconds and calls abandoned by customers fell significantly to 1.6%.
- Our branches in Macarthur Square, Epping, and Robina are being refreshed and refurbished, and include First Nations room names and an Acknowledgement of Country plaque.
- Our home lending decisions are made quickly, with approvals averaging 4.4 days and 42% agreed in under 2 days.
- Our ongoing No Place Like Home research is enabling us to better understand the challenges and opportunities facing our customers, and improve our products and services.
- We continued to enhance our Business+ small business offering, introducing new features such as free invoice generation and seamless bank feeds into accounting software.

Safeguarding and supporting customers

- We are continuously investing in cybersecurity to counter evolving online threats, improving response capabilities, and exploring new technologies to enhance protection.
- Customer scam losses fell by 35%, marking the lowest level recorded in the past four years. We implemented additional measures to identify high risk transactions, and continue to run scam education initiatives for our customers.
- Customers experiencing financial difficulty were supported with more than 2,600 financial assistance agreements approved across the year.
- We extended support to customers impacted by weather events like the flooding related to ex-Tropical Cyclone Alfred.

Key metrics	FY25	FY24	FY23
Net Promoter Score (NPS)*	51	51	N/A
New active customers	36,660	42,723	46,816
Customers supported via Home Guarantee Scheme	3,198	3,863	3,899
New lending to first homebuyers	\$1.24b	\$1.32b	1.36b
Home loan customers supported with new/ additional lending	14,226	14,203	15,764
Average time to yes	4.4 days	4.4 days	4.9 days
Approved financial assistance agreements	2,600	2,494	2,309
Individual payment plans approved (includes hardship & collections)**	35,761	35,179	25,131
Referrals accepted for CareRing assistance	182	113	128
Internal Dispute Resolution complaints resolved within 21 days	96.2%	94.8%	94.6%

*Great Southern Bank customer research, June 2025. Net Promoter Score data collection and measurement was brought-in house in FY24 to increase robustness and diagnostic capability. As such, comparisons prior to FY24 are unavailable.
**Individual payment plans approved for FY25 comprises 33,323 collections and recoveries plans, and 2,438 hardship payment plans.

CASE STUDY

Building financial security through homeownership

As a first home buyer, Stephanie Cheong now has the space to express herself and build her own financial future. She bought her first home in Melbourne’s eastern suburbs through a combination of government-backed lending schemes and a consistent savings strategy.

“The First Home Super Saver Scheme was a great way to reduce my taxable income, as well as a tax effective way to save for my deposit through salary sacrificing,” says Stephanie. “I ended up being able to proceed with a 10% deposit and Housing Australia provided a guarantee for the remaining 10%.

“What also stood out to me was that Great Southern Bank is a BCorp bank. I wanted to support an ethical bank.

“After settlement through my broker, the branch team called and explained my accounts and loan, and asked if I need any additional information, products or assistance. They were very helpful.”



“What also stood out to me was that Great Southern Bank is a BCorp bank. I wanted to support an ethical bank.” - Stephanie

Our people bring our purpose to life. Being a great place to work means creating an environment where our teams are clear on their roles, connected and empowered. By enabling our people to do meaningful work with a clear sense of direction, we ensure our culture remains purposeful and our teams can thrive.

Great culture lived

- For the second year in a row, we’ve been honoured with the Gallup Exceptional Workplace Award (2025) – placing us among the top 60 companies worldwide for our engaged culture and thriving team.
- 87% of employees say our purpose gives their work real meaning.
- We introduced +Choice, an expanded benefits package designed to give our team members more flexibility in the support they value most.
- Our ongoing Enterprise Agreement negotiations are designed to maintain a fair, supportive, and rewarding work environment for all team members.

Banking made great

- We continue to build on our foundations as an inclusive culture. Through several key initiatives, we championed inclusion internally and throughout our sector by:
 - Partnering with Diversity Council of Australia to host the Brisbane network of Inclusion Practitioners, with a public release of research on barriers to inclusion for those with disabilities.
 - Supporting an industry-wide National Reconciliation Week event, initiated by our bank and organised by the Customer Owned Banking Association (COBA).
 - Holding a high-impact International Women’s Day panel event exploring the issue of systemic gender bias, featuring leaders from within and outside our bank.
- In support of diversity and wellbeing, our team celebrated RUOK Day, Diwali, Pride Month, National Reconciliation Week and NAIDOC week.

Opportunity unlocked

- We launched our Senior Leader development strategy to ensure we have the capability to deliver on our bank’s long term objectives.
- Through our Respect@Work coaching circles we are further deepening our leadership’s capacity to deliver and lead.
- Our annual graduate program continues to attract emerging talent, helping to shape the future of customer-owned banking.
- We hosted the annual wrap-up of the COBA Emerging Leaders program, bringing together the next generation of banking professionals.
- 19% of our people - including Executives and team members at all levels - participated in our mentoring program as mentors or mentees, ensuring we are continually growing our skills and understanding.

Key metrics	FY25	FY24	FY23
Employees who completed cybersecurity training	94.8%	92.4%	N/A
Employee engagement*	4.48	4.52	4.47
Senior leadership roles held by women**	55%	42%	47%
Median gender pay gap (total remuneration)***	21.6%	21.2%	23.3%
Board roles held by women	38%	25%	43%
Total Board remuneration	\$1.66m	\$1.57m	\$1.40m

*Employee engagement measured by global provider Gallup on a scale of 0-5.
**Senior leadership roles include Level 4 and 5 roles, excluding the CEO.
***As calculated by Workplace Culture & Gender Agency

CASE STUDY

Standing strong beside our customers

“When life brings unexpected challenges, that’s when we step in,” says Kylie Olsen, a Senior Manager in our Financial Assistance team. “It’s about being there when it matters most for our customers.”

Kylie and her team have a clear mission: when customers get into difficulties, they listen with compassion, seek to understand each customer’s situation, and take steps to help them find a path forward.

Whether it’s pausing a loan repayment or connecting customers with vital services – like financial counselling, mental health support, or assistance for domestic violence survivors – Kylie and her team ensures no one has to face tough times alone.

With over 10 years of experience at our bank, she brings heart and creativity to every conversation.

“I believe every challenge is a chance to make a difference,” she says. “Our customers’ journeys don’t end once a home loan settles. True banking is about standing by them, through every chapter of their lives.”



“It’s about being there when it matters most for our customers.”
- Kylie

Making a meaningful difference in our communities is central to our purpose. This year, we deepened our commitment to financial inclusion, reconciliation, and sustainability - exemplified by our award-winning partnership with Mission Australia.

Financial inclusion and sustainability

- In partnership with Mission Australia, we upgraded social housing properties in Port Macquarie and Mt Druitt, helping tenants reduce energy costs and lower their carbon emissions.
- Around 7,000 tenants across 4,500 homes benefited from a national energy literacy program we supported, gaining practical tools to cut costs and improve sustainability.
- We supported Mission Australia’s Festive Giving Appeal with 150 hampers and over \$18,000 in matched team donations.
- Through our collaboration with Uniting, we offered access to CareRing - a wraparound support service for customers experiencing vulnerability that includes financial counselling. 182 customers were referred this year, and 505 over the last four years.

Continuing our reconciliation journey

- Piloting a dedicated First Nations Community Development Officer at Common Ground in Sydney, to deliver culturally safe financial literacy and housing support for First Nations peoples experiencing long-term homelessness and housing insecurity.
- We continued to embed reconciliation in our everyday operations and culture as part of our Innovate Reconciliation Action Plan.
- Through our continued partnership with Supply Nation, we entered into a three-year contract with Born Digital, a 100% First Nations-owned business.
- We partnered with COBA, Traditional Credit Union, People First Bank, and Bank Australia to host a webinar dedicated to progressing reconciliation.
- To welcome First Nations customers and celebrate the 2025 NAIDOC Week we launched a new team member polo shirt and lanyard featuring a First Nations design.

Key metrics	FY25	FY24	FY23
Employees who have completed cultural awareness training*	65%	46.5%	39%
Tenants benefitting from Mission Australia energy efficiency upgrades**	139	122	N/A
Number of financial education interactions delivered ***	11,258	N/A	N/A
Estimated reduction in carbon emissions delivered through partnership with Mission Australia ****	54.26 tCO ₂ -e	N/A	N/A

* Based on total number of the workforce, as at 30 June, who have completed cultural awareness training since the module launched in FY23. The module was offered to all employees from December 2022.
**Includes the following Mission Australia sites: Forster, Mount Druitt and Port Macquarie.
***In FY25, financial education interactions focused on delivering energy literacy.
****Includes the following Mission Australia sites: Forster and Mount Druitt. Measured in tonnes of carbon dioxide equivalent (tCO₂-e).

CASE STUDY

Helping communities save energy and cut costs

Through our \$1 million, three-year partnership with Mission Australia, we’re supporting tenants in community and social housing to reduce expenses and embrace more sustainable living.

This year, we funded solar panel installations at two NSW properties, helping residents lower their energy consumption, cut power bills, and stay cool in summer.

We also supported the rollout of a national energy literacy campaign, providing resources and advice on energy efficiency, smart home appliances, and building insulation, and supporting tenants to use these tools with lasting impact.

These initiatives deliver immediate cost savings and promote long-term energy-smart habits, reinforcing our commitments to financial inclusion and climate action.

“You’ve got to worry about your rent, your food, your bills...With the money saved, I’d love to buy my kids and grandkids Christmas presents.”

- Debbie, Mount Druitt tenant

Our partners

Supporting small businesses

- Last year we launched Business+, our innovative small business proposition that leverages the proprietary platform and operational software provided by our fintech and equity partner, Constantinople.
- We continue to build out the capabilities of the system with a consistent rollout of leading products and services.
- This includes bank feeds to accounting packages, free invoice generation, live chat support, an account with no monthly account fees and a competitive savings rate.

Attracting more Australians to our customer-owned alternative

- With one in four Australians following the AFL, we continue to engage with new and existing customers through our long-term partnership with Carlton Football Club.
- Through our association with the club, our prompted brand awareness among AFL fans increased by 50% from March to September.
- Along with Carlton Football Club we are a founding partner in the Loorende-gat program, which empowers First Nations business owners with essential training in leadership, finance, strategy, problem-solving and marketing. The program aligns with our commitment to promoting financial literacy and building capability, as outlined in our Reconciliation Action Plan (RAP) and Financial Inclusion Action Plan (FIAP).

Home lending

- Through our aggregator partnerships our products are available to over 9,000 brokers and their customers throughout Australia.
- Our focus on broker support saw us recognised among the top three lenders nationally for Broker Net Promoter Score, and first out of the non-major banks. We were also proud to be named Mutual Bank of the Year at the Mortgage Business Third-Party Lending Awards.
- We are continuing our successful partnership with Lenders Mortgage Insurance provider Helia. The partnership is enabling customers, particularly first home buyers, to buy with a smaller deposit.

Collaborating for better outcomes

- We continue to simplify and modernise our technology landscape, working with a range of trusted partners to build smarter data platforms and unlock deeper insights.
- Our partnerships with cloud service providers, managed service partners, cybersecurity experts, data specialists, and others are helping us operate with greater resilience, scale more effectively, and accelerate change.
- By leveraging these relationships, we're unlocking smarter data insights, improving risk management, strengthening cybersecurity and enabling us to operate more efficiently, supporting a better experience for our people and our customers.

Key metrics	FY25	FY24	FY23
Proportion of small business invoices paid by Great Southern Bank within 30 days	H1 25 89.5%	H1 24 91.7%	H1 23 88.6%
	H2 25 92.8%	H2 24 89.0%	H2 23 96.0%

CASE STUDY

Contact centre partnership drives customer service improvements

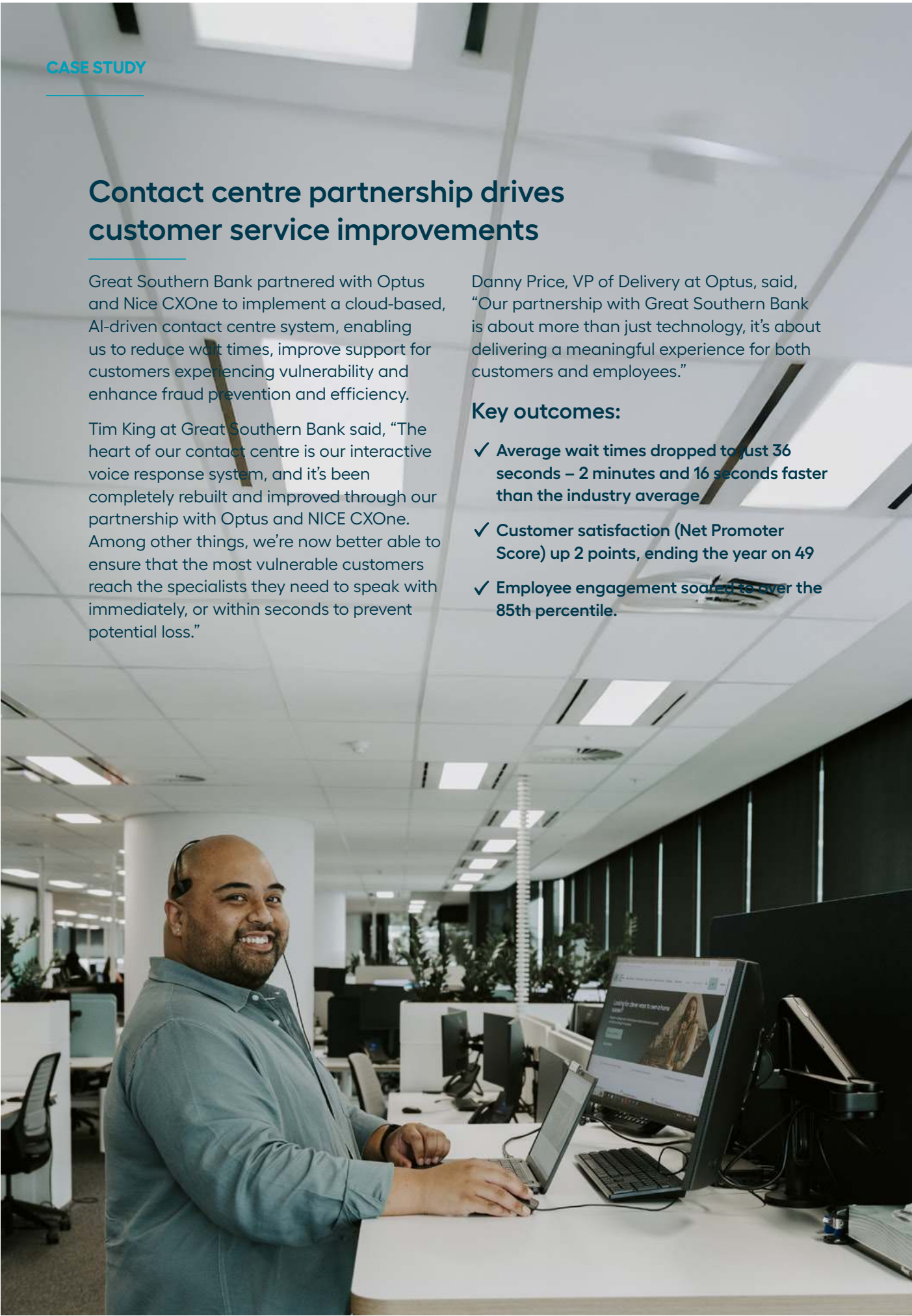
Great Southern Bank partnered with Optus and Nice CXOne to implement a cloud-based, AI-driven contact centre system, enabling us to reduce wait times, improve support for customers experiencing vulnerability and enhance fraud prevention and efficiency.

Tim King at Great Southern Bank said, “The heart of our contact centre is our interactive voice response system, and it’s been completely rebuilt and improved through our partnership with Optus and NICE CXOne. Among other things, we’re now better able to ensure that the most vulnerable customers reach the specialists they need to speak with immediately, or within seconds to prevent potential loss.”

Danny Price, VP of Delivery at Optus, said, “Our partnership with Great Southern Bank is about more than just technology, it’s about delivering a meaningful experience for both customers and employees.”

Key outcomes:

- ✓ Average wait times dropped to just 36 seconds – 2 minutes and 16 seconds faster than the industry average
- ✓ Customer satisfaction (Net Promoter Score) up 2 points, ending the year on 49
- ✓ Employee engagement soared to over the 85th percentile.



Environment

As a responsible business, we are committed to addressing climate challenges through innovative partnerships, and by offering products and solutions that help our customers reduce emissions while achieving homeownership.

Taking climate action

- We completed our 2022–24 Climate Action Plan in December 2024 and launched our Climate Transition Plan in June 2025.
- Our business operations were certified as carbon neutral by Climate Active.
- We expanded our sustainable product range – which includes personal loans for solar panels, battery backs and electric or hybrid vehicles – and launched our green home offer.
- Sixteen branches and all three office hubs are now powered by renewable energy or GreenPower, progressing toward our 100% renewable energy target by 2030.
- We introduced our Responsible Investment Policy, re-inforcing our commitment to avoid direct investments in fossil fuels, as well as industries including tobacco, arms and gambling.
- At our November 2024 AGM, we reinforced our B Corp Certification by adopting constitutional changes that include a formal purpose statement and stakeholder governance clause.

Partnering for impact

- Through our partnership with Mission Australia, we’re improving energy efficiency and reducing utility costs in social and community housing.
- We’re collaborating with Anthesis to strengthen climate reporting and transparency across the customer-owned banking sector.
- Finity Consulting supported our bank through a Qualitative Scenario Analysis, helping us assess climate-related risks and opportunities to build long-term resilience.
- We contribute to industry-wide sustainability efforts through our active involvement in COBA’s Sustainability Community of Practice. Facilitated by the Business Council of Co-operatives and Mutuals (BCCM), we are also signatories to the Co-Operatives and Mutuals Declaration of Climate Action.

Key metrics	FY25	FY24	FY23
Total operational Scope 1 and 2 greenhouse gas emissions*	493 tonnes of CO ₂ -e	580 tonnes of CO ₂ -e	870 tonnes of CO ₂ -e
Carbon offsets retired**	6,289 tonnes of CO ₂ -e	6,607 tonnes of CO ₂ -e	6,631 tonnes of CO ₂ -e
Emissions reduction achieved***	318 tonnes of CO ₂ -e	24 tonnes of CO ₂ -e	435 tonnes of CO ₂ -e
Total value of green lending portfolio	\$8.83m	\$3.34m	N/A

*FY25 and FY24 include market-based Scope 2 emissions. FY23 includes location-based Scope 2 emissions.
**Offsets total operational Scope 1, 2 and 3 (Categories 1-14) greenhouse gas emissions.
***Calculated using total operational Scope 1, 2 and 3 (Categories 1-14) greenhouse gas emissions.



CASE STUDY

Sustainable upgrades

We are committed to reaching net zero emissions by 2040, with a key milestone of transitioning all offices and branches to 100% renewable energy by 2030.

Our recent Sydney hub refurbishment reflects this commitment, with renewable energy and energy-efficient upgrades such as LED lighting and smart energy management systems.

Refurbishment waste was responsibly recycled to our contractors, helping reduce landfill and support a circular economy.

Beyond our office buildings, we're also transitioning our branch network to renewable energy. So far, 16 of 26 branches are powered by renewable sources, and we're on track to convert the remaining locations by 2030.

By taking action today, we're building a more sustainable future for our bank, customers, communities, and the planet.

Leadership and renewal

- We enhanced our governance framework, reinforcing our ability to navigate challenges while continuing to deliver value for members and stakeholders. These enhancements reflect our ongoing commitment to strategic leadership, accountability, and responsible banking, ensuring we remain well-positioned to serve our members and the broader community for years to come.
- Deborah O’Toole, a seasoned non-executive director and existing Board member, became our new Chair during the year, and Kim Anderson joined the Board after more than 30 years of experience as a CEO and senior executive.
- To maintain effective oversight of our evolving priorities, we conducted a comprehensive review of Board Committee membership, ensuring each committee remains appropriately structured and equipped with the necessary expertise to support the Board.
- An independent external board performance review and skills assessment was commenced during the year and will be finalised early in FY26.

Embedding purpose into governance

- As part of our commitment to responsible banking - and in support of our B Corp Certification - we introduced key constitutional changes, approved at our November 2024 AGM.
- These updates include a formal purpose statement and a stakeholder governance clause, embedding our values and long-term commitment to sustainability and ethical business into our governance structure.

Key metrics	FY25	FY24	FY23
Investment to support our sustainability objectives	\$1.72m	\$1.67m	1.47m
B Corp accreditation score*	80.4	80.4	N/A

*B Corp accreditation score is re-calculated every three years. 2024 was the first year we attained B Corp Certification

CASE STUDY

“

Homeownership has been so much more than I expected it to be. Beyond feeling financially empowered, my lifestyle has improved tenfold. It means I get to live the life I want to live.”

- Kirsty

Helping Australians with home ownership

Kirsty Heigan bought her first home – a one-bedroom unit in Brisbane’s inner north close to shops, parks and bikeways – with the help of Great Southern Bank and Government-backed lending schemes.

“Buying a home for me was an opportunity I never saw coming. Without the First Home Guarantee, it would have taken me about 8 years to save up on my own,” said Ms Heigan.



What matters most to our stakeholders

Understanding and responding to the needs of our stakeholders is essential to our long-term success. To stay aligned with evolving expectations, we regularly conduct materiality assessments, engaging with internal and external stakeholders to identify the most important environmental, social, and governance (ESG) risks and opportunities for our business.

These assessments provide valuable insights, helping us align our decisions with evolving ESG expectations while maximising positive impact.

Our latest assessment, completed in late 2024, incorporated feedback from customers, team members, suppliers, investors, community and sponsorship partners. It identified five key priorities: Data Privacy & Security, Home Ownership Support & Advocacy, Responsible Lending & Business Ethics, the Welfare of Vulnerable Customers, and Employee Health, Safety & Wellbeing.

These priorities are shaping the next phase of our Sustainability Strategy, guiding decision-making, target setting, and reporting. Here's how we're addressing each:

1

Data Privacy and security:

Protecting customer data through strong cybersecurity, responsible data management, and scam prevention.

- Protecting customer data is a fundamental responsibility of our bank.
- Our dedicated cyber resilience program continuously strengthens our systems, processes, and cyber security capabilities in a rapidly evolving digital environment.
- We work closely with industry experts to test and enhance our defences and collaborate with government agencies and fellow customer-owned banks to share threat intelligence and best practices.
- Our scam losses fell by 35%, with prevention strategies closely aligned with industry and government bodies including COBA and the Australian Banking Association (ABA).

2

Home ownership support and advocacy:

Helping more Australians achieve homeownership by supporting their journey and advocating for improved housing access.

- We supported 1.81% of all Australian first-time buyers - more than twice our natural market share.
- Through our lending we helped around 4,000 customers into their first home, with strong support provided through the Government-backed Home Guarantee Scheme (HGS).
- We are developing a new, multi-decade home loan that improves affordability and flexibility for customers.
- We continue to advocate for fairer housing access, working with COBA to strengthen the voice of customer-owned banks and support aspiring homeowners.

3

Responsible lending and business ethics:

Ensuring our products and policies serve customers' best interests with transparency, integrity, and ethical banking practices.

- Our Responsible Investment Policy excludes investments in companies that fall into designated exclusion industries such as fossil fuels and gambling, strengthening our commitment to ethical and sustainable investing.
- We updated our Constitution as part of B Corp Certification, requiring directors and officers to consider the company's broader impact on society and the environment in decision-making.
- We supported customers with 2,600 financial assistance agreements, while we maintained a 90-day arrears rates at less than half the industry average.

4

Welfare of vulnerable customers:

Providing support for customers facing vulnerability and financial hardship.

- We strengthened protections through updates to our Vulnerability Standard and product Terms & Conditions to better safeguard against financial abuse.
- We improved support pathways, including enhanced identification processes and 182 referrals to Uniting's CareRing program this financial year.
- We increased frontline capability, with expanded training and simplified documentation requirements to help teams provide effective assistance and proactively report concerns.

5

Employee health, safety and wellbeing:

Promoting a safe, inclusive, and supportive workplace.

- We launched +Choice benefits – a new employee benefits package offering team members a choice of \$500 for personal development or superannuation, or three additional days of leave.
- As part of the Enterprise Agreement 2025 negotiations, we are reviewing our leave provisions to enable greater support for team members experiencing difficulty.
- We conducted our fifth annual Wellbeing and Safety at Work Assessment and launched 'Respect@Work' Coaching Circles for leaders to build resilience and leadership skills.

Our external operating environment

Our bank operates in a dynamic economic and social environment that demands continuous vigilance to stay relevant, resilient, and competitive. That's why we continually adapt our processes, strategies, and customer offerings to stay relevant, and exceed changing expectations.

Home ownership and cost-of-living pressures

A persistent housing supply shortage, combined with high demand, continues to impact affordability – particularly for first-time buyers and renters.

- We support our customers by having systems in place to quickly assess how much they can afford to borrow.
- We participate in various initiatives to help first home buyers purchase a home including Boost to Buy and BuyAssist state-based schemes.
- While home loan arrears rates have increased across the industry, our arrears rate is less than half the industry average.
- We continue to help Australians find new pathways to home ownership, such as through support for Lender's Mortgage Insurance and innovative solutions like longer loan terms.
- To support Australian homeowners and first-time buyers we grew our home lending by 6.4%.

Cybercrime and anti-money laundering risks

Cybercrime and money-laundering tactics are always evolving and continue to cause harm to Australians.

- In addition to our customer-focused efforts regarding data privacy and protecting our customers from scams (outlined in the previous section), we continue to strengthen our overall cybersecurity capabilities.

- We further enhanced our anti-money laundering (AML) and financial crime detection and prevention capabilities.
- We actively engage in industry forums to exchange insights on cybersecurity and financial crime, and are advocates for clearer legislation and stronger data security regulation across all sectors.

Regulatory change and prudential compliance

The rapid pace of regulatory change continues to impact the finance industry, requiring significant investment in resources and skills uplift to better safeguard our customers.

- We are implementing reforms and improvements involving key legislation, including:
 - anti-money laundering and counter-terrorism financing legislative reforms,
 - the Scam-Safe Accord and Scams Prevention Framework,
 - and Australian Privacy Act reforms.
- We have uplifted our risk management capabilities to comply with the prudential Operational Risk Management Standard (CPS 230). This strengthens our operational risk management, business continuity and service provider oversight.
- As our total assets approach the Significant Financial Institution (SFI) threshold set by Australian Prudential Regulation Authority (APRA), we have implemented a program to ensure compliance with the additional prudential requirements.

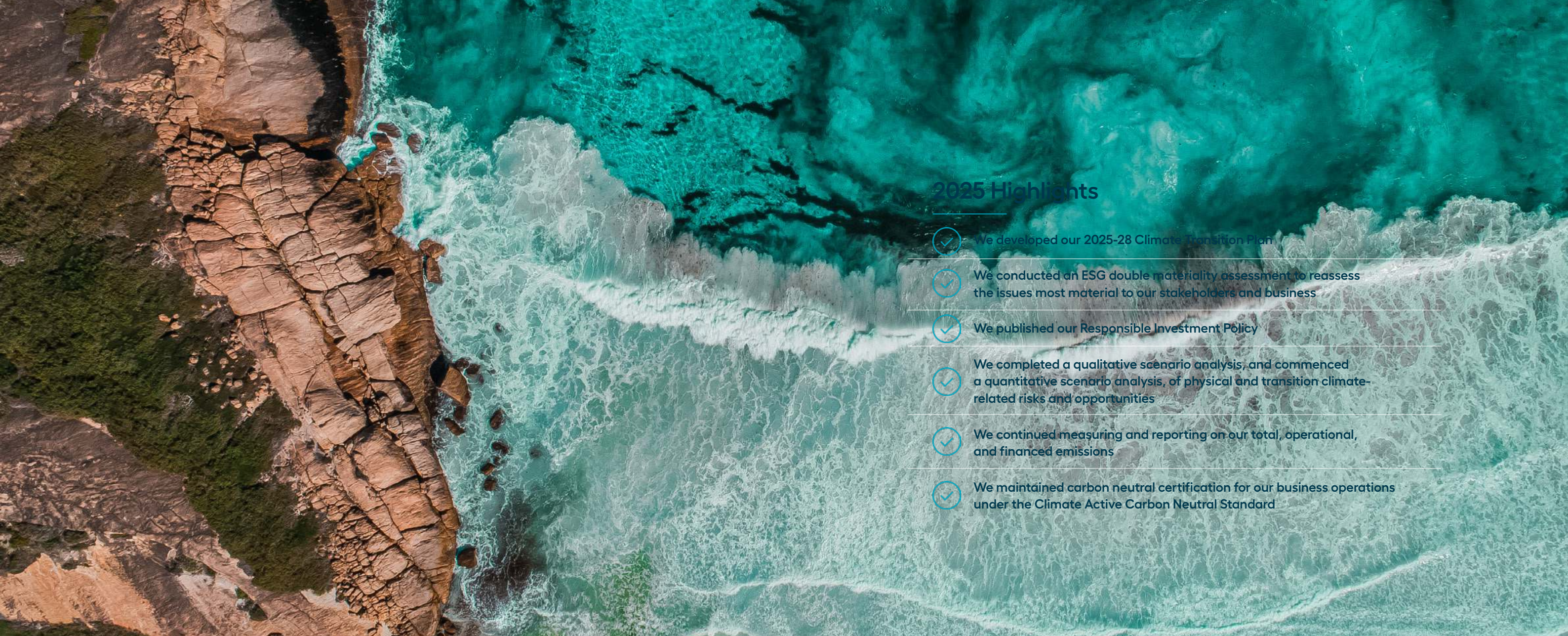
Disruptive and emerging technologies

Emerging technologies present both risks and opportunities to the finance industry, challenging traditional ways of working and changing customer expectations.

- We continue to collaborate with partners and invest in technologies that enhance fraud detection, improve customer service and enable faster payments.
- Artificial intelligence is strengthening our customer engagement and improving data management. We are also using AI to automate internal processes that streamline repeatable tasks, improve accuracy, and increase scalability.
- We continue to upskill our people and recruit to enhance our data, technology and information capabilities.



Climate-related financial disclosure



2025 Highlights

- ✓ We developed our 2025-28 Climate Transition Plan
- ✓ We conducted an ESG double materiality assessment to reassess the issues most material to our stakeholders and business
- ✓ We published our Responsible Investment Policy
- ✓ We completed a qualitative scenario analysis, and commenced a quantitative scenario analysis, of physical and transition climate-related risks and opportunities
- ✓ We continued measuring and reporting on our total, operational, and financed emissions
- ✓ We maintained carbon neutral certification for our business operations under the Climate Active Carbon Neutral Standard

Our approach to climate change

Climate change is impacting Australians' ability to own, maintain and insure their homes – something which intersects with our purpose to help all Australians own their own home.

As a bank, we have a clear role to play in helping create a sustainable future for our customers, our team members and the communities in which we operate. We made climate action a priority with our 2022-24 Climate Action Plan (CAP), including a commitment to achieve net zero emissions by

2040, 10 years earlier than the timeframe set by the Paris Agreement. At the end of 2024, we concluded our CAP, subsequently publishing our new 2025 Climate Transition Plan (CTP), which we developed in line with the Transition Plan Taskforce's (TPT) recommendations.

Our CTP details the work we will continue doing to understand and address the impacts of climate change – within our business, for our customers and across the communities we serve. The plan outlines key transition levers and actions that build on the foundations and progress of our first CAP, framed by four core commitments:

1. **Implementing climate action**
2. **Managing climate-related risks and opportunities**
3. **Building resilience and supporting recovery**
4. **Partnering for impact**

We're committed to being open and honest about our progress and the steps we're taking to make a real difference.

This report is our way of sharing our progress and what we plan to do next. It builds on the voluntary climate-related financial disclosures we have published annually for the last three years, focuses on key activities undertaken between 1 July 2024 and 30 June 2025, and provides updated metrics and targets.

As a Group 1 entity under Australia's new mandatory climate-related disclosures; Australian Sustainability Reporting Standards AASB S2 Climate-Related Disclosures (AASB S2) ¹, we will publish our first mandatory disclosure for the FY26 reporting year. As part of our phased adoption of the AASB S2, we have summarised the requirements addressed in this disclosure in the Appendix (see pages 58-59).

¹ The Australian Accounting Standards Board (AASB) issued AASB S2 Climate-related Disclosures in September 2024 as part of its Australian Sustainability Reporting Standards (ASRS). AASB S2 mandates certain entities to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance, or cost of capital over the short, medium or long term. The main climate-related financial disclosure requirements relate to governance, strategy, risk management, and metrics and targets, including information about scenario analysis and Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. The standard applies to annual reporting periods beginning on or after 1 January 2025.

Board

The Board oversees Great Southern Bank’s climate-related risks, commitments, activities, performance, disclosure and alignment with the corporate strategy through the Purpose & Impact Committee (P&IC), the Board Risk Committee (BRC) and the Board Audit Committee (BAC). An annual update on climate-related risk is presented to a combined meeting of the BRC and P&IC, and the monthly Chief Risk Officer Report to the Board and the BRC includes climate-related risk matters where appropriate.

P&IC

The P&IC meets quarterly to provide oversight and recommendations to the Board on social and environmental matters, including climate. Key matters addressed by the P&IC include embedding Great Southern Bank’s purpose; the Bank’s social and environmental commitments, including targets, policies and memberships; the roadmap of activities to meet these commitments; the Bank’s strategic approach to managing climate, including climate-related opportunities; and disclosure of these commitments, activities, and performance in line with regulatory obligations and customer and community expectations.

Key climate-related matters recommended for approval or reviewed by the P&IC in FY25 included:

- Approval of the Bank’s new 2025-28 Sustainability Strategy;
- Approval of the Bank’s 2025-28 CTP;
- Reviewing climate-related opportunities;
- Reviewing the outcomes of the ESG double materiality assessment, including the material topics to be prioritised by the Bank;
- Reviewing progress of the Bank’s 2022-24 CAP;

- Reviewing proposed non-financial metrics and targets; and
- Reviewing the Bank’s preparations for compliance with AASB S2 for the FY26 reporting year.

In FY25, the P&IC charter was updated to align with the Bank’s new corporate strategy as well as making reference to the AASB S2. Additional roles and responsibilities were included to provide greater clarity of the P&IC’s remit in relation to climate-related matters. Furthermore, new sustainability matters requiring oversight from the P&IC were added, including scenario analysis and preparation for other climate or sustainability-related regulation or legislation.

BRC

The BRC receives regular updates on key strategic and financial risks, including actions taken or proposed, in relation to climate-related risks and opportunities.

BAC

The BAC receives an independent limited assurance report from the Bank’s assurance providers in relation to the Bank’s financed emissions and has oversight of the Bank’s annual climate-related financial disclosure as part of the Annual Report.

The roles, responsibilities, authority and administration of the Bank’s Board and Management committees are outlined in each of the committee’s charters.

Currently, there are no climate-related performance metrics linked to Board or Executive remuneration at Great Southern Bank.

Management

Four executive and senior leadership committees provide leadership on, and are accountable for, the Bank’s climate-related activities: Executive Committee, Enterprise Risk Committee, Assets and Liability Committee and Product and Pricing Committee.

Executive Committee

Our Executive Committee, which includes the Chief Executive Officer and all Executives, is accountable for all climate-related activities. The Committee is responsible for overseeing the delivery of our climate commitments and ensuring readiness for compliance with AASB S2 for the FY26 reporting year. The Committee oversees the management of our climate-related risks and opportunities, specifically how they are integrated into business strategy, planning, budgeting and reporting processes. Where appropriate, they engage external climate change experts to support the delivery of our climate-related commitments.

In FY25, the Executive Committee reviewed, approved, or recommended for approval, the ESG double materiality assessment, the Bank’s new 2025-28 Sustainability Strategy, the completion of the CAP and development and publication of the CTP.

Enterprise Risk Committee

The Enterprise Risk Committee, which includes all Executive Committee members, assists the CEO and Executives in fulfilling their collective accountability

for the Risk Management Framework (RMF), including the Bank’s approach to monitoring and managing current and future climate-related risks and how they are integrated into risk management processes. Additionally, the Committee serves as an advisor to the BRC.

Assets and Liability Committee

The Assets and Liability Committee oversees financial stress testing including assessing the impacts of climate-related risks on our mortgage portfolio. In FY26, the Committee will have oversight of a comprehensive stress test assessing the financial impacts of physical and transition climate-related risks on our mortgage portfolio and balance sheet across three time horizons.

Product and Pricing Committee

The Product and Pricing Committee includes five Executive Committee members and is responsible for making pricing decisions and endorsing new products. This includes products or pricing offers such as our green personal loans, green car loans and Green Home Offer that support customers to purchase more energy efficient homes or vehicles, or improve the energy efficiency or resilience of their homes.

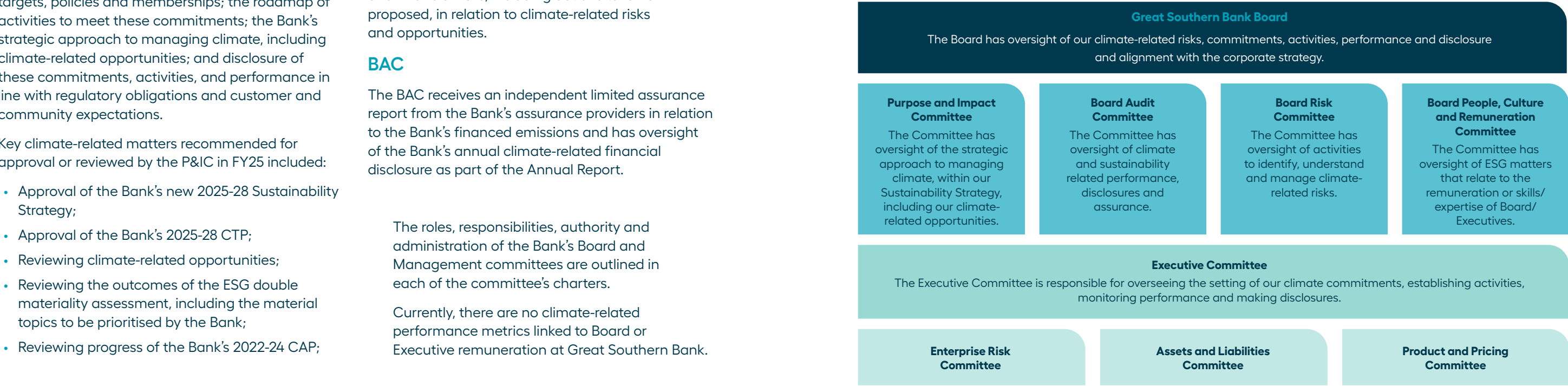


Figure 1: Great Southern Bank’s governance of climate-related risks and opportunities

Great Southern Bank assesses climate-related risks and opportunities to inform strategic decisions for the benefit of the Bank, our customers and the community.

Our climate commitments and approach to addressing climate change, is a key theme of our new Sustainability Strategy (adopted in 2025) and delivers on our organisational purpose to help all Australians own their own home. This includes supporting customers in maintaining and insuring their homes.

At the end of 2024, we concluded our CAP, which outlined our commitment to achieving net zero emissions by 2040. In June 2025, we commenced our CTP, which represents an evolution of our existing climate commitments. It highlights the actions we will take to reduce our emissions, strengthen climate action in our business, and report transparently.

Current effects of climate change

We acknowledge that climate change directly impacts our customers through property damage, changes in insurance availability and affordability, and changes in property values. This year, extreme weather events impacted our customers and the communities we operate in. In FY26, we will begin measuring the financial impacts of climate-related events on our business.

CASE STUDY

Impacts of Ex-Tropical Cyclone Alfred

In 2025, Great Southern Bank gained further insight into how the changing climate is driving unprecedented weather events, and their potential to impact our customers and business operations. Ex-Tropical cyclone Alfred's slow-moving journey towards the Southeast Queensland coast in early March 2025 provided lead time for the community and the Bank to carry out preparedness activities. In this case, it was the first direct experience of a cyclone for many of our team members in Seaborn.

The Bank's response to the event included:

- ✓ Southeast Queensland branches closed as the cyclone approached the coast, in line with the closure of many other businesses and public sector services such as public transport and schools.
- ✓ Special leave was offered to team members who were unable to work due to a variety of circumstances including closures of schools, roads and public transport; State Government directives to avoid non-essential travel; localised flooding; and loss of power or internet connections to their homes.
- ✓ Insurance claims were lodged by our insurance partner for customers who experienced damage to their homes or vehicles.
- ✓ Financial assistance was made available to customers who experienced unforeseen hardship.

The event also provided insight into the anticipated effects of some of our climate-related risks and opportunities (see [Assessing our climate-related risks and opportunities](#)), and an opportunity to evaluate the effectiveness of our crisis response and business continuity plan.

Assessing our climate-related risks and opportunities

In FY25, Great Southern Bank conducted qualitative scenario analysis to better understand the anticipated effects of climate-related risks and opportunities on the Bank under two climate change scenarios and across three time horizons (short, medium and long-term).

The analysis was undertaken to understand how climate-related risks and opportunities may impact Great Southern Bank's business model and value chain, and what actions might be required to ensure the future resilience of the Bank's strategies and business model. It also informed how the Bank approached the quantitative scenario analysis to be finalised in FY26.

The Bank's RMF and existing controls were used to assess the likelihood and consequence of the identified climate-related risks, the residual rating for those risks, and their alignment to the Bank's current Risk Appetite Statement (RAS). More information about our risk management approach can be found in **Risk Management**.

The Bank utilised Australian Prudential Regulation Authority (APRA) definitions when describing risk, specifically:

- **Physical risks:** Including both longer-term changes in climate (chronic risk) as well as changes to the frequency and magnitude of extreme weather events (acute risk). These can cause direct damage to assets or property, changes to income and costs, and changes to the cost and availability of insurance.
- **Transition risks:** Risks related to changes in domestic and international policy and regulatory settings, technological innovation, social adaptation and market changes, which can result in changes to costs, income and profits, investment preferences and asset viability.
- **Liability risks:** The potential for litigation where institutions and boards do not adequately consider or respond to the impacts of climate change.²

The assessment used the two climate change scenarios outlined in **Table 1** to identify and analyse physical and transition climate-related risks and opportunities.

For each scenario, the Bank considered what the impact of climate change might be over three time horizons: short-term (three years), medium-term (10 years) and long-term (25 years). These time horizons were selected to reflect the Bank's business planning cycle and longer-term strategic planning horizons, capital allocations, the average tenure of customers and longer-term strategy and the divergence of physical climate-related risk outcomes over time.

Table 2 summarises the Bank's climate-related risks, including a consolidated view of existing climate-related risks which the Bank has been managing and disclosing since FY23 and the new climate-related risks identified through the qualitative scenario analysis in FY25. The current effects of the new climate-related risks identified in FY25 will be assessed in FY26.

Table 2 also summarises the anticipated effects of these climate-related risks including on the Bank's business model and value chain.

The scenarios selected for the FY25 analysis were chosen as they are considered to be plausible and strategically relevant to the Bank.

	↓ Low global warming scenario	↑ High global warming scenario
Source	Internally developed	Internally developed
Scenario	• Global warming is limited to 1.5°C above pre-industrial levels by 2100. • Governments are committed to net zero by 2050. • Net zero by 2050 and stringent reporting is mandatory for banks. • Gas and internal combustion engine cars are phased out and homes are required to be built or retrofitted to be zero emissions by 2035 and 2040 respectively. • Consumers expect organisations to be net zero. • Greenwashing is penalised through litigation, fines and loss of customers. • People working or living in industries and regions reliant on high-emitting activities are impacted by job loss and higher costs. • Insurance becomes less affordable for people living in flood-prone areas. • Severe weather events worsen, particularly coastal hazards. • The world is mostly aligned on the climate transition and geopolitical tension is relatively low.	• Global warming reaches >3°C above pre-industrial levels by 2100. • Net zero targets are abandoned by governments and replaced with a focus on energy security and resilience. • Homes require expensive resilience measures by 2040. • Banks are expected to be 'apolitical' and not prioritise any particular markets, which opens them up to criticism. • People working in industries reliant on a stable climate, particularly those working outdoors, are negatively impacted. • Insurance becomes unaffordable or unavailable for many people. • Severe weather events have broad systemic impacts. Coastal hazards and heat stress make historically popular regions unlivable. • Geopolitical tensions escalate as high emitting countries are open about their lack of mitigation.
Rationale for selection	This scenario aligns to the Paris Agreement and is prescribed in the AASB S2 as the low-climate change temperature to be used	This scenario aligns to the well exceeds 2°C high-climate change temperature prescribed in the AASB S2 and reflects: • ASIC guidance clarifying that a scenario any less than 2.5°C may not comply with the standard. • Current policy projections, which place the planet on a 2.7°C trajectory.

Table 1: Great Southern Bank's climate change scenarios

² Great Southern Bank's definition follows that of APRA's Prudential Practice Guide CPG 229 Climate Change Financial Risks (Final Prudential Practice Guide CPG 229 Climate Change Financial Risks (apra.gov.au))

Climate-related risks

Risk type	Risk description	Current effects	Anticipated effects ³						Anticipated effects on value chain	Other business impacts	Key assumptions
			Low global warming scenario			High global warming scenario					
		(<12 months)	Short	Medium	Long	Short	Medium	Long			
Transition – Policy & Legal	The Bank may issue product or marketing materials or climate reporting which is incomplete, misleading or non-compliant with legal requirements, resulting in legal action for greenwashing and/or reputational damage. <i>Combination of existing and new risk</i>	✓	✓	✓	✓				Customers Products	Regulatory and Legal Financial Reputation	See low global warming scenario in Table 1.
Transition – Market	Changes in consumer sentiment or preferences, or shifts in the competitor land-scape, may impact demand for products or customers’ desire to bank with the Bank, reducing market share. <i>Combination of existing and new risk</i>	✓	✓	✓	✓				Customers Products	Financial Customer	See low global warming scenario in Table 1.
Transition – Market	Customers employed in carbon-intensive industries or regions may experience disruption in employment due to the transition to a net zero economy, impacting their ability to service their loan and/or a reduction in property prices. <i>Combination of existing and new risk</i>	✓	✓	✓	✓				Lending & Credit	Financial Customer	See low global warming scenario in Table 1.
Transition – Reputation	The Bank’s reputation may be negatively impacted due to the perceived or actual environmental impact of our lending, procuring or investing activities that may be inconsistent with our climate commitments. <i>Combination of existing and new risk</i>	✓	✓	✓	✓				Operations	Financial Customer	See low global warming scenario and high global warming scenario in Table 1.
Transition – Policy & Legal Physical – Acute	The Bank may experience a significant increase in operating costs due to heightened regulatory, compliance and capital requirements. <i>Combination of existing and new risk</i>	✓	✓	✓	✓	✓	✓	✓	Liquidity & Transactions Customers	Reputation Customer	See low global warming scenario in Table 1.
Physical – Acute	The Bank’s reputation may be negatively impacted due to its inability to support lending needs of customers where homes do not meet physical resilience standards, locations are at high risk of physical climate impacts and/or unavailability of insurance. <i>New risk</i>	To be assessed in FY26				✓	✓	✓	Customers	Reputation	See high global warming scenario in Table 1.
Physical – Acute	Customers may experience increased vulnerability and/or require additional financial assistance as a result of increased frequency and severity of natural disasters, unaffordability or unavailability of insurance, legislative changes on physical resilience of properties and/or access to employment. <i>New risk</i>	To be assessed in FY26	✓	✓	✓	✓	✓	✓	Lending & Credit Operations	Customer Financial	See low and high global warming scenarios in Table 1.
Physical – Acute and Chronic	The Bank’s operations are impacted by supply chain disruption resulting from changes to domestic or international government policy or the impacts from climate change events. <i>New risk</i>	To be assessed in FY26				✓	✓	✓	Operations	Operations Financial	See high global warming scenario in Table 1.
Physical – Acute	The Bank may face increased demands on its customer contact points as a result of a natural disaster. <i>Combination of existing and new risk</i>	✓	✓	✓	✓	✓	✓	✓	Operations Customers	Customer Operations	See high global warming scenario in Table 1.
Physical – Acute and Chronic	Customers employed in industries or regions heavily exposed to changes in climate (such as working outdoors) may experience disruption in employment, impacting their ability to service their loan and/or a reduction in property prices. <i>New risk</i>	To be assessed in FY26				✓	✓	✓	Lending & Credit	Financial Customer	See high global warming scenario in Table 1.
Physical – Acute	Properties in our mortgage portfolio exposed to increased frequency and severity of natural disasters may be underinsured or not insured at all, and leading to increased customer hardship, defaults and/or stranded assets. <i>Combination of existing and new risk</i>	✓				✓	✓	✓	Lending & Credit Operations	Financial Operations Customer	See high global warming scenario in Table 1.
Physical – Acute	Withdrawal of funds by customers, or wholesale investors, in response to a natural disaster may significantly affect liquidity. <i>Combination of existing and new risk</i>	✓				✓	✓	✓	Liquidity & Transactions Customers	Financial	See high global warming scenario in Table 1.
Physical – Acute	The Bank’s operations, including its workforce, may be disrupted by increased frequency and severity of natural disasters, migration away from impacted regions and/or upskilling required to adapt to changing regulatory and consumer landscapes. <i>New risk</i>	To be assessed in FY26				✓	✓	✓	Operations	People Operations	See high global warming scenario in Table 1.

Table 2: Summary of Great Southern Bank's climate-related risks including current and anticipated effects

³ Fields that have been left blank are either not relevant to the scenario or not anticipated to have an impact on the Bank and its customer interactions.

Climate-related opportunities

In FY24, Great Southern Bank undertook an assessment to identify key climate-related opportunities for the Bank, including impacts to the business and time horizons over which they are expected to occur. In FY25, we mapped our climate-related opportunities against our newly developed climate change scenarios (see **Table 3**). Further analysis of these opportunities will be conducted in FY26 to understand their impact on our business model and value chain, strategy and decision-making, financial position, financial performance and cash flow, and resilience.

Climate opportunity type	Potential opportunities being explored	Time horizon	Other business impacts	Low global warming scenario	High global warming scenario
Products / services	• Offer products and solutions that support retail customers to purchase, construct new homes, or retrofit existing homes, to meet continually increasing sustainability standards and to improve energy efficiency.	Short to medium-term	Financial Reputation Customer	✓	✓
	• Offer products and solutions that support customers to increase the physical resilience of their homes against increasing frequency and severity of extreme weather events.			✓	✓
	• Build customers' knowledge and understanding of how they can reduce their emissions as we work towards meeting our net zero target.			✓	✓
	• Support customers to transition to digital banking to reduce plastic and paper consumption.			✓	
	• Share success stories to encourage customers to reduce emissions and support the Bank's transition to net zero.			✓	
Markets	• Collaborate with peers, industry, community, NGOs and government to advance tangible climate action and demonstrate the Bank's commitment to responsible banking.	Short to medium-term	Regulation Reputation Customer		✓
Resilience	• Educate customers on the importance of maintaining appropriate levels of home and contents insurance and offer solutions to support them in ensuring they are adequately protected against the increasing frequency and severity of extreme weather events.	Medium to long-term	Customer Risk Management Financial Operations	✓	✓
	• Partner with goods and service providers to decarbonise the Bank's supply chain.				✓
Energy source	• Purchase and/or generate energy from renewable sources for the Bank's branches and offices to mitigate the risk of volatile energy prices and carbon pricing.	Short to medium-term	Operations Financial	✓	
Resource efficiency	• Educate our team members on how to reduce energy consumption in the Bank's branches and offices to support the Bank's transition to net zero.	Short to medium-term	Operations Financial	✓	

Table 3: Summary of Great Southern Bank's climate-related opportunities



Climate-related risk mitigation and adaptation

Through our CTP, and ongoing management of our climate-related risks, we have identified adaptation and mitigation measures that support the Bank's climate transition and increase the resilience of our business, customers, and the communities in which we operate.

Some of the ways we are responding, or plan to respond to, our climate-related risks and opportunities include:

- Helping customers build long-term resilience and support them to prepare for immediate impacts through education, products and other solutions
- Collaborating with industry, government, business and community organisations to deliver greater collective impact on climate change
- Continuing to engage with the Bank's supply chain to improve alignment with our climate commitments
- Enhancing integration of climate-related risks and opportunities in enterprise-wide management processes

For more information about mitigation and adaptation initiatives, refer to our CTP.

For information about how these climate-related risks are managed by the Bank, refer to **Risk Management**.

Financial position, financial performance and cash flows

In FY25, the Bank began using natural peril models, coupled with economic and financial models, to assess the financial impact of the climate-related risks identified through the qualitative analysis, where reliable data was available. The analysis considers how climate change and the decarbonisation of the economy may impact insurance availability and affordability, our customers' ability to service their mortgage and property values. Once completed in FY26, this analysis will assist the Bank in understanding the impact of these climate-related risks pertinent to potential financial losses, financial hardship arrangements, and mortgage acquisition policies as well as capital adequacy adjustments to align with regulatory requirements.

CASE STUDY

Mission Australia partnership

A commitment in our CTP was to collaborate with industry, government and community for greater impact. In FY23, we established a three-year partnership with Mission Australia, investing more than \$1 million into energy and water efficiency upgrades and an energy literacy program for hundreds of Australians living in community housing. These initiatives are helping ease cost-of-living pressure for low-income tenants, create behaviour change around the home, while reducing emissions.

Mission Australia partnership goals:⁴

- ✓ Around 350 homes upgraded and around 400 tenants supported
- ✓ Tenants save up to \$500 annually on energy and water bills
- ✓ Carbon emissions are reduced by up to 1.6 tonnes annually for each home

⁴ Partnership goals agreed for June 2023-June 2026.

Strategy and decision-making

Great Southern Bank’s CAP and CTP articulate how the Bank incorporates our climate-related risks and opportunities into our strategy and decision-making. Since the release of the Bank’s first CAP, we have made important progress against all of our climate commitments. This includes measuring, disclosing and taking action to reduce our Scope 1, 2, and 3 operational emissions, as well as Scope 3 financed emissions associated with our lending and investments. Our near-term science-based targets for Scope 1 and 2 emissions and Scope 3, Category 15 emissions were validated by the SBTi in 2024.

Other key highlights over the duration of our CAP include:

- ✓ Transitioning more than 65.5%⁵ of our offices and branches to renewable energy, or GreenPower (LGC)⁶ by 2025, in line with our commitment to source 100% renewable energy for our offices and branches by 2030.
- ✓ Maintaining our carbon neutral certification for business operations under the Australian Government’s Climate Active program.
- ✓ Offering a suite of green lending products and offers including issuing \$8.8 million⁷ in green personal loans for energy efficient vehicles or home improvements⁸ and launching our new Green Home Offer, providing a discounted rate on our Basic Variable or Offset Variable Home Loan to eligible homes.⁹
- ✓ Publishing a Responsible Investment Policy, further embedding our ongoing commitment to having no direct exposure to the fossil fuel industry (see more details in **Risk Management**).

In FY25, the Bank developed our CTP in line with the TPT recommendations. This plan reaffirms our commitment to achieving our near-term and net zero emissions targets and sets out how we will make progress toward these up to 2028.

This represents emerging best practice and aligns with broader climate-related disclosure requirements, including the AASB S2. The International

Sustainability Standards Board (ISSB) has endorsed the TPT Disclosure Framework as a tool for supporting climate-related disclosures.

We also collaborated with peers and partners to build capacity and increase the resilience of our business, customers, industry and community.

Important work undertaken in FY25 includes:

- ✓ Strengthening and streamlining processes for gathering data for financed emissions calculations through data management platforms.
- ✓ Creating more robust governance over our climate disclosures, including the end-to-end preparation and quality assurance process for the climate disclosure document.
- ✓ Collaborating with our insurance partner on communications to raise customer awareness of the importance of maintaining adequate levels of home and contents insurance.
- ✓ Participating in workshops with other customer-owned banks to build capability and readiness for assessing and reporting on the financial effects of climate-related risks and opportunities in our businesses.
- ✓ Holding education workshops with key internal stakeholders, in preparation for mandatory climate reporting under AASB S2.
- ✓ Meeting with the NSW Housing Minister to showcase the success of Mission Australia’s energy upgrades and advocating for upgrades to government-owned social housing properties.
- ✓ Working with Mutual Marketplace to strengthen the collection of ESG and climate-related information from suppliers.

Potential impacts on nature

Like climate change, Great Southern Bank recognises that nature loss and degradation is a challenge that affects us all. The footprint of our residential mortgage portfolio is a key area where our operations interact with nature.

We conducted a high-level assessment in FY24 to understand the risks and opportunities and ways in which our direct and indirect operations depend upon and impact nature. The assessment showed alignment between the actions we are already taking to respond to climate-related risks and opportunities, and the risks and opportunities in relation to nature.

In our CTP, we commit to continue monitoring developments in emerging climate-related risks, such as nature-related risks that are material to our business.

5 As at 30 June 2025.
6 GreenPower is a government managed program which supports the growth of renewable energy in Australia. Under the scheme, large-scale generation certificates (LGC) are purchased by Great Southern Bank’s energy provider and surrendered on behalf of Great Southern Bank. One LGC is equivalent to one megawatt-hour of electricity generation from a renewable source. GreenPower (LGC) is used at our largest site, our Brisbane head office.
7 As at 30 June 2025.
8 Green personal loans are personal loans for purchasing items that reduce emissions, for example, solar panel systems, battery packs and electric or hybrid cars. For further information on Great Southern Bank’s Green Car Loans and Green Personal Loans and Terms and Conditions of Green Loans, please visit our website www.greatsouthernbank.com.au.
9 The Green Home offer is for new builds or properties less than 12 months old. Additionally, properties must have a NatHERS rating of at least 7.5. For more information on Great Southern Bank’s Green Home Offer and Terms and Conditions, please visit our website www.greatsouthernbank.com.au.

Great Southern Bank’s RMF encompasses our systems, structures, policies, processes and people dedicated to managing all sources of material risk that could significantly impact the interests of customers, stakeholders or the Bank itself, including those associated with climate change.

The RMF brings together all our risk artefacts, including the Risk Management Strategy (RMS), RAS, risk stress testing and strategic priorities.

The RMS outlines the material risks identified by the Bank and our approach to managing these risks. It provides a comprehensive framework for identifying, assessing and mitigating risks across the Bank’s operations, including those related to climate change.

In FY24, the Bank enhanced its RMF by introducing an enterprise-wide risk taxonomy which includes climate change risk management. The taxonomy has seven material risk classes (see Figure 3),

encompassing a total of 41 risk categories. Within the Strategic & People risk class, there are two risk categories directly related to climate change: Reputation & ESG and Climate Change.

The RAS defines the amount and types of risk that the Bank is willing to take to achieve its purpose and strategy. Risk appetite is defined for each of the Level 2 risk categories in the Bank’s risk taxonomy through behavioural statements that provide clear guidance on what the Board is willing, or not willing, to accept. The Bank has three risk postures, that indicate the direction for the risk appetite – Pursue, Manage and Minimise. The RAS ensures alignment

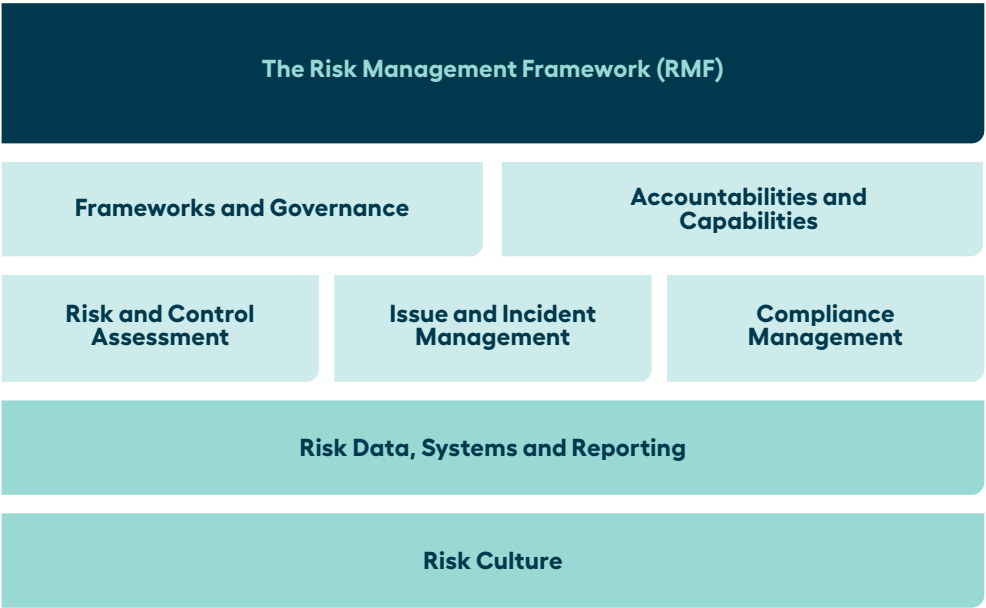


Figure 2: Great Southern Bank’s Risk Management Framework

between risk-taking activities and the Bank’s overall strategic objectives while maintaining prudent risk management practices.

Climate change risk is evaluated across three dimensions: physical risks, transition risks, and liability risks. The Bank’s climate change risk posture focuses on minimising climate-related risks to the Bank and our customers, and increasing awareness of the need to adapt to changes in climate, noting that the changing climate poses an emerging risk to home ownership.

In FY25, the Bank further strengthened its risk management by transitioning to a new Governance Risk and Compliance (GRC) system which records and maintains all non-financial risk information and provides Management and the Board with regular, accurate and timely information concerning the risk profile and performance against risk appetite.

This system supports key risk management activities including identifying and assessing risks and controls (including those relating to climate change), issue management, incident breach management, tracking and monitoring of Board Risk Appetite and Key Risk Indicators and management of obligations (e.g., compliance with Prudential Standards).

Within this new system, the existing climate change risks summarised in Table 2 are managed by risk owners across the business. The new risks identified in our FY25 qualitative scenario analysis will be consolidated with our existing risks within the Bank’s GRC system, to reflect our current risk profile. The Bank will also monitor this risk profile over three time horizons.



Figure 3: Great Southern Bank’s Risk Classes

These updates reflect our ongoing commitment to enhancing our approach to climate-related risk management, ensuring that climate-related risks are given attention and are integrated into processes across the Bank.

Lending and investments

While climate change is not specifically included in the Bank’s residential mortgage risk assessments, broader environmental factors such as flooding and bushfire threats identified in property valuation reports are considered. The outcomes of the qualitative and quantitative scenario analysis, due for completion in FY26, may help inform the Bank’s consideration of climate-related risks within our credit risk processes.

To demonstrate our commitment to proactively managing climate-related risks within our investment portfolio, the Bank developed and published a Responsible Investment Policy in 2024. Our responsible investment approach is to exclude direct investments into companies that fall within the exclusion industries listed within the policy:

- Tobacco and vaping;
- Arms;
- Gambling; and
- Fossil fuels.

At the end of FY25, we did not have any direct investment or lending in these excluded industries, including fossil fuel extraction or fossil fuel energy production.

We will continue to refine and enhance our management of climate-related risks and opportunities, in line with the commitments in our CTP and in response to the outcomes of the scenario analysis.

Great Southern Bank believes in transparency and continues to disclose its climate-related impacts across its operations and financing activities in line with best practice.

Operational emissions (Scope 1, Scope 2 and Scope 3)¹⁰

Our offices and branches in Queensland, New South Wales, Victoria and Western Australia, are the main source of our operational emissions. Our operational emissions have been calculated in accordance with the World Resources Institute’s Greenhouse Gas Protocol Corporate Standard and the Climate Active Carbon Neutral Standard for Organisations (see **Operational metrics and targets**).

Financed emissions (Scope 3, Category 15)

Our mortgage and investments portfolios are the main source of our financed emissions. We use the Partnership for Carbon Accounting Financials (PCAF) Standard for Financed Emissions to calculate our financed emissions (see **Financed metrics and targets**).

Independent assurance

Recognising financed emissions as our most material source of emissions, we continue to obtain independent limited assurance for our total financed emissions as shown in **Table 4** below and the emissions intensity by asset and sector as shown in **Table 7**. The limited assurance does not include any other metric or statement in this Report (see pages 60-62 for KPMG’s limited assurance opinion).

Science-based targets

Great Southern Bank has near-term science-based emissions reduction targets for Scope 1 and 2 as well as Scope 3, Category 15 financed emissions. These targets align with the Paris Agreement and were validated by the SBTi in 2024. At that time, we were only the third Australian bank to achieve this validation.

In accordance with SBTi requirements, Great Southern Bank commits to reviewing these targets within five years from their approval date to ensure alignment with evolving climate science and goals.

Metric	GHG emissions scope	Units	FY25	FY24	FY23	FY22	FY21
Operational emissions	Scope 1	tCO ₂ -e	5	4	45	135	142
	Scope 2 location-based	tCO ₂ -e	671	734	825	952	1,019
	Scope 2 market-based ¹¹	tCO ₂ -e	488	576	–	–	–
	Scope 3	tCO ₂ -e	5,796	6,027	5,761	5,979	5,965
Financed emissions		tCO ₂ -e	394,070 ¹²	324,816	318,272	383,709	220,768
Total emissions		tCO ₂ -e	400,359	331,423	324,903	390,775	227,894

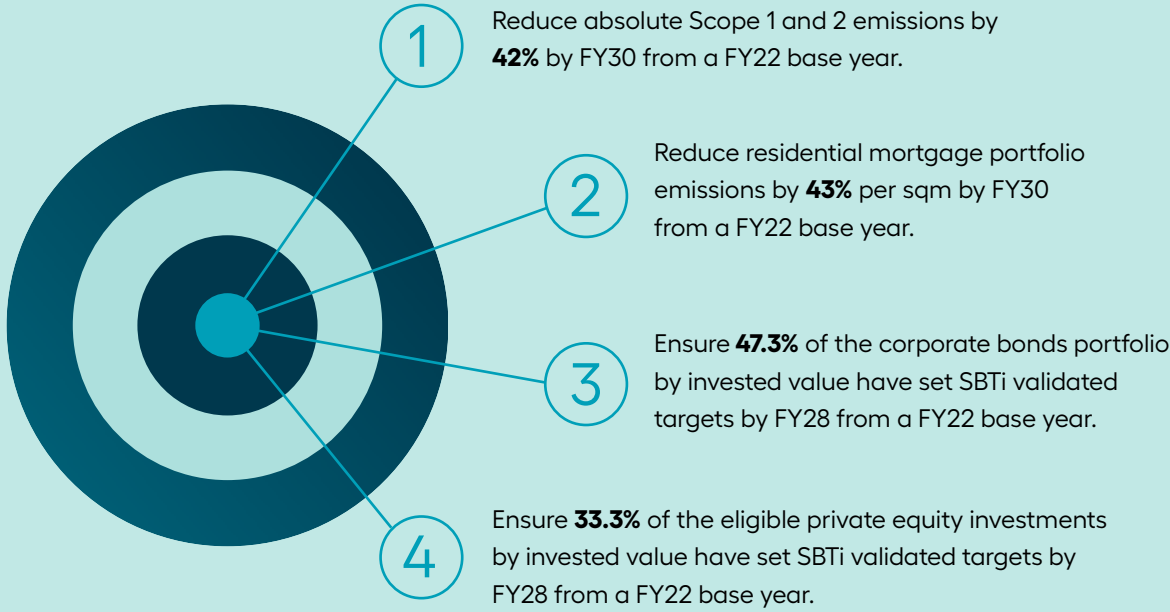
Table 4: Total emissions

¹⁰ Scope 1 emissions include all GHG emissions from sources that are within Great Southern Bank’s control boundary, including emissions from fuel use for transportation purposes and refrigerants during the use of air conditioning equipment. Scope 2 emissions include the use of purchased electricity in our offices and branches, reported using market-based method for FY25 and FY24 and location-based method for FY23, FY22 and FY21. Scope 3 emissions are emissions that occur as a result of our activities but occur from sources outside the organisation’s control boundary. These include computer software and equipment, professional services, postage, courier, and freight, employee commuting, business travel and waste generation and disposal.

¹¹ In FY24 we analysed the effects of renewable energy procurement on our emissions and calculated and disclosed our Scope 2 emissions from electricity consumption using location and market-based methodologies.

¹² Total financed emissions disclosed in Table 4 include Scope 1, 2 and 3 emissions of all our investment and lending activities. Refer to Tables 7, 9 and 10 for further details and a disaggregated disclosure of financed emissions. These were included within the scope of the limited assurance provided by KPMG (see pages 60-62 for KPMG’s limited assurance opinion).

Great Southern Bank validated near-term science-based targets



Operational metrics and targets¹³

Metric	Units	FY25	FY24	FY23	FY22	FY21
Scope 1 GHG emissions	tCO ₂ -e ²⁶	5	4	45	135	142
Scope 2 location-based GHG emissions	tCO ₂ -e	671	734	825	952	1,019
Scope 2 market-based GHG emissions	tCO ₂ -e	488	576	–	–	–
Total operational GHG emissions (Scope 1 and 2) ¹⁶	tCO ₂ -e	493	580	870	1,087	1,161
Scope 3 GHG emissions	tCO ₂ -e	5,796	6,027	5,761	5,979	5,965
Total operational GHG emissions (Scope 1, 2 and 3)	tCO ₂ -e	6,289	6,607	6,631	7,066	7,126
Operational GHG emissions intensity by FTE (Scope 1, 2 and 3)	tCO ₂ -e/FTE	6.04	6.17	4.83	5.78	5.10
Offsets retired ¹⁷	tCO ₂ -e	6,289	6,607	6,631	7,066	7,126
Liquid fuel consumption	kL	0	0	17	35	39
Electricity consumption	MWh	922	992	1,114	1,186	1,220
Waste generated	Tonnes	28	26	30	21	27
Waste diverted from landfill ¹⁸	Tonnes	6	10	12	8	-
Water consumption	kL	1,194	1,410	2,957	7,952	9,086

Table 5: Operational metrics^{14, 15}

¹³ Prepared in accordance with Climate Active requirements and an internal Basis of Preparation, which sets out the measurement approach, methodologies, inputs, assumptions, and data limitations.

¹⁴ Subsidiaries covered in FY22 are CUA Health Limited (ABN 98 098 685 459), Credicorp Insurance Pty Ltd (ABN 50 069 196 756), CUA Management Pty Ltd (ABN 60 010 003 853) and Credicorp Finance Pty Ltd (ABN 79 010 052 981).

¹⁵ Subsidiaries covered in FY23 are Credicorp Insurance Pty Ltd (ABN 50 069 196 756), CUA Management Pty Ltd (ABN 60 010 003 853) and Credicorp Finance Pty Ltd (ABN 79 010 052 981).

¹⁶ Includes Scope 2 market-based GHG emissions.

¹⁷ Our FY25 operational emissions have been fully offset through Certified Emission Reduction units from a wind power project in India and Australian Carbon Credit Units from a savannah burning project managed by First Nations rangers in Arnhem Land, in alignment with the quality requirements of Climate Active. Great Southern Bank has been a certified carbon neutral organisation under Climate Active since FY21. More information can be found on the Climate Active website.

¹⁸ Waste diverted from landfill was not reported in FY21.

Targets

To support our operational emissions science-based target, we have committed to transitioning all our hubs and branches to 100% renewable energy by 2030.

In addition to reducing our emissions, we remain committed to maintaining carbon neutral certification, to mitigate the climate impacts of our operations today.

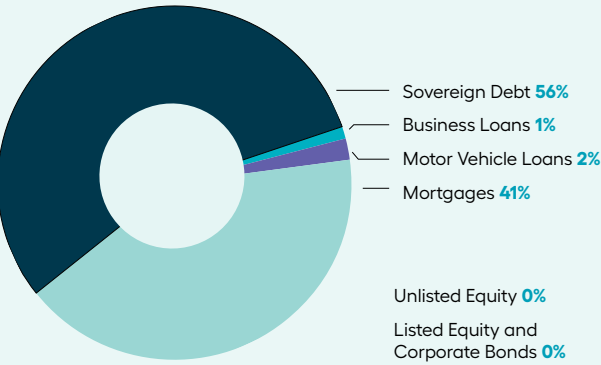
We retained carbon neutral certification for our FY24 business operations for the fourth consecutive year under the Climate Active Carbon Neutral Standard for Organisations, a program enabling businesses to account for and verify their GHG emissions. Our FY25 Public Disclosure Statement is currently in progress and will be submitted according to the timeline established by Climate Active.

Target	FY25	Base year	Progress
Reduce absolute Scope 1 and 2 emissions by 42% by FY30 from a FY22 base year	493 tCO ₂ -e	1,087 tCO ₂ -e	In FY25, our combined Scope 1 (directly released from our operations) and market-based Scope 2 (released from offsite generation of electricity consumed in our operations) GHG emissions were estimated at 493 tonnes of carbon-dioxide equivalent emissions (tCO₂-e). This represents a 15% decrease from our FY24 market-based emissions of 580 tCO₂-e (and a 30% decrease from our base year of FY22 when using the location-based approach). This can be partially attributed to lower electricity consumption and an increased purchase of renewable energy (Greenpower). Combined Scope 1, market-based Scope 2 and Scope 3 emissions decreased by 318 tCO₂-e, or around 4.8% from FY24 to FY25 (and 8.4% from our base year of FY22 when using the location-based approach).

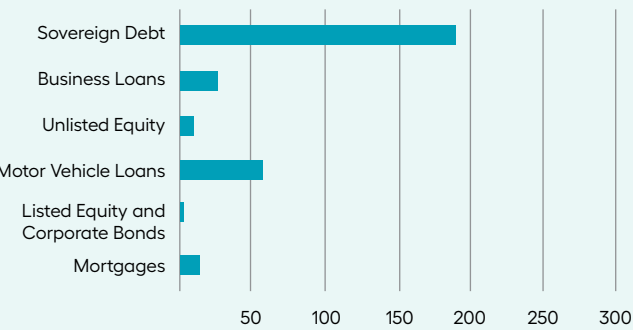
Table 6: Progress against SBTs

Financed metrics and targets

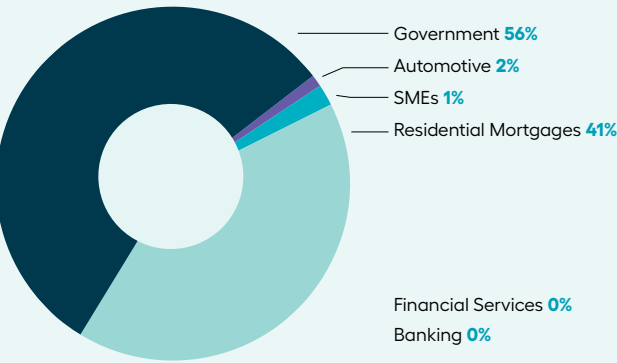
Emissions share by asset class



Emissions intensity by asset class (tCO₂e/\$M)



Emissions share by sector



Emissions intensity by sector (tCO₂e/\$M)

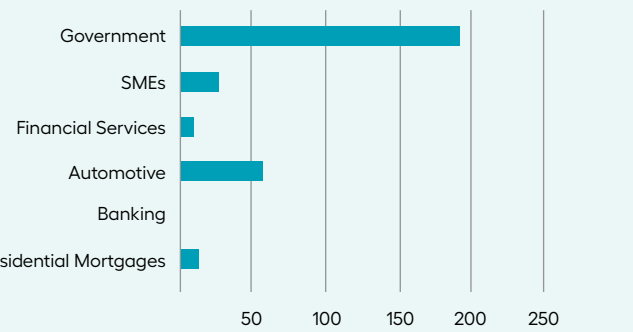


Figure 4: FY25 Financed metrics

Emissions intensity by asset class		
Asset class	Dollars lent/invested per tonne of emissions generated (\$/tCO ₂ e)	Emissions intensity (tCO ₂ e/\$M)
Mortgages	108,029	9.26
Listed Equity and Corporate Bonds ¹⁹	1,082,452	0.92
Motor Vehicle Loans	15,137	66.06
Unlisted Equity	52,086	19.20
Business Loans ²⁰	34,682	28.83
Sovereign Bonds	3,901	256.34
Total ²¹	50,973	19.62

Emissions intensity by sector		
Sector	Dollars lent/invested per tonne of emissions generated (\$/tCO ₂ e)	Emissions intensity (tCO ₂ e/\$M)
Residential Mortgages	108,029	9.26
Banking ²²	1,082,452	0.92
Automotive	15,137	66.06
Financial Services	52,086	19.20
SMEs ²³	34,682	28.83
Government	3,901	256.34
Total ²¹	50,973	19.62

Table 7: FY25 Financed emissions intensity metrics

¹⁹ The methodology used to estimate emissions related to the Listed Equity and Corporate Bonds portfolio changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

²⁰ The methodology used to estimate emissions related to the Business Loans portfolio changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

²¹ Emissions intensity by asset class and sector in Table 7 include Scope 1, 2 and 3 emissions of all our investment and lending activities. Total emissions intensities were included within the scope of the limited assurance provided by KPMG (see pages 64 and 65 for KPMG's limited assurance opinion)

²² The methodology used to estimate emissions related to the Banking sector changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

²³ The methodology used to estimate emissions related to SMEs changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

Since 2021, Great Southern Bank has analysed its indirect impact through our lending and investment activities using PCAF methodologies to estimate Scope 3, Category 15, financed emissions. Following the validation of our emissions reduction targets by the SBTi, we remain committed to tracking our emissions against these targets and to monitoring alignment with our FY22 baseline. Key findings in FY25 are represented in this report including:²⁴

- A total of 100% of our balance sheet by invested value of in-scope PCAF asset classes is included in this year’s financed emissions inventory.
- Asset classes not included are cash and cash equivalents, personal loans, other than motor vehicle loans, personal overdraft accounts, receivables from banks, investments in derivatives and authorised deposit-taking institutions, as there is currently no methodology available by PCAF to estimate financed emissions associated with these asset classes.
- The total Scope 1 and 2 GHG emissions generated by Great Southern Bank’s portfolio in FY25 were estimated to be 394,070 tCO₂-e.
- The carbon intensity of each million Australian dollars lent or invested was estimated at 19.62 tCO₂-e. . The intensity varies across asset classes and sectors, with corporate bonds being the least

GHG intensive. In contrast, motor vehicle loans represent the most GHG intensive asset class. Residential mortgages, Great Southern Bank’s single largest asset class, had a GHG intensity of 9.26 tCO₂-e/A\$ million.

- One tonne of GHG emissions (in CO₂-e) is generated by \$50,973 loaned or invested.
- The overall weighted data quality score in FY25 is 4.73), where 1 is highest data quality and 5 is lowest data quality.

Key metrics by asset class and sector are outlined in Tables 9 and 10, including the data quality scores (as required by the PCAF Standard) and notable exclusions. We will continue to work to identify financial impacts and the most meaningful metrics to measure and manage climate-related risks and opportunities such as climate-related metrics linked to Executive remuneration. We are committed to improving data quality and reporting metrics over time.

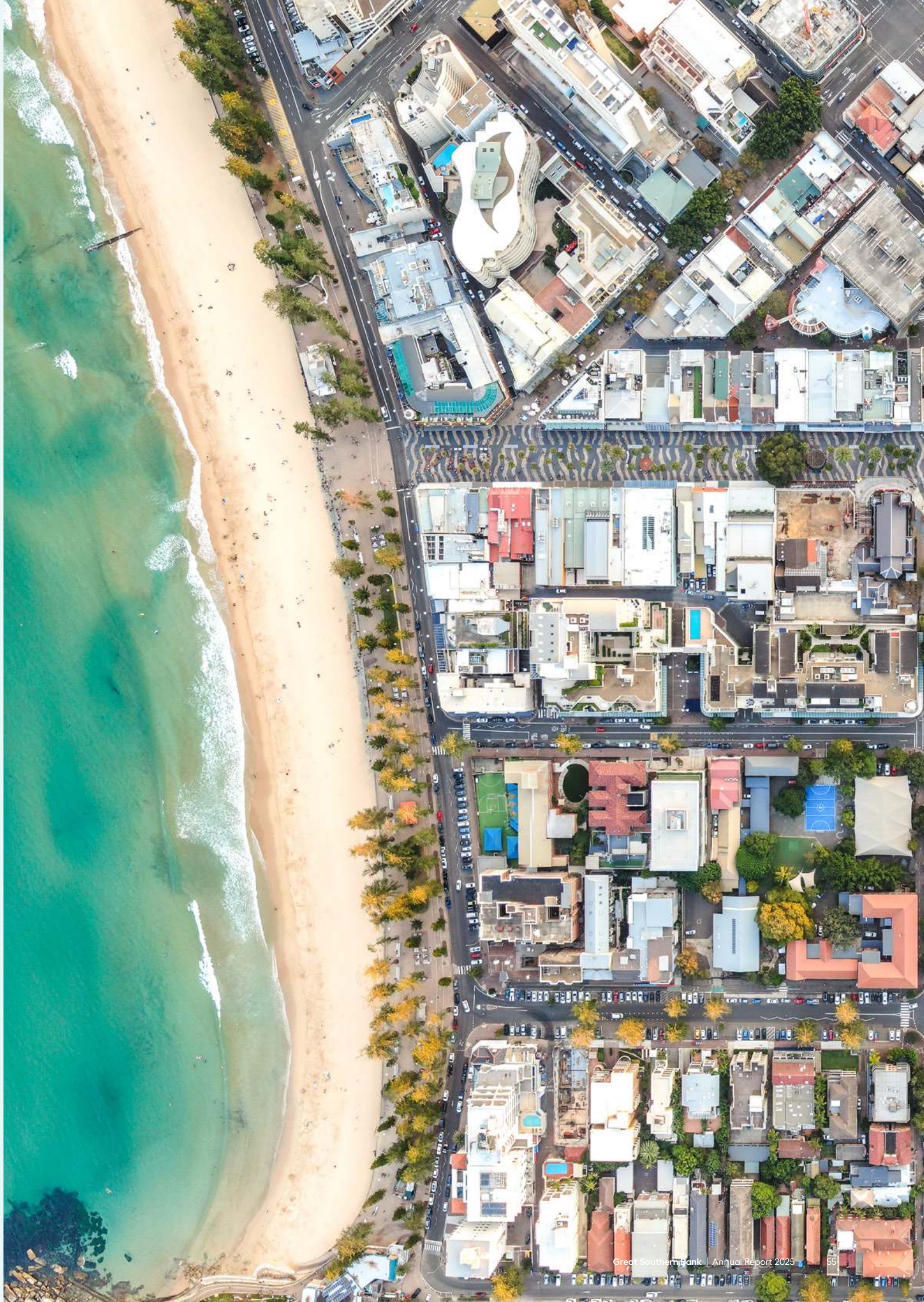
Targets

To progress our financed emissions science-based targets, we maintained a suite of green loan products including a new Green Home offer, published a Responsible Investment Policy and conducted further analysis of our investment portfolios.

Target	FY25	Base year	Progress
Reduce residential mortgage portfolio emissions by 43% per sqm by FY30 from a FY22 base year	27.36 tCO ₂ -e/m ²	30.18 tCO ₂ -e/m ²	In FY25, residential mortgage portfolio emissions per sqm was 27.36. This represents a 9% decrease from our base year. This can be attributed to a reduction in the carbon intensity of each state’s and territory’s grid electricity.
Ensure 47.3% of the corporate bonds portfolio by invested value have set SBTi validated targets by FY28 from a FY22 base year.	At the end of FY25, investment in corporate bonds by invested value was \$1.422 billion and the proportion of investees with a SBTi approved targets was 15.3%.	At the end of FY22, investment in corporate bonds by invested value was \$1.486 billion and the proportion of organisations with a SBTi approved targets was 21%.	This year we explored ways to evolve our policies, processes and strategies to consider investees’ climate commitments and performance. We continue to monitor regulatory changes that relate to this target.
Ensure 33.3% of the eligible private equity investments by invested value have set SBTi validated targets by FY28 from a FY22 base year.	At the end of FY25, investment in eligible private equity by invested value was \$0.	At the end of FY22, investment in eligible private equity by invested value was \$0.	We continue to monitor eligibility of our investments under the SBTi criteria.

Table 8: Progress against SBTs

²⁴ Financed emissions for FY25 are based on non-audited financial data.



Key metrics for financed emissions²⁵

PCAF asset class	Total outstanding loans and investments covered (\$M)				Scope 1 financed emissions (tCO ₂ -e)					Scope 2 financed emissions (tCO ₂ -e)				Total scope 1 and 2 financed emissions (tCO ₂ -e)				Total financed emissions (Scope 1, 2 and 3 in tCO ₂ -e)			
	FY25	FY24	FY23	FY22	FY25	FY24	FY23	FY22		FY25	FY24	FY23	FY22	FY25	FY24	FY23	FY22	FY25	FY24	FY23	FY22
Mortgages	17,466	16,413	15,545	13,358	29,899	27,741	26,692	24,374		114,475	111,903	112,558	113,086	144,374	139,644	139,250	137,460	161,636	159,293	158,219	155,626
Listed Equity and Corporate Bonds ²⁸	1,520	1,777	2,098	1,486	65	26	53	18		731	234	396	167	795	260	449	185	1,404	750	954	645
Motor Vehicle Loans	131	136	122	60	6,784	7,631	7,357	-		147	151	91	-	6,931	7,782	7,448	3,403	8,644	9,710	9,298	4,289
Unlisted Equity	58	69	62	61	24	84	108	-		266	565	671	-	290	648	779	40	1,117	1,505	1,609	477
Business Loans ²⁹	60	50	47	39	392	38	-	-		1,150	127	-	-	1,542	166	334	188	1,735	188	1,337	938
Sovereign Bonds	856	575	499	562	156,586	111,179	107,832	123,091		75	70	55	58,025	156,661	111,249	107,887	181,116	219,534	153,371	146,854	221,734
Total	20,092	19,021	18,372	15,567	193,750	146,699	142,042	147,483		116,844	113,050	113,778	171,278	310,594	259,748	256,148	322,392	394,070	324,816	318,272	383,709

Table 9: Financed Emissions by PCAF asset class ^{26, 27}

Sector	Total outstanding loans and investments covered (\$M)				Scope 1 financed emissions (tCO ₂ -e)					Scope 2 financed emissions (tCO ₂ -e)				Total Scope 1 and 2 financed emissions (tCO ₂ -e)				Total financed emissions (Scope 1, 2 and 3 in tCO ₂ -e)			
	FY25	FY24	FY23	FY22	FY25	FY24	FY23	FY22		FY25	FY24	FY23	FY22	FY25	FY24	FY23	FY22	FY25	FY24	FY23	FY22
Residential Mortgages	17,466	16,413	15,545	13,358	29,899	27,741	26,692	24,374		114,475	111,903	112,558	113,086	144,374	139,644	139,250	137,460	161,636	159,293	158,219	155,626
Banking ³¹	1,520	1,777	2,098	1,486	65	26	53	18		731	234	396	167	795	260	449	185	1,404	750	954	645
Automotive	131	136	122	60	6,784	7,631	7,357	-		147	151	91	-	6,931	7,782	7,448	3,403	8,644	9,710	9,298	4,289
Financial Services	58	69	62	61	24	84	108	-		266	565	671	-	290	648	779	40	1,117	1,505	1,609	477
SMEs ³²	60	50	47	39	392	38	-	-		1,150	127	-	-	1,542	166	334	188	1,735	188	1,337	938
Government	856	575	499	562	156,586	111,179	107,832	123,091		75	70	55	58,025	156,661	111,249	107,887	181,116	219,534	153,371	146,854	221,734
Total	20,092	19,021	18,372	15,567	193,750	146,699	142,042	147,483		116,844	113,050	113,778	171,278	310,594	259,748	256,148	322,392	394,070	324,816	318,272	383,709

Table 10: Financed Emissions by sector³⁰

Asset class	Emissions intensity for residential mortgages (tCO ₂ -e/m ²)			
	FY25	FY24	FY23	FY22
Residential mortgages	27.36	32.03	32.86	30.18

Table 11: Other key metrics

25 A Basis of Preparation documenting the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au.

26 The weighted data quality score (as defined under the PCAF standard) for FY25 data has been estimated at 4.73. Great Southern Bank has elected to disclose this information, in line with the PCAF's position in its Reporting Standard that recognises "high quality data can be difficult to come by when calculating financed emissions, particularly for certain asset classes. However, data limitations should not deter financial institutions from taking the first steps toward preparing their inventories, as even estimated or proxy data can help them identify carbon-intensive hotspots in their portfolios, which can inform their climate strategies". We will continue to investigate options to improve data quality over time.

27 Asset classes not included are cash and cash equivalents, personal loans, other than motor vehicle loans, personal overdraft accounts, investments in derivatives and authorised deposit-taking institutions. The total loan and investment value for FY25 as per June 30, 2025, is \$847M. There is currently no methodology available, and the total value is marginal.

28 The methodology used to estimate emissions related to the Listed Equity and Corporate Bonds portfolio changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

29 The methodology used to estimate emissions related to the Business Loans portfolio changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

30 The weighted data quality score (as defined under the PCAF standard) for FY25 data has been estimated at 4.73.

31 The methodology used to estimate emissions related to the Banking sector changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

32 The methodology used to estimate emissions related to SMEs changed in FY25. A detailed description of the measurement approach, methodologies, inputs, assumptions and data limitations can be found on our website www.greatsouthernbank.com.au

Appendix

Category	AASB S2 reference	Page reference
Governance	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Pages 32-33 (partial)
	Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Pages 32-33 (partial)
Strategy	The climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects.	Pages 38-39, 42
	The current and anticipated effects of those climate-related risks and opportunities on the entity’s business model and value chain.	Pages 40-42 (partial)
	The effects of those climate-related risks and opportunities on the entity’s strategy and decision-making, including information about its climate-related transition plan.	Pages 46 (partial)
	The effects of those climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity’s financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity’s financial planning.	Page 44 (partial)
	The climate resilience of the entity’s strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity’s identified climate-related risks and opportunities.	Not disclosed in FY25
Risk management	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks.	Pages 36-37, 48-49 (partial)
	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Pages 36-37 (partial)
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity’s overall risk management process.	Pages 48-49 (partial)

Category	AASB S2 reference	Page reference
Metrics and targets	Greenhouse gases and Scope 1, 2 and 3 emissions.	Pages 50, 52, 54-55, 58-59
	The amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Not disclosed in FY25
	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Not disclosed in FY25
	The amount and percentage of assets or business activities aligned with climate-related opportunities.	Not disclosed in FY25
	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Not disclosed in FY25
	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis) and the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	Not disclosed in FY25
	A description of whether and how climate-related considerations are factored into executive remuneration and the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	Page 33
	Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	Pages 50-51, 53, 56



Independent Limited Assurance Report to the Directors of Credit Union Australia Ltd (trading as Great Southern Bank)

Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information Subject to Assurance, has not been prepared by Great Southern Bank, in all material respects, in accordance with the Criteria for the year ended 30 June 2025.

Information Subject to Assurance

The Information Subject to Assurance, is presented in the 2025 Annual Report and is shown in the table below and covers the year ended 30 June 2025:

Information Subject to Assurance	Value assured
Total financed emissions (tCO _{2-e})	394,070
Emissions intensity for financed emissions (tCO _{2-e} /\$M)	19.62
Dollars lent/invested per tonne of emissions generated (\$/tCO _{2-e})	50,973

Criteria Used as the Basis of Reporting

We assessed the Information Subject to Assurance against the Criteria. The information subject to assurance needs to be read and understood together with the Criteria, as described in the 2025 Basis of Preparation for Financed Emissions (“the Criteria”). The Criteria will be available on Great Southern Bank’s website in the “Downloads” section on the Great Southern Bank Annual Report 2025 webpage.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Information Subject to Assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and

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- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Great Southern Bank personnel to understand the internal controls, governance structure and reporting process of the Information Subject to Assurance;
- reconciling Information Subject to Assurance to underlying data sources on a sample basis;
- reviews of relevant documentation including the 2025 Basis of Preparation for Financed Emissions;
- analytical procedures over the Information Subject to Assurance;
- walkthroughs of the Information Subject to Assurance to source documentation; and
- evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Information Subject to Assurance may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Great Southern Bank.

Use of this Assurance Report

This report has been prepared solely for the Directors of Great Southern Bank who have commissioned this independent assurance over the Information Subject to Assurance to enhance transparency and confidence in their oversight and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Great Southern Bank, or for any other purpose than that for which it was prepared.

Management’s Responsibility

Management are responsible for:



- determining that the criteria is appropriate to meet their needs, the needs of their stakeholders;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the 30 June 2025, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG
Sydney, NSW
26 August 2025

CREDIT UNION AUSTRALIA LTD
(trading as Great Southern Bank)

Financial Report

FOR THE YEAR ENDED 30 JUNE 2025

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Directors' Report

The Directors have pleasure in presenting their report together with the financial statements of Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank) and of the Group, being the Bank and its controlled entities, for the year ended 30 June 2025 and the auditor’s report thereon.

Directors and Company Secretaries

Directors

The names and details of the Directors of the Bank in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Deborah O’Toole
LLB, MAICD
Chair and Independent Non-Executive Director

Deb joined the Board in March 2014 and was appointed Chair in November 2024. She is a member of the Board People, Culture and Remuneration Committee and Purpose and Impact Committee. She was previously Chair of the Board People, Culture and Remuneration Committee until November 2024 and Board Risk Committee until September 2022. She is also a Director of Credicorp Insurance Pty Ltd (Credicorp Insurance) and a member of Credicorp Insurance Board Audit and Board Risk Committees.

Deb is a qualified lawyer and has more than 30 years’ experience in mining, resources and rail freight industries, many of which have been focused in the finance function. She is a graduate of the Harvard Business School’s Advanced Management Program and was a former CFO at Aurizon, Queensland Cotton and MIM Holdings.

Deb is Chair of Transurban Qld Finance Pty Limited and is a Director of Pacific National Rail, Alumina Limited and Sydney Airport Corporation Limited.

Nigel Ampherlaw
B.Com., FCA, MAICD
Chair and Independent Non-Executive Director (resigned on 7 November 2024)

Nigel joined the Board in March 2011 and was the Chair since November 2017. He was a member of the Board People, Culture and Remuneration Committee.

Nigel has extensive experience in risk management, technology, consulting and auditing for financial services institutions in Australia and the Asia-Pacific region. He is a chartered accountant by profession. He was a Partner of PricewaterhouseCoopers for 22 years where he held a number of leadership positions, including heading the financial services audit, business advisory services and consulting businesses. He also held several senior client Lead Partner roles.

At the time of his resignation, Nigel was a Director of Elanor Investors Group.

Kim Anderson
BA, MAICD
Independent Non-Executive Director (appointed on 29 August 2024)

Kim joined the Board in August 2024 and is a member of the Board People, Culture and Remuneration Committee and Board Audit Committee.

Kim has more than 30 years’ experience as a CEO, and Senior Executive in a range of marketing and media companies including Southern Star Entertainment, PBL, Ninemsn, and Reading Room Inc (bookstr.com) of which she was CEO and founder.

Kim holds a Bachelor of Arts from the University of Sydney and a Graduate Diploma in Library Information Science from University of Technology Sydney.

Kim is currently a Director of CAR Group Ltd, SiteMinder Ltd and the Sax Institute, a national not-for-profit leader in promoting the use of research evidence in health policy.

Directors' Report

Directors and Company Secretaries (continued)

Peeyush Gupta
BA, MBA, AM, FAICD
Independent Non-Executive Director

Peeyush joined the Board in March 2024 and is a member of the Purpose and Impact Committee and Board Risk Committee. With experience working in the finance sector for over thirty-five years, Peeyush has a track record of starting and growing businesses, and in acquisitions, integration, managing digital transformation, industry disruption and growth.

Peeyush was the co-founder and inaugural CEO of IPAC Securities, a firm providing financial advice and institutional portfolio management with operations in Australia, New Zealand, Singapore, Hong Kong and South Africa. He has served as a Director and Chair on boards across a variety of sectors including financial services, insurance, government, media, accounting and technology, and as the Chair of a large superannuation fund.

Peeyush is currently Chair of Liberty Financial Group and a Director of Dexus Funds Management Limited, Chartered Accountants Australia and New Zealand, Quintessence Labs, NSW Cancer Council Investment Committee, The George Institute and Northern Territory Aboriginal Investment Corporation.

Peeyush is an alumnus of Harvard, London and UNSW business schools. In 2019, he was awarded the Order of Australia (AM) for services to business and the community.

Mark Hand
B.Bus., MBA, CPA
Independent Non-Executive Director

Mark joined the Board in July 2023. He is the Chair of the Board Audit Committee and a member of the Board Risk Committee. He is also a Director of Credicorp Insurance and Chair of Credicorp Insurance Board Audit and Board Risk Committees.

Mark is a career banker and experienced senior executive, having held senior positions in Australia and South Asia. Mark has held executive leadership roles across the commercial and consumer banking sectors and has extensive experience in risk management. Most recently he was the Group Executive for the Australian Retail and Commercial Banking division of ANZ Bank.

Mark has strong innovation and transformation capability combined with a passion for customer experience. He has long been an advocate for gender equity, workplace culture and employee engagement.

Mark has previously been a Director of Diversity Council Australia Limited, ANZ Bank Taiwan Limited and ANZ Trustees Limited.

Directors and Company Secretaries (continued)

Paul Lewis
BA, MBA
Managing Director and Chief Executive Officer (CEO)

Paul was appointed to the Board in November 2019, coinciding with his commencement in the role of CEO.

He is also the Chair of Credicorp Finance Pty Ltd (Credicorp Finance) and a Director of CUA Management Pty Ltd (CUA Management).

With more than 20 years' experience in financial services leadership positions, Paul has held senior executive retail banking roles in Australia, New Zealand and Malaysia.

Prior to joining the Bank, Paul was Senior Head of Strategy and Transformation at Westpac, where he led the Consumer banking strategy development for the Westpac Group. He held a variety of senior executive roles within ANZ in Australia, New Zealand and South East Asia, including as General Manager of the ANZ Australian Retail Branch Network. In this role, Paul was responsible for leading more than 800 branches and 7,000 employees before being seconded to Malaysia as the Managing Director, Retail Banking for AmBank with responsibility for 6,500 staff and 2.5 million retail customers.

Paul's professional qualifications include an MBA and BA from Massey University, NZ. He is an alumnus of the London Business School's Senior Executive Management Program and is currently a Director of the Business Council of Co-operatives and Mutuals (BCCM) Ltd. He is a member of the Australian Institute of Company Directors.

Kyle Loades
MBA, FAICD, FTL, GFIN
Independent Non-Executive Director

Kyle joined the Board in December 2017. He is Chair of the Board Risk Committee and a member of the Board Audit Committee. He is also the Chair of the Credicorp Insurance Board and member of the Credicorp Insurance Board Audit and Board Risk Committees.

Kyle is a Chair, Non-Executive Director and Advisor with more than two decades of experience across the commercial, community and public sectors.

Kyle is currently Chair of Hunter Medical Research Institute and Vision Super. He is a Conjoint Professor at Newcastle Business School at the University of Newcastle. Kyle completed a three-and-a-half year term as Chair of NRMA where he directed a period of significant cultural and operational change requiring considerable strategy and risk expertise.

Kyle is a Fellow of the Australian Institute of Company Directors and Australian Transformation and Turnaround Association, has completed an MBA at the University of Newcastle, a Harvard Business School Certificate in Disruptive Strategy, a Transformation Leadership Program at Australian National University, a Diploma of Superannuation at Australian Institute of Science & Technology and a Professional Banking Fundamentals Program at Financial Services Institute of Australasia.

Directors' Report

Directors and Company Secretaries (continued)

Louise McCann
MM MGSM, FAICD, FIML, FRSA
Independent Non-Executive Director (resigned on 30 June 2025)

Louise joined the Board in November 2015. She was Chair of the Board People Culture and Remuneration Committee and the Purpose and Impact Committee.

After a successful executive career as a CEO and senior executive in the media, commercial market research, brand and communications sectors in Australia, New Zealand and across Asia, Louise has had a very diverse portfolio of Non-Executive Director roles. These roles have been in the following sectors: technology/telecommunications, media, health, education, personal transport, and professional services, across the ASX, public companies and not-for-profit organisations.

Louise is currently Chair of Grant Thornton Australia Limited, Chair of their Nominations and Remuneration Committee and a member of their Partner Earning and Performance Committee. She is also Non-Executive Director of the University of Notre Dame and Chair of their Remuneration, People and Culture Committee.

Wayne Stevenson
B.Com., CA, FAICD
Non-Executive Director

Wayne joined the Board in February 2014. He is a member of the Board Audit and Board Risk Committees.

Wayne’s executive background was largely in banking and financial services with ANZ where he held several senior positions across Australia, New Zealand and Asia. Wayne brings strong expertise of the financial services industry including 15 years in CFO roles at ANZ involving a broad range of disciplines including the undertaking of significant acquisitions, restructures and divestments. Since leaving ANZ, Wayne has developed a Non-Executive Director portfolio across a number of industries including outdoor and media, payments, SaaS technology, and insurance.

Wayne is currently a Director of Cuscal Limited.

Directors and Company Secretaries (continued)

Company Secretaries
The names and details of the Company Secretaries of the Bank during the year and until the date of this report are as follows. The Company Secretaries were in office for this entire period unless otherwise stated.

Belinda Bones
B.Bus, FGIA, FCG
Company Secretary

Belinda was appointed a Company Secretary of the Bank in January 2024. She is also a Company Secretary to Credicorp Insurance, CUA Management and Credicorp Finance.

Belinda has over 25 years’ experience in corporate governance, financial accounting, management accounting and auditing across diverse industries and business structures, in both listed and non-listed entities. Belinda holds a Bachelor of Business Accountancy from the Queensland University of Technology and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

Andrew McMaugh
B.A LL.B GAICD
General Counsel and Company Secretary

Andrew is the Bank’s General Counsel and was appointed Company Secretary of the Bank on 1 May 2024. He is also a Company Secretary to CUA Management and Credicorp Finance, and a Director and Company Secretary of Credicorp Insurance.

Andrew has over 20 years’ legal and governance experience in listed, non-listed and government owned corporations. Andrew holds a Bachelor of Arts and a Bachelor of Laws from the University of Queensland and is a graduate of the Australian Institute of Company Directors. Andrew is admitted to practice as a Solicitor in the Supreme Court of Queensland and High Court of Australia.

Directors' Report

Directors and Company Secretaries (continued)

Directors’ meetings

The number of meetings of Directors and meetings of Board Committees held during the year and the number of meetings attended by each Director was as follows:

A = Number of meetings eligible to attend
B = Number of meetings attended

	Board		Board Audit Committee		Board Risk Committee		Board People, Culture & Remuneration Committee	Combined Board People, Culture & Remuneration Committee and Board Risk Committee Meeting	Purpose and Impact Committee	
	A	B	A	B	A	B	A	B	A	B
D. O'Toole	12	12	1	1	-	-	7	7	2	4
N. Ampherlaw	6	6	-	-	-	-	2	2	1	-
K. Anderson	9	9	3	3	2	1	5	5	1	-
P. Gupta	12	12	1	1	5	5	-	-	2	2
M. Hand	12	12	4	4	5	5	-	-	2	-
P. Lewis	12	12	-	-	-	-	-	-	-	-
K. Loades	12	12	4	4	5	5	-	-	2	-
L. McCann	12	11	-	-	3	2	7	7	2	4
W. Stevenson	12	12	4	4	5	5	-	-	2	2

The above table relates to the Bank’s Directors’ meetings. The subsidiaries have their own Boards and Board Committee meetings attended by the respective subsidiary Board members.

Remuneration of Non-Executive Directors and other key management personnel

The Bank’s remuneration policy aims to remunerate personnel competitively in line with comparable financial services organisations in order to attract and retain the talent necessary to meet organisational objectives. In addition, the remuneration policy and framework are designed to ensure the Bank’s long term financial soundness and to support an effective risk management framework.

Non-Executive Directors’ fees

Non-Executive Directors receive fees to recognise their contribution to the work of the Board and Board Committees on which they serve. Non-Executive Directors do not receive any performance-related remuneration.

In line with the Bank’s Remuneration policy, the Bank completes external benchmarking for Non-Executive Directors, CEO and Executive roles in preparation for annual remuneration reviews. In determining the appropriate level of remuneration, external consultants are engaged to provide independent advice to ensure that the compensation is set competitively compared to the market. A Chair and/or Committee fee structure for the financial year ended 30 June 2025 is in place, to align with industry practice and recognise the additional work of the Chair of the Committees, or Non-Executive Directors who are members of multiple Committees.

Directors and Company Secretaries (continued)

Remuneration of Non-Executive Directors and other key management personnel (continued)

Other key management personnel (KMP)

Remuneration comprises total fixed remuneration (TFR) and elements of variable remuneration, including a short term incentive (STI) and a long term incentive (LTI). These elements have been designed to attract and retain talent and are comprised of the following:

- TFR is intended to recognise the delivery of individual roles and responsibilities and is reviewed annually by the Board People, Culture & Remuneration Committee and the Board. The review considers individual performance and market remuneration data.
- The STI provides a reward for contribution aligned to customer interests, annual business performance and collective success and is based on individual and organisational targets. The Board may apply its discretion in determining any STI awards to reflect performance during the year. A portion of the STI is deferred for certain roles to encourage effective risk management in accordance with Australian Prudential Regulation Authority (APRA) requirements, and the Bank’s Remuneration Policy.
- The LTI is designed to attract future talent as well as to motivate and retain current executives, focusing on sharing the Bank’s successes as a team rather than rewarding individual performance. It also aims to balance short term, in-year performance with the longer term sustainable creation of value for the Bank and its customers. Any LTI award is paid following the end of a four-year performance period.

Directors’ benefits

During, or since the end of the current year, no Director has received, or become entitled to receive, a benefit by reason of a contract entered into by the Bank, or its controlled entities, with the Director, a firm of which the Director is a customer, or an entity in which the Director has a substantial financial interest, other than a benefit to which the Director is entitled as a customer of the Bank. All transactions with entities associated with Directors are at arm’s length and on commercial terms.

Indemnification of Directors and Officers

During the year, the Bank paid an insurance premium in respect of an insurance policy for the benefit of Directors, Company secretaries, executive officers and employees of the Bank and related entities. The insurance policy grants indemnification in respect of certain liabilities for which the *Corporations Act 2001* allows indemnification. The insurance policy does not permit the disclosure of the nature of the liabilities insured nor the amount of the premium. No insurance cover nor indemnification has been provided for the benefit of the auditor of the Bank.

Financial performance disclosures

Principal activities

The principal activities of the Bank during the year were the provision of banking and associated services to customers. Through its controlled entities, the Group was also involved in general insurance and securitisation activities.

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Group during the year ended 30 June 2025 not otherwise contained in the Directors’ report or the financial statements.

Dividends

The Constitution of the Bank does not allow for the payment of dividends on any member shares currently on issue.

Directors' Report

Financial performance disclosures (continued)

Review of operations

The Group reported a net profit after tax for the financial year ended 30 June 2025 of \$43.2 million (2024: \$37.3 million). The \$5.9 million or 15.8% increase from the prior financial year was predominately driven by an increase in net interest income (NII) of \$19.0 million exceeding the increase in total operating expenses of \$10.2 million. NII growth was driven by a \$1.1 billion or 6.1% increase in gross loans and advances while maintaining a net interest margin of 1.82%. Growth in loans and advances was funded by growth in deposits and borrowings of \$1.0 billion or 5.4% to \$19.6 billion (2024: \$18.6 billion).

A disciplined approach was undertaken in the financial year to maintain margins while the Group continued to deliver on its purpose of helping all Australians own their own home.

Total operating expenses for the Group increased by 3.6% to \$295.7 million (2024: \$285.5 million) with increases in personnel, information technology, amortisation and other expenses offset to a large degree by reductions in depreciation and general administration expenses. While cost management remains a focus, the Group continues to invest heavily in technology to deliver an improved banking experience for customers and enhance its digitally led small business banking proposition.

Underlying asset quality remains strong, as the Group continued to maintain a conservative approach to risk management and lending practices. Credit and other financial asset impairment is maintained at \$8.5 million (2024: \$8.5 million). Stable credit performance is due to continued growth in house prices and customer resilience despite ongoing cost-of-living pressures.

The Group is committed to being a sustainable and responsible bank. Over the current financial year, the Group maintained its B Corp Certification with amendments to its Constitution reflecting a commitment to social and environmental performance, accountability, and transparency.

The Group concluded its 2022-24 Climate Action Plan in December 2024 and released its 2025-28 Climate Transition Plan in June 2025 outlining the next phase of action to reduce its environmental footprint, manage climate-related risks, and support customers through the climate transition. The Group also retained Climate Active certification for its business operations and made progress against its near-term climate targets by launching a Green Home Offer and transitioning a further eight branches to renewable energy. In partnership with Mission Australia, the Group completed energy efficiency upgrades to reduce utility costs for tenants and lower carbon emissions at a further two community housing complexes in NSW and delivered an energy literacy program to help the tenants optimise their energy consumption and savings.

The Group progressed its financial inclusion and reconciliation efforts by completing a number of key actions from its 'Build' Financial Inclusion Action Plan and 'Innovate' Reconciliation Action Plan (RAP). The Group also extended its 'Build' FIAP to June 2026 to enable work in progress to be completed for improved financial inclusion outcomes for customers, team members and communities.

Risk management

The Group's strategic and operational outcomes are underpinned by the effective management of key risks through the three lines of defence model. This model defines risk management roles, accountabilities and responsibilities, including our approach to risk oversight and assurance.

During the year, the Group regularly identified and assessed key risks in accordance with our Risk Management Framework, Risk Management Strategy and Risk Appetite Statement. This, along with the supporting policies and standards, has helped management to deliver on the business strategy within a comprehensive framework for managing risk. These enterprise wide risk management activities enable the Group to aggregate material risk classes to form a Group wide view of risks and to support data driven, customer focused decision making.

Management continues to invest in improvements to risk management processes, people and systems to protect customers and meet increasing regulatory obligations.

Climate risk

The Australian Council of Financial Regulators identifies climate change as a first-order risk for the financial system. APRA considers that climate risk should be managed within an institution's broader risk management framework and has articulated its expectations in Prudential Practice Guide CPG 229.

The Bank published its fourth Climate-related Financial Disclosure as part of this Financial Report (refer to page 28). This includes our financial year 2025 emissions for the Group's investment and lending activities in line with global accounting standards established by the Partnership for Carbon Accounting Financials.

During the financial year ending 30 June 2025, the Group continued to operationalise the commitments made within its Climate Action Plan, which concluded in December 2024, including implementing a strategy to transition our offices and branches to 100% renewable energy by 2030, embedding climate risk management within policies and procedures, and offering green personal loans and a Green Home Offer. In June 2025, the Board approved the Bank's 2025-2028 Climate Transition Plan, developed in line with the Transition Plan Taskforce Disclosure Framework.

As a Group 1 entity, the Bank will prepare its Climate-related Financial Disclosure for the financial year 2026 reporting period to be compliant with the *Australian Sustainability Reporting Standards AASB S2 Climate-related Disclosures*.

Other matters

Carbon neutral

The Group has been certified carbon neutral for its financial year ended 30 June 2024 operations and is currently seeking recertification for its financial year ended 30 June 2025 operations. The Group first obtained certification as a carbon neutral entity in financial year ended 2021 and commits to maintaining this status by seeking recertification under the Australian Government's Climate Active Carbon Neutral Standard for Organisations on an annual basis.

Climate Active is a partnership between the Australian Government and Australian businesses to encourage voluntary climate action. Climate Active provides independent verification and certification to businesses who account for their greenhouse gas emissions.

The Group is also committed to decarbonising its operations to achieve net zero emissions by 2040.

Further information can be found in the Group's Public Disclosure Statements on the Department for Climate Change, Energy, Environment, and Water's website (<https://www.climateactive.org.au/buy-climate-active/certified-members/great-southern-bank>).



Lead Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001

To the Directors of Credit Union Australia Ltd (trading as Great Southern Bank)
(the Bank)

I declare that, to the best of my knowledge and belief, in relation to the audit of the Bank for the financial year ended 30 June 2025 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.

KPMG

Scott Guse
Partner

Brisbane
27 August 2025

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Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

Income statements

For the year ended 30 June 2025

		Group		Bank	
	Note	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Interest income	2.1	1,095.4	996.9	1,095.4	996.9
Interest expense	2.1	(727.3)	(647.8)	(727.4)	(647.9)
Net interest income		368.1	349.1	368.0	349.0
Net other operating (expense)/income	2.1	(0.9)	-	0.1	0.9
Share of net loss of a joint venture		(2.9)	(2.9)	(2.9)	(2.9)
Total operating income		364.3	346.2	365.2	347.0
Expenses					
Employment related expenses		(166.5)	(160.6)	(166.3)	(160.2)
Occupancy		(3.9)	(4.5)	(3.9)	(4.5)
Depreciation	2.2	(14.9)	(16.0)	(14.9)	(16.0)
Amortisation of intangibles	4.2	(16.8)	(14.5)	(16.8)	(14.5)
Information technology	2.2	(42.2)	(39.4)	(42.2)	(39.4)
General administrative expenses		(21.0)	(25.9)	(22.6)	(27.4)
Other expenses	2.2	(30.4)	(24.6)	(30.2)	(24.5)
Total operating expenses		(295.7)	(285.5)	(296.9)	(286.5)
Profit before impairment and income tax		68.6	60.7	68.3	60.5
Credit and other financial asset impairment	2.2	(8.4)	(8.5)	(8.4)	(8.5)
Profit before income tax		60.2	52.2	59.9	52.0
Income tax expense	2.3	(17.0)	(14.9)	(16.8)	(14.8)
Profit for the year		43.2	37.3	43.1	37.2
Profit attributable to:					
Members of the Bank		43.2	37.3	43.1	37.2

The income statements should be read in conjunction with the accompanying notes.

Statements of comprehensive income

For the year ended 30 June 2025

	Note	Group		Bank	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Profit for the year		43.2	37.3	43.1	37.2
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Cash flow hedges:					
Revaluation taken to members' funds		31.4	(52.6)	31.4	(52.6)
Transferred to profit or loss		(0.4)	(0.4)	(0.4)	(0.4)
Revaluation of equity instruments - FVOCI ¹		20.4	2.4	20.4	2.4
Revaluation of debt instruments - FVOCI		-	-	(2.0)	2.9
		51.4	(50.6)	49.4	(47.7)
Income tax on other comprehensive income	2.3	(15.4)	15.2	(14.8)	14.3
Other comprehensive income after tax		36.0	(35.4)	34.6	(33.4)
Total comprehensive income		79.2	1.9	77.7	3.8
Total comprehensive income for the period is attributable to:					
Members of the Bank		79.2	1.9	77.7	3.8

¹FVOCI - Fair value through other comprehensive income

The statements of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheets

As at 30 June 2025

	Note	Group		Bank	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Assets					
Cash and cash equivalents	3.1	535.0	477.3	532.3	476.4
Receivables due from other banks	3.1	1.7	16.8	1.7	16.8
Derivative financial instruments	3.3	32.1	14.0	32.1	14.0
Financial assets - fair value through profit or loss	3.2	4.9	6.2	-	-
Financial assets - FVOCI	3.2	54.1	65.5	119.0	218.6
Financial assets - amortised cost	3.2	2,388.7	2,367.8	5,193.5	6,075.0
Loans and advances	3.4	17,951.5	16,912.9	17,951.5	16,912.9
Other assets		24.5	27.0	24.5	27.0
Investments in controlled entities	4.7	-	-	0.8	0.8
Investments in a joint venture	4.8	4.1	3.7	4.1	3.7
Property, plant and equipment	4.1	21.1	24.1	21.1	24.1
Intangibles	4.2	68.9	68.1	68.9	68.1
Right-of-use assets	4.3	34.7	30.0	34.7	30.0
Deferred tax asset	2.3	5.9	16.4	5.7	15.7
Total assets		21,127.2	20,029.8	23,989.9	23,883.1
Liabilities					
Payables due to other banks	3.1	19.8	1.4	19.8	1.4
Derivative financial instruments	3.3	11.7	20.2	11.7	20.2
Deposits ¹	3.6	14,515.2	14,165.5	14,515.2	14,165.5
Borrowings ¹	3.7	5,080.5	4,427.4	7,951.3	8,286.9
Other liabilities	4.4	67.0	64.6	67.6	65.6
Provisions	4.5	37.8	34.7	37.8	34.7
Total liabilities		19,732.0	18,713.8	22,603.4	22,574.3
Net assets		1,395.2	1,316.0	1,386.5	1,308.8
Members' funds					
Reserves	4.6	53.2	32.8	53.5	34.5
Retained earnings		1,342.0	1,283.2	1,333.0	1,274.3
Total members' funds		1,395.2	1,316.0	1,386.5	1,308.8

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

The balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in members’ funds

For the year ended 30 June 2025

	Group			Bank		
	Reserves \$m	Retained earnings \$m	Total members' funds \$m	Reserves \$m	Retained earnings \$m	Total members' funds \$m
Balance at 1 July 2024	32.8	1,283.2	1,316.0	34.5	1,274.3	1,308.8
Profit for the year after tax	-	43.2	43.2	-	43.1	43.1
Other comprehensive income after tax:						
Cash flow hedges:						
Revaluation taken to members' funds	22.0	-	22.0	22.0	-	22.0
Transferred to profit and loss	(0.3)	-	(0.3)	(0.3)	-	(0.3)
Transfer of equity instruments - FVOCI reserve	(16.0)	16.0	-	(16.0)	16.0	-
Revaluation of:						
Equity instruments - FVOCI	14.3	-	14.3	14.3	-	14.3
Debt instruments - FVOCI	-	-	-	(1.4)	-	(1.4)
Total comprehensive income for the period	20.0	59.2	79.2	18.6	59.1	77.7
Redemption of member shares	0.4	(0.4)	-	0.4	(0.4)	-
Balance at 30 June 2025	53.2	1,342.0	1,395.2	53.5	1,333.0	1,386.5
Balance at 1 July 2023	68.0	1,246.1	1,314.1	67.7	1,237.3	1,305.0
Profit for the year after tax	-	37.3	37.3	-	37.2	37.2
Other comprehensive income after tax:						
Cash flow hedges:						
Revaluation taken to members' funds	(36.8)	-	(36.8)	(36.8)	-	(36.8)
Transferred to profit and loss	(0.3)	-	(0.3)	(0.3)	-	(0.3)
Revaluation of:						
Equity instruments - FVOCI	1.7	-	1.7	1.7	-	1.7
Debt instruments - FVOCI	-	-	-	2.0	-	2.0
Total comprehensive income for the period	(35.4)	37.3	1.9	(33.4)	37.2	3.8
Redemption of member shares	0.2	(0.2)	-	0.2	(0.2)	-
Balance at 30 June 2024	32.8	1,283.2	1,316.0	34.5	1,274.3	1,308.8

The statements of changes in members’ funds should be read in conjunction with the accompanying notes.

Statements of cash flows

For the year ended 30 June 2025

	Note	Group		Bank	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Cash flows from operating activities					
Interest received		1,122.4	970.9	1,123.9	972.0
Interest paid		(717.9)	(597.9)	(718.0)	(598.0)
Fees and commissions received		30.3	30.8	30.3	30.8
Fees and commissions paid		(34.2)	(32.4)	(34.2)	(32.4)
Dividends received		2.5	1.9	2.8	2.3
Other non-interest income received		2.8	3.2	3.9	4.3
Payments to suppliers and employees		(262.4)	(267.5)	(263.5)	(267.9)
Income tax paid		(25.3)	(13.8)	(25.3)	(13.6)
Change in loans and advances		(1,075.2)	(923.0)	(1,075.2)	(923.0)
Change in financial assets		8.1	239.5	8.1	239.5
Change in deposits ¹		349.6	458.9	349.6	458.9
Net cash used in operating activities	3.1	(599.3)	(129.4)	(597.6)	(127.1)
Cash flows from investing activities					
Payments for plant, equipment and intangibles		(20.5)	(22.6)	(20.5)	(22.6)
Proceeds from investments in a joint venture		0.2	0.4	0.2	0.4
Proceeds from investments in controlled entities		-	-	-	0.7
Net cash used in investing activities		(20.3)	(22.2)	(20.3)	(21.5)
Cash flows from financing activities					
Proceeds from borrowings ¹	3.1	651.8	238.7	648.3	239.8
Net repayments to lease liabilities	3.1	(8.0)	(8.4)	(8.0)	(8.4)
Net cash provided by financing activities		643.8	230.3	640.3	231.4
Change in cash and cash equivalents		24.2	78.7	22.4	82.8
Cash at the beginning of the year		492.7	414.0	491.8	409.0
Cash at the end of the year	3.1	516.9	492.7	514.2	491.8

¹The prior year balances have been adjusted for consistency with the current year disclosures that reflect updated information.

The statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

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Notes to the financial statements

For the year ended 30 June 2025

1. Basis of preparation

1.1 Corporate information

The financial report of Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank) as an individual entity, and the Bank and its subsidiaries as a Group (the Group) for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 27 August 2025.

The Bank is a for-profit entity incorporated and domiciled in Australia.

The controlling entity of the Group is Credit Union Australia Ltd. Its registered office and principal place of business is Level 27, 300 George Street, Brisbane QLD 4000.

1.2 Basis of accounting

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

The financial report has been prepared on a historical cost basis, unless the application of fair value measurements is required by the relevant accounting standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest million dollars (\$m) unless otherwise stated under the option available to the Bank under the *ASIC Corporations Instrument 2016/191*.

(b) Statement of compliance

The financial report complies with International Financial Reporting Standards (IFRS) which are applicable to the Group as issued by the International Accounting Standards Board.

1.3 Significant accounting judgements and estimates

In the process of applying the Group’s accounting policies, management has used its judgement and made estimates in determining the amounts recognised in the financial statements.

Forward-looking information, including consideration of various scenarios and probabilities in determining the Group’s forward-looking assumptions for the purpose of expected credit losses (ECL), has been provided in Note 3.5.

As there is a high degree of uncertainty associated with these scenarios and assumptions, actual outcomes may differ to those forecasted which may impact the accounting estimates included in the financial statements. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

Notes to the financial statements

For the year ended 30 June 2025

1.3 Significant accounting judgements and estimates (continued)

The most significant use of judgements and estimates has been applied to the areas outlined below. Refer to the respective notes for additional details.

	Note Reference
ECL and impairment of loans and advances and financial assets:	3.2, 3.5 and 3.9
Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL	
Classification of financial assets:	3.2
Assessment of business model within which assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest (SPPI) on the principal amount outstanding	
Fair value of financial instruments:	3.8
Measurement of the fair value of financial instruments with significant unobservable input.	
Leases:	4.3
Determining lease terms and estimating the incremental borrowing rate	

Notes to the financial statements

For the year ended 30 June 2025

2. Financial performance

2.1 Income

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Net interest income				
Interest income				
Loans and advances to customers	951.0	813.1	951.0	813.1
Other financial assets	140.3	138.0	140.3	138.0
Other interest income ¹	4.1	45.8	4.1	45.8
	1,095.4	996.9	1,095.4	996.9
Interest expense				
Deposits from customers	(446.5)	(406.6)	(446.5)	(406.6)
Borrowings	(135.7)	(122.9)	(135.7)	(122.9)
Debt securities	(84.9)	(65.4)	(84.9)	(65.4)
Wholesale funding	(49.3)	(52.9)	(49.4)	(53.0)
Other interest expense ¹	(10.9)	-	(10.9)	-
	(727.3)	(647.8)	(727.4)	(647.9)
Total net interest income	368.1	349.1	368.0	349.0
Net other operating income				
Fees and commissions income from contracts with customers				
Commissions income	14.9	14.6	14.9	14.6
Account services	10.9	10.3	10.9	10.3
Transactional	5.4	3.4	5.4	3.4
Other fees	-	3.1	-	3.1
	31.2	31.4	31.2	31.4
Fee, transaction costs and commission expense				
Transaction costs	(30.7)	(29.4)	(30.7)	(29.4)
Commissions	(1.3)	(1.2)	(1.3)	(1.2)
Other expense	(2.0)	(1.8)	(2.0)	(1.8)
	(34.0)	(32.4)	(34.0)	(32.4)
Total net fee and commission expense	(2.8)	(1.0)	(2.8)	(1.0)
Finance cost - other				
Interest expense - lease liabilities	(1.5)	(1.2)	(1.5)	(1.2)
Other income				
Dividend revenue	2.5	1.9	2.8	2.3
Net loss on derivative financial instruments	(0.4)	(0.4)	(0.4)	(0.4)
Net gain on disposal of financial assets - amortised cost	1.5	-	1.5	-
Net insurance income	0.4	0.6	-	-
Other (expense)/income	(0.6)	0.1	0.5	1.2
Total finance cost and other income	1.9	1.0	2.9	1.9
Total net other operating (expense)/income	(0.9)	-	0.1	0.9

¹Includes interest income and expense from hedging instruments.

Notes to the financial statements

For the year ended 30 June 2025

2.1 Income (continued)

Recognition and measurement

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Separate specific recognition criteria must also be met, as outlined below.

Interest income and expense

Interest income and expenses are recognised using a calculated effective interest rate method which is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Within net interest income, there are no amounts that relate to assets or liabilities held at fair value through profit or loss (FVTPL). If an asset is assessed as credit impaired, a lifetime ECL provision is recognised and interest income is calculated on a net basis (gross carrying amount less provision).

Fee, transaction costs and commission income and expense

Fee, transaction costs and commission income are brought to account on an accruals basis over the period that they cover, once a right to receive consideration has been attained and the performance obligation in respect of this income is met. Fee and commission expense relates mainly to transaction and service fees which are expensed when services are received.

Other fee income and expense from contracts with customers

Other fee income includes fees earned on a range of products and services platforms and are brought to account on an accruals basis over the period that they cover, once a right to receive consideration has been attained and the performance obligation in respect of this income is considered to be met.

Interest expense on lease liabilities

The finance cost portion of lease payments is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Refer to recognition and measurement section in Note 4.3.

Notes to the financial statements

For the year ended 30 June 2025

2.2 Expenses

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Depreciation				
Property, plant and equipment	(5.8)	(7.2)	(5.8)	(7.2)
Right-of-use (ROU) assets	(9.1)	(8.8)	(9.1)	(8.8)
	(14.9)	(16.0)	(14.9)	(16.0)
Information technology (IT)				
Technology services	(40.9)	(36.9)	(40.9)	(36.9)
Other IT related expenses	(1.3)	(2.5)	(1.3)	(2.5)
	(42.2)	(39.4)	(42.2)	(39.4)
Other expenses				
Advertising	(20.1)	(11.0)	(20.1)	(11.0)
Professional services	(10.3)	(13.6)	(10.1)	(13.5)
	(30.4)	(24.6)	(30.2)	(24.5)
Credit and other financial asset impairment ¹				
Impairment of loans and advances	0.2	(2.5)	0.2	(2.5)
Bad debts written off - loans and advances	(10.6)	(7.8)	(10.6)	(7.8)
Bad debts recovered - loans and advances	1.8	1.9	1.8	1.9
Impairment of financial assets - amortised cost	0.2	(0.1)	0.2	(0.1)
	(8.4)	(8.5)	(8.4)	(8.5)

¹Refer to Note 3.5 for recognition and measurement information.

Notes to the financial statements

For the year ended 30 June 2025

2.3 Income tax

(a) Amounts recognised in income statements

The components of income tax expense are:

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Income tax expense	17.0	14.9	16.8	14.8
	17.0	14.9	16.8	14.8
Current tax				
Current income tax	18.5	20.2	18.2	20.2
Adjustments in respect of current income tax of previous year	(2.6)	(3.4)	(2.6)	(3.4)
Deferred tax				
Relating to origination and reversal of temporary differences	(1.3)	(5.1)	(1.2)	(5.2)
Adjustments in respect of deferred income tax of previous year	2.4	3.2	2.4	3.2
Income tax expense	17.0	14.9	16.8	14.8

(b) Reconciliation of tax expense

A reconciliation between the tax expense and the accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Accounting profit before tax	60.2	52.2	59.9	52.0
At statutory income tax rate of 30% (2024: 30%)	18.1	15.6	18.0	15.6
Adjust for tax effect of:				
Non-deductible expenses	(0.1)	-	(0.1)	-
Fully franked dividends received	(0.7)	(0.6)	(0.7)	(0.6)
Intragroup dividends received	-	-	(0.1)	(0.1)
Overprovision in prior year	(0.3)	(0.1)	(0.3)	(0.1)
Income tax expense	17.0	14.9	16.8	14.8

Notes to the financial statements

For the year ended 30 June 2025

2.3 Income tax (continued)

(c) Deferred tax balances

Deferred income tax in the balance sheets relates to the following:

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Deferred tax assets comprise temporary differences attributable to:				
Provision for impairment of loans and advances	10.6	10.7	10.6	10.7
Employee benefits	9.0	8.1	9.0	8.1
Provisions and accruals	3.1	3.4	3.0	3.4
Lease liabilities	11.7	10.3	11.7	10.3
Plant, equipment and intangibles	-	1.3	-	1.3
Derivative financial instruments	-	1.3	-	1.3
Total deferred tax assets	34.4	35.1	34.3	35.1
Deferred tax liabilities comprise temporary differences attributable to:				
Financial assets - FVOCI	10.0	9.9	10.1	10.6
ROU assets	10.2	8.8	10.2	8.8
Plant, equipment and intangibles	0.4	-	0.4	-
Derivative financial instruments	7.9	-	7.9	-
Total deferred tax liabilities	28.5	18.7	28.6	19.4
Net deferred tax assets	5.9	16.4	5.7	15.7

Notes to the financial statements

For the year ended 30 June 2025

2.3 Income tax (continued)

(d) Movement in deferred tax

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Deferred income tax credit included in income tax expense comprises:				
(Decrease)/increase in deferred tax assets	(0.7)	1.4	(0.8)	1.4
(Increase)/decrease in deferred tax liabilities	(0.4)	0.5	(0.4)	0.6
	(1.1)	1.9	(1.2)	2.0
Deferred income tax related to items charged or credited to other comprehensive income:				
Net (gain)/loss on cash flow hedges	(9.3)	15.9	(9.3)	15.9
Net (gain)/loss on FVOCI ¹	(0.1)	(0.7)	0.5	(1.6)
	(9.4)	15.2	(8.8)	14.3
Total deferred tax movement	(10.5)	17.1	(10.0)	16.3

¹During the year, the Bank sold some investment shares which resulted in a capital gains tax of \$6.0m included within net gain on FVOCI. Refer to Note 3.8 for details of the sale.

(e) Unused tax losses and franking account

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Unused tax losses for which no deferred tax asset has been recognised	0.9	0.9	0.9	0.9
Potential tax benefit at 30%	0.3	0.3	0.3	0.3

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Franking account balance	475.2	448.7	475.2	448.7

The ability to use these franking credits is restricted by the constitution of the Bank which does not permit the payment of dividends on any member shares currently on issue.

The Bank maintains and operates a single franking account for the tax consolidated group.

Notes to the financial statements

For the year ended 30 June 2025

2.3 Income tax (continued)

Recognition and measurement

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in members’ funds or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax is recognised on the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Tax consolidation

The head entity within the tax consolidated group is the Bank. The Bank, together with all eligible wholly owned Australian subsidiaries, comprise a tax consolidated group.

The members of the tax consolidated group have entered into tax funding and tax sharing agreements, which set out the funding obligations of members. Any current tax liabilities/assets and deferred tax assets from unused tax losses of subsidiaries in the tax consolidated group are recognised by the Bank and funded in line with the tax funding arrangements.

The Bank recognises the current tax balances of its wholly owned subsidiaries as if those were its own in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances on a “modified stand-alone taxpayer” basis under UIG 1052 *Tax Consolidation Accounting*. Amounts receivable or payable under the tax funding and tax sharing agreements with the tax consolidated entities are recognised as intercompany amounts receivable or payable.

The “modified stand-alone taxpayer” basis is the method used for measuring current and deferred taxes (other than deferred tax assets relating to tax losses) of the entities in the tax consolidated group as if each entity continued to be a taxable entity in its own right. Deferred tax assets in relation to tax losses are measured based on the tax-consolidated group’s ability to utilise the tax losses.

Notes to the financial statements

For the year ended 30 June 2025

3. Balance sheet and risk management

3.1 Cash and cash equivalents

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Notes and coins on hand	2.2	3.1	2.2	3.1
Deposits on call	532.8	474.2	530.1	473.3
	535.0	477.3	532.3	476.4

Cash and cash equivalents include restricted balances of \$210.3 million (2024: 233.1 million) in the Group which represent deposits held in securitisation trust collection accounts which are not available to the Group.

Recognition and measurement

Cash and cash equivalents include notes and coins on hand and cash on deposits and at call accounts with other ADIs.

Cash and cash equivalents are carried at amortised cost in the balance sheets.

Notes to the statements of cash flows

(a) Reconciliation of profit for the year to net cash provided by operating activities:

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Profit after tax for the year	43.2	37.3	43.1	37.2
Adjustments for:				
Depreciation and amortisation	31.7	30.5	31.7	30.5
Credit and other financial asset impairment	10.4	10.3	10.4	10.3
Net interest on loans and advances	27.7	23.2	27.7	23.2
Derivative financial instruments (unrealised)	(4.9)	21.8	(4.9)	21.8
Other non-cash items	(0.7)	(0.3)	(0.7)	(0.3)
Changes in:				
Loans and advances	(1,075.2)	(923.0)	(1,075.2)	(923.0)
Financial assets	8.1	239.5	8.1	239.5
Net deferred tax asset/liability	10.5	(17.1)	10.0	(16.3)
Other assets	7.0	(9.9)	8.8	(8.5)
Deposits ¹	349.6	458.9	349.6	458.9
Insurance policy liabilities	(0.1)	(0.3)	-	-
Income tax payable	(3.6)	3.1	(3.6)	3.1
Provisions	2.3	(2.4)	2.3	(2.4)
Other liabilities	(5.3)	(1.0)	(4.9)	(1.1)
Net cash used in operating activities	(599.3)	(129.4)	(597.6)	(127.1)

¹The prior year balances have been adjusted for consistency with the current year disclosures that reflect updated information.

Notes to the financial statements

For the year ended 30 June 2025

3.1 Cash and cash equivalents (continued)

Notes to the statements of cash flows (continued)

(b) Reconciliation of cash and cash equivalents at the end of the year in the statements of cash flows:

Cash and cash equivalents at the end of the year in the statement of cash flows is represented by the following items in the balance sheets:

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Cash and cash equivalents	535.0	477.3	532.3	476.4
Receivables due from other banks ¹	1.7	16.8	1.7	16.8
Payables due to other banks ¹	(19.8)	(1.4)	(19.8)	(1.4)
	516.9	492.7	514.2	491.8

¹Includes collateral representing credit support to secure the Bank's derivative asset or liability position, as part of the standard International Swaps and Derivatives Association (ISDA) Agreement.

(c) Reconciliation of cash flows from financing activities:

Group	1 July 2024	Cash flows	Non-cash changes	30 June 2025
	\$m	\$m	\$m	\$m
Liabilities				
Borrowings	4,427.4	651.8	1.3	5,080.5
Lease liabilities	34.2	(8.0)	12.9	39.1
Total liabilities from financing activities	4,461.6	643.8	14.2	5,119.6

Group	1 July 2023	Cash flows	Non-cash changes	30 June 2024
	\$m	\$m	\$m	\$m
Liabilities				
Borrowings ¹	4,190.0	238.7	(1.3)	4,427.4
Lease liabilities	36.6	(8.4)	6.0	34.2
Total liabilities from financing activities	4,226.6	230.3	4.7	4,461.6

Bank	1 July 2024	Cash flows	Non-cash changes	30 June 2025
	\$m	\$m	\$m	\$m
Liabilities				
Borrowings	8,286.9	648.3	(983.9)	7,951.3
Lease liabilities	34.2	(8.0)	12.9	39.1
Total liabilities from financing activities	8,321.1	640.3	(971.0)	7,990.4

Bank	1 July 2023	Cash flows	Non-cash changes	30 June 2024
	\$m	\$m	\$m	\$m
Liabilities				
Borrowings ¹	7,459.0	239.8	588.1	8,286.9
Lease liabilities	36.6	(8.4)	6.0	34.2
Total liabilities from financing activities	7,495.6	231.4	594.1	8,321.1

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Notes to the financial statements

For the year ended 30 June 2025

3.2 Financial assets

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Financial assets - fair value through profit or loss				
Term deposits	4.9	6.2	-	-
	4.9	6.2	-	-
Amortised cost				
Deposits	619.9	730.0	619.9	730.0
Fixed coupon bonds	-	84.9	-	84.9
Floating rate notes	1,769.1	1,553.3	1,769.1	1,553.3
Residential mortgage-backed securities (RMBS)	-	-	2,804.8	3,707.2
Impairment provision ¹	(0.3)	(0.4)	(0.3)	(0.4)
	2,388.7	2,367.8	5,193.5	6,075.0
Financial assets - fair value through other comprehensive income				
Debt instruments - RMBS	-	-	64.9	153.1
Equity instruments - shares in listed and unlisted entities	54.1	65.5	54.1	65.5
	54.1	65.5	119.0	218.6

¹Refer to Note 3.5 for consideration of asset credit quality and expected credit losses.

Recognition and measurement

Initial recognition of financial assets

On initial recognition, financial assets are measured at fair value. Subsequent measurement is then either at FVTPL, amortised cost or FVOCI. For an asset that is not at FVTPL, the initial carrying amount includes transaction costs that are directly attributable to the acquisition of that financial asset. The fair value of a financial instrument at initial recognition is generally its transaction price.

Fair value through profit or loss

Financial assets at FVTPL include investment assets backing insurance liabilities to reduce the accounting mismatch between assets and related liabilities. The performance of the investments is evaluated on a fair value basis in accordance with a documented investment strategy. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Amortised cost

Financial assets are classified at amortised cost when they are held to solely collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI. Amortised cost is calculated by taking into account any discount or premium on the issue of the asset and costs that are an integral part of the effective interest rate.

Gains and losses are recognised in the profit or loss statement when the financial assets are derecognised or impaired.

During the year ended 30 June 2025, the Bank sold corporate investment securities measured at amortised cost to the value of \$129.9 million (2024: \$30.2 million). Any sales are made in order to comply with the credit limits and concentration risks in the Bank’s Financial Risk Policy.

Notes to the financial statements

For the year ended 30 June 2025

3.2 Financial assets (continued)

Recognition and measurement (continued)

Fair value through other comprehensive income

Financial assets are classified at FVOCI when they are held for both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI.

The fair value through the reserve includes the change in the fair value of investments in debt and equity instruments. The changes recognised in other comprehensive income are transferred to profit or loss when the asset is derecognised or impaired.

Debt instruments at FVOCI are all RMBS.

Equity instruments at FVOCI include listed and unlisted shares. These equity securities represent investments that the Bank intends to hold for the long term. Amounts in the reserve are subsequently transferred to retained earnings, and not profit or loss, when the asset is derecognised. Dividends on such investments are recognised in profit or loss unless the dividend represents a recovery of the cost of the investment.

Contractual cash flows assessment

In assessing whether the cash flows are SPPI, the Group will consider the contractual terms of the instrument, including contractual terms that could change the timing or amount of contractual cash flows.

Impairment of financial assets

Refer to Note 3.5.

Modified financial assets

Where the modification to the contractual terms of a loan is substantial (except for the acceptance of forbearance), the existing loan is derecognised, and a new renegotiated loan is recognised at a new effective interest rate. Where the modification is not substantial and does not result in derecognition, the gross carrying amount of the loan is calculated by discounting the modified cash flows using the original effective interest rate. Credit risk is assessed by comparing the remaining lifetime probability of default (PD) at the reporting date based on the modified terms with the remaining lifetime PD at initial recognition and based on the original terms.

Notes to the financial statements

For the year ended 30 June 2025

3.3 Derivative financial instruments

(a) Fair value of derivatives

The Bank is exposed to interest rate risk arising from changes in market interest rates.

The following table summarises the fair value and notional amounts of the Bank’s commitments to derivative financial instruments at reporting date. The fair value of derivative financial instruments is determined on a present value basis.

Group & Bank - 2025	Fair value		Weighted average fixed interest rate %	Maturity of notional amount			
	Assets \$m	Liabilities \$m		Notional amount \$m	Within 1 year \$m	1 to 3 years \$m	Over 3 years \$m
Derivative financial instruments							
Interest rate swaps	32.1	11.7	3.77%	8,793.0	6,836.0	1,477.0	480.0

Group & Bank - 2024	Fair value		Weighted average fixed interest rate %	Maturity of notional amount			
	Assets \$m	Liabilities \$m		Notional amount \$m	Within 1 year \$m	1 to 3 years \$m	Over 3 years \$m
Derivative financial instruments							
Interest rate swaps	14.0	20.2	3.52%	7,079.0	4,885.0	1,808.0	386.0

By using interest rate swaps to hedge exposures to changes in interest rates, the Bank also exposes itself to the credit risk of the derivative counterparty, which is not offset against the hedged item. The Bank manages this risk by entering into transactions with high-quality counterparties whose credit rating is grade 1 (refer to Note 3.9(b) for grade definitions).

Notes to the financial statements

For the year ended 30 June 2025

3.3 Derivative financial instruments (continued)

(b) Accounting for derivatives

Recognition and measurement

Interest rate swaps are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value.

For interest rate swaps which do not qualify for hedge accounting, changes in fair value are recorded at FVTPL.

Interest earned or incurred is accrued in interest income or expense respectively, according to the terms of the contract.

Hedge accounting for cash flow hedges

For the purposes of hedge accounting, the Bank continues to apply the hedge accounting requirements under AASB 139 *Financial Instruments: Recognition and Measurement* as permitted under AASB 9 *Financial Instruments*. Hedging instruments are classified as cash flow hedges where they are used to hedge the exposure to variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, caused by interest rate movements. The Bank’s policy is to de-designate ineffective hedges.

The change in fair value of the effective portion of the hedging instrument is initially recognised directly in members’ funds in the cash flow hedge reserve. The ineffective portion is recognised immediately in net other operating income within the income statement.

When a hedging instrument expires or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserve is only transferred to the income statement when the hedged item is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the cash flow hedge reserve is immediately transferred to the income statement.

Notes to the financial statements

For the year ended 30 June 2025

3.3 Derivative financial instruments (continued)

(b) Accounting for derivatives (continued)

Hedge accounting for cash flow hedges (continued)

The following table provides information regarding the determination of hedge ineffectiveness at 30 June 2025 and 30 June 2024:

Group & Bank - 2025	Change in fair value of hedging instrument	Change in fair value of hedged item ¹	Hedge ineffectiveness recognised in income statement ²	Amount reclassified from the cash flow hedge reserve to income statement ¹
	\$m	\$m	\$m	\$m
Derivative financial instruments				
Interest rate swaps	21.9	22.0	(0.1)	(0.2)

Group & Bank - 2024	Change in fair value of hedging instrument	Change in fair value of hedged item ¹	Hedge ineffectiveness recognised in income statement ²	Amount reclassified from the cash flow hedge reserve to income statement ¹
	\$m	\$m	\$m	\$m
Derivative financial instruments				
Interest rate swaps	(37.1)	(36.8)	(0.3)	-

¹This amount is recognised in other comprehensive income as part of the cash flow hedge.

²Hedge ineffectiveness is recognised in net other operating (expense)/income.

Balances presented in the table are net of tax. There is \$0.5 million (2024: \$0.1 million) remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

Notes to the financial statements

For the year ended 30 June 2025

3.4 Loans and advances

	Group	2024	Bank	2024
	2025	\$m	2025	\$m
	\$m		\$m	
Term loans	17,848.2	16,806.3	17,848.2	16,806.3
Credit cards and overdrafts	82.1	88.1	82.1	88.1
Gross loans and advances	17,930.3	16,894.4	17,930.3	16,894.4
Impairment provision	(34.4)	(34.6)	(34.4)	(34.6)
Net deferred origination cost and fee revenue	55.6	53.1	55.6	53.1
Net loans and advances	17,951.5	16,912.9	17,951.5	16,912.9

Recognition and measurement

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short term resale. Loans and advances are initially measured at fair value plus incremental direct transaction costs and subsequently measured at their amortised cost using the effective interest method, net of any impairment provision. Losses arising from credit impairments are recognised in the income statement in credit and other financial asset impairment.

3.5 Impairment of financial assets

The provision for impairment of loans and advances reflects ECLs measured using the three-stage approach as detailed below. The tables below show the movements in the impairment provisions by ECL stage.

Group & Bank - 2025	Stage 1	Stage 2	Stage 3		
	Collective provision	Collective provision	Collective provision	Individual provision	Total provision
	\$m	\$m	\$m	\$m	\$m
Balance at 30 June 2024	21.6	5.1	7.7	0.2	34.6
Transfers to/(from) during the year:					
Stage 1	(0.9)	0.6	0.3	-	-
Stage 2	1.0	(1.9)	0.9	-	-
Stage 3	0.6	1.0	(1.6)	-	-
Charge to income statement	0.8	(0.7)	(0.1)	(0.2)	(0.2)
Balance at 30 June 2025	23.1	4.1	7.2	-	34.4

Group & Bank - 2024	Stage 1	Stage 2	Stage 3		
	Collective provision	Collective provision	Collective provision	Individual provision	Total provision
	\$m	\$m	\$m	\$m	\$m
Balance at 30 June 2023	22.2	4.4	5.1	0.4	32.1
Transfers to/(from) during the year:					
Stage 1	(0.6)	0.4	0.2	-	-
Stage 2	1.3	(1.9)	0.6	-	-
Stage 3	0.7	0.6	(1.3)	-	-
Charge to income statement	(2.0)	1.6	3.1	(0.2)	2.5
Balance at 30 June 2024	21.6	5.1	7.7	0.2	34.6

Notes to the financial statements

For the year ended 30 June 2025

3.5 Impairment of financial assets (continued)

Movements in the gross carrying amount of loans and advances

The following tables show the effect of movements in the gross carrying amount of loans and advances in the different stages of the ECL model of the Group during the year.

Group & Bank - 2025	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Loans and advances (gross) as at 1 July 2024	16,592.8	244.7	56.9	16,894.4
Transfers to/(from) during the year:				
Stage 1	(220.5)	187.4	33.1	-
Stage 2	86.7	(107.6)	20.9	-
Stage 3	5.5	15.4	(20.9)	-
Balance of new loans and advances originated during the year	4,427.5	15.0	2.2	4,444.7
Loans and advances derecognised during the year including write-offs	(3,332.7)	(55.2)	(20.9)	(3,408.8)
Loans and advances (gross) as at 30 June 2025	17,559.3	299.7	71.3	17,930.3

Group & Bank - 2024	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Loans and advances (gross) as at 1 July 2023	15,767.5	194.5	42.1	16,004.1
Transfers to/(from) during the year:				
Stage 1	(179.5)	152.7	26.8	-
Stage 2	67.7	(81.5)	13.8	-
Stage 3	7.9	6.8	(14.7)	-
Balance of new loans and advances originated during the year	4,029.4	22.4	3.4	4,055.2
Loans and advances derecognised during the year including write-offs	(3,100.2)	(50.2)	(14.5)	(3,164.9)
Loans and advances (gross) as at 30 June 2024	16,592.8	244.7	56.9	16,894.4

Recognition and measurement

The ECL model used for impairment under AASB 9 *Financial Instruments* applies to financial assets measured at amortised cost, FVOCI, amounts receivable from contracts with customers as defined in AASB 15 *Revenue from Contracts with Customers*, loan commitments and financial guarantee contracts.

The Group applies a three-stage approach in measuring ECLs based on changes in the financial assets’ underlying credit risk and includes forward-looking or macroeconomic assumptions:

- Stage 1: Where there has been no significant increase in credit risk (SICR) since initial recognition or the asset is not credit impaired upon origination, a portion (12 month ECL) of the lifetime ECLs associated with the PD events occurring within the next 12 months is recognised. All financial assets that are determined to have a low credit risk at the reporting date on which the credit risk has not increased significantly since their initial recognition are measured as 12 month ECL.
- Stage 2: Where there has been a SICR since initial recognition but the asset is not credit impaired, the lifetime ECL is recognised.
- Stage 3: When a financial asset is assessed as credit impaired (including exposures that are greater than 90 days past due), the lifetime ECL is recognised. Interest revenue is calculated on a net basis (gross carrying amount less provision).

ECLs are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective or individual basis when transferred to Stage 3.

Notes to the financial statements

For the year ended 30 June 2025

3.5 Impairment of financial assets (continued)

Recognition and measurement (continued)

Lifetime ECLs are generally determined based on the contractual maturity or behavioural life of the financial asset. When measuring the ECLs, the Bank considers the probability weighted outcome of cash shortfalls over the expected life of the asset discounted at its current effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group is expected to receive.

The Group considers a debt investment security to have a low credit risk when its credit rating is equivalent to the globally understood definition of “investment grade”. The Group does not apply this approach to any other financial instruments.

Model inputs

The ECL is calculated based on the PD, loss given default (LGD) and the exposure at default (EAD) discounted at the effective interest rate:

- PD is the estimate of the likelihood that a borrower will default over a given period. The ECL model uses PD taking into account the prior status of the loans.
- LGD is the amount of expected loss in the event of the borrower defaulting.
- EAD is the expected balance sheet exposure at default.

Forward-looking information

Forward-looking information is used in the measurement of ECLs through unbiased, probability weighted scenarios and includes macroeconomic variables that influence credit losses such as gross domestic product (GDP), unemployment rates and changing house price data.

Significant increase in credit risk (SICR)

The Bank will assess whether there has been a SICR for financial assets by comparing the risk of a default occurring over the remaining life of a financial asset at the reporting date to the corresponding risk of default at origination. In assessing whether there has been a SICR, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. The credit risk assessment is carried out on an individual and collective basis. The Bank considers contractual payments that are 30 days past due, financial hardship or default events (e.g. 90 days past due) as primary indicators of SICR.

Notes to the financial statements

For the year ended 30 June 2025

3.5 Impairment of financial assets (continued)

Forward-looking macroeconomic adjustments

The Bank incorporates forward-looking information through probability weighted scenarios to evaluate and measure ECLs. The Bank has considered the ongoing impacts including the current global uncertainty from the US tariffs in the forward-looking economic provision adjustments to address the uncertainty of the future performance of loans.

The scenarios and assumptions considered are based on publicly available economic forecasts and the Bank’s assessment of the balance of probabilities for a base case and alternative economic scenarios. These scenarios and probabilities are used to adjust the Bank’s modelled ECL.

Scenario	Weighting	Assumption applied
Base case	45%	This scenario is set around the current central economic forecasts which sees economic growth continue to improve through 2025 and 2026 with very modest increases in unemployment over this period. The current modest housing value growth is maintained through the forecast period.
Downside	40%	This scenario recognises the risks from the current heightened global uncertainty including tariffs and the war in the middle east. Slowing economic growth results in the domestic economy falling into a mild recession and unemployment rises beyond a neutral unemployment level. The weakening economy impacts on consumer confidence which combined with borrowers’ repayment capacity reducing from the economic stress a 20% peak-to-trough fall in house prices occurs.
Severe	10%	This scenario considers more remote and severe events compared to the downside scenario which adversely impacts GDP, unemployment, and housing values. It contemplates that inflation may remain above the RBA’s target band through the onset of the downturn which limits the ability of the RBA to ease monetary policy to stimulate the economy to avoid a deep recession that ensues. Peak-to-trough housing value declines of 30% are experienced across most regions of Australia.
Upside	5%	This scenario is set around the base scenario and recognises the potential for unemployment, GDP, and house prices to be more resilient than is expected in the central economic forecasts.

In addition to the modelled scenarios, the Bank also considers the need for additional overlays for model risk and/or other factors not adequately captured within the model. These overlays were reviewed and updated as at 30 June 2025.

Notes to the financial statements

For the year ended 30 June 2025

3.5 Impairment of financial assets (continued)

Sensitivity analysis

Given the continued economic uncertainty and need for management judgement, sensitivity analysis was conducted to understand the impact of changes in certain variables on the ECL.

The table below shows the impact on the total ECL by adjusting the specified input and leaving all other inputs unchanged.

Sensitivity measures	2025 \$m	2024 \$m
If 1% of Stage 1 mortgage secured loans moved to Stage 2	1.3	1.4
If 1% of Stage 1 mortgage secured loans moved to Stage 3	7.9	7.1
If 1% of Stage 1 personal lending exposures moved to Stage 2	0.6	1.2
If 1% of Stage 1 personal lending exposures moved to Stage 3	2.5	3.4
If the LGD of the mortgage secured loans increased by 1%	1.8	1.5

Write-offs

Loans and advances are written off (either partially or in full) when there is no reasonable expectation of recovering the financial asset in its entirety. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-offs. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in the income statements.

Use of judgements and estimates

The Bank reviews loans and advances that have triggered certain criteria to assess whether an impairment loss should be recorded in the income statement. Judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank makes judgements about the borrower’s financial situation, net realisable value of collateral and takes into account the facts, circumstances and forecasts of future economic conditions and supportable information available at the reporting date. Provisioning assumption updates have been made during the year which include a complete review of overlays and adjustments, which are held for external factors not captured in the core models, including specific industry or portfolio stresses and uncertainties related to model precision, as well as a review of scenarios and scenario weightings to cater for economic uncertainties. Actual results may differ, resulting in future changes to the allowance.

Notes to the financial statements

For the year ended 30 June 2025

3.6 Deposits

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Members' shares	2.4	2.8	2.4	2.8
Customers' call deposits	9,402.9	9,117.0	9,402.9	9,117.0
Customers' term deposits ¹	5,109.9	5,045.7	5,109.9	5,045.7
	14,515.2	14,165.5	14,515.2	14,165.5

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Recognition and measurement

All deposits and borrowings are initially recognised at fair value of the consideration received net of directly attributable transaction costs. After initial recognition, deposits and borrowings are subsequently measured at amortised cost using the effective interest method.

3.7 Borrowings

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Securitisation trust borrowings	1,593.2	1,437.4	4,398.0	5,204.7
Securitisation warehouse borrowings	963.5	1,040.7	1,028.1	1,131.3
Term borrowings ¹	2,523.8	1,949.3	2,525.2	1,950.9
	5,080.5	4,427.4	7,951.3	8,286.9

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Securitisation trust borrowings represent amounts payable to noteholders of asset-backed securities issued by the Bank's consolidated special purpose entities. There is a combination of external and internal self-securitisation arrangements. Refer to Note 4.7 (b) for additional information.

The Group maintains securitisation warehouse borrowing facilities to assist with liquidity management and accumulation of sufficient volume of receivables to be securitised externally.

Notes to the financial statements

For the year ended 30 June 2025

3.8 Fair value of financial instruments

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities at the reporting date.

Group - 2025	Fair value				Carrying amount \$m
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	
Financial assets measured at fair value					
Derivative financial instruments	-	32.1	-	32.1	32.1
Financial assets - FVTPL	-	4.9	-	4.9	4.9
Financial assets - FVOCI	38.9	-	15.2	54.1	54.1
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	2,393.8	-	2,393.8	2,388.7
Loans and advances	-	-	17,842.8	17,842.8	17,951.5
Financial liabilities measured at fair value					
Derivative financial instruments	-	11.7	-	11.7	11.7
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits	-	14,453.0	-	14,453.0	14,515.2
Borrowings	-	2,567.6	2,474.8	5,042.4	5,080.5

Group - 2024	Fair value				Carrying amount \$m
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	
Financial assets measured at fair value					
Derivative financial instruments	-	14.0	-	14.0	14.0
Financial assets - FVTPL	-	6.2	-	6.2	6.2
Financial assets - FVOCI	-	-	65.5	65.5	65.5
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	2,362.0	-	2,362.0	2,367.8
Loans and advances	-	-	16,684.3	16,684.3	16,912.9
Financial liabilities measured at fair value					
Derivative financial instruments	-	20.2	-	20.2	20.2
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits ¹	-	14,069.7	-	14,069.7	14,165.5
Borrowings ¹	-	2,482.5	1,910.4	4,392.9	4,427.4

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in the carrying amount of term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Notes to the financial statements

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3.8 Fair value of financial instruments (continued)

Bank - 2025	Fair value				Carrying amount
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	
Financial assets measured at fair value					
Derivative financial instruments	-	32.1	-	32.1	32.1
Financial assets - FVOCI	38.9	64.9	15.2	119.0	119.0
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	5,205.8	-	5,205.8	5,193.5
Loans and advances	-	-	17,842.8	17,842.8	17,951.5
Financial liabilities measured at fair value					
Derivative financial instruments	-	11.7	-	11.7	11.7
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits	-	14,453.0	-	14,453.0	14,515.2
Borrowings	-	5,444.6	2,476.1	7,920.7	7,951.3

Bank - 2024	Fair value				Carrying amount
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	
Financial assets measured at fair value					
Derivative financial instruments	-	14.0	-	14.0	14.0
Financial assets - FVOCI	-	153.1	65.5	218.6	218.6
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	6,077.0	-	6,077.0	6,075.0
Loans and advances	-	-	16,684.3	16,684.3	16,912.9
Financial liabilities measured at fair value					
Derivative financial instruments	-	20.2	-	20.2	20.2
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits ¹	-	14,069.7	-	14,069.7	14,165.5
Borrowings ¹	-	6,341.3	1,912.0	8,253.3	8,286.9

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in the carrying amount of term borrowings was reclassified as customers' term deposits as at 30 June 2024.

During the year ended 30 June 2025, certain equity instruments in an entity were transferred from Level 3 into Level 1 of the fair value hierarchy following the listing of that entity on the Australian Stock Exchange. Refer to the table below showing the reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Notes to the financial statements

For the year ended 30 June 2025

3.8 Fair value of financial instruments (continued)

Recognition and measurement

The fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific financial instruments.

All financial assets and liabilities are initially recognised at fair value on the settlement date.

Valuation techniques used to determine fair value

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The financial assets and liabilities listed below are recognised and measured at fair value and therefore their carrying value equates to their fair value.

- Derivative financial instruments
The fair value for derivative financial instruments is derived from discounted cash flow models. Where there is no market value, the fair value is determined using inputs which are observable either directly or indirectly. The fair values of derivative financial instruments take into account both credit valuation adjustments (CVA) and debit valuation adjustments (DVA).
- Financial assets - FVTPL
These assets are insurance assets backing insurance liabilities and are therefore designated at FVTPL to reduce the accounting mismatch between assets and related liabilities. Term deposits are brought to account at the gross value of the outstanding balance, which approximates their fair value due to the short term maturities of these securities and the lack of fluctuations in the market interest rates or credit quality of the counterparties since their inception.
- Financial assets - Equity instruments at FVOCI
These assets represent investments that the Group intends to hold for long term strategic purposes. These shares were measured at fair value on initial recognition. These assets are subsequently measured taking into account the most recently transacted prices for the shares, earnings multiples of other similar entities and the net asset value per share of the underlying investment.
- Financial assets - Debt instruments at FVOCI
These instruments are internal RMBS held by the Bank and are not quoted or traded on an active market. These assets are measured at fair value on initial recognition and are subsequently measured by means of discounted cash flows and other valuation techniques that are commonly used by market participants (e.g., observable market data for similar instruments).

The fair value estimates for instruments carried at amortised cost are based on the methodologies and assumptions below.

- Financial assets - amortised cost
Financial assets - amortised cost is comprised of investments and securities held to manage the Group's liquidity risk, where cash flows arise on specified contractual dates, underlying terms can range anywhere from short to long term. The fair value is estimated primarily using available market price data. Where this information is not available, observable market data on capital pricing for similar instruments is used.

Notes to the financial statements

For the year ended 30 June 2025

3.8 Fair value of financial instruments (continued)

Valuation techniques used to determine fair value (continued)

- Loans and advances
The carrying value of loans and advances are net of provisions for impairment. For variable rate loans, excluding impaired loans, the amortised cost is a reasonable estimate of the fair value. The fair value for fixed rate loans was calculated by utilising a discounted cash flow model. The discount rates applied were based on the current benchmark rate for fixed rate loans being offered on terms with a similar remaining period.
- Deposits and borrowings
The fair value for deposits was calculated by utilising a discounted cash flow model. The discount rates applied were based on the current benchmark rate offered for the actual remaining term of the portfolio as at balance date. The fair value of non-interest bearing, call and variable rate deposits repriced within 12 months is the carrying value as at balance date.
- Cash and cash equivalents, receivables due from other banks and payables due to other banks
The fair value approximates to their carrying value as they are short term in nature or are receivable or payable on demand.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1 - the fair value is calculated using quoted prices in active markets;
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy classification of financial assets and liabilities measured at fair value:

- Derivative financial instruments: Level 2
- Financial assets - FVTPL: Level 2
- Financial assets - Debt instruments at FVOCI: Level 2
- Financial assets - Equity instruments at FVOCI: Level 1 and Level 3

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements of financial assets - equity instruments at FVOCI in Level 3 of the fair value hierarchy.

Group & Bank - 2025	Shares in unlisted entities \$m	Shares in a listed entity ¹ \$m	Total \$m
Balance at beginning of the year	65.5	-	65.5
Fair value movement recognised in other comprehensive income	14.0	6.4	20.4
Additions	0.7	-	0.7
Shares sold ¹	(32.5)	-	(32.5)
Transfers out of Level 3 into Level 1	(32.5)	32.5	-
Balance at end of the year	15.2	38.9	54.1

¹During the year, the Bank received an offer on its investment shares in an entity as part of that entity’s initial public offering (IPO) and listing on the Australian Stock Exchange and agreed to sell 13.0 million “units” of its shares as part of the IPO process.

Notes to the financial statements

For the year ended 30 June 2025

3.8 Fair value of financial instruments (continued)

Fair value hierarchy (continued)

Group & Bank - 2024	Shares in unlisted entities \$m	Shares in a listed entity \$m	Total \$m
Balance at beginning of the year	57.9	-	57.9
Fair value movement recognised in other comprehensive income	2.4	-	2.4
Additions	5.2	-	5.2
Balance at end of the year	65.5	-	65.5

The Group holds \$15.2 million (2024: \$65.5 million) of unlisted equities classified as FVOCI, for which there are no active markets of traded prices available, resulting in Level 3 classification. Changes in fair value of the portfolio would be recognised in the statements of changes in members’ funds, with no impact to net profit or loss. Sensitivities to reasonably possible changes in non-market observable valuation assumptions would not have a material impact to the Group’s results.

The fair value hierarchy classification of instruments held at amortised cost:

- Financial assets at amortised cost: Level 2
- Loans and advances: Level 3
- Deposits and borrowings: Level 2 and Level 3

Where observable market transactions are not available to estimate the fair value of loans and advances, deposits and borrowings, the fair value is estimated using a discounted cash flow model.

Use of judgements and estimates

Where the fair values of financial assets and financial liabilities recorded in the balance sheets cannot be derived from active markets, they are determined using a variety of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available these assets are valued using valuation techniques based on non-observable data.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management

Overview

The Group manages risk to fulfil its commitments to customers and regulators whilst delivering on strategic objectives. The Group's Board of Directors has overall responsibility for the establishment, oversight and effectiveness of the Group's Risk Management Framework (RMF). The RMF is a key component of the Group's strategy for managing risk and is comprised of structures, policies and processes. The overarching principles for this framework are outlined in the sections below.

The key pillars which are reviewed and approved annually by the Board and subsequently provided to APRA include:

- The Risk Appetite Statement (RAS) - describes the key risks, appetite, tolerance levels approved by the Board. It is the Board's way of communicating the type and extent of risk that is acceptable to meet the strategic outcomes set for the business and includes statements as to how key risks will need to be managed to remain within the approved limits; and
- The Risk Management Strategy - describes the key strategies used to manage risk and represents the Group's plan to ensure we maintain and continuously improve risk management.

The Group applies the three lines of defence model approach to managing risk across the business. The responsibilities for each line of defence are as follows:

Line of defence	Responsibilities
First	Under the first line of defence, operational management (including each member of staff) is responsible for identifying and managing risks in a way that is consistent with the Group's RMF and risk appetite set by the Board.
Second	The second line of defence is the risk management function, headed by the Chief Risk Officer (CRO), which contributes towards the progressive development and monitoring of the implementation of the Group's RMF. The risk management function also maintains the regulatory compliance framework in line with regulatory expectations.
Third	Internal audit provides independent assurance over the performance of both first and second lines in managing risk.

Risk management policies have been established to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Training, standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Formal governance structures enable the management of risk at the Board and Executive level. Four key committees are in place to achieve this including: (i) the Board Risk Committee (BRC); (ii) the Board Audit Committee (BAC); (iii) the Board People, Culture & Remuneration Committee (BPCRC) and; (iv) Purpose & Impact Committee, each responsible for overseeing management of specific categories of risks for the Group. The BRC is assisted in its oversight role by the risk management function. The BAC is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the BAC and the Board. Key risk issues are captured and considered during every Board meeting including the presentation of the CRO Report.

The Bank maintains five key management committees for monitoring and reporting risk across the Group: (i) Enterprise Risk Committee (ERCO), responsible for the Group's enterprise-wide risk management framework; (ii) Asset and Liability Committee (ALCO), responsible for balance sheet risk; (iii) Non-Financial Risk Committee (NFRC), responsible for assessing non-financial risk matters on an enterprise level; (iv) Credit Risk Committee (CRC) responsible for providing credit risk oversight and; (v) Breach Committee (BreachCo) responsible for assessing regulatory incidents.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

The Group's approach to managing interest rate, credit, liquidity and funding risks is further detailed below.

(a) Interest rate risk

Interest rate risk is the risk that changes in interest rates result in losses for a financial institution. The Group is exposed to interest rate risk due to an underlying mismatch in the timing of interest rate repricing across all financial products. The tables below show the value of financial instruments grouped by interest rate repricing period:

Group - 2025	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	532.8	-	-	-	2.2	535.0
Receivables due from other banks	1.7	-	-	-	-	1.7
Derivative financial instruments	-	5.6	26.5	-	-	32.1
Financial assets - FVTPL	-	4.9	-	-	-	4.9
Financial assets - amortised cost	1,866.9	521.8	-	-	-	2,388.7
Loans and advances (gross)	16,861.0	269.6	641.9	157.8	-	17,930.3
	19,262.4	801.9	668.4	157.8	2.2	20,892.7
Liabilities						
Payables due to other banks	19.8	-	-	-	-	19.8
Derivative financial instruments	-	7.7	4.0	-	-	11.7
Deposits	9,402.8	4,955.0	155.0	-	2.4	14,515.2
Borrowings	3,694.9	1,385.1	0.5	-	-	5,080.5
Commitments (Note 4.9)	670.1	1.5	3.8	-	-	675.4
	13,787.6	6,349.3	163.3	-	2.4	20,302.6

Group - 2024	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	474.9	-	-	-	2.4	477.3
Receivables due from other banks	16.8	-	-	-	-	16.8
Derivative financial instruments	-	7.5	6.5	-	-	14.0
Financial assets - FVTPL	-	6.2	-	-	-	6.2
Financial assets - amortised cost	1,643.2	724.6	-	-	-	2,367.8
Loans and advances (gross)	14,136.5	1,787.6	785.7	184.6	-	16,894.4
	16,271.4	2,525.9	792.2	184.6	2.4	19,776.5
Liabilities						
Payables due to other banks	1.4	-	-	-	-	1.4
Derivative financial instruments	-	8.3	11.9	-	-	20.2
Deposits ¹	9,116.9	4,908.1	137.7	-	2.8	14,165.5
Borrowings ¹	3,465.6	956.5	5.3	-	-	4,427.4
Commitments (Note 4.9)	725.5	0.5	5.9	-	-	731.9
	13,309.4	5,873.4	160.8	-	2.8	19,346.4

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(a) Interest rate risk (continued)

Bank - 2025	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	530.1	-	-	-	2.2	532.3
Receivables due from other banks	1.7	-	-	-	-	1.7
Derivative financial instruments	-	5.6	26.5	-	-	32.1
Financial assets - FVOCI (Note 3.2)	64.9	-	-	-	-	64.9
Financial assets - amortised cost	4,671.7	521.8	-	-	-	5,193.5
Loans and advances (gross)	16,861.0	269.6	641.9	157.8	-	17,930.3
	22,129.4	797.0	668.4	157.8	2.2	23,754.8
Liabilities						
Payables due to other banks	19.8	-	-	-	-	19.8
Derivative financial instruments	-	7.7	4.0	-	-	11.7
Deposits	9,402.8	4,955.0	155.0	-	2.4	14,515.2
Borrowings	6,564.4	1,386.4	0.5	-	-	7,951.3
Commitments (Note 4.9)	670.1	1.5	3.8	-	-	675.4
	16,657.1	6,350.6	163.3	-	2.4	23,173.4

Bank - 2024	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	474.0	-	-	-	2.4	476.4
Receivables due from other banks	16.8	-	-	-	-	16.8
Derivative financial instruments	-	7.5	6.5	-	-	14.0
Financial assets - FVOCI (Note 3.2)	153.1	-	-	-	-	153.1
Financial assets - amortised cost	5,350.4	724.6	-	-	-	6,075.0
Loans and advances (gross)	14,136.5	1,787.6	785.7	184.6	-	16,894.4
	20,130.8	2,519.7	792.2	184.6	2.4	23,629.7
Liabilities						
Payables due to other banks	1.4	-	-	-	-	1.4
Derivative financial instruments	-	8.3	11.9	-	-	20.2
Deposits ¹	9,116.9	4,908.1	137.7	-	2.8	14,165.5
Borrowings ¹	7,323.5	958.1	5.3	-	-	8,286.9
Commitments (Note 4.9)	725.5	0.5	5.9	-	-	731.9
	17,167.3	5,875.0	160.8	-	2.8	23,205.9

¹As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(a) Interest rate risk (continued)

The Bank’s exposure to interest rates is through earnings and valuation risk. Earnings risk is measured through net interest income sensitivity (NIIS), while valuation risk is measured through present value sensitivity (PVS) and value at risk (VaR). The Board has responsibility for ensuring compliance with these limits and is assisted by the monitoring activities implemented by management under the broader risk management process. The values disclosed are inclusive of a replicating portfolio for capital as Treasury performs interest rate risk management at this level.

NIIS is used for determining the potential volatility in our net interest income over the short term. NIIS is reported based on a 1% movement in interest rates across the yield curve to determine the potential adverse change in net interest income in the ensuing 12-month period.

The below table represents the average, maximum and minimum potential adverse change in NIIS.

	2025 \$m	2024 \$m
Net interest income sensitivity		
Average exposure	4.1	3.2
Maximum exposure	6.3	4.5
Minimum exposure	2.6	1.7

VaR and PVS are used as complementary metrics for determining the potential volatility in longer term economic value. VaR measures historically observed interest rate changes, whilst PVS measures pre-defined rate movements across the yield curve.

The VaR methodology is a statistical technique used to measure the sensitivity of economic value using historically observed interest rate changes. The Bank’s approach is based on a historical interest rate simulation which uses a 1500-day observation period and consists of a 99% confidence level within a 20-day holding period.

The below table represents the average, maximum and minimum VaR as measured over the year:

	2025 \$m	2024 \$m
Value at risk		
Average	7.0	4.9
Maximum	9.9	10.4
Minimum	3.1	1.9

PVS measures the sensitivity of the present value of the balance sheets based on a 1% movement in interest rates across the yield curve. This is to determine adverse changes in the economic value of the balance sheets. The following table represents the average, maximum and minimum potential change in PVS:

	2025 \$m	2024 \$m
Present value sensitivity		
Average exposure	10.1	7.2
Maximum exposure	13.8	12.3
Minimum exposure	5.0	3.6

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss. Credit risk arises from the Bank’s lending activities, which includes residential mortgages, term loans, overdrafts and credit cards and from the financial instruments held for liquidity management purposes and to hedge interest rate risk.

Credit risk incorporates the risks associated with lending to customers who could be impacted by climate change. Climate change impacts such as extreme weather events, combined with changes to future insurance affordability and availability, may result in increased losses from customer defaults or decreased property valuations. As at 30 June 2025, management has assessed no material risk of loss due to climate change risk in our customers’ exposures.

The Bank has an established credit risk management framework that encompasses:

- Risk appetite for lending;
- Strategies, policies and governance for managing credit risk; and
- Processes for continually monitoring credit quality for impairment and the adequacy of provisions.

Credit risk exposure by risk grade

Credit exposures are capped to the carrying value reported in the balance sheets for the related assets. The “Credit risk exposure by risk grade” table presents the Bank’s maximum credit exposure to the respective asset classes at the reporting dates. The amounts are presented gross of provisions for impairment and before considering any collateral held or other credit enhancement.

Counterparty concentration risk is monitored daily by management, and monthly by the ALCO. Management establishes counterparty limits based on maximum exposure limits set by the Board and our internal credit assessment of a counterparty. The exposure is limited to the carrying amount in the balance sheets and is classified according to APRA’s APS 112 *Capital Adequacy: Standardised Approach to Credit Risk (Attachment F, paragraph 8, Table 21)* which are broadly aligned to external long term credit rating agencies such as Standard & Poor’s, Moody’s and Fitch.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit risk exposure by risk grade (continued)

The following tables show the credit quality of credit risk exposures to which the expected credit loss model is applied:

Group - 2025	Credit rating Grade 1 \$m	Credit rating Grade 2 \$m	Credit rating Grade 3 \$m	Unrated \$m	Total \$m
Assets					
Cash and cash equivalents	528.9	-	-	6.1	535.0
Receivables due from other banks	1.7	-	-	-	1.7
Financial assets - FVTPL	3.0	1.9	-	-	4.9
Financial assets - amortised cost					
Stage 1: 12-month ECL - not credit impaired	1,708.2	528.3	152.2	-	2,388.7
	2,241.8	530.2	152.2	6.1	2,930.3

Group - 2024	Credit rating Grade 1 \$m	Credit rating Grade 2 \$m	Credit rating Grade 3 \$m	Unrated \$m	Total \$m
Assets					
Cash and cash equivalents	473.4	-	-	3.9	477.3
Receivables due from other banks	16.8	-	-	-	16.8
Financial assets - FVTPL	3.1	1.6	1.5	-	6.2
Financial assets - amortised cost					
Stage 1: 12-month ECL - not credit impaired	1,416.5	367.9	583.4	-	2,367.8
	1,909.8	369.5	584.9	3.9	2,868.1

Bank - 2025	Credit rating Grade 1 \$m	Credit rating Grade 2 \$m	Credit rating Grade 3 \$m	Unrated \$m	Total \$m
Assets					
Cash and cash equivalents	526.2	-	-	6.1	532.3
Receivables due from other banks	1.7	-	-	-	1.7
Financial assets - FVOCI (Note 3.2)					
Stage 1: 12-month ECL - not credit impaired	-	-	-	64.9	64.9
Financial assets - amortised cost					
Stage 1: 12-month ECL - not credit impaired	4,399.0	528.3	152.2	114.0	5,193.5
	4,926.9	528.3	152.2	185.0	5,792.4

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit risk exposure by risk grade (continued)

Bank - 2024	Credit rating Grade 1 \$m	Credit rating Grade 2 \$m	Credit rating Grade 3 \$m	Unrated \$m	Total \$m
Assets					
Cash and cash equivalents	472.5	-	-	3.9	476.4
Receivables due from other banks	16.8	-	-	-	16.8
Financial assets - FVOCI (Note 3.2)					
Stage 1: 12-month ECL - not credit impaired	44.5	9.1	6.3	93.2	153.1
Financial assets - amortised cost					
Stage 1: 12-month ECL - not credit impaired	5,009.6	367.9	583.4	114.1	6,075.0
	5,543.4	377.0	589.7	211.2	6,721.3

Credit quality - lending portfolios

All loans and advances are subject to continuous management review to assess whether there is any objective evidence that any loan or group of loans is impaired. The Bank sets aside provisions for impairment in accordance with its internal policies and procedures, which comply with AASB 9 *Financial Instruments: Recognition and Measurement* and APRA’s APS 220 *Credit Risk Management*.

The following table discloses the overdue status of loans and advances to customers in Stage 1, Stage 2 and Stage 3 as defined in Note 3.5.

Group & Bank - 2025				
Overdue status of loans and advances (gross)	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Residential mortgages				
Current	16,892.1	171.4	-	17,063.5
Overdue less than or equal to 30 days	224.3	51.2	-	275.5
Overdue more than 30 days	-	64.3	62.6	126.9
	17,116.4	286.9	62.6	17,465.9
Business lending				
Current	58.2	0.2	-	58.4
Overdue less than or equal to 30 days	0.3	0.8	-	1.1
Overdue more than 30 days	-	0.1	0.8	0.9
	58.5	1.1	0.8	60.4
Personal lending				
Current	370.6	5.1	-	375.7
Overdue less than or equal to 30 days	13.8	1.9	-	15.7
Overdue more than 30 days	-	4.7	7.9	12.6
	384.4	11.7	7.9	404.0
Total loans and advances (gross)	17,559.3	299.7	71.3	17,930.3
Total impairment provision	23.1	4.1	7.2	34.4

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit quality - lending portfolios (continued)

Group & Bank - 2024				
Overdue status of loans and advances (gross)	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Residential mortgages				
Current	15,903.8	129.9	-	16,033.7
Overdue less than or equal to 30 days	234.2	40.9	-	275.1
Overdue more than 30 days	-	64.4	47.9	112.3
	16,138.0	235.2	47.9	16,421.1
Business lending				
Current	49.4	-	-	49.4
Overdue less than or equal to 30 days	0.1	-	-	0.1
Overdue more than 30 days	-	-	0.6	0.6
	49.5	-	0.6	50.1
Personal lending				
Current	391.2	3.2	-	394.4
Overdue less than or equal to 30 days	14.1	1.2	-	15.3
Overdue more than 30 days	-	5.1	8.4	13.5
	405.3	9.5	8.4	423.2
Total loans and advances (gross)	16,592.8	244.7	56.9	16,894.4
Total impairment provision	21.6	5.1	7.9	34.6

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit quality - lending portfolios (continued)

The Bank holds collateral against certain classes of loans and advances to customers in the form of a mortgage interest over property and other registered securities over assets and guarantees. To mitigate credit risk, the Bank can take possession of the security held against the loans and advances as a result of default.

The following table sets out the principal types of the collateral held against different types of financial assets:

Group & Bank Types of credit exposure	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	2025 %	2024 %	
Loans and advances:			
Residential mortgages	100	100	Real estate property
Business lending	100	100	Real estate property
Personal lending	33	32	Motor vehicle

There is no collateral held for financial assets at amortised cost and financial assets at FVOCI.

For derivative financial instruments, the Bank exchanges AUD cash collateral to secure the Bank’s derivative asset or liability position, as part of the standard ISDA. As at 30 June 2025, this collateral balance is \$1.7 million (2024: \$15.0 million) and \$19.8 million (2024: \$1.4 million) represented within receivables due from other banks and payables due to other banks respectively.

An estimate of the value of collateral held as security is assessed at the time of the borrowing and is generally not updated except when loans and advances are individually assessed for impairment. As at 30 June 2025, gross loans and advances balance of \$18.5 million (2024: \$15.8 million) have been assessed as credit impaired. In general, the Group does not take possession of the collateral it holds as security that would result in recognition of an asset on the balance sheet.

The following table shows the Bank’s loan to value ratios (LVR) on its residential mortgages. Valuation amounts used in these calculations are based on the security value taken at the time the loans were originated or subsequent revaluation.

Group & Bank	2025 \$m	2024 \$m
LVR 0% - 60%	5,448.4	5,128.3
LVR 60.01% - 80%	7,022.9	6,561.2
LVR 80.01% - 90%	2,783.7	2,630.8
LVR > 90.01%	2,210.9	2,100.8
Total loans and advances (gross)	17,465.9	16,421.1

During the previous years, the Bank participated in the Government's Home Guarantee Scheme to support home buyers, primarily first home buyers. The scheme helps eligible home buyers to purchase their own home by providing a partial guarantee and removing the need for the buyer to purchase Lenders Mortgage Insurance. Loans supported by the scheme typically originate at LVR above 90%. The existence of the guarantee strengthens the Bank’s security position. The LVR is reported without the benefit of the guarantee.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit risk - geographical analysis (concentration risk)

The lending portfolio is heavily concentrated on residential mortgages in line with the Bank’s core business and risk appetite. The major concentrations of exposures broadly align with our business strategy, focused primarily in the capital cities in the eastern states. Management undertakes periodic exercises including stress testing and geographical analysis to better understand the impact of concentration risk within the lending portfolio. Based on these exercises, management is comfortable with the level of concentration risk.

Group & Bank State	2025		2024	
	Residential mortgages \$m	Other loans \$m	Residential mortgages \$m	Other loans \$m
Queensland	6,539.1	212.1	6,145.8	224.0
New South Wales	5,041.3	109.1	4,887.6	112.2
Victoria	3,790.6	109.5	3,431.5	102.5
Western Australia	1,249.3	21.1	1,183.3	22.3
Australian Capital Territory	282.1	4.7	277.9	4.6
South Australia	363.3	4.3	325.6	4.2
Tasmania	154.0	2.3	127.6	2.1
Northern Territory	46.2	1.3	41.8	1.4
Total loans and advances (gross)	17,465.9	464.4	16,421.1	473.3

(c) Liquidity and funding risk

Liquidity and funding risk is the risk of funding or liquidity resources becoming insufficient to meet business requirements and regulatory obligations. The primary liquidity objective is to fund in a way that will facilitate growth in core business under a wide range of market conditions.

The Group continues to manage liquidity in line with the Board approved funding strategy ensuring diversified sources of funding.

Liquidity risk is managed through the matching of maturity profiles of assets and liabilities on a daily basis, maintenance of committed funding facilities and continuous forecasting of cash flows, supplemented with funding scenario analysis. Funding risk is managed through a range of key metrics around diversification, duration and capacity. The operational management of liquidity and funding is performed centrally within Treasury, with oversight from Risk, ALCO and Board. Policies are approved by the Board on the recommendation of the ALCO and are consistent with the requirements of APRA’s regulatory standard APS 210 *Liquidity*.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

The following table shows the expected cash flow liquidity analysis for different monetary liabilities and assets held.

Group - 2025	Carrying Amount \$m	Gross contractual inflow/(outflow) \$m	Within 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	More than 5 years \$m
Financial liability by type							
Non-derivative financial liabilities²							
Payables due to other banks	19.8	(19.8)	(19.8)	-	-	-	-
Members' shares	2.4	(2.4)	(2.4)	-	-	-	-
Customers' call deposits	9,402.9	(9,402.9)	(9,402.9)	-	-	-	-
Customers' term deposits	5,109.9	(5,203.5)	(886.0)	(1,170.5)	(2,983.0)	(164.0)	-
Borrowings	5,080.5	(5,479.1)	(190.5)	(405.2)	(1,785.7)	(2,435.6)	(662.1)
Lease liabilities	39.1	(44.2)	(0.8)	(1.7)	(7.5)	(24.5)	(9.7)
Total non-derivative financial liabilities	19,654.6	(20,151.9)	(10,502.4)	(1,577.4)	(4,776.2)	(2,624.1)	(671.8)
Derivative financial liabilities							
Interest rate swaps ¹							
Outflow	-	(105.7)	(15.8)	(25.7)	(49.4)	(14.8)	-
Inflow	-	96.9	14.7	23.9	45.2	13.1	-
Total derivative financial liabilities	11.7	(8.8)	(1.1)	(1.8)	(4.2)	(1.7)	-
Financial asset by type							
Non-derivative financial assets²							
Cash and cash equivalents	535.0	535.0	535.0	-	-	-	-
Receivables due from other banks	1.7	1.7	1.7	-	-	-	-
Financial assets - FVTPL	4.9	4.9	-	3.2	1.7	-	-
Financials assets - FVOCI	54.1	54.1	-	-	-	-	54.1
Financial assets - amortised cost	2,388.7	2,388.7	198.8	421.5	514.6	1,179.7	74.1
Loans and advances	17,951.5	17,951.5	34.7	104.5	318.9	1,777.2	15,716.2
Total non-derivative financial assets	20,935.9	20,935.9	770.2	529.2	835.2	2,956.9	15,844.4
Derivative financial assets							
Interest rate swaps ¹							
Outflow	-	(256.0)	(20.0)	(16.9)	(121.9)	(97.2)	-
Inflow	-	286.4	20.2	16.7	128.9	120.6	-
Total derivative financial assets	32.1	30.4	0.2	(0.2)	7.0	23.4	-

¹For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period. Applicable same day, same counterparty derivative inflows and outflows are net cash settled.

²The non-derivative financial assets and financial liabilities have been presented based on the remaining contractual maturities.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

Group - 2024	Carrying Amount \$m	Gross contractual inflow/(outflow) \$m	Within 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	More than 5 years \$m
Financial liability by type							
Non-derivative financial liabilities²							
Payables due to other banks	1.4	(1.4)	(1.4)	-	-	-	-
Members' shares	2.8	(2.8)	(2.8)	-	-	-	-
Customers' call deposits	9,117.0	(9,117.0)	(9,117.0)	-	-	-	-
Customers' term deposits ³	5,045.7	(5,159.4)	(687.3)	(1,163.2)	(3,159.4)	(149.5)	-
Borrowings ³	4,427.4	(4,908.0)	(177.7)	(331.1)	(1,405.7)	(2,397.4)	(596.1)
Lease liabilities	34.2	(38.4)	(0.8)	(1.4)	(5.6)	(19.1)	(11.5)
Total non-derivative financial liabilities	18,628.5	(19,227.0)	(9,987.0)	(1,495.7)	(4,570.7)	(2,566.0)	(607.6)
Derivative financial liabilities							
Interest rate swaps ¹							
Outflow	-	(225.9)	(10.7)	(26.6)	(110.4)	(78.2)	-
Inflow	-	204.2	9.4	24.1	98.5	72.2	-
Total derivative financial liabilities	20.2	(21.7)	(1.3)	(2.5)	(11.9)	(6.0)	-
Financial asset by type							
Non-derivative financial assets²							
Cash and cash equivalents	477.3	477.3	477.3	-	-	-	-
Receivables due from other banks	16.8	16.8	16.8	-	-	-	-
Financial assets - FVTPL	6.2	6.2	-	1.3	4.9	-	-
Financial assets - FVOCI	65.5	65.5	-	-	-	-	65.5
Financial assets - amortised cost	2,367.8	2,367.8	352.4	430.4	532.3	1,052.7	-
Loans and advances	16,912.9	16,912.9	29.5	96.8	266.9	1,494.1	15,025.6
Total non-derivative financial assets	19,846.5	19,846.5	876.0	528.5	804.1	2,546.8	15,091.1
Derivative financial assets							
Interest rate swaps ¹							
Outflow	-	(75.5)	(12.0)	(5.5)	(18.5)	(39.5)	-
Inflow	-	91.0	14.8	9.4	23.2	43.6	-
Total derivative financial assets	14.0	15.5	2.8	3.9	4.7	4.1	-

¹For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period. Applicable same day, same counterparty derivative inflows and outflows are net cash settled.

²The non-derivative financial assets and financial liabilities have been presented based on the remaining contractual maturities.

³As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

Bank - 2025	Carrying Amount \$m	Gross contractual inflow/(outflow) \$m	Within 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	More than 5 years \$m
Financial liability by type							
Non-derivative financial liabilities²							
Payables due to other banks	19.8	(19.8)	(19.8)	-	-	-	-
Members' shares	2.4	(2.4)	(2.4)	-	-	-	-
Customers' call deposits	9,402.9	(9,402.9)	(9,402.9)	-	-	-	-
Customers' term deposits	5,109.9	(5,203.5)	(886.0)	(1,170.5)	(2,983.0)	(164.0)	-
Borrowings	7,951.3	(8,659.7)	(271.0)	(541.3)	(2,333.7)	(4,084.9)	(1,428.8)
Lease liabilities	39.1	(44.2)	(0.8)	(1.7)	(7.5)	(24.5)	(9.7)
Total non-derivative financial liabilities	22,525.4	(23,332.5)	(10,582.9)	(1,713.5)	(5,324.2)	(4,273.4)	(1,438.5)
Derivative financial liabilities							
Interest rate swaps ¹							
Outflow	-	(105.7)	(15.8)	(25.7)	(49.4)	(14.8)	-
Inflow	-	96.9	14.7	23.9	45.2	13.1	-
Total derivative financial liabilities	11.7	(8.8)	(1.1)	(1.8)	(4.2)	(1.7)	-
Financial asset by type							
Non-derivative financial assets²							
Cash and cash equivalents	532.3	532.3	532.3	-	-	-	-
Receivables due from other banks	1.7	1.7	1.7	-	-	-	-
Financials assets - FVOCI	119.0	119.0	-	-	-	-	119.0
Financial assets - amortised cost	5,193.5	5,193.5	204.6	421.5	514.6	1,179.7	2,873.1
Loans and advances	17,951.5	17,951.5	34.7	104.5	318.9	1,777.2	15,716.2
Total non-derivative financial assets	23,798.0	23,798.0	773.3	526.0	833.5	2,956.9	18,708.3
Derivative financial assets							
Interest rate swaps ¹							
Outflow	-	(256.0)	(20.0)	(16.9)	(121.9)	(97.2)	-
Inflow	-	286.4	20.2	16.7	128.9	120.6	-
Total derivative financial assets	32.1	30.4	0.2	(0.2)	7.0	23.4	-

¹For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

²The non-derivative financial assets and financial liabilities have been presented based on the remaining contractual maturities.

Notes to the financial statements

For the year ended 30 June 2025

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

Bank - 2024	Carrying Amount \$m	Gross contractual inflow/(outflow) \$m	Within 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	More than 5 years \$m
Financial liability by type							
Non-derivative financial liabilities²							
Payables due to other banks	1.4	(1.4)	(1.4)	-	-	-	-
Members' shares	2.8	(2.8)	(2.8)	-	-	-	-
Customers' call deposits	9,117.0	(9,117.0)	(9,117.0)	-	-	-	-
Customers' term deposits ³	5,045.7	(5,159.4)	(687.3)	(1,163.2)	(3,159.4)	(149.5)	-
Borrowings ³	8,286.9	(9,289.9)	(283.4)	(517.5)	(2,152.2)	(4,680.3)	(1,656.5)
Lease liabilities	34.2	(38.4)	(0.8)	(1.4)	(5.6)	(19.1)	(11.5)
Total non-derivative financial liabilities	22,488.0	(23,608.9)	(10,092.7)	(1,682.1)	(5,317.2)	(4,848.9)	(1,668.0)
Derivative financial liabilities							
Interest rate swaps ¹							
Outflow	-	(225.9)	(10.7)	(26.6)	(110.4)	(78.2)	-
Inflow	-	204.2	9.4	24.1	98.5	72.2	-
Total derivative financial liabilities	20.2	(21.7)	(1.3)	(2.5)	(11.9)	(6.0)	-
Financial asset by type							
Non-derivative financial assets²							
Cash and cash equivalents	476.4	476.4	476.4	-	-	-	-
Receivables due from other banks	16.8	16.8	16.8	-	-	-	-
Financials assets - FVOCI	218.6	218.6	-	-	-	-	218.6
Financial assets - amortised cost	6,075.0	6,075.0	361.2	430.4	532.3	1,052.7	3,698.4
Loans and advances	16,912.9	16,912.9	29.5	96.8	266.9	1,494.1	15,025.6
Total non-derivative financial assets	23,699.7	23,699.7	883.9	527.2	799.2	2,546.8	18,942.6
Derivative financial assets							
Interest rate swaps ¹							
Outflow	-	(75.5)	(12.0)	(5.5)	(18.5)	(39.5)	-
Inflow	-	91.0	14.8	9.4	23.2	43.6	-
Total derivative financial assets	14.0	15.5	2.8	3.9	4.7	4.1	-

¹For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

²The non-derivative financial assets and financial liabilities have been presented based on the remaining contractual maturities.

³As a result of a realignment of liquidity reporting definitions, \$528.5 million previously in term borrowings was reclassified as customers' term deposits as at 30 June 2024.

Notes to the financial statements

For the year ended 30 June 2025

3.10 Capital management

Regulatory capital

The Group actively manages its capital base to cover risks inherent in the business. The primary objectives of the Group’s capital management strategies are to ensure that the Bank maintains capital resources to support the Group’s business activities and to ensure the efficient use of capital in accordance with Regulatory and Board Risk Appetite. The Bank uses capital to reinvest in the business to enhance products and services supplied to the customers of the Bank.

The Group’s capital is measured and managed in line with Prudential Standards issued by APRA. During the current and previous years, the Banking Group¹ has not breached any capital requirements.

The elements of capital are analysed as follows:

Qualifying capital	Banking Group ¹	
	As at 30 June 2025 \$m	As at 30 June 2024 \$m
Common Equity Tier 1 Capital		
Retained profits, including current year profits	1,335.9	1,277.0
Reserves	53.5	34.5
Total Common Equity Tier 1 Capital	1,389.4	1,311.5
Regulatory Adjustments		
Intangibles	(68.9)	(68.1)
Equity investments	(63.3)	(72.1)
Other deductions	(93.7)	(71.3)
Total Regulatory Adjustments	(225.9)	(211.5)
Net Common Equity Tier 1 Capital	1,163.5	1,100.0
Tier 2 Capital		
Provisions eligible for inclusion in Tier 2 Capital	17.3	21.6
Net Tier 2 Capital	17.3	21.6
Capital base	1,180.8	1,121.6
Risk weighted assets	7,678.3	7,673.5
Risk Weighted Capital Ratios		
Tier 1	15.15%	14.34%
Tier 2	0.23%	0.28%
Total Capital Ratio	15.38%	14.62%

¹The regulatory capital requirements are measured for the Bank and all of its banking subsidiaries (known as the Banking Group).

Notes to the financial statements

For the year ended 30 June 2025

4. Other notes

4.1 Property, plant and equipment

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
At cost	60.2	60.9	60.2	60.9
Accumulated depreciation	(40.2)	(36.8)	(40.2)	(36.8)
Property, plant and equipment	20.0	24.1	20.0	24.1
Capital work in progress	1.1	-	1.1	-
Total property, plant and equipment	21.1	24.1	21.1	24.1

All property, plant and equipment balances at 30 June 2025 and 30 June 2024 are non-current.

Recognition and measurement

All property, plant and equipment are measured at cost less depreciation and impairment losses.

All property, plant and equipment are depreciated using the straight-line method over their expected useful lives to the Group. Leasehold improvements are depreciated over the shorter of either their estimated useful life or the remaining term of the lease. The estimated useful lives have not changed from the previous year.

The estimated useful lives are as follows:

Computer hardware	4 years
Office furniture and equipment	3-5 years
Leasehold improvements	2-10 years

Notes to the financial statements

For the year ended 30 June 2025

4.2 Intangibles

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
At cost	211.1	190.8	211.1	190.8
Accumulated amortisation	(165.1)	(148.3)	(165.1)	(148.3)
Intangibles	46.0	42.5	46.0	42.5
Capital work in progress	22.9	25.6	22.9	25.6
Total intangibles	68.9	68.1	68.9	68.1
Reconciliation of carrying amounts				
Carrying amount at beginning of the year	68.1	61.2	68.1	61.2
Additions	20.3	10.5	20.3	10.5
Net movement in capital work in progress	(2.7)	10.9	(2.7)	10.9
Amortisation	(16.8)	(14.5)	(16.8)	(14.5)
Carrying amount at end of the year	68.9	68.1	68.9	68.1

All intangible asset balances at 30 June 2025 and 30 June 2024 are non-current.

Recognition and measurement

Intangibles include acquired or internally generated software. Software is amortised using the straight-line method over the expected useful life to the Group. The estimated useful lives have not changed from the previous year.

The estimated useful lives are as follows:

Major banking infrastructure software	15 years
Loan origination system	3-10 years
Other computer software	3-7 years

4.3 Right-of-use (ROU) assets

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Buildings	34.7	30.0	34.7	30.0
Total ROU assets	34.7	30.0	34.7	30.0
Reconciliation of carrying amounts				
Carrying amount at beginning of the year	30.0	32.9	30.0	32.9
Additions	13.8	5.9	13.8	5.9
Depreciation	(9.1)	(8.8)	(9.1)	(8.8)
Carrying amount at end of the year	34.7	30.0	34.7	30.0

Refer to Note 3.9(c) for maturity analysis of lease liabilities as at 30 June 2025 and 30 June 2024.

Notes to the financial statements

For the year ended 30 June 2025

4.3 ROU assets (continued)

The Group leases various hub offices and branch premises. Lease contracts are typically made for periods over 1 to 10 years, excluding extension options.

Recognition and measurement

The Group recognises a ROU asset and a lease liability at the lease commencement date.

The ROU asset is measured at cost, which comprises the following:

- The initial amount of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

ROU assets are subsequently depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

The lease liability is initially measured at the present value of lease payments, discounted using the Group's incremental borrowing rates (IBR) as the rates implicit to Group's leases cannot be readily determined. The IBR is the rate that the Group would have to pay to borrow the funds necessary to obtain a similar ROU asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured at amortised cost using the effective interest method.

Exemptions are available for short term leases and leases of low-value assets with payments being recognised over the lease term as operating expenses in the income statement. The Group has applied these exemptions for short term leases at 30 June 2025 and 30 June 2024.

Occupancy expenses in the income statement include lease expenses of \$1.1 million (2024: \$1.4 million) in relation to short term leases.

Use of judgements and estimates

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

The Group estimates the IBR using observable inputs (such as market interest rates) when available.

Notes to the financial statements

For the year ended 30 June 2025

4.4 Other liabilities

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Lease liabilities	39.1	34.2	39.1	34.2
Trade creditors and accruals	21.2	20.1	21.9	21.2
Insurance contract liabilities¹	0.1	0.1	-	-
Income tax payable	6.6	10.2	6.6	10.2
	67.0	64.6	67.6	65.6

¹Credicorp Insurance continues to be in run-off, refer to Note 4.11.

For recognition and measurement details of lease liabilities, refer to Note 4.3.

The Bank has no bank guarantee in respect of its leased properties at 30 June 2025 and 30 June 2024.

Except for the lease liabilities, all other liability balances at 30 June 2025 and 30 June 2024 are current. The current and non-current balances in respect of lease liabilities are as follows: current lease liabilities of \$8.4 million (2024: \$6.7 million), non-current lease liabilities of \$30.7 million (2024: \$27.5 million).

Notes to the financial statements

For the year ended 30 June 2025

4.5 Provisions

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Employee benefits	30.1	27.1	30.1	27.1
Make good provision	3.1	2.3	3.1	2.3
Other provisions	4.6	5.3	4.6	5.3
	37.8	34.7	37.8	34.7
Current	30.9	28.3	30.9	28.3
Non-current	6.9	6.4	6.9	6.4
	37.8	34.7	37.8	34.7

Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions payable later than one year have been measured at the present value by discounting the expected future cash outflows at a rate that reflects the current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as financing costs, excluding long term employee benefits.

Employee benefits

Employee provisions comprise liabilities for employee benefits such as annual and long service leave, short term and long term incentives plans, refer to Note 4.7(a). These arise from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Make good provision

The make good provision is the estimated present value of expenditure required to restore the leased branches and hub offices to their original condition at the end of the respective leases. The provision is assessed at each balance date for new, amended and expired leases. The estimate of the provision has been calculated using historical costs.

Other provisions

Included in other provisions are provisions relating to ongoing remediations and regulatory reviews. The Group undertakes ongoing compliance activities, including review of products, advice, conduct and services provided to customers, as well as interest, fees and premiums charged. Some of these investigations and reviews have resulted in remediation programs or are being assessed for possible breaches of regulatory obligations. There is a risk that where a breach has occurred, regulators may also impose fines and/or penalties.

The recognition and measurements of some of these provisions involves significant judgement about the existence of a present obligation, the likely outcome of various future events and the related estimated future cash flows. If the future events are uncertain or where the outflows cannot be reliably measured, a contingent liability is disclosed.

Notes to the financial statements

For the year ended 30 June 2025

4.6 Reserves

	Group		Bank	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Redeemed member share reserve	3.9	3.5	3.9	3.5
FVOCI reserve	21.3	23.0	21.6	24.7
Cash flow hedge reserve	18.4	(3.3)	18.4	(3.3)
Business combination reserve	9.6	9.6	9.6	9.6
	53.2	32.8	53.5	34.5

Nature and purpose of reserves

Redeemed member share reserve

Under the *Corporations Act 2001*, redeemable preference shares (member shares) may only be redeemed out of the Bank’s profit or through the new issue of shares for the purpose of the redemption. Member shares redeemed were transferred out of retained earnings to the redeemed member share reserve. The value of members’ shares is disclosed as a liability in Note 3.6.

FVOCI reserve

This reserve comprises the cumulative net changes in the fair value of investments in equity and debt instruments that are measured at FVOCI.

The Group has made an irrevocable election to measure certain investments in equity instruments at FVOCI. Changes in the fair value of these instruments are recognised in this reserve, while dividends are recognised in profit or loss. The cumulative amount recognised in the reserve is transferred directly to retained earnings when the related asset is derecognised.

For debt instruments, on derecognition the amounts in the reserve are reclassified to profit or loss.

Cash flow hedge reserve

This reserve is for the portion of the cumulative net gain or loss on cash flow hedges that are determined to be an effective hedge.

Business combination reserve

This reserve represents the excess of the fair value of assets taken up over liabilities assumed in a merger with other mutual entities.

Notes to the financial statements

For the year ended 30 June 2025

4.7 Related parties

(a) Key management personnel (KMP)

Compensation of the Group’s Non-Executive Directors and other KMP

The aggregate compensation of KMP during the year comprising amounts paid or payable was as follows:

	Non-Executive Directors		Other KMP¹	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Short term employee benefits	1,410.9	1,353.2	4,895.3	4,809.7
Post employment benefits	250.8	218.0	243.8	228.4
Other long term benefits	-	-	487.7	296.4
Termination benefits	-	-	550.5	-
	1,661.7	1,571.2	6,177.3	5,334.5

¹Other KMP comprises of Executive Committee members.

Compensation shown as short term benefits means (where applicable) salaries, annual and sick leave, and bonuses, but excludes out of pocket expense reimbursements. The Group’s Non-Executive Directors and other KMP are only remunerated by the Bank.

Included in post employment benefits is superannuation contributions and compensation relating to the Directors' defined benefit plan. The plan provides lump sum benefits based on years of service and the final average salary for the respective Directors who joined the Group prior to 30 June 2021. Included in other long term benefits is the long term incentive plan for the CEO and Executive Committee members.

The average total compensation to each Non-Executive Director excluding post employment and termination benefits is \$201,563 (2024: \$193,311).

Loans to the Group’s Non-Executive Directors and other KMP

	2025	2024
	\$'000	\$'000
Aggregate of loans as at balance date	2,370.5	2,474.3
Total undrawn revolving credit facilities available at balance date	422.2	310.4
Interest charged on loans and overdraft facilities	141.7	125.9

The above table includes amounts for the Group’s Non-Executive Directors and other KMP employed by the Group at balance date and their related parties. Non-Executive Directors and other KMP who resigned during the current year are excluded from the current year analysis but are included in the previous year comparative analysis.

The Group’s policy for lending to its Non-Executive Directors and other KMP is that all loans are approved under the same criteria applicable to customers. No amounts were written down or recorded as impaired during the year (2024: \$nil).

There are no benefits or concessional terms and conditions applicable to the family members of the Group’s Non-Executive Directors and other KMP (2024: \$nil). No loan balances with family or relatives of the Group’s Non-Executive Directors and other KMP were written down or recorded as impaired during the year (2024: \$nil).

Notes to the financial statements

For the year ended 30 June 2025

4.7 Related parties (continued)

(a) Key management personnel (KMP) (continued)

Other transactions with the Group’s Non-Executive Directors and other KMP

Other transactions with the Group’s Non-Executive Directors and other KMP and their related parties generally relate to deposits.

The Group’s policy is that all transactions are approved on the same terms and conditions that apply to customers. Interest has been paid on terms and conditions no more favorable than those available on similar transactions to customers of the Group. Other transactions include deposits and amounts paid to the Group for insurance products. These transactions are conducted on normal commercial terms and conditions no more favourable than those given to other employees or customers.

(b) Controlled entities and other related parties

Controlled entities are entities where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

(i) Particulars in relation to controlled entities

The Group financial statements include the financial statements of the Bank and the subsidiaries listed in the following table:

Name of entity	Equity interest		Investment	
	2025 %	2024 %	2025 \$'000	2024 \$'000
Credicorp Finance Pty Ltd	100%	100%	800.0	800.0
Credicorp Insurance Pty Ltd	100%	100%	-	-
CUA Management Pty Ltd	100%	100%	-	-
			800.0	800.0

Investments in controlled entities are carried at cost and eliminated on consolidation.

All entities are incorporated in Australia.

All the above entities are members of a tax consolidated group for the full year, refer to Note 2.3 for further details.

(ii) Securitisation

The Bank conducts an asset securitisation program through which it packages and sells asset-backed securities to investors and borrows from lenders through special purpose entities (SPE). The Bank is entitled to any residual income of the SPE after all payments to investors and lenders and costs of the programs have been met. These SPEs are consolidated as the Bank holds the majority of the residual risks and benefits of the vehicles associated with the SPEs.

The following securitisation trusts are controlled by the Bank:

- Series 2012-1R Harvey Trust
- Series 2015-1 Harvey Trust (closed on 16 October 2024)
- Series 2017-1 Harvey Trust
- Series 2018-1 Harvey Trust
- Series 2021-1 Harvey Trust
- Series 2023-1 Harvey Trust
- Series 2024-1 Harvey Trust (established on 18 July 2024)
- Harvey Warehouse Trust No. 4
- Harvey Warehouse Trust No. 5

Notes to the financial statements

For the year ended 30 June 2025

4.7 Related parties (continued)

(b) Controlled entities and other related parties (continued)

(ii) Securitisation (continued)

Transfer of financial assets

The following table sets out the financial assets and associated liabilities of the securitisation program that did not qualify for derecognition.

	Group		Bank	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Transferred financial assets				
Loans and advances at amortised cost	5,293,238.8	6,175,259.9	5,293,238.8	6,175,259.9
Associated financial liabilities				
Securitisation liabilities - external investors	2,556,662.0	2,478,079.0	2,556,662.0	2,478,079.0
Amounts due to the Bank	-	-	2,938,304.6	3,911,620.1
	2,556,662.0	2,478,079.0	5,494,966.6	6,389,699.1
For those liabilities that have recourse only to transferred assets:				
Fair value of transferred assets	5,282,983.2	6,145,246.6	5,282,983.2	6,145,246.6
Fair value of associated liabilities	(2,567,619.6)	(2,482,537.7)	(5,444,603.7)	(6,341,346.6)
Net position	2,715,363.6	3,662,708.9	(161,620.5)	(196,100.0)

Collateral

The Bank has advanced \$227.0 thousand (2024: \$1,781.0 thousand) as cash collateral in relation to interest rate swaps for securitisation trusts. The funds are held in restricted interest earning accounts and will be returned at maturity of the interest rate swap contracts.

(iii) Significant restrictions

Cash and cash equivalents include restricted balances of \$210,340.2 thousand (2024: \$233,104.4 thousand) in the Group which represent deposits held in securitisation trust collection accounts which are not available to the Group.

The regulatory frameworks within which the general insurance subsidiary operate require the subsidiary to keep certain levels of regulatory capital and liquid assets, limit its exposure to other parts of the Group and comply with various ratio requirements. The significant restrictions imposed by the regulatory frameworks are the only restrictions on the Bank transferring the cash or other assets of the subsidiary. The net carrying amount of the subsidiary’s assets and liabilities are \$8,985.2 thousand and \$188.3 thousand, respectively (2024: \$9,165.4 thousand and \$309.4 thousand, respectively).

(iv) Particulars in relation to a joint venture entity

The Group has a 50% interest in Mutual Marketplace Pty Ltd (2024: 50%). For more details, refer to Note 4.8.

Notes to the financial statements

For the year ended 30 June 2025

4.7 Related parties (continued)

(b) Controlled entities and other related parties (continued)

(v) Transactions with controlled and joint venture entities

The following table provides the total amount of transactions that were entered into by the Bank with controlled and joint venture entities for the relevant year. These transactions were all carried out under normal commercial terms.

Transactions with controlled and joint venture entities:

	Bank	
	2025	2024
	\$'000	\$'000
Dividend revenue	300.0	360.0
Commission revenue	0.1	3.4
Net management fees expense	(649.8)	(474.9)
Net interest expense	(104.1)	(97.8)
Net expense Mutual Marketplace Pty Ltd ¹	(107,471.3)	(119,108.3)

¹Spend in ordinary course of business that would otherwise flow through the Bank.

The net amounts payable to controlled and joint venture entities as at 30 June were:

	Bank	
	2025	2024
	\$'000	\$'000
Credicorp Finance Pty Ltd	91.9	91.7
Credicorp Insurance Pty Ltd	1,297.2	1,899.2
CUA Management Pty Ltd	741.8	570.2

The intercompany payables to the controlled and joint venture entities are unsecured, repayable on demand and bear interest at the BBSW 3 month rate (2024: BBSW 3 month rate).

The Bank is the head entity of the tax consolidated group and has entered into tax funding and tax sharing agreements with its eligible Australian resident subsidiaries. The details of this agreement are set out in Note 2.3. All transactions between Group entities are eliminated on consolidation.

(vi) Indemnity arrangements

At 30 June 2025, there is a deed of indemnity between the Bank and CUA Management, and the Bank and Credicorp Insurance relating to remediation activities which have been completed.

Notes to the financial statements

For the year ended 30 June 2025

4.8 Joint venture

The Bank has an interest in a joint venture with Mutual Marketplace Pty Ltd, which provides procurement related services to the joint venture owners and other Australian mutuals. The country of incorporation and principal place of business of the joint operation is Australia.

(a) Interest in joint venture

Name of entity	Place of business/country of incorporation	% Ownership interest		Nature of relationship	Measurement	Carrying amount	
		2025	2024			2025 \$m	2024 \$m
Mutual Marketplace Pty Ltd	Australia	50%	50%	Joint Venture	Equity Method	4.1	3.7

Mutual Marketplace Pty Ltd has share capital consisting solely of ordinary shares, which are held directly by the Group and ownership interest is in the same proportion as the voting rights held.

(i) Commitments and contingent liabilities in respect of joint venture

	2025 \$m	2024 \$m
Commitments to operating expenditure	1.8	1.2
	1.8	1.2

The Group has no commitments relating to non-cancellable operating lease contracts entered into by the Group's interest in the joint venture.

(ii) Summarised financial information for joint venture

The table below provides summarised financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Bank's share of those amounts. They have been amended to reflect adjustments made by the Bank when using the equity method of accounting, including fair value adjustments and modifications for differences in accounting policy.

Summarised income statement	2025 \$m	2024 \$m
Revenue	203.8	202.6
Cost of sales	(195.3)	(194.4)
Gross profit	8.5	8.2
Operating expenses	(6.9)	(7.1)
Profit before income tax	1.6	1.1
Income tax expense	(0.5)	(0.3)
Profit for the year	1.1	0.8

Notes to the financial statements

For the year ended 30 June 2025

4.8 Joint venture (continued)

(a) Interest in joint venture (continued)

(ii) Summarised financial information for joint venture (continued)

	2025 \$m	2024 \$m
Summarised balance sheet		
Total assets	18.5	15.4
Total liabilities	(10.4)	(8.0)
Net assets	8.1	7.4
Reconciliation to carrying amounts:		
Opening net assets	7.4	7.5
Profit for the year	1.1	0.8
Dividends paid	(0.4)	(0.9)
Closing net assets	8.1	7.4
Group's share in %	50%	50%
Group's share in \$	4.1	3.7
Carrying amount	4.1	3.7

Investment in the joint venture at 30 June 2025 and 30 June 2024 is non-current.

Recognition and measurement

The Group’s investment in the joint venture is accounted for under the equity method in the Group financial statements as it has joint control over all operational decisions and activities.

Under the equity method, the investment in the joint venture is initially recognised at cost and the carrying value is subsequently increased or decreased by the Group’s share of the joint venture entity’s profits or losses. The Group ceases to recognise its share of losses when its share of net assets and amounts due from the joint venture entity have been reduced to nil, unless it has incurred further obligations.

Share of gains or losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Dividends received or receivable from the joint venture entity are recognised as a reduction to the carrying amount of the investment.

At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value.

Notes to the financial statements

For the year ended 30 June 2025

4.9 Commitments and contingent liabilities

(a) Outstanding loan and credit facility commitments

Loans approved but not advanced and credit facilities undrawn at the end of the year were as follows:

	Group		Bank	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Loans approved not advanced	485.8	527.8	485.8	527.8
Undrawn overdrafts and credit facilities at call	189.6	204.1	189.6	204.1
	675.4	731.9	675.4	731.9

(b) Capital commitments

At 30 June 2025 and 30 June 2024, the Group had no commitments relating to plant and equipment acquisitions.

(c) Superannuation commitments

The Bank contributes to a number of defined contribution superannuation funds, which provide benefits for employees on retirement, death or disability. Employees may contribute additional amounts of their gross income to their respective superannuation fund. The Bank has no financial interest in any of the funds and is not liable for their performance or their obligations.

4.10 Remuneration of auditor

The auditor of the Group is KPMG. Amounts received or due and receivable by KPMG for audit and non-audit services provided during the year are set out below.

	Group		Bank	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Audit services				
Audit of financial statements	569.3	535.2	540.2	501.1
Other regulatory and audit services	412.5	204.6	389.7	181.1
Total audit services	981.8	739.8	929.9	682.2
Audit related services				
Other assurance services	147.2	165.9	147.2	165.9
Total audit related services	147.2	165.9	147.2	165.9
Total auditor's remuneration	1,129.0	905.7	1,077.1	848.1

Other regulatory and audit services include costs related to breach reporting obligations, internal capital adequacy assessment process and CPS 220 Risk Management comprehensive reviews.

Notes to the financial statements

For the year ended 30 June 2025

4.11 Insurance governance and capital management

Credicorp Insurance Pty Ltd

Insurance governance

General insurance contracts are defined as contracts under which Credicorp Insurance accepts significant insurance risk from another party by agreeing to compensate the party insured from a specified uncertain event.

On 17 September 2019, the Credicorp Insurance Board approved the decision of Credicorp Insurance to stop selling consumer credit insurance products.

The business continues to be in run-off and as at 30 June 2025, the financial position and performance is not significant to the Group.

4.12 Events subsequent to reporting date

Since 30 June 2025, there have been no matters or circumstances not otherwise dealt with in the Financial Report that have significantly or may significantly affect the Group.

The Group has not identified any subsequent events that would require adjustments to the amounts or disclosures in the financial statements.

Notes to the financial statements

For the year ended 30 June 2025

5. Accounting policies and new accounting standards

5.1 Other accounting policies

(a) Basis of consolidation

These financial statements comprise the financial statements of the Bank and all of its controlled entities (the Group). Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All inter-company balances and transactions between entities in the Group, including any unrealised profit or losses, have been eliminated on consolidation. The financial statements of controlled entities are prepared for the same accounting period as the Bank.

Where controlled entities have entered or left the Group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(c) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(d) Loyalty program

The Bank participates in a Customer Loyalty Program operated by a third party. The program allows credit card holders to accumulate points when they transact with their credit card. The third party is paid for points redeemed by the credit card holders in exchange for rewards supplied. The Bank has fulfilled its obligations to the credit card holders when the points are granted and recognises revenue from the points for fees arising from the card transactions. Revenue is measured gross of the amount payable to the third party as the Bank is collecting the revenue on its own account. The amount payable to the third party is measured based on the fair value of the points and the redemption rate estimated.

(e) Software as a service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access a cloud provider's application service software over the contractual period. The Group does not receive a software intangible asset at the contract commencement date.

Distinct configuration and customisation costs paid to the cloud provider are expensed as incurred as the software is configured or customised. Non distinct configuration and customisation costs are expensed over the SaaS contract term. Services fees or fees for use of the application software are recognised as operating expenses over the term of the service contract when services are received.

Non distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Costs incurred by the Group that meet the definition and recognition criteria for an intangible asset are recognised as intangible software assets. These costs include the development of software code that enhances, modifies, or creates additional capability to existing systems owned and controlled by the Group.

Notes to the financial statements

For the year ended 30 June 2025

5.2 New accounting standards

(a) New Australian Accounting standards and amendments to accounting standards that were effective as of 1 July 2024

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2024:

- AASB 2020-1/AASB 2020-6 Amendments to Australian Accounting Standards: *Classification of Liabilities as Current or Non-Current*
- AASB 2023-1 Amendments to Australian Accounting Standards: *Supplier Finance Arrangements*
- AASB 2023-3 Amendments to Australian Accounting Standards: *Disclosure of Non-current Liabilities with Covenants Tier 2*

The application of these standards and amendments do not materially impact the annual consolidated financial statements.

(b) New Australian Accounting standards and amendments to accounting standards and interpretations that are yet to be effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the annual reporting period ended 30 June 2025. Unless otherwise indicated below, these are not expected to have a material impact on the Group’s financial statements.

- AASB 18 *Presentation and Disclosure in the Financial Statements* (for profit-entities)

AASB 18 *Presentation and Disclosure in the Financial Statements* was issued in June 2024 and will be effective for the Group on 1 July 2027. The new standard on presentation and disclosure in financial statements focuses on significant updates to the income statements and greater disaggregation of information to enhance transparency, comparability and consistency on how financial measures are communicated.

The new key concepts relate to the structure of the statement, required disclosures for certain profit or loss performance measures that are reported outside an entity’s financial statements (management-defined performance measures) and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Management will analyse the requirements of AASB 18, and evaluate data, systems, process, control and reporting considerations in order to transition to the new standard.

- AASB 2014-10 Amendments to Australian Accounting Standards: *Sale or Contribution of Assets between an Investor and its Associate and Joint Venture*
- AASB 2024-4b Amendments to Australian Accounting Standards: *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply)*
- AASB 2024-2 Amendments to Australian Accounting Standards: *Classification and Measurement of Financial Instruments*
- AASB 2024-3 Amendments to Australian Accounting Standards: *Annual Improvements Volume 11*

5.3 Other developments

AASB Sustainability Reporting Standards

The AASB introduced the first set of Australian Sustainability Reporting Standards (ASRS) on 20 September 2024.

AASB S2 Climate-related Disclosures (AASB S2), the mandatory climate reporting standard, requires entities to disclose detailed information about their governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities.

The Group commenced AASB S2 reporting from 1 July 2025. Transitional Climate-related Disclosures are reported on page 28 of the Annual Report as the Group continues to progress its project in preparation for its 30 June 2026 sustainability and climate-related reporting obligations.

Consolidated entity disclosure statement

For the year ended 30 June 2025

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the year as required by the *Corporations Act 2001* (s.295(3A)(a)).

Name of entity	Type of entity	Country of Incorporation	Bank’s interest (%)	Tax residency	Foreign jurisdiction of foreign residents
Credicorp Finance Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Credicorp Insurance Pty Ltd	Body corporate	Australia	100%	Australian	n/a
CUA Management Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Series 2012-1R Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2017-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2018-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2021-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2023-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2024-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Harvey Warehouse Trust No. 4	Trust	Australia	N/A	Australian	n/a
Harvey Warehouse Trust No. 5	Trust	Australia	N/A	Australian	n/a

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. In the context of an entity which was an Australian resident, “Australian resident” has the meaning provided in the *Income Tax Assessment Act 1997*.

In determining that all Group entities have Australian tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in *Tax Ruling TR 2018/5*.

All entities within the disclosure statement have been incorporated (where applicable) in Australia, operate their business within Australia, and have their central management and control within Australia.

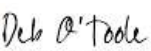
Directors’ declaration

In the opinion of the Directors of Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank):

- (a) the financial statements and notes of the Bank and of the Group as set out on pages 76 to 140, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Bank’s and the Group’s financial position as at 30 June 2025 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*.
- (b) the consolidated entity disclosure statement as at 30 June 2025 set out on page 141 is true and correct; and
- (c) there are reasonable grounds to believe that the Bank and the Group will be able to pay their debts as and when they become due and payable.

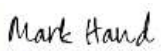
The Directors draw attention to Note 1.2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Deborah O’Toole
Chair

Brisbane
27 August 2025



Mark Hand
Director



Independent Auditor’s Report

To the Members of Credit Union Australia Limited (trading as Great Southern Bank) (the Bank)

Report on the audit of the Financial Report

Opinion

We have audited the consolidated **Financial Report** of Credit Union Australia Limited (trading as Great Southern Bank) (the **Group Financial Report**). We have also audited the Financial Report of Credit Union Australia Limited (the **Bank Financial Report**).

In our opinion, each of the accompanying Group Financial Report and Bank Financial Report gives a true and fair view, including of the **Group’s and the Bank’s** financial position as at 30 June 2025 and of their financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the **Group** and the **Bank** comprises:

- Balance sheets as at 30 June 2025
- Income statements, Statements of comprehensive income, Statements of changes in members’ funds and Statements of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025;
- Notes, including material accounting policies; and
- Directors’ Declaration.

The **Group** consists of Credit Union Australia Limited (trading as Great Southern Bank) (the **Bank**) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group and Bank in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other Information

Other Information is financial and non-financial information in Great Southern Bank’s annual report which is provided in addition to the Financial Report and the Auditor’s Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and Bank, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and Bank, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Bank’s ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Bank or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor’s Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.



A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf
This description forms part of our Auditor’s Report.

KPMG

KPMG

Scott Guse
Partner

Brisbane
27 August 2025

**Credit Union Australia Ltd
(trading as Great Southern Bank)**

ABN: 44 087 650 959
AFSL: 238 317
Registered office:
Level 27, 300 George Street,
Brisbane QLD 4000

Credicorp Insurance Pty Ltd

ABN: 50 069 196 756
AFSL: 238 335
Registered office:
Level 27, 300 George Street,
Brisbane QLD 4000

CUA Management Pty Ltd

ABN: 60 010 003 853
AFSL: 221 896
Registered office:
Level 27, 300 George Street,
Brisbane QLD 4000



Great
Southern
Bank

greatsouthernbank.com.au



Great Southern Bank, a business name of Credit Union Australia Ltd ABN 44 087 650 959 AFSL and Australian Credit Licence 238317.

