



2025 FINANCIAL REPORT



Corporate Governance Statement **3**

Directors' report **14**

Auditor's independence declaration **17**

Income statements **18**

Statements of comprehensive income **19**

Balance sheets **20**

Statements of changes in equity **21**

Statements of cash flows **22**

Notes to the financial statements **23**

Consolidated entity disclosure statement **68**

Directors' declaration **69**

Independent auditor's report **70**

This 2025 Financial Report outlines the financial position and performance of NGM Group, for the financial year ended 30 June 2025. It provides information required of NGM Group under the *Corporations Act 2001* (Cth) and in relation to NGM Group's Corporate Governance.

Our 2025 Annual Report demonstrates how NGM Group has delivered on our purpose of helping our customers and communities thrive, in the period 1 July 2024 to 30 June 2025. It also includes our Sustainability Report, detailing our community, social and environmental efforts in the same period.

Together, this Financial Report and our 2025 Annual Report form NGM Group's reporting suite, with all documents available at www.ngmgroup.com.au.

Corporate Governance Statement

The Board of Newcastle Greater Mutual Group Ltd (NGM Group) is committed to excellence in corporate governance and promotes a best-practice approach that is efficient, transparent and, where practicable for NGM Group, aligned with the fourth edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Principles). Although NGM Group is not required to comply with the ASX Principles, stakeholders can see our level of alignment to these principles and recommendations by viewing the Governance Disclosures table at ngmgroup.com.au/governance.

This Corporate Governance Statement describes NGM Group's Corporate Governance Framework, principles and practices. It also contains information on the qualifications, experience and special responsibilities of Directors and Secretaries and Directors' attendance at Board and Board Committee meetings as required under the *Corporations Act 2001* (Cth).

1. Purpose, culture and values

At NGM Group, good corporate governance is how we make decisions and manage risks to deliver on our purpose as a customer-owned financial institution of "helping our customers and communities thrive" and achieve our strategic ambition of "passionate people enabled to deliver the future of trusted banking".

The Board recognises that a cohesive corporate culture is the cornerstone of an effective governance framework, and that it is responsible for establishing the tone from the top. The Board shapes and is committed to promoting NGM Group's culture of acting lawfully, ethically and responsibly, including by communicating and operating in ways that role model NGM Group's organisational values of "Embrace Opportunity", "Own the Action", "Lead with Heart" and "Thrive Together". These guiding principles are intrinsically linked to our Strategic Plan and performance and remuneration frameworks.

All Directors, Secretaries, Executives and employees are required to comply with the behavioural standards and expectations described in NGM Group's Code of Conduct and are actively encouraged to speak up about any unlawful, unethical or irresponsible behaviour under NGM Group's Whistleblower Policy, available at ngmgroup.com.au/governance.

2. Our Directors



Samantha (Sam) J. Martin-Williams
B.Bus, M.HR&IR, M.CommLaw, FAICD, FGIA, CMILT
Chair

Board Member since February 2012.¹ Member of the Risk, People, Culture & Remuneration and Governance & Nomination Committees.

Sam is an experienced Board Chair, Company Director and former CEO, with more than 25 years of governance and workplace relations expertise across highly regulated sectors including infrastructure, banking, energy, logistics, technology and government.

Sam currently chairs AUSFILM International and the University of Newcastle Business School Advisory Board. She is the Deputy Chair of Newcastle Airport Ltd and an Independent Non-Executive Director of Capricorn Society.

Sam is the President of the NSW Division of the Australian Institute of Company Directors (AICD), a Fellow of the AICD, a Fellow of the Governance Institute of Australia and holds a Master of Commercial Law, a Master of Industrial Relations and Human Resource Management, and a Bachelor of Business.

She is also a Professor of Practice at the University of Newcastle Business School, a former Telstra Business Woman of the Year, a member of Chief Executive Women (CEW), and a Lead for Mentor Walks – a national initiative supporting the next generation of female leaders.



Rod M. Jackson
BEC, MBA, GAICD, FCPA, F Fin
Deputy Chair

Board Member since June 2023. Chair of the Risk Committee. Member of the Audit and Governance & Nomination Committees. Member of the Greater Investment Services Board.

Rod has worked as an executive in financial services, primarily at Westpac Banking Corporation for over 40 years, 11 of which have been in Asia and Europe. For the last 20 years Rod has been either a CFO or COO across numerous roles including Westpac Retail and Business Bank and the St George Banking Group. Rod retired from executive life in January 2021 from the CFO, Westpac Institutional Bank role.

Rod is a Non-Executive Director on a range of businesses both domestically and internationally. He is a Director of NextSense, Director of Financial Services Institute of Australasia and Director of Searson Buck Group. He is Adviser to Executive Global Network in Singapore and was Chair of Westpac Europe Ltd, based in London. He has been a Director in financial services, recruitment, property management and e-commerce for 17 years.

Rod holds a Bachelor of Economics from Australian National University and an MBA from the International Institute for Management Development, Switzerland. He is also a Graduate of the Australian Institute of Company Directors, a Fellow Certified Practising Accountant and a Fellow of the Financial Services Institute of Australasia.

¹Including time served as a Non-Executive Director of either the Greater Bank Limited Board or the Newcastle Permanent Building Society Ltd Board prior to the formation of the NGM Group Board.



Bernadette J.M. Inglis
BBus, MBA, GAICD, INSEAD Graduate
Managing Director & Chief Executive Officer

Board Member since July 2025.

Bernadette has over 20 years' executive leadership experience in financial services, including as

Chief Executive Officer of Newcastle Permanent from July 2019 through to the merger with Greater Bank which formed NGM Group in March 2023. Bernadette has been a successful business leader in retail banking, wealth management and insurance, and has held senior executive roles across core corporate services functions in both major and regional organisations. She has significant experience delivering business transformation and growth to drive customer value, including through emerging technologies, execution of strategy and fostering partnerships.

As an experienced Non-Executive Director, Bernadette has held a broad spectrum of Board appointments encompassing arts, education, infrastructure, supply chain and charitable foundations. She is presently Chair of GWA Group Limited and a Director of the Business Council of Co-operatives and Mutuals (BCCM).

Bernadette holds a Bachelor of Business from the University of Technology Sydney, has completed a Master of Business Administration (MBA) at Macquarie Business School, and is a graduate of INSEAD and the Australian Institute of Company Directors.



Nicola (Nicki) J. Page
GAICD, MACS, EMBA
Non-Executive Director

Board Member since March 2020.¹ Chair of the Governance & Nomination Committee. Member of the Audit and People, Culture & Remuneration Committees.

Nicki is a highly experienced Director and executive with deep expertise in digital transformation, strategy, and governance. She brings over 25 years of executive experience across Australia and the UK, leading high-impact technology and business change programs in regulated and complex environments.

Currently serving as a Non-Executive Director at Kennards Hire Pty Ltd and Interactive IT Pty Ltd. Previously, Nicki was CEO of an ASX-listed technology company, leading its strategic repositioning. With a technical background in Computer Science and Engineering from IBM and Microsoft, Nicki co-founded a data integration company delivering innovative solutions across various sectors, including financial services and healthcare, earning her the 2014 ARN Women in ICT Entrepreneur of the Year Award.

Nicki has completed the Corporate Directors Certificate at Havard Business School and additional studies in Leadership and Innovation at Harvard. She is also a graduate of the Australian Institute of Company Directors and holds an Executive MBA from the Australian Graduate School of Management.



Catherine A. Robson
BA, LLB (Hons), Grad Dip (Applied Finance), LLM (Tax), GAICD

Non-Executive Director

Board Member since July 2020.¹ Chair of the Audit Committee. Member of the Risk Committee. Chair of the NGM Group Foundations and Greater Investment Services Boards.

Catherine has more than 20 years of experience in banking, finance and investment, having commenced her career at Macquarie Bank and NAB, before founding financial services firm Affinity Private. Catherine currently serves as a Non-Executive Director for ASX listed EQT Holdings Limited, where she is the Chair of the Risk Committee and is Chair of subsidiary entities Equity Trustees Superannuation and HTFS Limited. Catherine's other Board appointments include serving as a Non-Executive Director for ASX listed Lumos Diagnostics, where she is the Chair of both the Audit & Risk Committee and the Remuneration & Nominations Committee, Non-Executive Director of the Australian Business Growth Fund and is the Non-Executive Chair of Korowa Anglican Girls School.



Darren Turner
BCom, FCA, GAICD

Non-Executive Director

Board Member since October 2024. Member of the Risk, Audit and Governance & Nomination Committees.

Darren retired as a Partner of PricewaterhouseCoopers (PwC) in 2017 after a four-decade long career predominantly spent in accounting firms providing audit and assurance, business and corporate advisory, accounting and risk management services to organisations across the Hunter region. Darren has worked as an advisor across a broad range of sectors, including financial services, health, government, mining, industrial, technology, and not-for-profit. Darren has also served as internal and external audit partner in the financial services sector.

Darren is currently a Director of Phoenix Health Fund, the Hunter Medical Research Institute, Varley Group, Quarry Mining and Construction Equipment, and the Newcastle Jockey Club. Darren is also Chair of the Governance and Risk Committee of NEX Building Group.

Darren holds a Bachelor of Commerce from the University of Newcastle, is a Fellow of Chartered Accountants ANZ, and an Australian Institute of Company Directors Graduate. Darren maintains a trusted network across the Hunter business community and is passionate about our thriving Hunter Region.



Donna-Maree Vinci
GAICD, FGIA
Non-Executive Director

Board Member since July 2020.¹ Chair of the People, Culture & Remuneration Committee. Member of the Risk Committee. Member of the NGM Group Foundations Board.

Donna brings extensive corporate and commercial experience in senior executive roles across global business operations, risk management, governance, digital, data and technology, and previously held senior executive roles at GenVis, Bank of Queensland (BOQ), Insurance Australia Group (IAG), Westpac and Citigroup. Donna also currently serves as a Non-Executive Director on the boards of a number of organisations in the financial services, aviation, healthcare, governance, compliance and risk management, water services and education sectors.

Donna is a Graduate of the Australian Institute of Company Directors and Competent Boards (Sustainability and ESG Leadership Certificate and Designation) and is certified as a Fellow with the Governance Institute of Australia.

Information on former Directors

Wayne Russell BCom, CA, GAICD, MIIA (Aust)
Former Chair

Board member from April 2011 to 20 November 2024.¹ Former Chair of the NGM Group Board. Former Member of the Audit, Risk, Governance & Nomination and Strategic Roadmap Delivery Committees.

Wayne has extensive experience in providing auditing and assurance services, having worked as an audit and assurance partner at PricewaterhouseCoopers for 20 years and Pitcher Partners for 10 years. Wayne also currently serves as Deputy Chair of Newcastle Anglican Corporation, which was established to oversee the corporate and business affairs of the Newcastle Anglican Diocese.

Jeffrey R. Eather BCom, CPA, FGIA, MAICD
Former Deputy Chair

Board Member from 1 May 2013 to 20 November 2024.¹ Former Deputy Chair of the NGM Group Board. Former Chair of the Strategic Roadmap Delivery Committee. Former Member of the People, Culture & Remuneration and Governance & Nomination Committees.

Jeff is a qualified accountant with strong governance credentials and hands-on business experience, having overseen some of Newcastle's leading corporations including in his former role as CEO of NBN Television. He was also formerly the Managing Director of The Callaghan Institute, Chair of the University of Newcastle Foundation and Deputy Chair of Hunter Water Corporation. Jeff holds a Bachelor of Commerce from the University of Newcastle and is a Certified Practising Accountant, a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

3. Our Company Secretaries

The following persons were Company Secretaries of NGM Group as at the end of the financial year:

Gabriella Sainsbury LLB, BCom (Fin), LLM, FGIA FCG, FAICD
Gabriella Sainsbury was appointed as Secretary of NGM Group on 30 June 2025.

Gabriella has more than 10 years' experience in governance and company secretariat roles, more than 12 years' experience as a Non-Executive Director and more than 10 years' experience as a practicing lawyer in both private practice and in-house roles, including in executive management.

She holds a Bachelor of Laws, Bachelor Commerce (Finance), Master of Laws (Commercial Transactions) and is both a Chartered Governance Professional and Chartered Company Secretary. She has been recognised as a Fellow of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia. Gabriella is admitted to practice as a legal practitioner of the Supreme Court of NSW and the High Court of Australia.

Stephanie Terrance LLB, BCom, Grad Dip Legal Prac, MAICD
Stephanie Terrance was appointed as a Secretary of NGM Group on 1 March 2025. She holds a Bachelor of Laws, a Bachelor of Commerce (majoring in Economics) and a Graduate Diploma in Legal Practice. Stephanie has over 9 years of experience as an in-house lawyer in the banking and financial services sector. She is a member of the Law Society of NSW and the Australian Institute of Company Directors and is admitted as a legal practitioner of the Supreme Court of NSW.

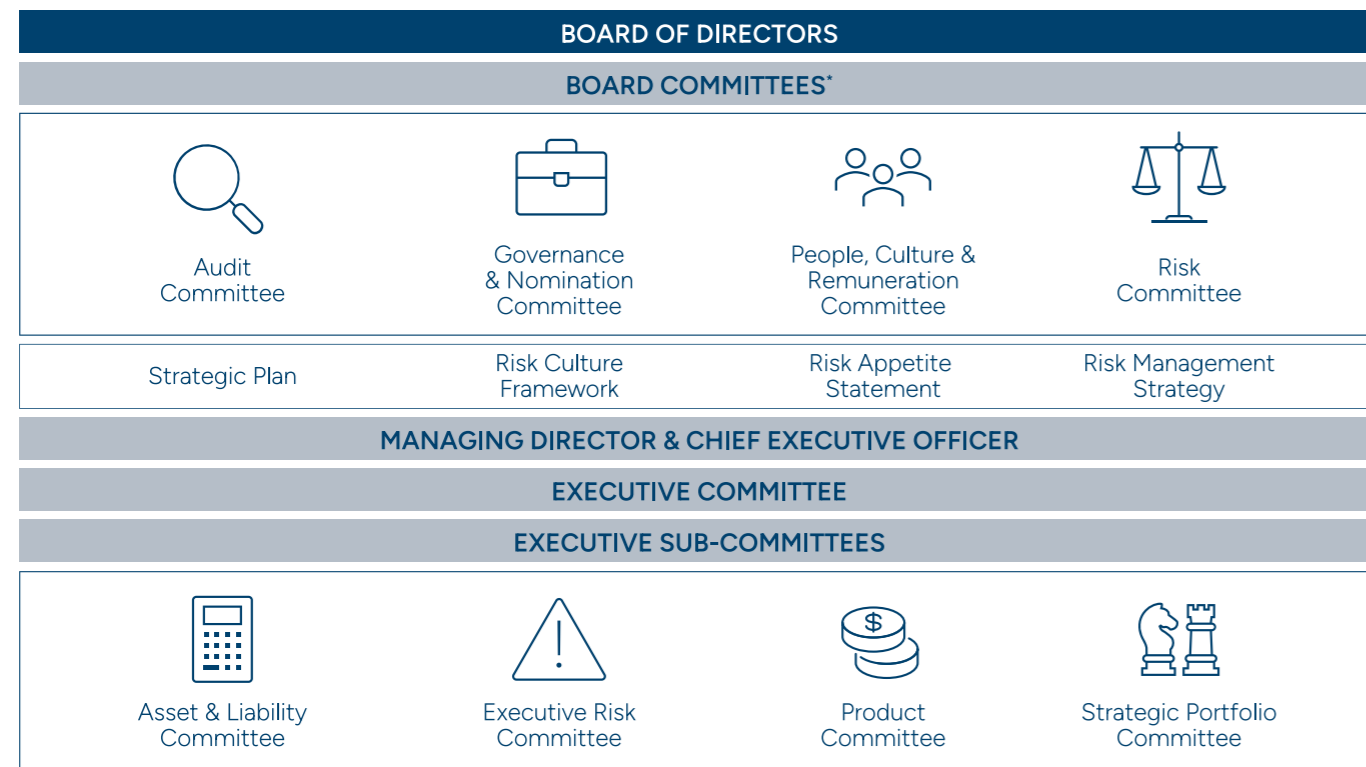
Magali Robinson LLB (Hons), CertGovPrac, GAICD
Magali Robinson was appointed as Secretary of NGM Group on 1 July 2023 and ceased on 30 June 2025. She holds a Bachelor of Laws, a Certificate in Governance Practice and is a Graduate of the Australian Institute of Company Directors (AICD). Magali has practiced law for more than 13 years in private practice and in-house legal roles and is a member of the Law Society of NSW and the AICD. Magali is admitted as a legal practitioner of the Supreme Court of NSW and the High Court of Australia.

¹Including time served as a Non-Executive Director of either the Greater Bank Limited Board or the Newcastle Permanent Building Society Ltd Board prior to the formation of the NGM Group Board.

¹Including time served as a Non-Executive Director of either the Greater Bank Limited Board or the Newcastle Permanent Building Society Ltd Board prior to the formation of the NGM Group Board.

4. Corporate governance framework, roles and responsibilities

NGM Group's corporate governance structure is depicted below:



* The Board established a Special Purpose Committee, the Strategic Roadmap Delivery Committee, which ceased on 4 January 2025.

4.1 Board and Board Committees

The role of the Board is to set and oversee strategies, plans and policies for the sound management and governance of NGM Group, including the organisation's purpose, values, culture (including risk culture), strategic direction and plan, financial performance, operational objectives, performance and remuneration frameworks and governance, risk management and accountability frameworks. The role, key duties and responsibilities and reserve powers of the Board are described in NGM Group's Board Charter, which is reviewed at least every two years.

To assist the Board in the discharge of its role, duties and responsibilities, the Board has established and delegated certain functions to its four standing Board Committees, described in the table below. Special Purpose Board Committees may also be formed from time to time to assist the Board with particular matters.

Board Committee	Duties and responsibilities	Members
Audit Committee	Oversees and makes recommendations to the Board on (among other matters): <ul style="list-style-type: none"> integrity of financial statements, financial reporting systems and audit processes effectiveness of internal control and compliance system(s) and the Risk Management Framework operation of the Internal Audit function in accordance with the Global Internal Audit Standards appointment and performance of NGM Group's Head of Internal Audit, external auditor and co-sourced internal audit services provider 	C. Robson (Chair) R. Jackson N. Page D. Turner
Risk Committee	Oversees and makes recommendations to the Board on (among other matters): <ul style="list-style-type: none"> the Risk Management Framework and Compliance Management Framework the Risk Management Strategy, Risk Appetite Statement and risk management policies, systems, controls and processes risk culture management of climate related risks and opportunities the appointment and performance of NGM Group's Chief Risk Officer 	R. Jackson (Chair) S. Martin-Williams C. Robson D. Turner D. Vinci

Board Committee	Duties and responsibilities	Members
People, Culture & Remuneration Committee	Oversees and makes recommendations to the Board on (among other matters): <ul style="list-style-type: none"> the Remuneration Policy and general remuneration matters remuneration of and succession planning for, the CEO and Executives inclusion and diversity people and organisational culture initiatives, performance frameworks, variable remuneration plans and recognition programs health, safety and wellbeing matters, systems, policies and information 	D. Vinci (Chair) S. Martin-Williams N. Page
Governance & Nomination Committee	Oversees and makes recommendations to the Board on (among other matters): <ul style="list-style-type: none"> the appointment, induction and succession planning for Directors and Board Committee members the optimal size and mix of skills required on the Board and Board Committees the annual review of Board, Board Committee and Director performance and effectiveness annual assessment of Directors' independence the corporate governance and accountability frameworks and key governance documents and processes 	N. Page (Chair) R. Jackson S. Martin-Williams D. Turner

Each Board Committee has a Charter which is reviewed at least every two years. The Board Committee Standing Rules apply to and are deemed to be incorporated into each Board Committee Charter and, together with the respective Charter, outline the composition and operating rules of each Board Committee and how Board Committees perform their roles and responsibilities for NGM Group and its subsidiaries. Each Board Committee is empowered to obtain information from Management and seek advice from external advisers as required.

4.2 Board and Board Committees – meeting attendance

The table below outlines Director attendance at Board and Board Committee meetings held during the financial year.

All Directors are provided with the agendas, papers and minutes for all Board and Board Committee meetings to ensure equal access to information, irrespective of Board Committee membership. While Directors may attend Board Committee meetings in a non-member capacity, such attendance is not included in the table.

	Board ¹	Audit Committee ¹	Risk Committee ¹	People, Culture & Remuneration Committee ¹	Governance & Nomination Committee ¹	Strategic Roadmap Delivery Committee ^{1,2}
Number of meetings	13	7	7	3	4	2
Directors						
S. Martin-Williams	13/13	-	4/4	3/3	4/4	2/2
R. Jackson	13/13	7/7	7/7	-	3/3	2/2
N. Page ³	12/13	7/7	-	3/3	4/4	2/2
C. Robson	13/13	7/7	7/7	-	-	2/2
D. Turner	9/9	3/3	4/4	-	2/2	1/1
D. Vinci	13/13	-	7/7	3/3	-	2/2
Former Directors						
W. Russell	5/5	4/4	3/3	-	1/1	2/2
J. Eather	5/5	-	-	2/2	1/1	2/2

Notes:

- Number of meetings attended by the member/total number of meetings eligible to attend as a member.
- The Strategic Roadmap Delivery Committee ceased on 4 January 2025.
- Ms Page was granted a leave of absence by the Board in advance of missing one Board meeting.



4.3 Board composition, tenure and renewal

The Governance & Nomination Committee is responsible for overseeing Board succession planning and renewal and makes recommendations to the Board on the appointment of Directors, considering factors including:

- composition and ensuring an appropriate mix of skills, experience, tenure and diversity on the Board to address strategic priorities;
- ensuring there are sufficient Directors to serve on each Board Committee without overburdening Directors to allow them to adequately discharge their duties and responsibilities as Committee members;
- complying with NGM Group's regulatory obligations; and
- satisfying requirements under NGM Group's Constitution and Board Charter, including the requirements to maintain a majority of independent Non-Executive Directors and at least three Directors based in the Hunter region.

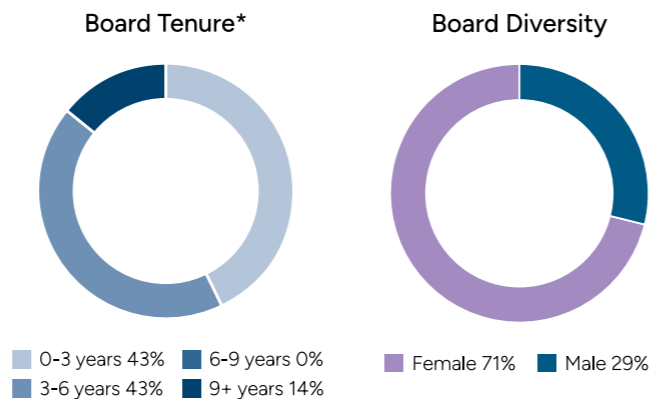
The Board's succession planning approach aims to carefully balance short, medium and longer term tenures. The Board recognises that longer-serving Directors bring a detailed understanding of NGM Group and its strategy, corporate history and brands, while newer Directors provide a fresh external perspective. The Directors are passionate about diversity of thought and experience in all respects and understand that the Board's composition must reflect this.

As part of the Board's ongoing succession planning, the following appointments occurred during the past 12 months:

- Director Martin-Williams was appointed as Chair of NGM Group from the date of the 2024 Annual General Meeting (AGM), and is the first female Board Chair of NGM Group. Director Martin-Williams is a longstanding member of the NGM Group Board and brings strong experience in contemporary governance and strategy execution.
- Director Jackson was appointed as Deputy Chair of NGM Group from the date of the 2024 AGM. Director Jackson brings valuable insights and experience in risk and balance sheet management and multi-brand business models in the financial services sector.
- Director Turner was appointed as a Director of NGM Group in October 2024. Mr Turner is a Hunter-based Director, who brings significant experience in strategy, governance and financial risk management.
- In July 2025, the CEO, Ms Bernadette Inglis was appointed as Managing Director of NGM Group, in addition to her role as CEO. Director Inglis is the first Managing Director of NGM Group. She brings over 30 years of experience in financial services to the Board, including senior leadership positions at national institutions, and board experience with arts, education, infrastructure and charitable foundations.

Each of these appointments reflect the Board's strong commitment to proactive succession planning.

The charts below depict various measures of the Board's composition and tenure as at the date of this Statement:



*Including time served on the Greater Bank Limited Board and the Newcastle Permanent Building Society Ltd Board prior to the formation of the NGM Group Board.

Independence

Under NGM Group's Board Charter, the Board is required to have a majority of independent Non-Executive Directors. This is assessed on an ongoing basis and at least once per year by the Governance & Nomination Committee against NGM Group's criteria for Director independence, which is based on APRA Prudential Standard CPS 510 Governance. The most recent independence assessment in March 2025 confirmed that all Non-Executive Directors, including the Chair, were independent. With the appointment of the Chief Executive Officer, Ms Inglis, as Managing Director in July 2025, the Board also has one non-independent Director and, on an overall basis, to have a majority of independent Non-Executive Directors.

It is essential for Directors to possess, exhibit and bring to bear independent decision-making abilities to all Board deliberations and this is facilitated through:

- regular meetings of the Non-Executive Directors without Management present;
- the right for Directors to access all relevant information and seek, subject to prior consultation with the Chair, independent professional advice at NGM Group's expense; and
- principles and procedures for the management of Directors' material personal interests and conflicts of interest, as set out in NGM Group's Conflicts of Interest Policy.

Details of Directors' related-entity transactions with NGM Group and its subsidiaries are set out in the notes on "Key Management Personnel Disclosures" in the [Financial Statements at page 61](#).

Appointment, induction and education

Prior to their appointment as a Non-Executive Director, each candidate signs a letter of appointment outlining the terms of their appointment to the Board. The terms of appointment for the Managing Director & CEO are contained within their Employment Agreement. Each Director signs an Accountability Statement acknowledging their responsibilities for the purposes of the Financial Accountability Regime (FAR) under the *Financial Accountability Regime Act 2023* (Cth). Directors are also required to satisfy a fit and proper person assessment prior to their appointment and on an annual basis, to confirm they possess the competence, character, diligence, honesty, integrity and judgement to be a responsible person of NGM Group for the purposes of APRA Prudential Standard CPS 520 Fit and Proper. This involves verification of qualifications and experience, criminal history and personal insolvency checks, enquiries of ASIC and APRA disqualification registers and disclosure of actual or potential conflicts of interest.

To prepare new Directors for participation in Board governance processes and decision-making, new Directors are provided with a comprehensive Directors' on-boarding pack consisting of briefing materials that include key governance documents and NGM Group's Directors' Handbook which provides a practical overview of Directors' duties and responsibilities in relation to the obligations under relevant legislation and regulations. Directors undertake a structured induction to NGM Group, including meetings with the Chair, CEO, Chief Strategy & Governance Officer, Company Secretary and other relevant Executives.

All Directors are encouraged to be members of professional organisations such as the Australian Institute of Company Directors (AICD) and/or Governance Institute of Australia (GIA) and to undertake ongoing professional education and development in fields relevant to their role on the Board and the operations of NGM Group, in alignment with their individual development plans, to ensure continuing improvement in Board performance and effectiveness.

A Director Training Register is also maintained to record and plan for Director training each year. During the financial year, Directors participated in continuing professional development programs on topics that included: balance sheet risk, cyber security, mandatory climate reporting, climate governance and climate risk.

4.4 Board performance evaluation

The Board acknowledges that continuing assessment, development and improvement of its performance is critical for the effective governance of NGM Group. The process for formally evaluating the performance of the Board, Board Committees and individual Directors, through the Governance & Nomination Committee, typically involves a three year cycle of two internal and one external reviews, which are complemented by other measures such as monthly pulse surveys of Board meeting effectiveness, regular post-Board and Board Committee meeting debriefs, one-on-one Chair and Director feedback sessions, Board effectiveness workshops, and regular assessments of Directors' skills relative to the collective skill requirements of the Board. The current program is depicted below:





Skills and experience

A Directors' skills matrix is used to capture the desired and existing skills, capabilities and experience considered important for the effective governance of NGM Group.

In 2025, Directors completed a self-assessment against each capability on a five-point rating scale through a questionnaire process. The below graph depicts the collective results from the most recent skills analysis facilitated in June 2025, based on the average self-assessment ratings for each desired skill set:



The results reflect that, collectively, the skills of the existing Directors align to the capabilities desired by the Board for its effective governance and oversight of NGM Group.

The Board has also articulated its desired power/behavioural attributes, which require Directors to demonstrate:

- cultural fit and values alignment;
- emotional intelligence/active listener;
- curious and constructive challenge;
- strategic foresight/systems thinking; and
- judgement, effective communication and clear decision-making.

Board and Board Committee effectiveness review

During 2025, Directors have been participating in an internally facilitated Board and Board Committee effectiveness review process, using a refreshed list of desired skills and capabilities to align with the contemporary skill sets and power/behavioural attributes required of modern Boards. This process is intended to support best practice governance and the continuous improvement of the Board.

4.5 Relationship with Management

Managing Director & Chief Executive Officer

The Board is responsible for appointing the Managing Director & Chief Executive Officer, and delegates to the Managing Director & Chief Executive Officer responsibility for the day-to-day management of NGM Group consistently with the Strategic Plan, objectives and priorities, budgets and risk appetite set by the Board, NGM Group's organisational values and desired culture as articulated by the Board. The Managing Director & Chief Executive Officer may sub-delegate any functions to Executives or other employees, with the exception of those functions reserved to the Board under NGM Group's Board Charter or NGM Group's Board and CEO Delegations Policy. All standing delegations by the Board are captured in the Board and CEO Delegations Policy, associated Delegations Manual or other Board-approved policies or resolutions.

Executive Committee

The Managing Director & Chief Executive Officer leads the Executive Committee, which meets regularly to review and report on NGM Group's business activities and supports the Managing Director & Chief Executive Officer in fulfilling the management responsibilities delegated by the Board.

All Executives have entered into a written agreement with NGM Group setting out the terms of their appointment, signed an Accountability Statement acknowledging their responsibilities under the FAR and are required to satisfy a fit and proper person assessment on appointment and annually thereafter.

Company Secretary

The Company Secretary is appointed by the Board and charged with advising on and facilitating NGM Group's corporate governance processes. In doing so, the Company Secretary has a direct and independent reporting responsibility, through the Chair, to the Board and each of the Board Committees.

Evaluation of Management's performance

Through the People, Culture & Remuneration Committee, the Board evaluates the performance of the Managing Director & Chief Executive Officer and Executives on an annual basis by:

- setting performance criteria in alignment with the organisation's Strategic Performance Scorecard;
- considering individual performance against these criteria, including (with respect to the Executives) recommendations from the Managing Director & Chief Executive Officer and information from the Head of Internal Audit and Chief Risk Officer in relation to relevant audit and risk items; and
- approving any merit-based salary increases or variable rewards to be paid.

These reviews are completed between August and October each year.

The Board undertakes, through its relevant Board Committees, a separate annual assessment of the performance of the Chief Risk Officer and Head of Internal Audit in relation to their independent reporting obligations to the Board and Board Committees.

5. Our customers

5.1 Information, communications and feedback

As a customer-owned organisation, our brands are dedicated to serving our members. We engage with our members through various channels, including:

- the NGM Group website (ngmgroup.com.au) – which includes news on our corporate activities, information on our governance and management structure and our Constitution.
- our brands' websites (greater.com.au and newcastlepermanent.com.au) – where we share the rich history of each of our brands, updates on community activities and the latest information on our products and services;
- social media – providing updates, insights and assistance to followers across Facebook, Instagram, LinkedIn, YouTube and X (Twitter);
- statements and other communications;
- surveys and market research; and
- customer service touchpoints – customers can submit enquiries, complaints or feedback through our websites, digital banking platforms, branches or our locally-based customer contact centres.

NGM Group has an iterative process for considering feedback from our customers through Management, the Board (via the Risk Committee) and a dedicated Customer Relations team.

5.2 Annual General Meeting

In accordance with the requirements of the *Corporations Act 2001* (Cth) and NGM Group's Constitution, written notice of the AGM is provided to all members eligible under the Constitution to receive notice of, and vote at, the AGM and who have elected to receive notice of the AGM. The notice of AGM is also published on the NGM Group website and in the media and displayed in all branches for at least three weeks in advance of the AGM.

NGM Group's Financial Report is made available to members on our website along with our Annual Report and is also provided directly to members who have elected to receive it. Members are encouraged and given the opportunity to ask questions during the AGM in relation to any of the items of business, including the financial results or other matters relating to the performance of the organisation. The external auditor also attends the AGM to answer questions from members.

To facilitate participation across NGM Group's member base, the 2025 AGM will be held as a hybrid meeting, with members able to attend and participate online or in person. All resolutions at the meeting will be decided by a poll. Members who are unable to attend the 2025 AGM can participate in the meeting by lodging a direct vote (by post or online) prior to the meeting, or by appointing a proxy to vote on their behalf.

6. Our people

6.1 Inclusion, diversity and equity

NGM Group recognises the value and importance of diverse insights, perspectives, experiences and cultures in our business and our local communities.

NGM Group seeks to create a workplace and organisational culture that is inclusive, fair and supportive for all employees. We will continue to evolve our formal approach for promoting and measuring diversity and inclusion, in accordance with NGM Group's FY25-27 Inclusion, Diversity and Equity Plan.

In May 2024, NGM Group submitted the required 2023/24 Workplace Gender Equality Agency (WGEA) reporting. As outlined in our reporting, women make up 74% of NGM Group's non-manager workforce, 54% of staff at manager and 18% at Key Management Personnel. As previously illustrated, as at 1 July 2025, NGM Group's Board comprised 71% women and 29% men. For further information, our full public report for the 2023/24 reporting period is available on our website at ngmgroup.com.au/regulatory-disclosures.

We look forward to sharing our 2024/2025 WGEA submission early next year.

¹ The relevant threshold required by the Board for each skill is 'high' or 'expert' competency or a rating of four or five on a five-point rating scale. The only exception to this is the requirement for financial acumen, which is assessed at a 'competent' level or rating of three on a five-point rating scale which all Directors are required to meet.



6.2 Remuneration

The Board recognises remuneration as a key driver of culture, and has adopted a Remuneration Policy that demonstrates, among other things, alignment of remuneration decisions with NGM Group's Risk Management Framework. Any variable reward schemes are designed to encourage conduct that supports the organisation's values, customer interests, financial soundness and risk appetite. This is achieved through the application of risk and behaviour gateways and modifiers and supported by a consequence management framework.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors, Executives and other staff. The Governance & Nomination Committee and People, Culture & Remuneration Committee obtain independent advice on Non-Executive Director and Executive remuneration, respectively, including trends in comparable organisations, to assist it to make sound and justified recommendations to the Board in this respect.

Executive remuneration comprises a mix of fixed and performance-based remuneration, as well as other benefits prescribed in NGM Group's policies from time to time. A balanced scorecard approach is taken to the assessment of Executive performance, which incorporates risk and behaviour gateways and modifiers and drives annual Executive remuneration decisions. In accordance with the FAR and relevant prudential standards, a proportion of Executives' variable remuneration may also be deferred, to be released only where the Board is satisfied that the Executive has met their accountability obligations and certain other criteria. The Board may also determine that any variable remuneration is reduced or forfeited due to malus or clawback trigger events. Termination payments (beyond statutory employee entitlements) are not payable if the employment of an Executive is terminated for misconduct.

The structure of remuneration for Non-Executive Directors is distinct from that of the Managing Director & Chief Executive Officer, Executives and other staff. Recommendations for increases in the total Non-Executive Directors' remuneration pool must be submitted to and approved by the members at the AGM. Non-Executive Directors do not participate in any variable reward schemes in order to preserve the independence of the Board and its decision-making processes, and do not receive any retirement benefits from NGM Group other than compulsory superannuation entitlements.

7. Our community

Our brands have a long and proud history of supporting the communities we are part of through local sponsorships, staff donations and volunteering, charity fundraising activities and community events.

Our two charitable foundations, Newcastle Permanent Charitable Foundation and Greater Charitable Foundation, provide grant funding for eligible not-for-profit organisations in our regions to address issues of disadvantage such as health, social wellbeing and young people.

Further information on our brands and Charitable Foundations is available in the **2025 Annual Report** (available at ngmgroupp.com.au/annual-report).

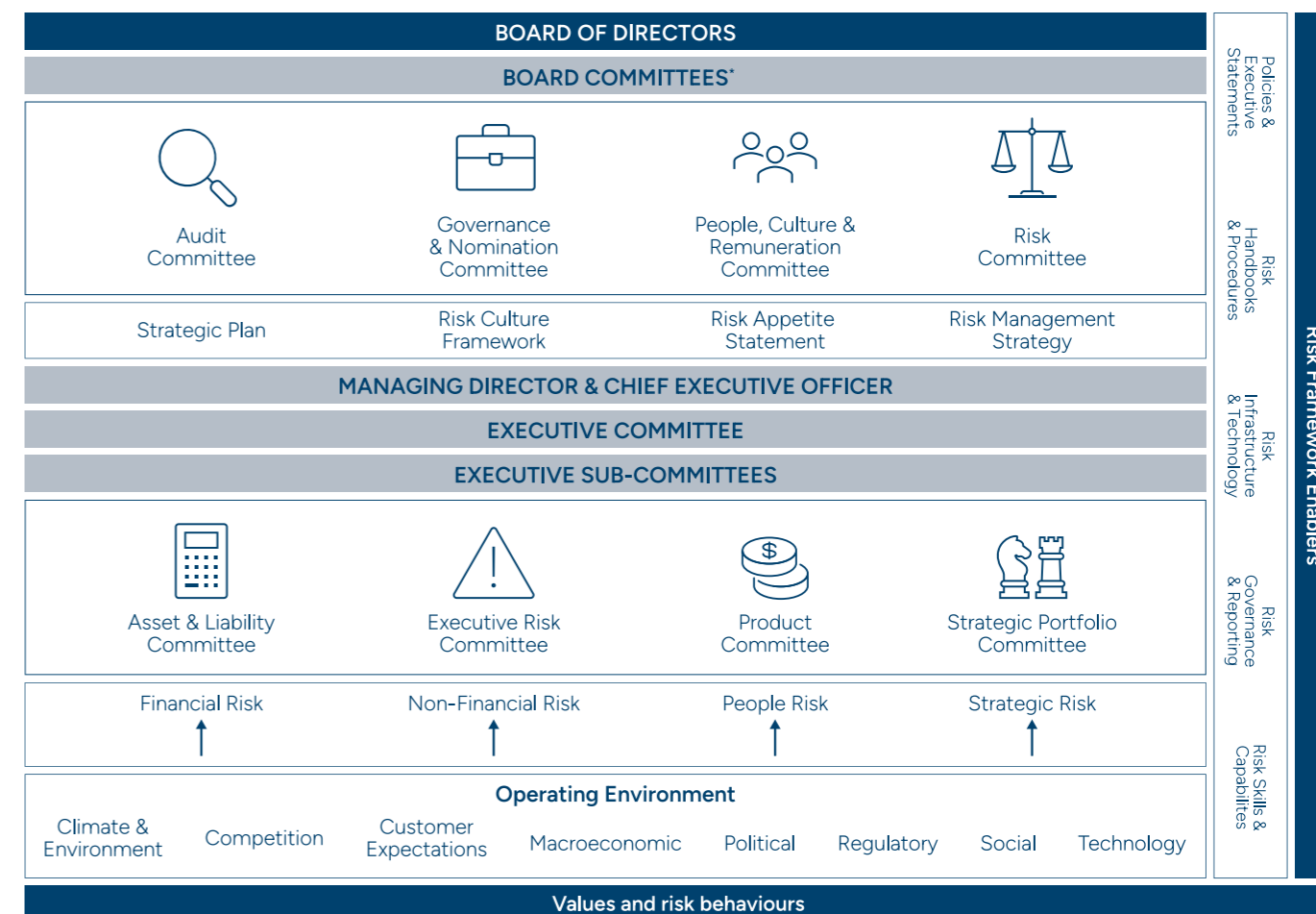
8. Managing risk

8.1 Risk Management Framework

The Board has adopted a Risk Management Framework for the effective management of NGM Group's material risks, comprising the following key elements:

- Risk Management Strategy;
- Risk Culture Framework;
- Strategic Plan and strategic planning process;
- Risk Appetite Statement, which articulates the quantitative and qualitative risk appetite and tolerance for each material risk;
- material risk policies designed to identify, assess, monitor and mitigate all material financial and non-financial business risks;
- risk management taxonomy, methodology, processes, policies and systems;
- enterprise wide scenario analysis and stress testing; and
- Internal Capital Adequacy Assessment Process (ICAAP).

NGM Group's Risk Management Framework is illustrated below:



*The Board established a Special Purpose Committee, the Strategic Roadmap Delivery Committee, which ceased on 4 January 2025.

The Board sets the risk appetite for NGM Group and approves the Risk Management Framework. The Risk Committee was established to assist the Board in discharging its responsibilities relating to the implementation and operation of risk and compliance management frameworks. As part of this role, in June 2025, the Risk Committee reviewed changes to the Risk Management Strategy, Risk Appetite Statement and a number of other material risk policies, which were subsequently approved by the Board.

Exposure to environmental and social risks

The Board acknowledges the importance of managing environmental and social risks, including climate risk, as a responsible organisation in the community and in fulfilling NGM Group's purpose to 'help our customers and communities thrive'. For additional information regarding NGM Group's Sustainability Report, refer to the **2025 Annual Report** (available at ngmgroupp.com.au/annual-report).

8.2 Internal Audit

NGM Group maintains an in-house internal audit function, whose work is augmented by a co-sourced internal audit service provider. The role of the internal audit function is to provide independent and objective assurance to the Board, Audit Committee and Management. The internal audit function systematically reviews NGM Group's governance, risk management and internal controls in accordance with an annual Internal Audit Plan, assesses how well risks are managed and recommends process improvements.

The Head of Internal Audit reports functionally to the Audit Committee through its Chair, and administratively to the Chief Financial Officer. The Audit Committee has direct access to the internal auditors, and both the Audit Committee and the internal auditors have access to Management to seek all necessary information and explanations with respect to internal audit reviews.

This Corporate Governance Statement is current as at 27 August 2025 and has been approved by the Board.

Directors' report

The Directors present their report on the consolidated entity consisting of Newcastle Greater Mutual Group Ltd (**NGM Group**) and the entities it controlled at the end of, or during the year ended 30 June 2025.

The information presented in the Corporate Governance Statement at page 3 of the 2025 Financial Report in relation to Directors, Company Secretaries and Directors' meetings forms part of this Directors' Report.

Directors

The following persons were Directors of NGM Group during or since the end of the financial year. Unless otherwise indicated, the listed persons were Directors for the whole of the year ended 30 June 2025 and up to the date of this report:

S.J. Martin-Williams (Chair)
R.M. Jackson (Deputy Chair)
B.J.M. Inglis (Managing Director) – Appointed 1 July 2025
N.J. Page
C.A. Robson
D. Turner – Appointed 1 October 2024
D. Vinci
W.M Russell – Retired 20 November 2024
J.R Eather – Retired 20 November 2024

Company Secretaries

The following persons were Secretaries of NGM Group as at the end of the financial year:

G.P. Sainsbury – Appointed 30 June 2025
S.C. Terrance – Appointed 1 March 2025
M.C. Robinson – Ceased 30 June 2025

Officers

In addition to the Directors and Company Secretaries outlined above, unless otherwise indicated, the listed persons were officers of NGM Group for the whole of the year ended 30 June 2025 and up to the date of this report:

Officers as at the date of this report

R. Burton From 9 September 2024
C. Cockburn
A. Cresp From 2 December 2024
J. Cudmore
S. Hall
G. Harding
P. Juergens
G. Katz
G. Piek

Officers who ceased during the year and up to the date of this report

E. Brokate Ceased 4 March 2025
E. Davey Ceased 2 December 2024
R. Moffat Ceased 30 August 2024
G. Nyman Ceased 31 January 2025
M. Colless From 31 August 2024 to 8 September 2024

Objectives

NGM Group's purpose is to help our customers and communities thrive and our strategic ambition is passionate people enabled to deliver the future of trusted banking. The employee values of NGM Group are to: Lead with heart; Own the action; Embrace opportunity; and Thrive together.

NGM Group's strategy is guided by five strategic priorities which are the areas we will focus on to achieve our purpose and strategic ambition. Our strategic priorities are:

- Grow and deepen customer relationships
- Empowered people achieving our potential
- Lead on community connection
- Be a stronger, safer, faster bank
- People and customers enabled through technology

The performance of NGM Group is measured during the year against a balanced scorecard of key performance indicators (KPIs) across the areas of customer & community, people & leadership, financial & risk and strategy. These are overlaid with alignment to risk and values.

The main KPIs were:

- **Customer & community:** net promoter score, customer satisfaction levels, customer growth, corporate social responsibility, contribution to and engagement with local communities and relationships with external stakeholders
- **People & leadership:** employee engagement, talent management, strategic advocacy and commitment to safety leadership
- **Financial & risk:** net profit after tax, return on equity, cost to income ratio, deployment of capital and/or liquidity and monitoring/ actioning risk
- **Strategy:** effectiveness of strategic plan implementation and roadmap initiative outcomes

Principal Activities

The principal continuing activities of the consolidated entity consisted of the provision of a range of financial products and services to members and the operation of two charitable trusts. There has been no significant change in the nature of the core business or activities of NGM Group during the year ended 30 June 2025.

To support the achievement of its strategic objectives, NGM Group progressed a suite of strategic initiatives designed to:

- sustainably grow through organic growth, partnerships and inorganic growth pathways that will accelerate to effective scale for the benefit of our customers
- enhance customers' experience through improved digital sales and service capability
- deliver a competitive product offering and customer value proposition
- foster employee wellbeing, engagement, culture and competency
- strengthen risk and compliance frameworks, including management of regulatory changes
- continue giving back to heartland communities

Review of operations

The consolidated entity delivered a robust financial result for the year ended 30 June 2025. The net profit after tax of \$116.9 million (including merger-related fair value adjustments of \$10.6M after tax) was delivered in a challenging operating environment.

Key to the result was the balancing of customer outcomes in a high interest rate environment and maintaining strong underlying business performance. The consolidated entity continued to invest in the business during the year.

The consolidated entity's total assets reached \$23.1 billion at 30 June 2025, including total gross loans and advances of \$18.2 billion. The provision for expected credit losses was \$32.6 million, representing 0.18% of gross loans and advances. The consolidated entity retains a conservative level of provisioning to mitigate any future losses that may arise due to the uncertain economic outlook.

Total equity at 30 June 2025 was \$2.0 billion, meaning the consolidated entity is one of the largest mutual banks in Australia by way of net assets. At 30 June 2025, the regulatory capital adequacy ratio was 24.1% and the regulatory liquidity ratio was 19.8%, both well above the minimum prudential requirement.

Looking forward, the environment remains uncertain and subject to change. The notes to the financial statements set out all the critical accounting estimates and judgments that have been made in preparing the 2024/25 financial statements and to account for known risks at present.

The Directors consider that these financial statements and the capital, liquidity and credit profile of NGM Group demonstrate that the consolidated entity is well positioned to navigate the forward environment and expects to remain profitable, liquid and well capitalised over the coming year.

Significant changes in the state of affairs

Other than the changes outlined above and further covered in this report, there have been no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

There have been no other matters or circumstances that have arisen since 30 June 2025 that have significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years; or
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

There are no material likely developments in the operations of the consolidated entity, other than continued profitable operations, as at the date of this report.

Liability of Members

NGM Group is a company limited by shares and guarantee, however there are no shares currently on issue. Under the Constitution, the liability of each person who became a member of NGM Group after 29 September 2000 is limited to an obligation to contribute a maximum amount of \$1 if NGM Group is wound up while they are a member or within one year after they cease to be a member. The member liability provision of the Constitution does not apply to those persons who became members of NGM Group prior to 29 September 2000.

Dividends or distributions

NGM Group is a mutual company operated for the benefit of its members. It does not pay dividends or distributions to its members, but reinvests its profits for the future benefit of its members.

Environmental regulation

The consolidated entity notes, from next financial year ending 30 June 2026, that it will be required to prepare annual sustainability reports containing mandatory climate-related financial disclosures.

It has further assessed whether there are any other particular or significant environmental regulations which apply to it and has determined that there are no other environmental regulations.

Directors' and Officers' indemnities

All past and present Directors, Company Secretaries and other Officers of NGM Group and its wholly owned subsidiaries are indemnified under NGM Group's Constitution, on a full indemnity basis and to the extent permitted by law, against:

- every liability incurred by them in their respective capacities (except a liability for legal costs); and
- all legal costs incurred by them in defending or resisting proceedings in which the person becomes involved because of that capacity.

NGM Group has also executed:

- Deeds of Indemnity, Insurance and Access with each current Director and a number of former Directors; and
- employment or other agreements with the CEO, current and former Executives, the Head of Internal Audit, Company Secretaries, Assistant Company Secretaries and NGM Group's in-house lawyers,

that provide them with indemnification in substantially the same terms to that provided in the Constitution.

In the case of the Directors, the indemnification extends to any liabilities incurred by them as a result of being a Director of another company in the consolidated group of NGM Group.

Insurance of Officers

During the financial year, NGM Group paid a premium to insure the current and certain former Directors, Company Secretaries and other Officers of NGM Group and its controlled entities. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

No insurance cover has been provided for the benefit of the external auditors of the consolidated entity.

Proceedings on behalf of NGM Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of NGM Group, or intervene in any proceedings to which NGM Group is a party, for the purpose of taking responsibility on behalf of NGM Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of NGM Group with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

Rounding of amounts

NGM Group is an entity referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by ASIC, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Financial Report have been rounded off in accordance with the instrument to the nearest million dollars (to one decimal place), or in certain cases, to the nearest thousand dollars.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration, as required under Section 307C of the *Corporations Act 2001* (Cth), and the name of the Audit Partner are set out on page 17.

Disclosure of prudential information

NGM Group is an Authorised Deposit-taking Institution regulated by APRA. As a result of this regulation, NGM Group is required to comply with Australian Prudential Standards (APSs) released by APRA. APS 330 Public Disclosure requires NGM Group to disclose information regarding the composition of its regulatory capital base, risk exposures, a reconciliation of the balance sheet in the financial statements to the balance sheet prepared under the regulatory scope of consolidation and the full terms and conditions of any issued regulatory capital instruments. Please refer to the 'Regulatory Disclosures' section of NGM Group's website at www.ngmgroup.com.au/regulatory-disclosures for further information. NGM Group does not currently have any regulatory capital instruments on issue.

This report is made in accordance with a resolution of the directors:

S.J. Martin-Williams
Chair

27 August 2025
Newcastle

R.M. Jackson
Deputy Chair

27 August 2025

The Board of Directors
Newcastle Greater Mutual Group Ltd
307 King Street
Newcastle West, NSW 2310

Dear Directors,

Auditor's Independence Declaration to Newcastle Greater Mutual Group Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Newcastle Greater Mutual Group Ltd.

As lead audit partner for the audit of the financial report of Newcastle Greater Mutual Group Ltd for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Mark Lumsden
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Financial Statements

Income Statements

For the year ended 30 June 2025

	Note	Group		Parent	
		2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Interest revenue		1,173.2	1,067.6	1,333.3	1,263.2
Interest expense		(644.0)	(536.2)	(804.8)	(732.5)
Net interest income	2	529.2	531.4	528.5	530.7
Net fees and commissions		(3.6)	(2.0)	(3.6)	(2.0)
Other operating income		1.5	1.5	0.5	0.8
Other net gains / (losses)		4.2	(1.0)	3.0	(1.9)
Non-interest income	3	2.1	(1.5)	(0.1)	(3.1)
Net operating income		531.3	529.9	528.4	527.6
Operating expenses	4	(362.4)	(337.6)	(360.9)	(335.9)
Impairment (charge) / benefit	5	(2.2)	(5.2)	(2.2)	(5.2)
Profit before income tax		166.7	187.1	165.3	186.5
Income tax expense	6	(49.8)	(56.0)	(49.7)	(55.8)
Profit after tax		116.9	131.1	115.6	130.7
Attributable to:					
Non-controlling interests	28(c)	1.0	-	-	-
Members of Newcastle Greater Mutual Group Ltd		115.9	131.1	115.6	130.7

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

Statements of Comprehensive Income

For the year ended 30 June 2025

	Note	Group		Parent	
		2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Profit for the year		116.9	131.1	115.6	130.7
Other comprehensive income, net of tax:					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in the fair value of cash flow hedges	24	16.7	(9.4)	16.7	(9.4)
<i>Items that will not be reclassified to profit or loss:</i>					
Changes in the fair value of property	24	-	-	-	-
Other comprehensive income for the year, net of tax		16.7	(9.4)	16.7	(9.4)
Total comprehensive income for the year		133.6	121.7	132.3	121.3
Attributable to:					
Non-controlling interests		1.0	-	-	-
Members of Newcastle Greater Mutual Group Ltd		132.6	121.7	132.3	121.3

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

Balance Sheets

As at 30 June 2025

	Note	Group		Parent	
		2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Assets					
Cash and cash equivalents	11	996.0	861.3	794.9	734.8
Prepayments and other receivables	20	18.8	24.4	33.6	40.4
Derivative financial instruments	13	25.0	1.3	25.0	1.3
Financial assets	12	3,687.6	3,187.1	6,473.7	6,444.0
Loans and advances	7	18,244.0	17,004.5	18,244.0	17,004.5
Current tax assets	6	6.3	4.7	6.3	4.7
Net deferred tax assets	6	22.3	39.4	22.3	39.4
Intangible assets	18	0.6	1.3	0.6	1.3
Property, plant and equipment	19	116.5	117.9	116.5	117.9
Investment properties		2.0	2.0	2.0	2.0
Total assets		23,119.1	21,243.9	25,718.9	24,390.3
Liabilities					
Payables	21	89.4	88.3	98.9	101.3
Derivative financial instruments	13	-	6.8	-	6.8
Deposits	9	18,886.8	17,568.5	18,892.0	17,573.8
Borrowings	10	2,081.3	1,652.3	4,696.1	4,808.8
Lease liabilities	22	41.4	42.6	41.4	42.6
Provisions	23	35.6	34.4	35.6	34.4
Total liabilities		21,134.5	19,392.9	23,764.0	22,567.7
Net assets		1,984.6	1,851.0	1,954.9	1,822.6
Equity					
Reserves	24	581.0	564.3	579.2	562.5
Retained profits	24	1,376.6	1,260.7	1,375.7	1,260.1
Equity attributable to members of NGM Group		1,957.6	1,825.0	1,954.9	1,822.6
Non-controlling interests	25	27.0	26.0	-	-
Total equity		1,984.6	1,851.0	1,954.9	1,822.6

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

Statements of Changes in Equity

For the year ended 30 June 2025

Group	Attributable to members of NGM Group				
	Reserves \$'m	Retained earnings \$'m	Total \$'m	Non- controlling interests \$'m	Total equity \$'m
<i>Balance at 1 July 2024</i>	564.3	1,260.7	1,825.0	26.0	1,851.0
Profit for the year	-	115.9	115.9	1.0	116.9
Other comprehensive income	16.7	-	16.7	-	16.7
Total comprehensive income for the year	16.7	115.9	132.6	1.0	133.6
Balance at 30 June 2025	581.0	1,376.6	1,957.6	27.0	1,984.6
<i>Balance at 1 July 2023</i>	573.7	1,129.6	1,703.3	26.0	1,729.3
Profit for the year	-	131.1	131.1	-	131.1
Other comprehensive income	(9.4)	-	(9.4)	-	(9.4)
Total comprehensive income for the year	(9.4)	131.1	121.7	-	121.7
Balance at 30 June 2024	564.3	1,260.7	1,825.0	26.0	1,851.0
Parent					
	Reserves \$'m	Retained earnings \$'m	Total \$'m		
<i>Balance at 1 July 2024</i>	562.5	1,260.1	1,822.6		
Profit for the year	-	115.6	115.6		
Other comprehensive income	16.7	-	16.7		
Total comprehensive income for the year	16.7	115.6	132.3		
Balance at 30 June 2025	579.2	1,375.7	1,954.9		
<i>Balance at 1 July 2023</i>	571.9	1,129.4	1,701.3		
Profit for the year	-	130.7	130.7		
Other comprehensive income	(9.4)	-	(9.4)		
Total comprehensive income for the year	(9.4)	130.7	121.3		
Balance at 30 June 2024	562.5	1,260.1	1,822.6		

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the year ended 30 June 2025

	Note	Group		Parent	
		2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Inflows (outflows)					
<i>Cash flows from operating activities</i>					
Interest received		1,148.6	1,013.6	1,308.8	1,209.2
Other income		1.5	1.4	0.4	0.9
Fees and commissions received		35.6	34.1	35.0	34.0
Interest paid		(641.4)	(530.7)	(800.4)	(724.1)
Donations paid		(2.9)	(2.6)	(1.0)	(1.0)
Payments to suppliers and employees (inclusive of GST)		(366.3)	(329.7)	(365.8)	(329.8)
Income tax paid		(43.2)	(49.8)	(43.1)	(49.6)
<i>(Increase)/decrease in operating assets</i>					
Net movement in financial assets		(492.7)	160.7	(23.2)	699.8
Net movement in loans and advances		(1,233.3)	(1,431.9)	(1,237.6)	(1,430.9)
<i>Increase/(decrease) in operating liabilities</i>					
Net movement in deposits		1,291.9	1,036.6	1,291.8	1,036.7
Net cash inflow/(outflow) from operating activities	11	(302.2)	(98.3)	164.9	445.2
<i>Cash flows from investing activities</i>					
Receipts/(payments) from unwinding of interest rate swaps		-	16.1	-	16.1
Collateral (paid)/received related to interest rate swaps		31.3	(5.6)	31.3	(5.6)
Payments for intangible assets		-	(0.3)	-	(0.3)
Payments for property, plant and equipment		(6.8)	(3.5)	(6.8)	(3.5)
Net cash inflow/(outflow) from investing activities		24.5	6.7	24.5	6.7
<i>Cash flows from financing activities</i>					
Net increase/(decrease) in borrowings		428.9	(32.4)	(112.8)	(509.1)
Payments for lease liabilities		(16.5)	(16.8)	(16.5)	(16.8)
Net cash inflow/(outflow) from financing activities		412.4	(49.2)	(129.3)	(525.9)
<i>Total cash flows</i>					
Net increase/(decrease) in cash and cash equivalents		134.7	(140.8)	60.1	(74.0)
Cash and cash equivalents at the beginning of financial year		861.4	1,002.2	734.9	808.9
Cash and cash equivalents at the end of financial year ¹	11	996.1	861.4	795.0	734.9

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

1. Excludes provision for expected credit losses

Notes to the Financial Statements

For the year ended 30 June 2025

1. Basis of Preparation

(a) Corporate Information

The financial statements cover both Newcastle Greater Mutual Group Ltd (the company) as an individual entity and the consolidated entity consisting of the company and its controlled entities (consolidated entity or group).

The company is a mutual organisation, incorporated and domiciled in Australia. Its registered office is 307 King Street, Newcastle West, NSW, 2302 and its principal places of business are 307 King Street, Newcastle West, NSW, 2302 and 103 Tudor Street, Hamilton, NSW, 2303. The company is a public company limited by shares and guarantee, and is a for-profit entity for the purposes of preparing the financial statements.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 27 August 2025.

(b) Significant accounting judgements and estimates

The preparation of financial statements requires the use of accounting estimates. Management is also required to exercise its judgement in the process of applying the consolidated entity's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

	Reference
Provision for expected credit losses (ECL)	Note 8
Securitisation	Note 14
Fair value measurement	Note 17
Leases	Note 22

(c) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

These financial statements have been prepared in accordance with the historical cost basis, except for the following assets and liabilities which have been stated at their fair value:

- derivative financial instruments;
- financial assets designated at fair value through profit or loss (FVTPL);
- certain classes of property, plant and equipment; and
- assets and liabilities transferred from Greater Bank Limited which were required to be initially measured at fair value.

The consolidated financial statements of the group and the separate financial statements of the company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Items included in the financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

The directors, at the time of approving these financial statements, have a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Where necessary, comparative information has been reclassified for consistency with current year disclosures.

Notes to the Financial Statements

For the year ended 30 June 2025

1. Basis of Preparation (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries and special purpose vehicles (as outlined in Note 28) as at, and for the period ended, 30 June each year. Control is achieved when the consolidated entity is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the consolidated entity has less than a majority of the voting or similar rights of an investee, the consolidated entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the consolidated entity's voting rights and potential voting rights.

Special purpose vehicles are those entities over which the consolidated entity has no ownership interest but the substance of the relationship is such that the consolidated entity controls the entity so as to obtain variable returns from its involvement with the entity. Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the consolidated entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Intercompany transactions, balances and unrealised gains on transactions between entities within the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated income statements, statements of comprehensive income, statements of changes in equity and balance sheets respectively. Investments in subsidiaries are accounted for at cost, less any impairment in the separate financial statements of Newcastle Greater Mutual Group Ltd.

(e) Rounding of amounts

The consolidated entity is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded to the nearest million dollars (\$m) unless otherwise stated.

(f) Adoption of new and revised Australian Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

(g) Accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting periods. These standards are not expected to have a material impact on the Group, except for the Sustainability Reporting Standards.

The AASB have issued *AASB S1 General requirements for disclosure of climate-related financial information* and *AASB S2 Climate-related financial disclosures*. These standards require disclosure of information about the Group's governance, strategy, risk, metrics and targets related to climate and other sustainability-related risks and opportunities. Mandatory reporting commences for the Group for the 2025/26 financial year.

Notes to the Financial Statements

For the year ended 30 June 2025

2. Net Interest Income

	Group		Parent	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
<i>Interest revenue</i>				
Loans and advances	973.2	877.4	970.7	874.6
Financial assets	162.8	147.3	330.5	351.3
Cash and cash equivalents	37.2	42.9	32.1	37.3
Total interest revenue	1,173.2	1,067.6	1,333.3	1,263.2
<i>Interest expense</i>				
Deposits	535.9	460.7	535.9	460.7
Borrowings	104.9	74.0	265.7	270.3
Lease liabilities	1.8	1.5	1.8	1.5
Broker trailing commissions	1.4	-	1.4	-
Total interest expense	644.0	536.2	804.8	732.5
Total net interest income	529.2	531.4	528.5	530.7

Included within total net interest income for the year ended 30 June 2025 is \$15.4m (2024: \$38.3m) relating to the amortisation of fair value adjustments calculated as part of the business combination with Greater Bank.

(a) Recognition and measurement

Interest revenue and expense

Interest revenue and expense is recognised in the income statement for all instruments measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the consolidated entity estimates cash flows considering all fees paid or received between parties, transaction costs, premiums incurred or discounts received in relation to the contract that are an integral part of the effective interest rate.

Notes to the Financial Statements

For the year ended 30 June 2025

3. Non-interest income

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
<i>Fee and commission income</i>				
Fee revenue	25.2	24.1	25.2	24.1
Commission revenue	6.1	6.2	6.1	6.2
Fee and commission revenue	31.3	30.3	31.3	30.3
Fee and commission expense	(34.9)	(32.3)	(34.9)	(32.3)
Net fee and commissions	(3.6)	(2.0)	(3.6)	(2.0)
<i>Other operating income</i>				
Rental income	0.3	0.2	0.3	0.2
Managed fund distributions	1.0	0.7	-	-
Other income	0.2	0.6	0.2	0.6
Total other operating income	1.5	1.5	0.5	0.8
<i>Other net gains/(losses)</i>				
Net gains/(losses) on disposal of PP&E	0.1	(0.8)	0.1	(0.8)
Net unrealised FV gains/(losses) on financial assets at FVTPL	4.1	(0.2)	2.9	(1.1)
Total other net gains/(losses)	4.2	(1.0)	3.0	(1.9)
Total non-interest income	2.1	(1.5)	(0.1)	(3.1)

(a) Recognition and measurement

Fee and commission revenue and expense

Fees and commissions are generally recognised on an accruals basis when the service has been provided or incurred. Loan fees received in relation to the origination of loans (e.g. loan establishment fees) are deferred and recognised as an adjustment to the effective interest rate on loans. The outstanding balance of the deferred origination income is recognised in the balance sheet as a decrease in the value of loan balances outstanding.

Fee income includes transactional based fees charged to customer accounts in accordance with the terms and conditions of the particular account type. Commission income is received from third parties as a result of the provision of services to customers, or where the consolidated entity acts as an intermediary in providing a service to customers on behalf of third parties.

The consolidated entity receives insurance commissions from partner organisations for distributing and placing general and consumer credit insurance products. Trail commission revenue is recognised at the time the consolidated entity distributes the underlying product to the customer, where it is highly probable the revenue will not need to be reversed in future periods. The consolidated entity acts as an agent in the provision of consumer credit insurance products. Performance obligations in contracts with customers are satisfied prior to receiving trail commission revenue.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

Managed fund distributions

The consolidated entity receives managed fund distributions from investments held by a charitable trust. Revenue is recognised when the trust's right to receive the payment is established, which is generally when the fund manager approves the distribution.

Notes to the Financial Statements

For the year ended 30 June 2025

4. Expenses

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
<i>Personnel related expenses</i>				
Employee salaries and directors' fees	191.0	174.3	191.0	174.3
Employee related on-costs	35.1	31.2	35.1	31.2
Other personnel related expenses	9.2	5.5	9.2	5.5
	235.3	211.0	235.3	211.0
<i>Operating expenses</i>				
Rent outgoings and promotional levies	2.1	1.9	2.1	1.9
Marketing and communication costs	19.5	22.1	19.5	22.1
Donations paid	2.3	2.5	1.0	1.0
Administration and other operating expenses	81.0	76.5	80.8	76.3
	104.9	103.0	103.4	101.3
<i>Depreciation & amortisation</i>				
Buildings	1.3	1.2	1.3	1.2
Leasehold improvements	1.7	1.5	1.7	1.5
Plant and equipment	3.2	2.8	3.2	2.8
Right-of-use assets	15.4	16.3	15.4	16.3
Intangible assets amortisation	0.6	1.8	0.6	1.8
	22.2	23.6	22.2	23.6
Total operating expenses	362.4	337.6	360.9	335.9

5. Impairments

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Impaired loans written off	0.3	0.5	0.3	0.5
Impaired loans recovered	(0.1)	(0.1)	(0.1)	(0.1)
Movement in provision for expected credit losses	2.1	5.2	2.1	5.2
Impairment charge / (benefit) loans	2.3	5.6	2.3	5.6
Impairment charge / (benefit) financial assets	(0.1)	(0.4)	(0.1)	(0.4)
Total impairment charge / (benefit)	2.2	5.2	2.2	5.2

Notes to the Financial Statements

For the year ended 30 June 2025

6. Tax

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
<i>Tax Assets</i>				
Current tax assets	6.3	4.7	6.3	4.7
Deferred tax	22.3	39.4	22.3	39.4
Total tax asset	28.6	44.1	28.6	44.1
<i>Tax Liabilities</i>				
Current tax liabilities	-	-	-	-
Total tax liability	-	-	-	-
<i>Amounts recognised in income statements</i>				
Current tax	41.5	44.7	41.4	44.5
Decrease/(increase) in deferred tax assets	8.2	15.1	8.2	15.1
Increase/(decrease) in deferred tax liabilities	0.1	(3.8)	0.1	(3.8)
Deferred tax	8.3	11.3	8.3	11.3
Income tax expense	49.8	56.0	49.7	55.8
<i>Charged/(credited) directly to other comprehensive income</i>				
Deferred tax asset	1.4	-	1.4	-
Deferred tax liability	7.4	(4.7)	7.4	(4.7)
Total other comprehensive income	8.8	(4.7)	8.8	(4.7)
<i>Reconciliation of tax expense</i>				
Accounting profit before income tax	166.7	187.1	165.3	186.5
Tax at the Australian tax rate of 30% (2024: 30%)	50.0	56.1	49.6	55.9
<i>Adjusted for tax effect of:</i>				
Non-deductible expenses	0.1	0.1	0.1	0.1
Non-deductible losses/(non-assessable gains): exempt entities	(0.3)	-	-	-
	49.8	56.2	49.7	56.0
<i>Other reconciling items</i>				
Income tax (over)/under provided in prior years	-	(0.2)	-	(0.2)
Income tax expense	49.8	56.0	49.7	55.8
<i>Deferred income tax related to items charged or credited to other comprehensive income during the year</i>				
Gain on revaluation of land and buildings	-	-	-	-
Changes in the fair value of cash flow hedges	24	8.9	(4.7)	8.9
	8.9	(4.7)	8.9	(4.7)

Notes to the Financial Statements

For the year ended 30 June 2025

6. Tax (continued)

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
<i>Deferred tax assets</i>				
<i>Amounts recognised in profit or loss</i>				
Provision for ECL	9.8	9.2	9.8	9.2
Employee leave entitlements	10.0	9.7	10.0	9.7
Accrued expenses and provisions	10.3	12.9	10.3	12.9
Property, plant and equipment	6.2	6.2	6.2	6.2
Revaluation of financial assets	0.5	3.4	0.5	3.4
Unwound swaps	-	1.2	-	1.2
Fair value adjustments on business combination	2.4	4.6	2.4	4.6
Lease liabilities	13.2	13.4	13.2	13.4
	52.4	60.6	52.4	60.6
<i>Amounts recognised directly in other comprehensive income</i>				
Cash flow hedges	-	1.3	-	1.3
Total gross deferred tax assets	52.4	61.9	52.4	61.9
Less: Offset of deferred tax liabilities pursuant to set-off provisions	(30.0)	(22.5)	(30.0)	(22.5)
Total net deferred tax assets	22.4	39.4	22.4	39.4
<i>Maturity analysis</i>				
Deferred tax assets to be recovered within 12 months	35.1	36.4	35.1	36.4
Deferred tax assets to be recovered after more than 12 months	17.3	25.5	17.3	25.5
	52.4	61.9	52.4	61.9
<i>Deferred tax liabilities</i>				
<i>Amounts recognised in profit or loss</i>				
Prepayments	0.3	0.1	0.3	0.1
Property, plant and equipment	1.2	1.1	1.2	1.1
Right-of-use assets	11.2	11.8	11.2	11.8
Revaluation of shares	0.8	-	0.8	-
Fair value adjustments on business combination	0.1	0.5	0.1	0.5
	13.6	13.5	13.6	13.5
<i>Amounts recognised directly in other comprehensive income</i>				
Revaluation of property	9.0	9.0	9.0	9.0
Cash flow hedges	7.4	-	7.4	-
	16.4	9.0	16.4	9.0
Total deferred tax liabilities	30.0	22.5	30.0	22.5
<i>Maturity analysis</i>				
Deferred tax liabilities to be settled within 12 months	7.5	7.7	7.5	7.7
Deferred tax liabilities to be settled after more than 12 months	22.5	14.8	22.5	14.8
	30.0	22.5	30.0	22.5

Notes to the Financial Statements

For the year ended 30 June 2025

6. Tax (continued)

(a) Recognition and measurement

Income tax expense

Income tax expense comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Notes to the Financial Statements

For the year ended 30 June 2025

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
7. Loans and advances				
Overdrafts	9.3	10.6	9.3	10.6
Credit cards	49.2	50.3	49.2	50.3
Personal loans	123.5	109.8	123.5	109.8
Retail mortgages	18,010.3	16,774.3	18,010.3	16,774.3
Commercial loans	84.3	90.0	84.3	90.0
Gross loans and advances	18,276.6	17,035.0	18,276.6	17,035.0
Provision for expected credit losses	8 (32.6)	(30.5)	(32.6)	(30.5)
Net loans and advances	18,244.0	17,004.5	18,244.0	17,004.5
<i>Maturity analysis</i>				
Expected maturities within 12 months	3,719.7	3,693.6	3,719.7	3,693.6
Expected maturities greater than 12 months	14,556.9	13,341.4	14,556.9	13,341.4
Total gross loans and advances	18,276.6	17,035.0	18,276.6	17,035.0

Details on the expected maturity of loans and advances based on historical behaviour is outlined in the table above. The amounts differ from the table in Note 15(d), which presents the contractual maturity of loans and advances.

(a) Classification, recognition and measurement

Loans and advances are recognised when cash is advanced, or when rights and obligations to the loans are transferred to the consolidated entity. Loans and advances are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method plus any origination costs less any allowance for impairment losses. Interest is calculated using the effective interest rate method and is recognised in profit or loss (refer to Note 2).

8. Credit Provisioning

Distribution of loans and advances by expected credit loss stage

The table below presents the total gross loans and advances and total provisions on lending assets by ECL stage:

	ECL Assessment	Stage 1	Stage 2	Stage 3		Total \$'m
		12 mth Collective \$'m	Lifetime Collective \$'m	Lifetime Collective \$'m	Individual \$'m	
Group and parent As at 30 June 2025						
Loans and advances*						
Overdrafts		9.1	-	0.2	-	9.3
Credit cards		45.9	3.0	0.2	0.1	49.2
Personal loans		123.1	0.3	-	0.1	123.5
Retail mortgages		17,374.8	560.8	74.3	0.4	18,010.3
Commercial loans		84.1	0.2	-	-	84.3
Total exposure		17,637.0	564.3	74.7	0.6	18,276.6
Provision for expected credit losses						
Overdrafts		0.2	-	0.1	-	0.3
Credit cards		1.5	0.2	0.2	0.1	2.0
Personal loans		2.7	0.1	-	0.1	2.9
Retail mortgages		7.9	13.4	3.9	0.1	25.3
Commercial loans		2.1	-	-	-	2.1
Total		14.4	13.7	4.2	0.3	32.6

* The provisioning model applies certain assumptions to recognise lifetime ECL for exposures that are expected to transition to Stage 2 or 3 based on forward-looking factors. Therefore, the disclosure of loans and advances by ECL stage does not necessarily correlate to the ageing of individual exposures. Refer Note 8(b) for further details.

Notes to the Financial Statements

For the year ended 30 June 2025

8. Credit Provisioning (continued)

Distribution of loans and advances by expected credit loss stage (continued)

Group and parent As at 30 June 2024	ECL Assessment	Stage 1	Stage 2	Stage 3		Total \$'m
		12 mth Collective \$'m	Lifetime Collective \$'m	Lifetime Collective \$'m	Lifetime Individual \$'m	
Loans and advances						
Overdrafts		10.6	-	-	-	10.6
Credit cards		46.7	3.0	0.3	0.3	50.3
Personal loans		109.3	0.3	0.1	0.1	109.8
Retail mortgages		16,161.8	546.4	66.0	0.1	16,774.3
Commercial loans		90.0	-	-	-	90.0
Total exposure		16,418.4	549.7	66.4	0.5	17,035.0
Provision for expected credit losses						
Overdrafts		0.4	-	-	-	0.4
Credit cards		1.5	0.3	0.2	0.2	2.2
Personal loans		2.4	-	0.1	-	2.5
Retail mortgages		7.8	12.0	3.2	0.1	23.1
Commercial loans		2.3	-	-	-	2.3
Total		14.4	12.3	3.5	0.3	30.5

Analysis of the movement in the provision for expected credit losses

The following table presents the total provisions on lending assets by ECL stage:

Group and parent	ECL Assessment	Stage 1	Stage 2	Stage 3		Total \$'m
		12 mth Collective \$'m	Lifetime Collective \$'m	Lifetime Collective \$'m	Lifetime Individual \$'m	
As at 1 July 2024		14.4	12.3	3.5	0.3	30.5
New loans originated during the year		3.7	0.1	0.2	-	4.0
Net remeasurement on transfers between stages		(1.8)	3.5	1.7	-	3.4
Loans derecognised during the year and write-offs		(1.9)	(2.2)	(1.2)	-	(5.3)
As at 30 June 2025		14.4	13.7	4.2	0.3	32.6
As at 1 July 2023		12.9	10.2	1.3	0.7	25.1
New loans originated during the year		1.7	-	0.1	-	1.8
Net remeasurement on transfers between stages		0.5	3.2	2.3	0.2	6.2
Loans derecognised during the year and write-offs		(0.7)	(1.1)	(0.2)	(0.6)	(2.6)
As at 30 June 2024		14.4	12.3	3.5	0.3	30.5

Notes to the Financial Statements

For the year ended 30 June 2025

8. Credit Provisioning (continued)

(a) Impairment of financial assets

The consolidated entity applies an ECL impairment model that reflects an unbiased, probability weighted method and evaluates a range of scenarios taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. The forward-looking model does not require evidence of an actual loss event for impairment provisions to be recognised.

(i) Three-stage approach to determining the provision for expected credit loss

A three-stage approach measures the expected credit losses over 12 months or the expected lifetime of the financial asset. The assets migrate through the following three stages based on credit deterioration since origination of the loan:

- **Stage 1:** On origination and where there has not been a significant increase in credit risk (SICR) since origination, a provision equivalent to 12 months ECL is recognised reflecting the expected credit losses resulting from defaults occurring over the next 12 months.
- **Stage 2:** Financial assets that have experienced SICR since origination are transferred to Stage 2. A provision equivalent to lifetime ECL is recognised to reflect the credit losses expected to arise from defaults occurring over the remaining life of the financial asset. If credit risk were to improve in a subsequent period such that it is no longer considered significant, the exposure returns to a Stage 1 classification and a 12 month ECL applies.
- **Stage 3:** Where there is objective evidence of impairment, a provision equivalent to lifetime ECL is recognised.

The ECL is estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective and individual basis when transferred to Stage 3.

(ii) Measurement of expected credit loss

ECL is a probability weighted credit loss estimated by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. ECL is calculated as the product of the following credit risk factors at a facility level:

- **Probability of default (PD):** the estimate of the likelihood that a borrower will default over a given period;
- **Exposure at default (EAD):** the expected balance sheet exposure at default taking into account repayments of principal and interest and accrued interest; and
- **Loss given default (LGD):** the amount that is not expected to be recovered following default.

(iii) Definition of default, credit impaired assets and write-offs

Default occurs when there are indicators that a debtor is unlikely to meet contractual credit obligations to the consolidated entity in full, or the exposure is 90 days past due. Facilities are classified as credit impaired where there is doubt as to whether the full amounts due, including interest and other payments, will be received in a timely manner.

Loans are written off when there is no realistic probability of recovery. Loans are written off against the related provision for ECL when the consolidated entity's internal processes have been completed and when all reasonable expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written off are credited to the income statement.

(iv) Lifetime of an exposure

For exposures in Stage 2 and Stage 3, impairment provisions are determined as a lifetime ECL. The consolidated entity considers the expected lifetime over which it is exposed to credit risk. For retail portfolios, the expected lifetime is determined using the behavioural term, taking into account expected prepayment behaviour.

Notes to the Financial Statements

For the year ended 30 June 2025

8. Credit Provisioning (continued)

(b) Significant accounting estimates and judgements

The calculation of the provision for ECL requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customer default and resulting losses). The significant judgements made in the determination of the provision for ECL are outlined in the following sections:

(i) Significant increase in credit risk (SICR)

A financial asset moves from Stage 1 to Stage 2 when there is evidence of SICR since origination. The consolidated entity considers all available qualitative and quantitative information in determining whether there has been evidence of SICR. Further details on the determination of SICR are outlined below:

- *Non-retail portfolios (cash equivalents and financial assets at amortised cost)*
For non-retail portfolios, the consolidated entity assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk (e.g. investment grade financial instruments). All non-retail financial instruments held by the consolidated entity are of investment grade and hence no SICR is observed for these portfolios. The non-retail portfolios are subject to review at least annually to ensure the portfolios have remained at investment grade and hence no SICR has been observed. More frequent reviews may occur, for instance, upon the external credit rating of a counterparty being revised.
- *Retail portfolios (retail mortgages)*
The consolidated entity applies the rebuttable presumption that the credit risk on financial assets has increased significantly since initial recognition when contractual payments are more than 30 days past due. In addition, any retail exposure entering a financial hardship status is also an indicator of SICR. Where exposures enter financial hardship, they are required to demonstrate 6 months of good payment behaviour prior to being allocated back to Stage 1.
The model allows for the additional inherent risk of SICR not fully captured by the rebuttable presumption and financial hardship, through a Forecast SICR Adjustment. This adjustment factor is designed to respond to a deterioration in the economic outlook by shifting an additional portfolio of loans from Stage 1 to Stage 2, thus increasing the provision recognised on these exposures to a lifetime ECL.
Consistent with previous years, as a result of market interest rate movements, a further SICR Adjustment has been applied to loans with low fixed interest rates and with an LVR greater than 70%. This adjustment factor is designed to respond to the increased likelihood of financial distress from an increase in loan servicing costs by shifting an additional portfolio of loans from Stage 1 to Stage 2, thus increasing the provision recognised on these exposures to a lifetime ECL.
- *Simplified portfolios (overdrafts, personal loans, credit cards and commercial loans)*
For small lending portfolios (comprising those less than 2% of the total lending portfolio), which are not considered significant individually or in combination, the consolidated entity applies a simplified provisioning approach. 30 days past due is used as the primary indicator of SICR on exposures in these portfolios.

Notes to the Financial Statements

For the year ended 30 June 2025

8. Credit Provisioning (continued)

(ii) Forward-looking information

In applying forward-looking information for estimating ECL for retail portfolios, the consolidated entity considers three probability-weighted forecast economic scenarios as follows:

- *Base case scenario*
This scenario reflects the entity's base case assumptions using a market consensus view of the macroeconomic environment to ensure an unbiased estimate of expected credit losses. The consolidated entity has applied a weighting of 55% (2024: 55%) to the base case scenario.
- *Upside and downside scenarios*
The upside and downside scenarios are not based on the economic conditions prevailing at balance date, instead they are based on more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic events and uncertainty over a longer term horizon. The consolidated entity has applied a weighting of 10% (2024: 10%) to the upside scenario and 35% (2024: 35%) to the downside scenario, reflecting its views of the forward economic outlook.
Due to uncertainty in the forward-looking economic environment, the consolidated entity has incorporated a management overlay in its ECL model, to reflect the potential losses that may not be fully captured within the model methodology. Overlays are determined based on a range of techniques including stress testing, benchmarking, scenario analysis and expert judgement. Overlays are subject to internal governance and applied as an incremental ECL top-up amount to the impacted portfolio segments. Refer Note 15(b) for further details.

Each of the three scenarios include a 12 month forecast of relevant macroeconomic variables which include unemployment rates, GDP growth rates, house price index and lending rate changes. Sensitivity testing on the scenario weightings indicated that large changes in weightings does not result in a material impact to the provision.

For the simplified portfolios, the ECL model is simplified in the sense that no probability weighted scenario analysis outcomes are incorporated. This is a key judgement for the consolidated entity, and is made on the basis of the materiality of the simplified portfolios.

(iii) Impairment Other Assets

The consolidated entity has applied the simplified methodology in AASB 9 for all trade receivables as they do not contain a significant financing component. The provision for ECL is measured at an amount equal to the lifetime ECL (stage 2) for these financial assets, which is typically 12 months or less.

The ECL is recognised by applying a provision matrix to receivables based on their days past due. Specific provisions identified for individually impaired facilities are added to the collective provision when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recorded in other income.

As at 30 June 2025 and 2024, the ECL has been calculated on other receivables and amounts due from related parties and was determined to be immaterial.

Notes to the Financial Statements

For the year ended 30 June 2025

9. Deposits

		Group		Parent	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Deposits from other financial institutions	13c	25.7	-	25.7	-
At-call deposits		11,454.1	10,879.9	11,459.3	10,885.2
Term deposits		7,393.6	6,675.1	7,393.6	6,675.1
Other deposits		13.4	13.5	13.4	13.5
		18,886.8	17,568.5	18,892.0	17,573.8

(a) Recognition and measurement

Deposits are initially recognised at fair value (being fair value of consideration received) and are subsequently measured at amortised cost using the effective interest rate method (refer to Note 2).

(b) Financial liabilities

Financial liabilities include payables, deposits from members and other financial institutions, certificates of deposit, interest bearing trust notes and floating rate notes.

The consolidated entity classifies its financial liabilities at amortised cost, unless it is required to measure liabilities at fair value through profit or loss (for example for derivatives, or where such financial liabilities are held-for-trading). It may also designate liabilities at fair value through profit and loss where such a designation will eliminate or significantly reduce a measurement or recognition inconsistency. The consolidated entity recognises all financial liabilities at amortised cost under AASB 9.

10. Borrowings

		Group		Parent	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
<i>Secured:</i>					
Interest bearing notes issued: securitisation SPVs	9b	422.8	328.7	3,037.6	3,485.2
<i>Unsecured:</i>					
Short and medium term floating rate notes	9b	1,658.5	1,323.6	1,658.5	1,323.6
Total borrowings		2,081.3	1,652.3	4,696.1	4,808.8

(a) Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Financial Statements

For the year ended 30 June 2025

11. Cash and cash equivalents

		Group		Parent	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Cash at financial institutions and on hand		683.0	547.8	481.9	421.3
Investment securities		313.1	313.6	313.1	313.6
Gross cash and cash equivalents		996.1	861.4	795.0	734.9
Provision for expected credit losses	11b	(0.1)	(0.1)	(0.1)	(0.1)
Net cash and cash equivalents		996.0	861.3	794.9	734.8

(a) Accounting policies

(i) Recognition and measurement

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(ii) Restrictions over cash and cash equivalents

Cash and cash equivalents of the consolidated entity includes an amount of \$2.8m (2024: \$3.3m) relating to the activities of a charitable trust which are only available to be utilised in accordance with the respective trust deed.

Cash and cash equivalents of the consolidated entity includes an amount of \$188.8m (2024: \$111.8m) relating to the activities of a self-securitisation trust which operates as a contingent liquidity facility. This cash balance is restricted for specific purposes within the self-securitisation SPE.

(iii) Cash flows presented on a net basis

Cash flows arising from the following activities are presented on a net basis in the cash flow statement:

- customer deposits to and withdrawals from deposit accounts;
- advances, redraws and repayments on loans;
- purchases and redemptions of liquid financial assets; and
- proceeds from and repayment of borrowings.

(b) Movement in the provision for expected credit losses

The provision for expected credit losses on cash and cash equivalents and movements in the provision are immaterial.

Notes to the Financial Statements

For the year ended 30 June 2025

11. Cash and cash equivalents (continued)

	Group		Parent	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
(c) Notes to the statement of cash flows				
Reconciliation of profit for the year to net cash inflow/(outflow)				
Profit after tax	116.9	131.1	115.6	130.7
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>				
Depreciation and amortisation expense	22.2	23.7	22.2	23.7
Loss on sale of property, plant and equipment	0.2	0.8	0.2	0.8
Movement in provision for ECL - loans and advances	2.1	5.3	2.1	5.3
Movement in provision for ECL - investments	-	(0.4)	-	(0.4)
Net gain on financial assets at FVTPL	(1.4)	0.2	(0.1)	1.1
Unwound swap amortisation (income)/expense	(4.1)	(14.4)	(4.1)	(14.4)
<i>Changes in operating assets and liabilities:</i>				
Increase in provisions	1.2	2.0	1.2	2.0
(Increase)/decrease in current tax asset	(1.6)	(5.1)	(1.6)	(5.1)
(Increase)/decrease in net deferred tax asset	8.2	11.3	8.2	11.3
Increase in derivatives	(0.8)	(0.5)	(0.8)	(0.5)
(Increase)/decrease in prepayments and other receivables	(1.5)	(3.3)	(0.3)	(2.9)
Increase in payables	0.9	21.6	(2.7)	25.1
Increase in lease liabilities	1.8	1.4	1.8	1.4
Decrease in financial assets	(499.1)	150.7	(29.5)	689.8
Increase in loans and advances	(1,241.7)	(1,463.6)	(1,241.7)	(1,463.6)
Increase/(decrease) in deposits and borrowings	1,294.5	1,040.9	1,294.4	1,040.9
Net cash inflow/(outflow) from operating activities	(302.2)	(98.3)	164.9	445.2

12. Financial assets

At amortised cost:

Certificates of deposit	242.2	78.6	242.2	78.6
Fixed and floating rate notes	1,730.0	2,310.2	1,730.0	2,310.2
Government and semi-government securities	1,531.8	550.1	1,531.8	550.1
Interest-bearing deposits	0.4	0.4	-	-
Mortgage-backed securities	155.2	223.8	155.2	223.8
Gross financial assets at amortised cost	3,659.6	3,163.1	3,659.2	3,162.7
Provision for expected credit losses	12b	(0.6)	(0.6)	(0.6)
Net financial assets at amortised cost	3,659.0	3,162.5	3,658.6	3,162.1

At fair value through profit or loss:

Mortgage-backed securities	-	-	2,811.2	3,280.7
Unlisted securities	3.9	1.1	3.9	1.2
Investments in managed funds	24.7	23.5	-	-
Net financials assets at fair value	28.6	24.6	2,815.1	3,281.9
Total financial assets	3,687.6	3,187.1	6,473.7	6,444.0

Notes to the Financial Statements

For the year ended 30 June 2025

12. Financial assets (continued)

(a) Accounting policies

(i) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the settlement date, i.e. the date that the consolidated entity settles the instrument with the counterparty. This includes "regular way trades" - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

(ii) Classification and Measurement

Financial assets - debt instruments

Under AASB 9 *Financial Instruments* financial assets are classified into measurement classifications based on two criteria:

- the business model within which the financial asset is managed; and
- the contractual cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The classification models based on the criteria above for financial assets are as follows:

- **Amortised cost:** Financial assets with contractual cash flows that comprise solely of payments of principal and interest and which are held in a business model whose objective is to collect their cash flows;
- **Fair value through other comprehensive income (FVOCI):** Financial assets with contractual cash flows that comprise solely of payments of principal and interest and which are held in a business model whose objective is to collect their cash flows or sell them; and
- **Fair value through profit or loss (FVTPL):** Any other financial assets not falling into the categories above are measured at FVTPL.

The consolidated entity classifies its financial assets in the following categories: amortised cost and FVTPL. The classification depends on the purpose for which the investments were acquired.

Fair value option for financial assets

A financial asset may be irrevocably designated at FVTPL on initial recognition when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - equity instruments

Non-traded equity instruments can be designated at FVOCI on an instrument by instrument basis. If this election is made, gains or losses are not reclassified from other comprehensive income to profit or loss on disposal of the investment. The gains or losses may be reclassified within equity. Impairment provisions are not recognised on these investments. The consolidated entity has not designated any equity instruments on the FVOCI basis.

(iii) Reclassification

Financial assets can only be reclassified when there is a change to the consolidated entity's business model for managing financial assets. The reclassification is applied prospectively from the reclassification date with no restatement of any previously recognised gains or losses (including impairment gains or losses) or interest. The consolidated entity has not reclassified any financial assets under AASB 9.

(iv) Impairment of financial assets

Impairment is assessed and provisions are recognised in accordance with the AASB 9 ECL impairment model. The details of the critical accounting judgements and estimates involved in calculating impairment under the ECL impairment model are provided in Note 8(a).

(b) Movement in the provision for expected credit losses

The provision for expected credit losses on financial assets and movements in the provision are immaterial.

Notes to the Financial Statements

For the year ended 30 June 2025

13. Derivatives

	Group & Parent	
	2025 \$m	2024 \$m
Assets	25.0	1.3
Liabilities	-	(6.8)
Interest rate swap contracts - cash flow hedges	25.0	(5.5)
Collateral paid / (deposits from other financial institutions)	(25.7)	5.5
Net amount	(0.7)	-
<i>Maturity profile of notional principal amounts:</i>		
<i>Receive fixed/pay variable contracts:</i>		
Less than 1 year	3,856.0	3,925.0
1 - 5 years	1,105.0	1,031.0
<i>Pay fixed/receive variable contracts:</i>		
Less than 1 year	-	-
1 - 5 years	-	-

(a) Interest rate swap contracts - cash flow hedges

The consolidated entity uses derivative financial instruments to manage interest rate risk in the balance sheet and to stabilise income and valuation over interest rate cycles. Derivative financial instruments are not entered into for trading or speculative purposes. Rather, hedging activity is undertaken for the sole purpose of reducing the consolidated entity's interest rate risk exposures, relative to defined risk tolerances, regardless of the expected direction of future interest rate movements.

(i) Receive fixed/pay variable or pay fixed/receive variable interest rate swap contracts

It is the policy of the consolidated entity to protect interest rate sensitive assets from exposure to variability in interest rates. Accordingly, the consolidated entity has entered into interest rate swap contracts under which it is obliged to receive interest at fixed rates and to pay interest at variable rates. The contracts require settlement of net interest receivable or payable each 30 days in line with the maturity of the assets being hedged. The contracts are settled on a net basis.

(ii) Fair value of interest rate swap contracts

At balance sheet date for both the consolidated entity and the parent entity, the carrying amount of the derivatives equals their fair value. Valuation adjustments in determining the fair value of derivatives include a credit valuation adjustment (CVA) to reflect the counterparty risk and/or event of default.

(b) Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity only hedges particular risks associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions, and therefore designates all hedges as cash flow hedges.

At the inception of the hedge relationship, the consolidated entity documents the economic relationship between hedging instruments and hedged items, including where changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The consolidated entity documents its risk management objective and strategy for undertaking its hedge transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains or losses.

When a hedging instrument expires, is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss. Refer to Note 24(a)(i).

(c) Collateral paid / (deposits from other financial institutions)

Collateral consists of cash paid/(received) for initial and variation margins in relation to derivative activities.

Notes to the Financial Statements

For the year ended 30 June 2025

14. Securitisation

(a) Summary of securitisation activities

The company sponsors the formation of Special Purpose Vehicles (SPV) that securitise mortgage loans primarily for the purpose of raising funding and accessing a contingent liquidity facility with the Reserve Bank of Australia. Refer to Note 28 for a list of SPV consolidated within the group. The company does not consolidate a SPV that it does not control. In determining whether the company does control a SPV, it makes judgements about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the SPV. In all instances, elements are present that indicate control over structured entities and therefore the company has consolidated the results, assets and liabilities of the SPV.

Due to the securitisation structures adopted by the company, mortgage loans selected for sale in securitisation tranches do not qualify for derecognition. Only mortgage loans which meet selection criteria are eligible for selection in securitisation tranches. The selection criteria requires review of loan serviceability profiles, maximum loan terms, loan-to-valuation ratios, level of interest rates charged, adequacy of loan documentation, quality and valuation of collateral. The company is still exposed to the credit and interest rate risks associated with securitised loans.

(i) Self-securitisation for purpose of contingent liquidity

The company holds all of the debt securities issued by the following two SPV, for the purpose of contingent liquidity by exchanging them with the Reserve Bank of Australia through a repurchase agreement:

- GBS Receivables Repo Trust.
- Newcastle Permanent Funding Trust No. 1 - Series 2013-1R.

(ii) Securitisation for purpose of raising funding

The company retains the non-senior notes, with the senior notes held by warehouse financiers for the following two SPV:

- GBS Secured Funding Trust No.1. The external funding warehouse facility expires on 25 May 2027.
- Newcastle Permanent Funding Trust No. 1 - ANZ Warehouse Series. The external funding warehouse facility expires on 15 October 2025. The process to renew the warehouse facility with the warehouse provider will commence after signing of this Financial Report.

In the unlikely event that the existing funding providers did not extend the facilities, the Trust would seek to refinance the facilities with another provider. If the funding warehouse was not refinanced, then an event of default would be declared and the security trustee would be appointed to realise the assets of the Trust for the benefit of the secured and unsecured creditors.

(b) Carrying amounts of assets and liabilities related to securitisation

The carrying amount of assets transferred by the company to SPV and that are consolidated at balance sheet date was \$3,038m (2024: \$3,485m). The external liabilities of the consolidated entity issued as a result of the securitisation of assets at balance sheet date was \$421m (2024: \$327m).

(c) Recognition and measurement

Equitably assigned mortgage loans relating to the company's securitisation programs are recognised in the balance sheet of the parent with a corresponding loan payable to the relevant SPV. The associated liabilities arising from the securitisation program include trust notes, secured over the securitised mortgage loans. Income relating to the equitably assigned mortgage loans is recognised in the income statement of the company and measured at amortised cost using the effective interest rate method. Interest expense on the loan to the SPV is recognised in the profit or loss using the effective interest rate method which equates to the coupon payable on the loan from the SPV and includes terms and conditions of the arrangements and services between the company and the SPV adjusted for fees paid directly by the SPV to external party providers. These fees include servicing fees and residual income.

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management

This note explains the nature and extent of risks arising from financial instruments and how these risks could affect the consolidated entity's financial performance. The consolidated entity's major risk categories are detailed below:

Nature of Risk	Exposure arising from	Measurement	Governance	Refer Note
Credit Risk: Lending	<ul style="list-style-type: none"> Loans and advances Financial guarantees Undrawn loan commitments 	<ul style="list-style-type: none"> Ageing and arrears analysis Portfolio risk metrics and concentrations Lending credit stress testing 	<ul style="list-style-type: none"> Lending Credit Policy Asset and Liability Committee (ALCO) 	15 (b)
Credit Risk: Investment	<ul style="list-style-type: none"> Cash and liquid assets Financial assets Other receivables Derivative financial instruments 	<ul style="list-style-type: none"> Counterparty credit ratings Large exposure monitoring Portfolio tolerances Stress testing Collateral management 	<ul style="list-style-type: none"> Investment Credit Risk and Large Exposures Policy ALCO 	15 (c)
Liquidity Risk	<ul style="list-style-type: none"> Retail deposits Wholesale funding Derivative financial instruments Financial guarantees Undrawn loan commitments 	<ul style="list-style-type: none"> Scenario analysis and stress testing Minimum liquidity ratios and risk limits Daily monitoring of liquidity metrics Maintenance of contingent liquidity sources 	<ul style="list-style-type: none"> Liquidity Risk Policy Funding Strategy Liquidity Management Strategy Contingency Funding Plan ALCO 	15 (d)
Market Risk: Interest Rate Risk	<ul style="list-style-type: none"> Cash and liquid assets Financial assets Loans and advances Other receivables Derivative financial instruments Retail deposits Wholesale funding 	<ul style="list-style-type: none"> Earnings at Risk (EaR) and Economic Value Sensitivity (EVS) measures Repricing and Maturity Gap Analysis Stress testing 	<ul style="list-style-type: none"> Interest Rate Risk Policy ALCO 	15 (e)

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management (continued)

15 (a) Overview of Risk Management Framework

The consolidated entity is exposed to the following key risks arising from financial instruments held at the end of the reporting period: credit risk, liquidity risk and market risk. The following sections explain the nature and extent of the risks arising and the objectives, policies and processes for managing risk.

(i) Risk Appetite Statement

The Risk Appetite Statement (RAS) is the cornerstone of the risk management framework and outlines the degree of risk that the Board is willing to accept in pursuit of strategic objectives. These risk-taking boundaries are expressed in the qualitative and quantitative ways within which they expect management to operate. The RAS also describes the processes for setting, monitoring and actioning breaches of risk tolerance levels. The RAS is subject to annual review and approval by the Board.

(ii) Risk Management Strategy

The Risk Management Strategy (RMS) outlines the material risks and the approach to managing these risks. It outlines the roles and responsibilities of key stakeholders and lists the key policies and procedures that have been established to manage material risks. The RMS is subject to annual review by the Executive Committee, and approval by the Board. The Board and Board Risk Committee (BRC) are responsible for establishing a governance structure and the effective operation of the risk management framework. The primary management level committee established to manage the key risks arising from financial instruments is the ALCO.

(iii) Risk governance model

The consolidated entity has established a Three Lines of Defence risk governance model:

- **First Line - Risk Owners.** Responsibility and accountability for risk begins with the business units that originate the risk. They are responsible to demonstrate effective identification, assessment and management of risk consistent with the risk appetite and risk management framework, including design and implementation of controls to manage risk.
- **Second Line - Review and Challenge.** The Risk Management and Compliance function is led by the Chief Risk Officer (CRO), who is independent from any business lines and reports directly to the Chief Executive Officer (CEO), with regular, unfettered access to the Board and BRC. The Risk Management and Compliance function is responsible for; establishing and maintaining the risk management framework; developing policies and frameworks to reflect the RAS and the intent of regulatory and legislative requirements; provide challenge, assurance and guidance on material risks; and provide assurance to management and the Board on the effectiveness of the operation of the risk management framework.
- **Third Line - Independent Assurance.** The Internal Audit function independently evaluates the adequacy and effectiveness of the risk management framework, and provides independent assurance to the Board and Board Audit Committee (BAC).

In addition to the lines of defence outlined above, External Auditors also provide an independent opinion on the consolidated entity's financial report and the effectiveness of financial controls.

15 (b) Credit risk

Credit risk is the potential for financial loss arising from the failure of a customer or counterparty to meet their contracted financial obligations as and when they fall due. Lending credit risk arises from the consolidated entity's lending activities, which includes residential mortgages, personal loans, credit cards, commercial loans and overdrafts. Investment credit risk arises from the consolidated entity maintaining a liquid asset and investment portfolio, as well as hedging instruments used to manage interest rate risk.

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management (continued)

(i) Credit risk: Lending

The consolidated entity has established policies and processes for identifying, measuring, monitoring, reporting and controlling or mitigating lending credit risk. They include the full credit life cycle from credit origination, initial and subsequent credit assessment and approval processes and the ongoing monitoring and management of the consolidated entity's credit exposures and portfolio.

Credit origination, credit assessment and approval and review responsibilities are clearly and appropriately assigned through lending delegations that are approved by the Board and are delegated to appropriately skilled and experienced individuals under the Lending Delegations Policy. Higher risk transactions are escalated to more skilled and experienced individuals.

There is regular independent internal review of the credit origination, credit assessment and approval and management functions by the Risk Management area that is independent of the business function. The Risk Management function provides the Board with oversight of the credit risk profile and framework, including the monitoring and reporting of risk appetite limits against risk tolerances.

Credit quality is regularly monitored through reviewing performance, concentrations, arrears, policy exceptions and policy breaches. Credit assurance reviews are completed to ensure compliance with policies and delegated authorities. The primary means of reducing the potential loss given borrower default on these loans is through obtaining collateral, as follows:

- *for residential mortgage loans:* charges over borrowers' residential property, other properties or cash; lenders mortgage insurance for loans with higher loan-to-valuation (LVR) ratios; and government guarantees under the Australian Government's Home Guarantee Scheme;
- *for personal loans:* charges over specified assets or cash held on deposit; and
- *for commercial loans:* charges over specified assets such as commercial and residential property, inventory, trade receivables or cash and guarantees.

The primary means of reducing the probability of borrowers to default is through the application of prudent minimum lending standards and assessment of each borrower's capacity to meet their obligations and withstand periods of stress. Loan serviceability is assessed using a net surplus income model, defined as the ratio of total income (after income haircuts, taxation and living expenses) to total sensitised commitments.

All loans are subject to ongoing review for impairment in accordance with the consolidated entity's provisioning policies which comply with AASB 9 Financial Instruments. Refer to Note 7 for further information.

The consolidated entity's loans and advances can be analysed by the following geographical regions. Where the loan is secured, the geographical location disclosed is based on the location of the security:

(ii) Concentration of loans and advances by geography

	2025		2024	
	\$'m	\$'m	\$'m	\$'m
Group and parent	NSW	Other states	NSW	Other states
Credit cards	48.8	0.4	49.9	0.4
Personal loans	119.2	4.3	106.1	3.6
Retail mortgages	15,181.1	2,829.2	14,365.6	2,408.7
Commercial loans and overdrafts	91.0	2.6	98.7	2.0
	15,440.1	2,836.5	14,620.3	2,414.7
Total gross loans and advances		18,276.6		17,035.0

(iii) Repossessed collateral

Reposessed property is sold as soon as practicable, with proceeds used to reduce the outstanding balance. As at 30 June 2025, the consolidated entity had no properties in possession (2024: 2 properties in possession).

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management (continued)

(iv) Maximum credit risk exposure and credit-impaired assets

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of these indicated in the balance sheet except for loans and advances. For loans and advances the maximum credit risk exposure for the consolidated entity is \$21,138m (2024: \$19,796m) and for the company \$21,138m (2024: \$19,796m). For loans that are securitised, credit risk is transferred to a SPE (refer Note 14). This maximum exposure does not take into account the value of any security.

Refer 15(b) for further information on the collateral obtained for secured loans and advances. There has been no material change in the collateral policies of the entity during the reporting period or significant changes in the quality of the collateral held for loans and advances.

Credit-impaired assets are those that have been individually assessed within Stage 3 of the ECL model and disclosed at Note 8(a). Credit-impaired retail mortgages and commercial loans are fully secured, and the provision recognised represents the expected loss after realisation of any security held. All other credit-impaired loans are unsecured.

15 (c) Credit risk: Investment

The consolidated entity has established the Investment Credit Risk and Large Exposures Policy to identify, measure, monitor and report on investment credit risk within the Board's risk appetite. The policy outlines the key sources of counterparty credit risk to which the consolidated entity is exposed, types of investment activity acceptable to the Board, processes required to be followed to assess counterparty credit risk and methodologies used to measure counterparty credit risk exposures. The policy also outlines the governance model and delegated responsibilities for managing, monitoring and reporting investment credit risk.

Operational management of Investment Credit Risk has been delegated by the Board to the CFO and Treasurer.

The Board's risk appetite for investment credit risk is expressed through a range of specific limits that address acceptable investment and counterparty types, minimum acceptable counterparty credit quality, maximum individual counterparty concentrations and portfolio concentrations. These limits are based on individual counterparty credit ratings issued by recognised external credit rating bodies.

(i) Distribution of debt securities by credit quality

The following table presents an analysis of debt securities by rating agency designation, based on Standard & Poor's long term rating or their equivalent, except where otherwise stated:

Credit Rating	Certificates of Deposit and Interest bearing deposits	Mortgage Backed Securities	Fixed and Floating Rate Notes	Aust Gov and Semi-Gov Securities	Investment Securities	Due from other Financial Institutions	Total
Group	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
<i>As at 30 June 2025:</i>							
AAA	59.8	155.2	105.3	178.8	55.3	260.9	815.3
AA- to AA+	49.2	-	1,393.5	1,353.0	113.1	226.0	3,134.8
A- to A+	79.2	-	217.4	-	129.8	0.5	426.9
BBB to BBB+	54.4	-	13.8	-	14.9	-	83.1
Unrated	-	-	-	-	-	159.0	159.0
Total	242.6	155.2	1,730.0	1,531.8	313.1	646.4	4,619.1
<i>As at 30 June 2024:</i>							
AAA	-	223.8	175.3	50.3	28.6	262.3	740.3
AA- to AA+	-	-	1,489.5	499.8	136.1	156.4	2,281.8
A- to A+	59.3	-	628.0	-	148.9	0.5	836.7
BBB to BBB+	19.7	-	17.4	-	-	-	37.1
Unrated	-	-	-	-	-	105.8	105.8
Total	79.0	223.8	2,310.2	550.1	313.6	525.0	4,001.7

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management (continued)

Investment credit exposures of the Parent entity are aligned to Group, other than Mortgage Backed Securities. These are disclosed below:

	Mortgage Backed Securities	
	2025	2024
Parent	\$'m	\$'m
AAA	2,811	3,281

(ii) Distribution of debt securities by geographical concentration

In determining the geographical concentration of other financial assets, the consolidated entity allocates exposures based on the country of regulation of counterparties. As at the balance sheet date, all exposures of the consolidated entity are to counterparties regulated within Australia.

15 (d) Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due, caused by a mismatch in cash flows. The Liquidity Risk Management Framework has been formulated to ensure that the consolidated entity maintains sufficient liquidity to deliver its strategic objectives and to withstand a prolonged period of stress.

The Group manages liquidity risk via:

- Diversification of funding sources and tenor across retail and wholesale markets, supplemented by robust maintenance of its capital base and a supportive credit rating.
- Ensuring the strength and quality of the customer deposit offerings and maintaining strategic focus on deposits that offer funding resilience.
- Broad and consistent investor engagement.
- A portfolio of liquid assets to provide a buffer against liquidity stress.
- Robust balance sheet planning and monitoring processes to ensure lending growth is well calibrated against both the Group's capacity to fund and the Group's strategic plans, which in turn ensures a very high degree of liquidity and funding resilience.

Operational management of liquidity and funding requirements have been delegated by the Board to the CFO and Treasurer. The Board Liquidity Risk Policy, Executive Management Statements, Methodology and Process Governance, Funding Strategy and Contingent Funding Plans document the Group's management of liquidity and funding risks, consistent with APS 210 Liquidity requirements. Monitoring is provided by ALCO, with independent reporting to Board Risk Committee.

The group uses the following mechanisms to monitor and report on its liquidity risks.

- Liquid Assets Portfolio and Minimum Liquidity Holding (MLH) Liquidity Ratio;
- Ensuring the strength and quality of the customer deposit offerings and maintaining strategic focus on deposits that offer funding resilience;
- Investment portfolio;
- Funding concentration, duration and diversity limits;
- Maturity gap reports, incorporating intraday liquidity ;
- Scenario analysis and stress testing; and
- Early warning indicators.

The group has maintained MLH ratio above APRA and Board minimums throughout the reporting period.

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management (continued)

15 (d) Liquidity risk (continued)

(i) Contingent sources of liquidity

The consolidated entity has credit contingent sources of liquidity with the RBA to help manage with unexpected levels of liquidity demands.

The Group has an internal securitisation program which provides potential access to a significant amount of contingent liquidity. At 30 June 2025, the parent entity has sold loans of \$3.0 billion (2024: \$3.5 billion) into a related special purpose vehicle for the purposes of internal securitisation. The financial performance and financial position of the special purpose vehicle is included within the financial performance and financial position of the consolidated entity. The related special purpose vehicle, in turn, has issued \$2.8 billion (2024: \$3.3 billion) of notes to the parent entity which are eligible for repurchase with the Reserve Bank of Australia.

(ii) Maturity analysis

The maturity analysis in the below tables is based on the contractual maturity of financial assets and liabilities. The table below presents the discounted cash flows for each financial asset and liability. There is no material difference between the discounted and undiscounted cash flows as at 30 June 2025.

The tables disclose the off-balance sheet commitments for the Group, including loans approved and not advanced and financial guarantees provided to members. All financial guarantees are secured by assets of the member unless specific authorisation from the Board is obtained.

Cash and cash equivalents that are disclosed within the "No specified maturity" column include at-call balances that do not have a contractual maturity.

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	No maturity specified	Total
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Group - 2025							
<i>Financial assets:</i>							
Cash and cash equivalents	222.7	90.3	-	-	-	683.0	996.0
Other receivables	3.4	-	-	-	-	-	3.4
Derivative financial instruments	-	0.5	7.5	17.0	-	-	25.0
Financial assets at amortised cost	46.1	222.0	595.5	2,471.9	323.5	-	3,659.0
Financial assets at FVTPL	-	-	-	-	-	28.6	28.6
Loans and advances	37.9	66.1	321.2	1,833.1	15,869.0	116.7	18,244.0
Total	310.1	378.9	924.2	4,322.0	16,192.5	828.3	22,956.0
<i>Financial liabilities:</i>							
Payables	62.6	1.6	7.1	18.1	-	-	89.4
Derivative financial instruments	-	-	-	-	-	-	-
Deposits due to members	12,557.8	2,275.7	3,875.9	177.4	-	-	18,886.8
Borrowings	20.0	187.6	392.9	1,480.8	-	-	2,081.3
Lease liabilities	1.2	2.4	9.5	21.5	6.8	-	41.4
Total	12,641.6	2,467.3	4,285.4	1,697.8	6.8	-	21,098.9
Net financial assets/(liabilities)	(12,331.5)	(2,088.4)	(3,361.2)	2,624.2	16,185.7	828.3	1,857.1
<i>Off balance sheet future commitment:</i>							
Loans approved not advanced	471.6	-	-	-	-	-	-
Guarantees	7.8	-	-	-	-	-	-
Total	479.4	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended 30 June 2025

15. Financial risk management (continued)

(ii) Maturity analysis (continued)

	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	No maturity specified	Total
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Group - 2024							
<i>Financial assets</i>							
Cash and cash equivalents	272.7	35.2	-	-	-	553.4	861.3
Other receivables	11.3	-	-	-	-	-	11.3
Derivative financial instruments	-	-	-	1.3	-	-	1.3
Financial assets at amortised cost	52.4	259.2	455.6	1,989.5	405.8	-	3,162.5
Financial assets at FVTPL	-	-	-	-	-	24.6	24.6
Loans and advances	23.6	69.4	316.7	1,744.4	14,754.3	96.1	17,004.5
Total	360.0	363.8	772.3	3,735.2	15,160.1	674.1	21,065.5
<i>Financial liabilities</i>							
Payables	67.7	1.8	5.4	13.4	-	-	88.3
Derivative financial instruments	-	0.3	2.1	4.4	-	-	6.8
Deposits due to members	11,561.4	1,837.1	3,749.1	407.3	13.6	-	17,568.5
Borrowings	55.5	42.7	472.2	1,081.9	-	-	1,652.3
Lease liabilities	1.2	2.6	10.0	22.3	6.5	-	42.6
Total	11,685.8	1,884.5	4,238.8	1,529.3	20.1	-	19,358.5
Net financial assets/(liabilities)	(11,325.8)	(1,520.7)	(3,466.5)	2,205.9	15,140.0	674.1	1,707.0
<i>Off balance sheet future commitment:</i>							
Loans approved not advanced	498.4	-	-	-	-	-	-
Guarantees	7.5	-	-	-	-	-	-
	505.9	-	-	-	-	-	-

(iii) Parent maturity analysis

There is no material difference between the net asset maturity profile of the Parent entity and the Group.

15 (e) Market risk - interest rate risk

The predominant market risk the Group is exposed to is interest rate risk, defined as the current or prospective risk to the Group's capital and earnings arising from movements in interest rates. The Group does not have material exposures to foreign exchange or equity risks.

The Interest Rate Risk Management Framework has been formulated to ensure that the Group manages interest rate risk within its risk appetite.

The Group considers the following in regards to managing interest rate risk:

- managing the growth, composition, and mix of assets and liability products giving rise to interest rate risk;
- managing the maturity and repricing profile of assets and liabilities within the Group's risk appetites; and
- interest rate risk hedging strategies.

Operational management of interest rate exposures have been delegated by the Board to the CFO and the Treasurer. The Board Interest Rate Risk Policy, Executive Management Statements, Methodology and Process Governance document the Group's management of interest rate risks, consistent with APS 117 Capital Adequacy requirements for a standardised ADI (opposed to an internal ratings-based approach ADI). Monitoring is provided by ALCO, with independent reporting to Board Risk Committee.

Notes to the Financial Statements

For the year ended 30 June 2025

15 (e) Market risk - interest rate risk (continued)

(i) Sensitivity analysis - interest rate risk

The Group uses a number of mechanics to measure, monitor and report the risk of loss in earnings, or in economic value on the banking book as a consequence of movements in interest rates. These include Earnings at Risk (EaR), Economic Value Sensitivity (EVS), repricing and maturity gap analysis, and stress testing, where:

- **EaR** is a short term measure of interest rate risk over a 12 month horizon, which calculates changes in expected net interest income under different interest rate shocks and scenarios. The core EaR scenario used is a 100bps instant and parallel rate curve shock.
- **EVS** is a longer term point in time measure of interest rate risk and is the difference between fair value and shocked fair value (repricing the balance sheet using scenarios of interest rates). The core EVS scenario used is a 300bps instant and parallel rate curve shock.

The interest rate risk measures represent a sensitivity analysis based on the prescribed interest rate risk shock scenario. As at 30 June 2025, the core interest rate risk measures were as follows:

- the EaR interest rate risk measure, based on a 100bps downwards parallel shift, was \$28 million, or 5.67% of budgeted net interest income.
- the EVS interest rate risk measure, based on a 300bps upwards parallel shift, was \$132 million, or 7.21% of Common Equity Tier 1 capital (CET1).

(ii) Repricing analysis

	Up to 1 month	<3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Group - 2025							
Assets							
Cash and cash equivalents	869.0	90.3	-	-	-	36.7	996.0
Other receivables	-	-	-	-	-	3.4	3.4
Derivatives	25.0	-	-	-	-	-	25.0
Financial assets at amortised cost	383.3	1,453.7	463.1	1,358.9	-	-	3,659.0
Financial assets at FVTPL	-	-	-	-	-	28.6	28.6
Loans and advances	16,017.3	195.1	975.0	1,044.9	11.7	-	18,244.0
	17,294.6	1,739.1	1,438.1	2,403.8	11.7	68.7	22,956.0
Liabilities							
Payables	-	-	-	-	-	89.4	89.4
Derivatives	-	-	-	-	-	-	-
Deposits	10,805.0	2,375.9	4,326.6	1,379.3	-	-	18,886.8
Borrowings	945.8	1,066.7	68.8	-	-	-	2,081.3
Lease liabilities	1.2	2.4	9.5	21.5	6.8	-	41.4
	11,752.0	3,445.0	4,404.9	1,400.8	6.8	89.4	21,098.9
Interest repricing gap	5,542.6	(1,705.9)	(2,966.8)	1,003.0	4.9		

Notes to the Financial Statements

For the year ended 30 June 2025

15 (e) Market risk - interest rate risk (continued)

	Up to 1 month	<3 months	3-12 months	1-5 years	Over 5 years	Non- interest Bearing	Total
Group - 2024	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Assets							
Cash and cash equivalents	797.8	35.2	-	-	-	28.3	861.3
Other receivables	5.6	-	-	-	-	5.7	11.3
Derivatives	1.3	-	-	-	-	-	1.3
Financial assets at amortised cost	522.5	1,302.7	214.7	1,122.6	-	-	3,162.5
Financial assets at FVTPL	-	-	-	-	-	24.6	24.6
Loans and advances	13,930.7	276.9	1,159.5	1,626.7	10.7	-	17,004.5
	15,257.9	1,614.8	1,374.2	2,749.3	10.7	58.6	21,065.5
Liabilities							
Payables	-	-	-	-	-	88.3	88.3
Derivatives	6.8	-	-	-	-	-	6.8
Deposits	11,177.9	1,715.3	3,636.9	1,037.6	0.8	-	17,568.5
Borrowings	382.7	1,103.1	166.5	-	-	-	1,652.3
Lease liabilities	1.2	2.6	10.0	22.3	6.5	-	42.6
	11,568.6	2,821.0	3,813.4	1,059.9	7.3	88.3	19,358.5
Interest repricing gap	3,689.3	(1,206.2)	(2,439.2)	1,689.4	3.4		

(v) Parent repricing analysis

There is no material difference between the net interest rate maturity profile of the Parent entity and the Group.

16. Capital management

As an APRA regulated entity, the consolidated entity must hold the minimum levels of capital as required by APS 110 Capital Adequacy.

The Group's regulatory capital is categorised in 2 tiers:

- Tier 1 capital; includes Common Equity Tier 1 Capital such as retained earnings, general reserves and current year earnings.
- Tier 2 capital; includes other components of capital that do not meet the definition of tier 1 capital but still contribute to the ability of the Group to absorb losses.

Risk-weighted assets are determined according to requirements set out in APS 112 Standardised Approach to Credit Risk, applied to the Group's assets and off-balance sheet exposures.

The Group considers that the maintenance of a strong capital position over the business cycle is fundamental to achievement of the Group's strategic goals and in protecting the interests of its customers. The Group is subject to a Prudential Capital Ratio (PCR) as determined by APRA. The consolidated entity must, at all times, maintain a risk based capital ratio in excess of its PCR.

The consolidated entity has in place an Internal Capital Adequacy Assessment Process (ICAAP) which is subject to review at least annually. The ICAAP includes:

- Board approved limits for capital requirements;
- policies, procedures, systems and controls to measure, monitor and manage capital above the required limits;
- capital management plan;
- stress testing and scenario analysis;
- roles and responsibilities including ALCO and Board oversight; and
- policies to address the capital impact of material risks not covered explicitly by regulatory capital requirements.

The Group has maintained Capital ratios above APRA PCR and internal targets throughout the reporting period.

The Group's capital results can be viewed at: www.ngmgroupp.com.au/regulatory-disclosures

Notes to the Financial Statements

For the year ended 30 June 2025

17. Fair value measurements

The consolidated entity measures financial instruments such as derivatives, and non-financial assets such as land and buildings, at fair value at each balance sheet date. Also, certain assets and liabilities measured at cost or amortised cost are required to have their fair value disclosed in the financial statements. Where disclosures of fair value are made for items measured at cost or amortised cost, the principles outlined below are applied.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the consolidated entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

External valuers are involved for the valuation of significant assets, such as land and buildings. Involvement of external valuers is decided upon annually by management after discussion with and approval by the Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The consolidated entity complies with the requirements of AASB 7 Financial Instruments Disclosures which requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- **Level 1:** Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.
- **Level 2:** Valued by using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- **Level 3:** Valued in whole or in part using valuation techniques or models that use inputs that are not based on observable market data (unobservable inputs).

A description of the valuation technique(s) and the inputs used in the fair value measurement for each item categorised as a Level 2 or Level 3 valuation is outlined below:

(i) Financial assets at FVTPL

The investment portfolio held by Newcastle Permanent Charitable Foundation (a subsidiary entity) is comprised of units held in a range of managed funds. Investments are valued using current prices obtained from independent external pricing sources. The portfolio is managed under an outsourced arrangement with a professional investment advisory firm. Asset prices are reviewed and verified in line with valuation policies in place by specialised investment teams.

In addition to the investment portfolio held by the subsidiary entity, the parent also holds subordinated notes in securitisation vehicles which are classified as financial assets at FVTPL. There is no active market for these securities, and hence their fair value is determined using a net present value calculation. In practice, the fair value is equivalent to the carrying value at the balance sheet date.

(ii) Derivative financial instruments

Derivatives consist of interest rate swaps. The fair value of these financial assets is calculated as the present value of estimated future cash flows. Cash flows are calculated and discounted using observable market yield curves and exchange rates at the end of the reporting period. The fair value of derivatives also incorporates the credit risk associated with default by the swap counterparty (where the derivative is a financial asset) or associated with the consolidated entity's own credit risk (where the derivative is a financial liability).

Notes to the Financial Statements

For the year ended 30 June 2025

17. Fair value measurements (continued)

(iii) Property, plant and equipment

A description of the valuation technique(s) and the inputs used in the fair value measurement is outlined at Note 19.

(iv) Financial assets at amortised cost

The disclosed fair value of financial assets at amortised cost that are short-term (i.e. holdings with an original maturity less than three months) is calculated with reference to current Bank Bill Swap Rate (BBSW) curves and the remaining term to maturity of the investment. The disclosed fair value of financial assets at amortised cost that are long-term is calculated by multiplying the current capital price (sourced from market data) of the security by the face value.

(v) Loans and advances

The disclosed fair value of loans and advances is calculated by discounting future cash flows on fixed rate loans at market interest rates. Variable rate loans are measured at amortised cost and the carrying value reflects the fair value of the loans at balance date.

(vi) Investment properties

The consolidated entity measures investment properties at cost. Accounting standard AASB 140 Investment Property requires the consolidated entity to disclose the fair value of investment property where it is measured at cost. At the balance date, the fair value of investment properties was \$4.1m (2024: \$4.1m)

The fair value of investment properties was determined by registered valuers. The last valuations were completed in February 2023 and April 2023. The Directors have updated their assessment of the fair value of each property at the balance sheet date, taking into account current market evidence.

The fair value of investment property was based on the capitalisation of fair market rental returns. This method adopts capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence. In all valuations, a net rent has been applied to owner occupied properties. The key inputs under this approach are the rental rates per square metre and the capitalisation rate.

(vii) Borrowings

The disclosed fair value of borrowings is calculated by discounting future cash flows on fixed rate liabilities at market interest rates. Variable rate liabilities and short-term liabilities are measured at amortised cost and the carrying value reflects the fair value of the borrowings at balance date.

(viii) Fair value measurement hierarchy

The following table provides the fair value measurement hierarchy of the consolidated entity's assets and liabilities. There have been no transfers of any financial assets or financial liabilities between the fair value measurement hierarchy levels during the year.

Group		Level 1	Level 2	Level 3	Total
As at 30 June 2025	Note	\$'m	\$'m	\$'m	\$'m
<i>Items that are measured at fair value:</i>					
Financial assets at FVTPL	12	-	28.6	-	28.6
Derivative financial instruments	13	-	25.0	-	25.0
Property, plant and equipment - land and buildings	19	-	-	68.4	68.4
<i>Items not measured at fair value, for which fair value is disclosed:</i>					
Financial assets at amortised cost	12	-	3,677.7	-	3,677.7
Loans and advances	7	-	-	18,254.5	18,254.5
Investment properties		-	-	4.1	4.1
As at 30 June 2024					
<i>Items that are measured at fair value:</i>					
Financial assets at FVTPL	12	-	24.6	-	24.6
Derivative financial instruments	13	-	(5.5)	-	(5.5)
Property, plant and equipment - land and buildings	19	-	-	68.4	68.4
<i>Items not measured at fair value, for which fair value is disclosed:</i>					
Financial assets at amortised cost	12	-	3,147.4	-	3,147.4
Loans and advances	7	-	-	16,906.7	16,906.7
Investment properties		-	-	4.1	4.1

Notes to the Financial Statements

For the year ended 30 June 2025

18. Intangible assets

Group and Parent	Note	Internally generated software \$'m	Computer Software \$'m	Capital Works in progress \$'m	Total \$'m
Year ended 30 June 2025					
Opening net book amount		0.3	0.7	0.3	1.3
Additions		0.3	-	(0.3)	-
Disposals		-	(0.1)	-	(0.1)
Amortisation charge	4	(0.3)	(0.3)	-	(0.6)
Closing net book amount		0.3	0.3	-	0.6
At 30 June 2025					
Cost		10.6	25.0	-	35.6
Accumulated amortisation and impairment		(10.3)	(24.7)	-	(35.0)
Net book amount		0.3	0.3	-	0.6
Year ended 30 June 2024					
Opening net book amount		1.3	1.5	-	2.8
Additions		-	-	0.3	0.3
Disposals		-	-	-	-
Amortisation charge	4	(1.0)	(0.8)	-	(1.8)
Closing net book amount		0.3	0.7	0.3	1.3
At 30 June 2024					
Cost		10.1	25.3	0.3	35.7
Accumulated amortisation and impairment		(9.8)	(24.6)	-	(34.4)
Net book amount		0.3	0.7	0.3	1.3

(a) Maturity analysis

All amounts are expected to be recovered or settled more than twelve months after the reporting period.

(b) Internally generated software

In Financial Year 2023, additional functionalities relating to the internet banking platform and mobile application were finalised and launched. Amounts previously carried in capital work in progress were transferred to intangible assets and amortised in accordance with the accounting policy below. At 30 June 2025, the carrying amount of the internet banking software and mobile application was \$0.3m (2024: \$0.3m) with a remaining amortisation period ranging from 0.5 to 2 years.

(c) Recognition and measurement

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised as an intangible asset. Costs capitalised include external direct costs of materials and services. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the consolidated entity has an intention and ability to use the asset.

Amortisation is calculated on a straight-line basis over a period of up to 3 years (2024: up to 3 years).

Notes to the Financial Statements

For the year ended 30 June 2025

19. Property, plant and equipment

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

Group and parent	Note	2025 \$'m	2024 \$'m
Plant and equipment owned	19(a)	79.0	78.5
Plant and equipment leased (right of use assets)	19(b)	37.5	39.4
		116.5	117.90

(a) Property, plant and equipment owned

Group and parent	Note	Freehold	Leasehold	Plant and Equipment	Capital Works in Progress	Total
		Land and Buildings	Improve- ments			
		\$'m	\$'m	\$'m	\$'m	\$'m
Year ended 30 June 2025						
Opening net book amount		66.9	3.0	6.2	2.4	78.5
Additions		-	-	-	6.8	6.8
Disposals		-	-	-	-	-
Transfers to/(from) capital work in progress		-	2.9	2.6	(5.5)	-
Depreciation charge	4	(1.3)	(1.7)	(3.3)	-	(6.3)
Closing net book amount		65.6	4.2	5.5	3.7	79.0
At 30 June 2025						
Fair value/cost		68.4	22.8	38.4	3.7	133.3
Accumulated depreciation		(2.8)	(18.6)	(32.9)	-	(54.3)
Net book amount		65.6	4.2	5.5	3.7	79.0
Year ended 30 June 2024						
Opening net book amount		68.1	2.6	8.1	2.3	81.1
Additions		0.1	0.4	0.3	2.9	3.7
Disposals		-	(0.1)	(0.6)	-	(0.7)
Transfers to/(from) capital work in progress		-	1.6	1.2	(2.8)	-
Depreciation charge	4	(1.3)	(1.5)	(2.8)	-	(5.6)
Closing net book amount		66.9	3.0	6.2	2.4	78.5
At 30 June 2024						
Fair value/cost		68.4	19.9	36.1	2.4	126.8
Accumulated depreciation		(1.5)	(16.9)	(29.9)	-	(48.3)
Net book amount		66.9	3.0	6.2	2.4	78.5

(i) Fair value of land and buildings

The fair value of land and buildings was determined by registered valuers. The last valuations were completed in February 2023 and April 2023. The Directors have updated their assessment of the fair value of each property at the balance sheet date, taking into account current market evidence.

The fair value of land and buildings was based on the capitalisation of fair market rental returns. This method adopts capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence. In all valuations, a net rent has been applied to owner occupied properties. The key inputs under this approach are the rental rates per square metre and the capitalisation rate.

Notes to the Financial Statements

For the year ended 30 June 2025

19. Property, plant and equipment (continued)

(ii) Significant unobservable valuation inputs

The following table summarises the quantitative information about the significant unobservable inputs used in determining the recurring "Level 3" fair value measurements of land and buildings.

Description	FV at 30 June 2025 \$'m	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land and buildings	65.6	Net rental per square metre	\$132/m ² to \$450/m ²	The higher the net rental per square metre, the higher the fair value.
		Capitalisation rate	4.75% to 7.00%	The higher the capitalisation rate, the lower the fair value.

Group and parent	2025 \$'m	2024 \$'m
<i>(iii) Carrying amounts that would have been recognised if land and buildings were stated at cost</i>		
Cost	53.2	53.1
Accumulated depreciation	(16.0)	(14.8)
Net book amount	37.2	38.3

(iv) Maturity analysis

All amounts are expected to be recovered or settled more than twelve months after the reporting period.

(b) Property, plant and equipment leased

Group and parent	Note	Branches \$'m	ATMs \$'m	Other \$'m	Total \$'m
Year ended 30 June 2025					
Opening net book amount		38.4	0.6	0.4	39.4
Remeasurements		(0.1)	-	-	(0.1)
Additions		12.1	0.2	1.3	13.6
Disposals		-	-	-	-
Depreciation charge	4	(14.5)	(0.2)	(0.7)	(15.4)
Closing net book amount		35.9	0.6	1.0	37.5
Year ended 30 June 2024					
Opening net book amount		31.7	0.5	0.7	32.9
Remeasurements		-	-	-	-
Additions		22.3	0.4	0.1	22.8
Disposals		-	-	-	-
Depreciation charge	4	(15.6)	(0.3)	(0.4)	(16.3)
Closing net book amount		38.4	0.6	0.4	39.4

Notes to the Financial Statements

For the year ended 30 June 2025

19. Property, plant and equipment (continued)

(c) Recognition and measurement

Land and buildings

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset. All other decreases are charged to profit or loss during the period in which they are incurred.

Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Leased property, plant and equipment

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs (if applicable).

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, or, in the case of leasehold improvements, the shorter lease term as follows:

Buildings	40 years	Motor vehicles	5 - 7 years
Plant and equipment	2 - 25 years	Leasehold improvements	2 - 10 years

Depreciation of an asset begins when it is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital expenditure incurred by the consolidated entity which is not yet available for use is recognised as capital works in progress. Amounts recognised in capital works in progress are subsequently transferred to the appropriate class of property, plant and equipment and depreciated when they are first deemed to be available for use.

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the consolidated entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Gains and losses

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in profit or loss. When revalued assets are sold, it is the policy of the consolidated entity to transfer the amounts included in the property revaluation surplus in respect of those assets to retained earnings.

Notes to the Financial Statements

For the year ended 30 June 2025

20. Prepayments and other receivables

	Group		Parent	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Prepayments	15.4	13.1	15.4	13.1
Other receivables	3.4	5.7	3.5	5.6
Collateral paid	-	5.6	-	5.6
Amounts due from related parties	-	-	14.7	16.1
	18.8	24.4	33.6	40.4
<i>Maturity analysis:</i>				
<i>Amounts expected to be settled within:</i>				
Less than 12 months	16.6	23.6	31.4	39.6
Greater than 12 months	2.2	0.8	2.2	0.8
	18.8	24.4	33.6	40.4

(a) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to be the same as their fair value. Information about the consolidated entity's exposure to credit risk is outlined in Note 15.

21. Payables

	Note	Group		Parent	
		2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Other payables	21(a)	89.2	84.0	87.9	82.2
Deferred income		0.2	4.3	0.2	4.3
Amounts due to related parties		-	-	10.8	14.8
		89.4	88.3	98.9	101.3

(a) Recognition and measurement

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid and broker trailing commissions. The amounts are unsecured and are usually paid within 30 days of recognition, or over a period of 5 years for broker trailing commissions.

The group makes trailing commission payments in respect of mortgages originated through brokers. These payments are based on monthly loan balances outstanding.

- On initial recognition of a mortgage loan the group recognises a trailing commission financial liability which is based on the net present value of expected future trailing commissions payable to brokers.

- A corresponding trailing commission asset is capitalised to the loan as part of the transaction costs and recognised as an adjustment to interest income using the effective interest method.

Notes to the Financial Statements

For the year ended 30 June 2025

22. Lease liabilities

Group and parent

	2025 \$'m	2024 \$'m
Lease liabilities	41.4	42.6

(a) The consolidated entity's leasing activities

For any contracts entered into the group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

The consolidated entity has leases for branch offices, ATM locations, motor vehicles, an office, car parking and signage. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

The table below describes the nature of the consolidated entity's leasing activities by type of right-of-use asset recognised on the balance sheet:

Group and parent	No. of RoU assets leased	Range of remaining term	Average remaining term	No. of leases with options
<i>Right-of-use assets:</i>				
Branch offices	92	0 - 16 Years	3 Years	33
ATMs	36	0 - 9 Years	2 Years	1
Other	61	0 - 4 Years	3 Years	-

(b) Extension options for leases

When the entity has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances, including past practice, costs associated with terminating a lease and distribution strategies, to determine the lease term.

(c) Lease payments not recognised as a liability

The consolidated entity has elected not to recognise a lease liability for short-term leases (leases of an expected term of 12 months or less) or for leases of low value assets (leased assets with a value of less than \$10,000 when new) as permitted by AASB 16. Payments made under such leases are expensed on a straight-line basis over the term of the lease.

The expense payments relating to payments not included in the measurement of the lease liability are as follows:

Group and parent	\$'m
Short-term leases	0.6
Leases of low value assets	0.5

(d) Recognition and measurement

At lease commencement date, a right-of-use asset and a lease liability is recognised on the balance sheet. The lease liability is measured at the present value of lease payments not paid at lease commencement, discounted using the consolidated entity's incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The incremental borrowing rate is the rate that the consolidated entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the 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.

The lease liability is remeasured and a corresponding adjustment made to the related right-of-use asset whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the Financial Statements

For the year ended 30 June 2025

23. Provisions

(a) Movements in provisions

Group and parent	Employee Benefits \$'m	Make Good Provision \$'m	Onerous Contract Provision \$'m	Customer Remediation \$'m	Total \$'m
<i>Carrying amount at beginning of the year</i>	32.1	1.9	-	0.3	34.3
Additional provisions made in the period	16.0	-	-	0.4	16.4
Amounts used during the period	(16.5)	-	-	-	(16.5)
Release of provisions	-	-	-	(0.3)	(0.3)
Movements from change in the discount rate applied	0.4	0.1	-	-	0.5
Movements due to remeasurement of the liability	1.0	0.2	-	-	1.2
Carrying amount at end of the year	33.0	2.2	-	0.4	35.6

Maturity analysis:

Amounts expected to be settled within:

	2025 \$'m	2024 \$'m
Less than 12 months	28.4	28.7
Greater than 12 months	7.2	5.7
	35.6	34.4

(b) Accounting policies

(i) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefits are presented as payables.

The liability for long service leave, annual leave and other employee benefits which are not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted to present value using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements

For the year ended 30 June 2025

24. Reserves and retained earnings

	Note	Group		Parent	
		2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Cash flow hedges	24(a)	17.5	0.8	17.5	0.8
Revaluation surplus - property, plant and equipment	24(a)	21.0	21.0	21.0	21.0
Business combination reserve		542.5	542.5	540.7	540.7
Retained earnings		1,376.6	1,260.7	1,375.7	1,260.1
		1,957.6	1,825.0	1,954.9	1,822.6
(a) Nature and purpose of reserves, including movement for the year					
<i>(i) Hedging reserve - cash flow hedges</i>					
Balance at 1 July		0.8	10.2	0.8	10.2
Revaluation - gross		29.8	(15.8)	29.8	(15.8)
Deferred tax on cash flow hedges		(8.9)	4.7	(8.9)	4.7
Gains/(losses) on swaps sold during the year		-	16.1	-	16.1
(Gains)/losses on swaps released to income statement		(4.2)	(14.4)	(4.2)	(14.4)
Balance at 30 June		17.5	0.8	17.5	0.8
<i>(ii) Revaluation surplus - property, plant and equipment</i>					
Balance at 1 July		21.0	21.0	21.0	21.0
Revaluation - gross		-	-	-	-
Deferred tax on revaluation surplus		-	-	-	-
Balance at 30 June		21.0	21.0	21.0	21.0

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in other comprehensive income, as described by Note 13. Amounts are reclassified to the income statement when the associated hedged transaction affects profit or loss.

The property revaluation surplus is used to record increments and decrements on the revaluation of property.

25. Non-controlling interests

	Group	
	2025 \$'m	2024 \$'m
Retained profits	27.0	26.0

Notes to the Financial Statements

For the year ended 30 June 2025

26. Key management personnel disclosures

	2025 \$'000	2024 \$'000
Group and parent		
Key management personnel compensation		
Short-term employee benefits	9,675	9,251
Post-employment benefits	511	518
Termination benefits	2,002	-
Long-term benefits	1,559	1,293
	13,747	11,062

(i) Short-term employee benefits

Short-term employee benefits include salaries, paid annual leave and sick leave, and bonuses (if payable within twelve months of the end of the reporting period).

(ii) Post-employment benefits

Post-employment benefits include superannuation payments.

(iii) Termination benefits

Termination benefits include benefits paid in connection with the key management person terminating their employment with the consolidated entity.

(iv) Long-term benefits

Long-term benefits include long-service leave paid, deferred compensation and bonuses that have been awarded, but are not payable wholly within twelve months after the end of the reporting period. This includes amounts that have been deferred for key management personnel in accordance with the Banking Executive Accountability Regime as set out in Part IIAA of the *Banking Act 1959*.

(a) Transactions with key management personnel

Loans to key management personnel of the company, including their personally related parties, are secured unless the loan product does not require security (e.g. credit cards). Loans are on normal terms and conditions applicable to members generally, unless the individual is eligible for a discounted interest rate in accordance with the company's staff benefit policies. These benefits have been grandfathered and are no longer offered. The ECL provision has been assessed on these loans and no specific provision is necessary to be recognised in respect of these loans, and there are no arrears existing on these loans. Deposits from key management personnel including their personally related parties are on the same terms and conditions as applicable to members generally. There have been no sales of the company's property and other assets to key management personnel.

Notes to the Financial Statements

For the year ended 30 June 2025

26. Key management personnel disclosures (continued)

(b) Loans to key management personnel

Details of loans made to directors and other key management personnel of the consolidated entity, including their personally related parties, are set out in aggregate below:

Group and parent	2025 \$'000	2024 \$'000
Loans and advances receivable at end of financial year	3,236	3,277
Loans advanced during the year	2,463	1,236
Interest received on loans and advances	225	280

(c) Deposits from key management personnel

Details of deposits held by directors and other key management personnel of the consolidated entity, including their personally related parties, are set out in aggregate below:

Group and parent	2025 \$'000	2024 \$'000
Deposits held at end of financial year	1,095	2,691
Interest expense on deposits to key management personnel	59	83

27. Remuneration of auditors

During the year the following fees were incurred for services provided by Deloitte Touche Tohmatsu as auditor of the parent entity, including its related practices:

	Group		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Audit of financial statements	899	1,097	804	1,000
Statutory assurance services as required by legislation	185	136	185	136
Other assurance services under legislation or contractual agreements	64	76	64	76
Other non-assurance services	-	57	-	57
Total remuneration	1,148	1,366	1,053	1,269

Notes to the Financial Statements

For the year ended 30 June 2025

28. Interests in other entities

(a) Material subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following entities in accordance with the accounting policy described in Note 1.

Name of entity	Principal activities	Place of business & Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
			2025	2024	2025	2024
NGM Group Foundations Pty Ltd	Incorporated in New South Wales, Australia. Trustee of Newcastle Permanent Charitable Foundation and Greater Charitable Foundation	Australia	100%	100%	-	-
Newcastle Permanent Charitable Foundation	Community support fund established for the purpose of raising funds to be provided to other deductible gift recipients. Newcastle Greater Mutual Group Ltd contributed \$100 in settlement capital to establish the fund.	Australia	-	-	100%	100%
Newcastle Permanent Funding Trust No. 1	Securitisation Trust program established under a Master Trust Deed dated 21 December 2011. Newcastle Greater Mutual Group Ltd is the holder of the participation unit and nine residual units for which a total issue price of \$100 was paid on the establishment of the Trust. Solution Capital Pty Limited is the holder of the remaining residual unit of \$10.	Australia	91%	91%	9%	9%
Greater Investment Services Pty Ltd	Provision of management services to GBS Receivables Repo Trust and GBS Secured Funding Trust No. 1.	Australia	100%	100%	-	-

Notes to the Financial Statements

For the year ended 30 June 2025

28. Interests in other entities (continued)

Name of entity	Principal activities	Place of business & Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
			2025	2024	2025	2024
Greater Charitable Foundation Trust	Community support fund established for the purpose of raising funds to be provided to other deductible gift recipients.	Australia	-	-	100%	100%
GBS Receivables Repo Trust	Mortgage Securitisation Special Purpose Vehicle. Newcastle Greater Mutual Group Ltd holds all of the units on issue.	Australia	100%	100%	-	-
GBS Secured Funding Trust No. 1	Mortgage Securitisation Special Purpose Vehicle. Newcastle Greater Mutual Group Ltd holds all of the units on issue.	Australia	100%	100%	-	-

(b) Voting rights of the group

The proportion of voting rights held by non-controlling interests, if different from the proportion of ownership interests held, is disclosed in the table below:

Voting rights held by the Group	2025	2024
Newcastle Permanent Funding Trust No. 1	100%	100%

The Group has determined that it controls Newcastle Permanent Funding Trust No. 1 through consideration of the following factors:

- (i) the Group exercises power over the investee through existing rights that give it the ability to direct the relevant activities that significantly affect the entity's returns;
- (ii) the Group is exposed, or has rights, to variable returns from its involvement with the investee and that the returns from its involvement have the potential to vary as a result of the investee's performance; and
- (iii) the Group has the ability to use its power over the investee to affect its returns from its involvement with the investee.

Notes to the Financial Statements

For the year ended 30 June 2025

28. Interests in other entities (continued)

(c) Non-controlling interests

	Note	2025 \$'000	2024 \$'000
<i>(i) Summarised balance sheet:</i>			
Newcastle Permanent Charitable Foundation			
Total assets		25,765	24,792
Total liabilities		(12)	(4)
Net assets/retained earnings		25,753	24,788
Greater Charitable Foundation Trust			
Total assets		2,302	2,714
Total liabilities		(1,048)	(1,499)
Net assets/retained earnings		1,254	1,215
Total net assets allocated to material non-controlling interests		27,007	26,003
Total net assets allocated to other non-controlling interests		-	-
Total net assets allocated to non-controlling interests	25	27,007	26,003
<i>(ii) Summarised statement of comprehensive income:</i>			
Newcastle Permanent Charitable Foundation			
Total income		2,307	1,559
Profit/(loss) for the period		965	279
Other comprehensive income		-	-
Total comprehensive income		965	279
Greater Charitable Foundation Trust			
Total income		1,000	1,000
Profit/(loss) for the period		39	(266)
Other comprehensive income		-	-
Total comprehensive income		39	(266)
Total comprehensive income allocated to material non-controlling interests		1,004	13
Total comprehensive income allocated to other non-controlling interests		-	-
Total comprehensive income allocated to non-controlling interests		1,004	13
<i>(iii) Summarised cash flows:</i>			
Newcastle Permanent Charitable Foundation			
Cash flows from operating activities		(308)	(613)
Cash flows from investing activities		288	(1,010)
Cash flows from financing activities		-	-
Net decrease/(increase) in cash and cash equivalents		(20)	(1,623)
Greater Charitable Foundation Trust			
Cash flows from operating activities		(412)	(231)
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net decrease/(increase) in cash and cash equivalents		(412)	(231)

Notes to the Financial Statements

For the year ended 30 June 2025

29. Related party transactions

(a) Parent entity

The ultimate parent entity and ultimate controlling entity is Newcastle Greater Mutual Group Ltd.

(b) Transactions with other related parties

The following transactions and year end balances occurred with related parties. Unless otherwise stated, all transactions occurred on an arm's length basis.

	2025 \$'000	2024 \$'000
(i) Newcastle Permanent Charitable Foundation (NPCF)		
Transactions		
Interest paid to NPCF on funds on deposit with the company	1	2
The company does not charge a fee to provide administrative, accounting and marketing services to NPCF, nor does it seek to recover the direct expenditure incurred. Total direct expenditure incurred by the company in providing these services was:	645	857
Year end balances		
NPCF hold funds on deposit with the company.	22	14
(ii) NGM Group Foundations Pty Ltd (NGFPL)		
Transactions		
The company does not charge a fee to provide administrative, accounting and marketing services to NGFPL, nor does it seek to recover the direct expenditure incurred. Total direct expenditure incurred by the company in providing these services was:	7	7
(iii) Newcastle Permanent Funding Trust No.1 (NPFT)		
The company provides redraw commitment facilities to NPFT as well as acting as manager, servicer and trust administrator of the trust. NPFT is a special purpose vehicle that allow the company to access funding by securitising mortgage loans.		
Transactions		
Interest revenue earned by the company transferred to NPFT	90,216	113,692
Interest expense paid by NPFT to the company (as noteholder)	(79,199)	(98,364)
Year end balances		
Trust notes held by the company in NPFT.	1,264,081	1,487,537
(iv) Greater Investment Services Pty Ltd (GIS)		
Transactions		
In support of the GIS's AFS licence, the company has provided a support agreement including a financial support commitment. GIS acts as the manager for GBS Receivables Repo Trust and GBS Secured Funding Trust No 1. The company provides administration services to GIS for nil consideration.		
Year end balances		
GIS hold funds on deposit with the company.	2,881	2,585

Notes to the Financial Statements

For the year ended 30 June 2025

29. Related party transactions (continued)

	2025 \$'000	2024 \$'000
(v) GBS Receivables Repo Trust (GRRT) and GBS Secured Funding Trust No. 1 (GSFT)		
The company provides custodian, basis swap, interest rate swap and redraw commitment facilities to GRRT and GSFT as well as acting as servicer of the securitised mortgages. GRRT and GSFT are special purpose vehicles that allow the company to access funding by securitising mortgage loans.		
Transactions		
Interest revenue earned by the company transferred to GRRT	98,615	119,700
Interest expense paid by GRRT to the company (as noteholder)	(85,991)	(103,155)
Interest revenue earned by the company transferred to GSFT	18,810	14,688
Interest expense paid by GSFT to the company (as noteholder)	(2,575)	(2,300)
Year end balances		
Trust notes held by the company in GRRT.	1,503,000	1,748,000
Trust notes held by the company in GSFT.	40,000	40,000
(vi) Greater Charitable Foundation Trust (GCFT)		
Transactions		
GCFT's principal activities are the provision of distributions to other entities or persons to advance or promote a charitable purpose. During the year, total donations made to GCFT by the company was:	1,000	1,000
The company does not charge a fee to provide administrative, accounting and marketing services to GCFT, nor does it seek to recover the direct expenditure incurred. Total direct expenditure incurred by the company in providing these services was:	129	365
Year end balances		
GCFT hold funds on deposit with the company.	2,302	2,714
(c) Other arrangements with related parties		
Newcastle Permanent Funding Trust No.1 (NPFT)		
During the year, the company paid a sub-trust manager fee to Perpetual Limited which remunerates them for performing services outlined in the sub-manager agreement. The fee was paid on behalf of NPFT. The duties are administrative functions of the Trust and are performed at the direction of the company as the trust manager of the Trust. The expenditure paid by the company for sub-trust manager fees was:	265	297

30. Matters subsequent to the end of financial year

There have been no other matters or circumstances that have arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Consolidated Entity Disclosure Statement

As at 30 June 2025

Name of entity	Type of entity	Place of incorporation	Tax residency status	% of share capital held by the Group	
				2025	2024
Newcastle Greater Mutual Group Ltd	Body Corporate - parent entity	Australia	Australian	N/A	N/A
Greater Investment Services Pty Ltd	Body Corporate - share capital	Australia	Australian	100%	100%
NGM Group Foundations Pty Ltd	Body Corporate - share capital	Australia	Australian	100%	100%
Newcastle Permanent Charitable Foundation	Trust	Australia	Australian	N/A	N/A
Greater Charitable Foundation	Trust	Australia	Australian	N/A	N/A
Newcastle Permanent Funding Trust No. 1	Trust	Australia	Australian	N/A	N/A
GBS Receivables Repo Trust	Trust	Australia	Australian	N/A	N/A
GBS Secured Funding Trust No. 1	Trust	Australia	Australian	N/A	N/A

Basis of preparation

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

NGM Group Foundations Pty Ltd is the trustee of Newcastle Permanent Charitable Foundation and Greater Charitable Foundation.

Directors' Declaration

The Directors of Newcastle Greater Mutual Group Ltd declare that in their opinion:

- (a) the financial statements and notes to the financial statements set out on pages 18 to 67 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of Newcastle Greater Mutual Group Ltd's and the consolidated entity's financial position as at 30 June 2025 and of their performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that Newcastle Greater Mutual Group Ltd will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement on page 68 is true and correct.

Note 1(c) to the financial statements includes a statement of compliance with the International Financial Reporting Standards as made by the International Accounting Standards Board.

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

S. Martin-Williams Chair

R. Jackson Deputy Chair

Newcastle
27 August 2025

Independent Auditor's Report to the Members of Newcastle Greater Mutual Group Ltd

Opinion

We have audited the financial reports of Newcastle Greater Mutual Group Ltd (the "Company") and its subsidiaries (the "Group") which comprise the Group and the Company's balance sheets as at 30 June 2025, the income statements, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the Consolidated Entity Disclosure Statement and the directors' declaration.

In our opinion, the accompanying financial reports of the Group and the Company are in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Group and the Company's financial position as at 30 June 2025 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Reports section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group and Company's annual report for the year ended 30 June 2025 but does not include the financial reports and our auditor's report thereon.

Our opinion on the financial reports does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Reports

The directors are responsible:

- For the preparation of the financial reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and the Company in accordance with Australian Accounting Standards; and

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

- For such internal control as the directors determine is necessary to enable the preparation of the financial reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and the Company, and are free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of the Group and the Company to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group or the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

Mark Lumsden
Partner
Chartered Accountants
Sydney, 27 August 2025



Newcastle Greater Mutual Group Ltd™ ACN 087 651 992
Australian Financial Services Licence/Australian credit licence 238273.

