

Newcastle Greater Mutual Group Ltd  
ACN 96 087 651 992

# APRA BASEL III Pillar 3 Disclosures

For the period ended: 30 June 2025



**NGM**  
**GROUP**

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## 1. Introduction

### Basis of Preparation

Newcastle Greater Mutual Group Ltd (NGM Group) is an Authorised Deposit-taking Institution (ADI) regulated by the Australian Prudential Regulation Authority (APRA) under the authority of the Banking Act 1959.

This report has been prepared in accordance with APRA's revised Prudential Standard APS 330 Public Disclosure (APS 330), effective from 1 January 2025.

All financial information is presented in Australian dollars, rounded to the nearest million to one decimal place (unless otherwise stated). All amounts relate to the year ended 30 June 2025, unless otherwise specified. The disclosures are reported on a Level 2 basis, in accordance with Prudential Standard CPS 001 'Definitions'.

NGM Group maintains a Board-approved Regulatory Disclosures Policy to ensure ongoing compliance with the disclosure requirements set out in APS 330. The policy outlines the governance framework and processes for preparing and validating prudential disclosures, including establishing roles and responsibilities, internal review and approval procedures, and the frequency and timing of disclosures.

### Attestation

As Chief Financial Officer and an Accountable Person of NGM Group, I attest that this report has been prepared in accordance with NGM Group's Regulatory Disclosures Policy, and complies with APRA's Prudential Standard APS 330 Public Disclosure.

Signed,



Richard Burton  
Chief Financial Officer  
30 October 2025

## 2. Key Prudential Metrics

### KM1: Key metrics (at consolidated group level)

The following table provides an overview of key metrics related to capital.

		a	b	c	d	e
		Jun-25	Mar-25	Dec-24	Sep-24	Jun-24
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	1,835.3	1,805.2	1,780.3	1,746.6	1,711.6
2	Tier 1	1,835.3	1,805.2	1,780.3	1,746.6	1,711.6
3	Total capital	1,863.3	1,832.9	1,805.8	1,772.9	1,737.9
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	7,738.0	7,750.1	7,769.1	7,644.9	7,641.2
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	CET1 ratio (%)	23.72	23.29	22.91	22.85	22.40
6	Tier 1 ratio (%)	23.72	23.29	22.91	22.85	22.40
7	Total capital ratio (%)	24.08	23.65	23.24	23.19	22.74
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	1.00	1.00	1.00	1.00	1.00
11	Total of bank CET1 specific buffer requirements (%)	3.50	3.50	3.50	3.50	3.50
12	CET1 available after meeting the bank's minimum capital requirements (%) <sup>(1)</sup>	16.08	15.65	15.24	15.19	14.74

<sup>(1)</sup> Item 12 is calculated as the difference between the bank's CET1 Ratio (Item 5) reduced by the minimum CET1 requirement (4.5%) and any shortfall in meeting Tier 1 and Total capital requirements, in accordance with BCBS standards. Comparative information has been restated to align with BCBS methodology.

### OV1: Overview of RWA

The following table provides an overview of NGM Group's RWA and the related minimum capital requirements by risk type.

		a	b	c
		Risk Weighted Assets (RWA)		Minimum capital requirements
		Jun-25	Mar-25	Jun-25
1	Credit risk (excluding counterparty credit risk)	6,959.2	6,970.6	556.7
2	<i>Of which: standardised approach (SA)</i>	6,959.2	6,970.6	556.7
<b>6</b>	<b>Counterparty credit risk (CCR)</b>	<b>6.1</b>	<b>3.7</b>	<b>0.5</b>
9	<i>Of which: other CCR</i>	6.1	3.7	0.5
<b>10</b>	<b>Credit valuation adjustment (CVA)</b>	<b>5.4</b>	<b>3.6</b>	<b>0.4</b>
<b>16</b>	<b>Securitisation exposures in banking book</b>	<b>31.0</b>	<b>35.8</b>	<b>2.5</b>
18	<i>Of which: securitisation external ratings-based approach (SEC-ERBA)</i>	31.0	35.8	2.5
<b>24</b>	<b>Operational risk</b>	<b>736.3</b>	<b>736.3</b>	<b>58.9</b>
<b>29</b>	<b>Total</b>	<b>7,738.0</b>	<b>7,750.0</b>	<b>619.0</b>

### 3. Risk Management and Governance

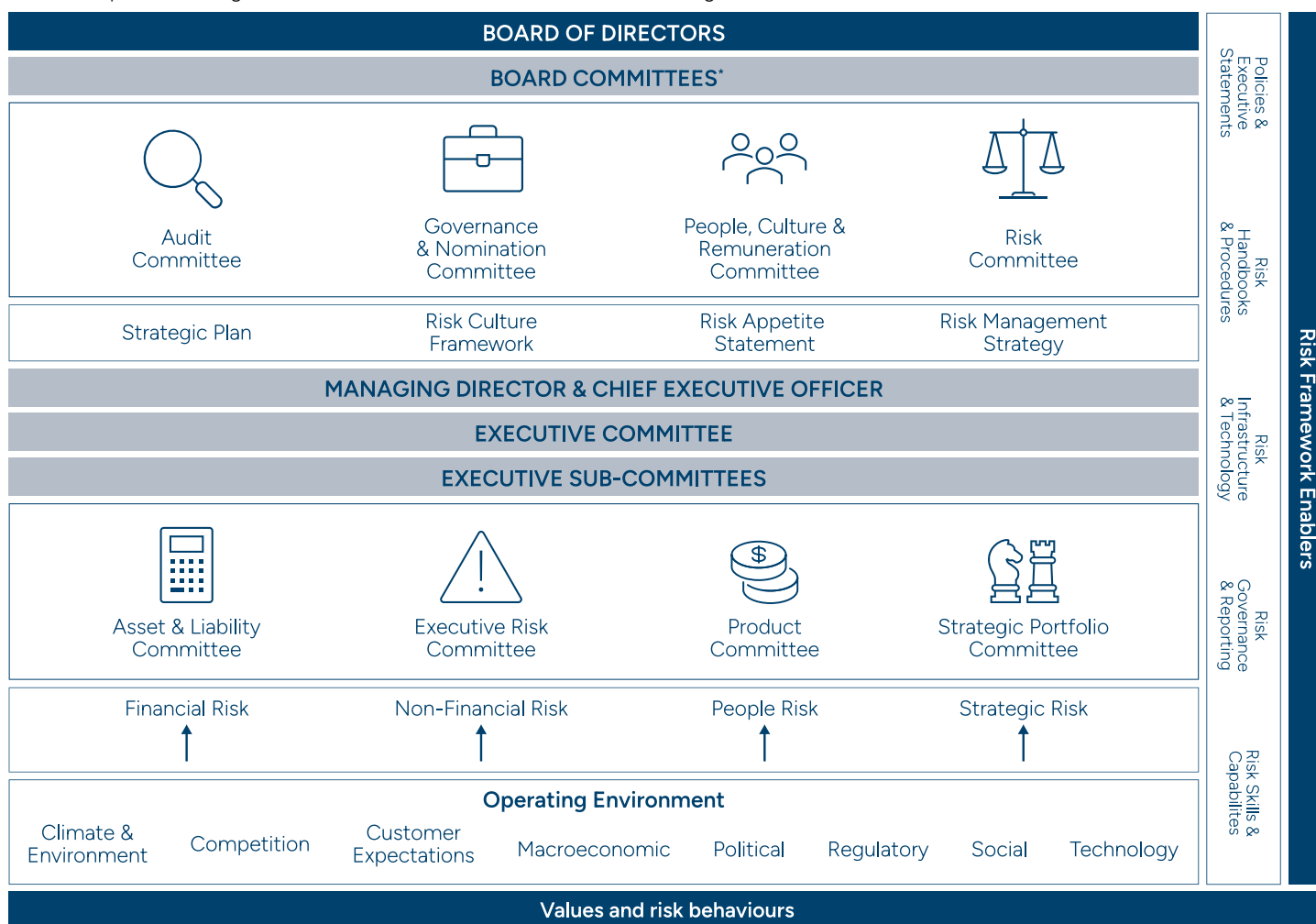
#### Risk Governance Overview

The role of the Board of NGM Group is to set and oversee strategies, plans and policies for the sound management and governance of NGM Group, including governance, risk culture, risk management and accountability frameworks. The Board has established and delegated certain functions to its Board Committees, which includes the Board Audit Committee (BAC) and the Board Risk Committee (BRC) for the effective management of NGM Group’s material risks.

The BRC assists the Board in discharging its responsibilities relating to risk management and ensures an appropriate risk governance structure is in place. The BRC sets the risk appetite for NGM Group and approves the Risk Management Framework (RMF). The RMF includes the following key elements:

- Risk Appetite Statement (RAS), which articulates the quantitative and qualitative risk appetite and tolerance for each material risk;
- Risk Management Strategy (RMS); which identifies NGM Group’s material risks and outlines how they are managed;
- Risk Culture Framework (RCF); and
- Strategic Plan.

NGM Group’s Risk Management Framework structure is illustrated in the diagram below:



#### Risk Governance Model

NGM Group has implemented a Three Lines of Defence model to delineate risk management responsibilities:

- **First Line – Risk Owners (Business Units):** Business units own and manage risks in their day-to-day operations. They are responsible for identifying, assessing, and managing risks, implementing the RMF, and ensuring that controls operate effectively (through internal quality assurance processes).
- **Second Line – Risk and Compliance (Independent Risk Management led by Chief Risk Officer):** This team provides independent oversight and challenge. It maintains the RMF and develops risk management policies aligned with the RAS. The second line offers risk guidance and technical advice to the business, monitors risk metrics, conducts assurance reviews and escalates significant risk issues to senior management and the Board, as needed.
- **Third Line – Independent Assurance:** Internal Audit (which reports to the Board Audit Committee) independently assesses the effectiveness of the RMF and internal controls, providing assurance to the Board that risks are appropriately managed. External Auditors, while not part of internal governance, also evaluate aspects of the control environment during the financial audit.

## Risk Appetite

NGM Group's RAS defines the level and types of risk the Board is willing to accept in pursuing strategic objectives and serves as the foundation of the RMF. It sets clear qualitative and quantitative boundaries for risk-taking, guiding day-to-day operations and ensuring alignment with NGM Group's Strategic Plan.

The RAS promotes a consistent understanding of acceptable risk levels across NGM Group and fosters a risk-aware culture aligned with its Purpose, Strategic Ambition, Values, and Strategic Priorities. The RAS is reviewed and approved by the Board at least annually and is integrated into the strategic planning process.

NGM Group's Business Strategy, a three-year rolling plan, outlines how strategic objectives will be achieved and incorporates the identification and assessment of material risks. It is reviewed annually by the Executive Committee and approved by the Board, ensuring strategic initiatives align with the defined risk appetite.

NGM Group has identified the following material risk categories, which are documented in the RMS and Risk Taxonomy:

- Strategic Risk
- Financial Risks – *Capital Adequacy, Credit Risk, Market Risk*
- Non-Financial Risks – *Operational Risk, Technology Risk, Compliance Risk*
- People Risk

NGM Group has processes to identify, assess, and escalate emerging risks. These processes are embedded within governance structures that inform the Group's strategic and risk management activities.

## Risk Culture

NGM Group's RCF provides a structured approach for defining, measuring, and embedding desired risk behaviours across the organisation. It sets clear behavioural expectations aligned with NGM Group's Values, Code of Conduct, and Whistleblower Protection Policy, and includes tools to monitor the risk culture and implement corrective actions when needed.

A comprehensive suite of risk policies and associated documents define roles, responsibilities, and processes to ensure operations remain within Board-approved Risk appetite. These policies support consistent decision-making and establish controls for identifying, escalating, and addressing risk issues – especially if thresholds are breached.

## Risk Monitoring and Reporting

NGM Group maintains robust management information systems (MIS) to support its decision making, aggregate exposures across business lines, report limit breaches promptly, and inform scenario analysis and stress testing.

The systems are designed to help identify, measure, and manage material risks as outlined in the RMS, both under normal circumstances and during periods of stress. Outputs and reports from MIS are provided to relevant committees and used by decision makers to manage NGM Group's risk profile and make business decisions.

NGM Group monitors its risk profile against the RAS through a combination of quantitative metrics and qualitative assessments. Key risk appetite metrics are tracked by the Risk Management function and reported via a RAS dashboard to the Executive Risk Committee (ERC) and the Board. Any metric operating outside of the defined appetite triggers management action – the accountable executive must explain the breach and present a remediation plan to return within tolerance. Qualitative risk reporting is also provided by relevant executives to the ERC, BRC and Board on a regular and as-needs basis, focusing on material risks.

Additionally, any material trends or observations arising from management level Key Risk Indicator (KRI) monitoring and material risk issues will be reported to the relevant management level committee.

## Stress Testing

NGM Group conducts comprehensive stress testing to assess its resilience under adverse scenarios. The Board approves the Enterprise-Wide Stress Testing Policy (EWSTP) which governs how stress testing is performed across the organisation. EWSTP is supported and operationalised by the Stress Testing Framework which outlines the stress testing process and the approaches for each material risk class.

For the purposes of capital stress testing, NGM Group selects stress scenarios that reflect its business mix and risk drivers – considering factors such as the structure of its business, balance sheet, liquidity position, key drivers of capital adequacy and its capital sensitivities. The process, methodology, results and analysis are documented within the EWST framework. The results are reviewed by management and, where necessary, action plans are developed to address any weaknesses revealed. Actions taken could include changes to policy settings and strategies, introducing sub-limits, and additional monitoring or reporting. A summary of considerations and recommendations are presented to the relevant governance committee.

All material risk types identified in the RMS are subject to stress testing and scenario analysis to ensure NGM Group would remain within risk appetite (or be able to return to it) under severe but plausible conditions. The RMS outlines all material risk types, the processes in place to manage those risks, their governing policy and relevant oversight governance committee. In line with the Three Lines of Defence model, roles and responsibilities for monitoring and managing risks under normal and stressed conditions are clearly defined to ensure the ongoing effectiveness of risk management.

## 4. Capital Adequacy

### Capital Management

As an APRA regulated entity, NGM Group must hold the minimum levels of capital as required by APS 110 Capital Adequacy. NGM 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 NGM Group's assets and off-balance sheet exposures.

NGM 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;
- 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.

## CC1: Composition of regulatory capital

The following table discloses the composition of NGM Group's regulatory capital. It includes a cross reference to the corresponding rows in table CC2 to facilitate reconciliation of regulatory capital to the balance sheet under regulatory scope of consolidation.

		a	b
		Amounts Jun-25	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation (CC2)
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
2	Retained earnings	1,375.7	k
3	Accumulated other comprehensive income (and other reserves)	579.1	h i j
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>1,954.8</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
11	Cash flow hedge reserve	17.4	i
26	National specific regulatory adjustments	102.1	
26a	<i>of which: deferred tax assets not reported elsewhere</i>	22.3	e
26b	<i>of which: capitalised expenses</i>	75.9	a c f g
26c	<i>of which: equity investments in financial institutions</i>	3.9	b
28	<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	<b>119.5</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>1,835.3</b>	
45	<b>Tier 1 capital (T1 = CET1 + + Additional Tier 1 (AT1))</b>	<b>1,835.3</b>	
<b>Tier 2 capital: instruments and provisions</b>			
50	Provisions <sup>(1)</sup>	28.0	d
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>28.0</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
58	<b>Tier 2 capital</b>	<b>28.0</b>	
59	<b>Total regulatory capital (= Tier 1 + Tier 2)</b>	<b>1,863.3</b>	
60	<b>Total risk-weighted assets</b>	<b>7,738.0</b>	
<b>Capital adequacy ratios and buffers</b>			
61	<b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets) (%)</b>	<b>23.72</b>	
62	<b>Tier 1 capital (as a percentage of risk-weighted assets) (%)</b>	<b>23.72</b>	
63	<b>Total capital (as a percentage of risk-weighted assets) (%)</b>	<b>24.08</b>	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets) (%)</b>	<b>3.50</b>	
65	<i>Of which: capital conservation buffer requirement (%)</i>	2.50	
66	<i>Of which: bank-specific countercyclical buffer requirement (%)</i>	1.00	
68	<b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements (%)</b>	<b>16.08</b>	

<sup>(1)</sup> Forward looking provisions for unidentified losses included in Tier 2 capital, calculated in accordance with APS 110 Capital Adequacy.

## CC2: Reconciliation of regulatory capital to balance sheet

The following table discloses the composition of NGM Group's regulatory capital. It includes a cross reference to the corresponding rows in table CC2 to facilitate reconciliation of regulatory capital to the balance sheet under regulatory scope of consolidation.

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference (CC1)
	Jun-25		
<b>Assets</b>			
Cash and cash equivalents	996.0	990.3	
Prepayments and other receivables	18.8	18.7	
<i>of which: capitalised expenses</i>	-	15.4	a
Derivative financial instruments	25.0	25.0	
Financial assets	3,687.6	3,662.5	
<i>of which: equity investments in financial institutions</i>	-	3.9	b
Loans and advances	18,244.0	18,244.0	
<i>of which: capitalised expenses</i>	-	57.7	c
<i>of which: forward looking provisions for unidentified losses</i>	-	28.0	d
Current tax assets	6.3	6.3	
Net deferred tax assets	22.3	22.3	e
Intangible assets	0.6	0.6	f
Property, plant and equipment	116.5	116.5	
Investment properties	2.0	2.0	
<b>Total assets</b>	<b>23,119.1</b>	<b>23,088.2</b>	
<b>Liabilities</b>			
Payables	89.4	88.4	
Derivative financial instruments	-	-	
Deposits	18,886.8	18,886.8	
Borrowings	2,081.3	2,081.3	
<i>of which: capitalised expenses</i>	-	2.2	g
Lease liabilities	41.4	41.4	
Provisions <sup>(1)</sup>	35.6	35.6	
<b>Total liabilities</b>	<b>21,134.5</b>	<b>21,133.5</b>	
<b>Net assets</b>	<b>1,984.6</b>	<b>1,954.7</b>	
<b>Equity</b>			
Reserves	581.0	579.1	
<i>of which: asset revaluation reserve</i>	-	21.0	h
<i>of which: cash flow hedge reserve</i>	-	17.5	i
<i>of which: general reserve</i>	-	540.6	j
Retained profits	1,376.6	1,375.6	k
Equity attributable to members of Newcastle Greater Mutual Group Ltd	1,957.6	1,954.7	
Non-controlling interests	27.0	-	
<b>Total equity</b>	<b>1,984.6</b>	<b>1,954.7</b>	

<sup>(1)</sup> Provisions are comprised of employee benefits, make good provision and customer remediation

## CC2: Reconciliation of regulatory capital to balance sheet (continued)

### Entities excluded from level 2 regulatory Consolidated Group

These entities are included within the accounting consolidation but excluded from the regulatory Consolidated Group for capital purposes

	Total Assets	Total Liabilities	Total Equity
Newcastle Permanent Charitable Foundation <sup>(1)</sup>	25.8	-	25.8
Greater Charitable Foundation <sup>(2)</sup>	2.3	1.0	1.3
Greater Investment Services Pty Ltd <sup>(3)</sup>	2.8	-	2.8
<b>Total</b>	<b>30.9</b>	<b>1.0</b>	<b>29.9</b>

<sup>(1)</sup> Newcastle Permanent Charitable Foundation is a discretionary trust established and domiciled in Australia and is a community support fund established for the purpose of raising funds to be provided to other deductible gift recipients.

<sup>(2)</sup> Greater Charitable Foundation is a discretionary trust established and domiciled in Australia and is a community support fund established for the purpose of raising funds to be provided to other deductible gift recipients.

<sup>(3)</sup> Greater Investment Services Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. The Company's principal activities are the provision of management services to controlled entities of Newcastle Greater Mutual Group Ltd (parent entity).

## 5. Credit Risk

### Overview of Credit Risk Management

Credit risk – the risk of financial loss from a borrower or counterparty failing to meet contractual obligations – is the most significant risk for NGM Group, consistent with its core business model of retail banking. NGM Group's credit exposures primarily arise from residential mortgage lending, with smaller exposures to personal loans, credit cards, commercial loans, and credit exposures to financial institutions through liquid investments and derivatives. NGM Group manages credit risk through a comprehensive framework of Board-approved policies, delegated credit authorities, and active monitoring at both portfolio and individual transaction levels.

NGM Group's credit risk appetite is set by the Board, defining qualitative and quantitative tolerances and limits across key risk dimensions including asset quality sectoral concentrations, and loan-to-valuation ratios (LVRs). This risk appetite is operationalised through detailed policies and procedures governing credit origination, underwriting standards, serviceability criteria, collateral requirements, and ongoing monitoring. Higher-risk transactions are escalated to more senior approvers through a structured Credit Delegations Framework.

### Organisational Structure and Governance

Credit risk governance is overseen by the Board Risk Committee and managed day-to-day by the Chief Risk Officer (CRO), who is independent of business-line management. The Executive Risk Committee (ERC) and Asset and Liability Committee (ALCO) support management oversight. These committees monitor adherence to risk appetite and credit policies, receive regular reporting on credit quality, portfolio concentrations, arrears and non-performing loans and provisioning.

The Line 2 Credit Risk function within the NGM Group Risk and Compliance division is independent of Line 1 business units and performs regular credit assurance reviews and portfolio monitoring. It also undertakes internal reviews of credit assessment and approval processes and reports to both management and the Board on findings and actions.

### Integration with Other Risk and Control Functions

The Line 2 Credit risk management function is integrated with other second-line functions, including Compliance, Non-Financial Risk, Balance Sheet Risk and Enterprise Risk. Internal Audit (Line-3), reporting to the Audit Committee, provides independent assurance on the effectiveness of the Credit Risk Management Framework. Coordination among these functions ensures consistent application of risk principles, prompt escalation of issues, and alignment with broader enterprise risk management objectives.

### Credit Risk Reporting

Credit risk exposure and performance are reported to Executive management and the Board on a regular basis. Reports include portfolio growth and composition, origination quality, LVR metrics, delinquency, non-performing rates, concentration analysis (geographic, product, borrower type), policy exceptions, stress test results, and compliance with credit risk appetite limits. Regular reporting to the Executive Risk Management committee and Board Risk Committee ensures emerging risks and deviations from appetite are identified and acted upon early.

Credit quality indicators, such as dynamic LVRs and 90+ day past due loans are key indicators monitored to assess borrower resilience. Stress testing scenarios are run to assess potential losses under adverse conditions and to inform contingency and capital planning.

### Credit Exposure Profile

NGM Group maintains a conservative credit risk posture, with limited appetite for higher-risk lending. The majority of lending is to retail customers secured by residential property. NGM Group emphasises prudent underwriting and proactive customer management (e.g. early intervention on hardship or arrears cases) to keep credit quality strong. This approach, reflecting NGM Group's mutual banking model, has resulted in low historical loan losses and supports the long-term financial sustainability of NGM Group.

### Credit Quality

#### Definitions and Treatment:

'Past Due' means an obligation where a contractual payment (interest or principal) has not been met by its due date. The number of days past due is counted from the first missed payment date.

An exposure is classified as '**Non-Performing**' when NGM Group assesses that it is unlikely to collect all amounts due (interest and principal) in accordance with the original terms of the loan agreement. All exposures that are 90 days or more past due are considered impaired, consistent with APRA's regulatory definitions. An impaired exposure can be designated on an individual basis (specific impairment) or via a collective assessment if it's part of a homogenous portfolio segment showing evidence of impairment. There is no divergence between the accounting definitions of Non Performing and the regulatory definitions – NGM Group uses a consistent approach for both purposes.

A '**restructured**' exposure is a loan where the original contractual terms have been modified to grant concessions (such as reduced payments or interest rate) to the borrower due to the borrower's financial difficulties. Restructured loans are closely monitored and considered impaired if NGM Group anticipates it will not recover the full obligation under the revised terms. NGM Group classifies exposures as restructured until the borrower has resolved their financial difficulty and all scheduled payments have been made over a 6-month period, in accordance with the exit criteria defined in APS 220.

## Expected Credit Loss (ECL) Model

The bank has adopted an Expected Credit Losses (ECL) accounting model for determining anticipated credit losses, as governed by AASB 9 Financial Instruments. The ECL accounting model 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. This methodology is the summation of a collective provision and a specific provision. The collective element is based on the past due status of exposures and then incorporating other segments that exhibit a significant increase in credit risk. The specific element is made up of those exposures that the bank is managing on an individual basis due to objective evidence of impairment. Due to uncertainty in the forward-looking economic environment, NGM Group has incorporated a management overlay in its ECL model, to reflect the potential losses that may not be fully captured within the model methodology.

### CR1: Credit quality of assets

The following table provides a comprehensive view of the credit quality of NGM Group's on-balance and off-balance sheet assets.

30 June 2025		a	b	c	d	e	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Non-performing exposures	Performing exposures		Allocated in regulatory category of Specific <sup>(1)</sup>	Allocated in regulatory category of General	
1	Loans	68.4	18,147.9	32.6	4.5	28.1	18,183.7
2	Debt Securities	-	3,663.1	0.6	-	0.6	3,662.5
3	Off-balance sheet exposures	1.8	2,793.5	-	-	-	2,795.3
4	<b>Total</b>	<b>70.2</b>	<b>24,604.5</b>	<b>33.2</b>	<b>0.2</b>	<b>33.0</b>	<b>24,641.5</b>

<sup>(1)</sup> Regulatory category of Specific' includes ECL accounting provisions for credit losses held against both individually and collectively assessed Stage 3 exposures.

### CR2: Changes in stock of non-performing loans and debt securities

The following table provides the flows between performing and non-performing exposures as well as reductions in the non-performing exposures due to write-offs. The reported exposures consist of on- and off-balance sheet exposures that are subject to the credit risk framework.

6 months to 30 June 2025		a
1	<b>Non-performing loans and debt securities at end of the previous reporting period</b>	<b>69.9</b>
2	Loans and debt securities that are newly non-performing since the last reporting period	28.6
3	Returned to performing status	27.8
4	Amounts written off	0.2
5	Other changes	(0.3)
6	<b>Non-performing loans and debt securities at end of the reporting period (1+2-3-4+5)</b>	<b>70.2</b>

## CRB: Additional disclosure related to the credit quality of assets

The following tables provide a summary of the total credit exposures by geography, industry, past-due status, residual maturity and restructured status.

**Table 1: Exposures by Geographic area**

	a	b	c	d
	Total Carrying Value (loans, debt securities and off-balance sheet)	of which: performing	of which: non-performing	Specific Provisions Stage 3
New South Wales	21,596.8	21,536.8	60.0	3.5
Australian Capital Territory	486.7	486.0	0.7	0.4
Northern Territory	6.3	6.3	-	-
Queensland	1,855.7	1,847.8	8.0	0.6
Tasmania	32.3	32.3	-	-
Victoria	453.2	451.7	1.5	-
Western Australia	167.4	167.4	-	-
South Australia	76.2	76.2	-	-
<b>Total</b>	<b>24,674.6</b>	<b>24,604.5</b>	<b>70.2</b>	<b>4.5</b>

**Table 2: Exposures by Industry**

	a	b	c	d
	Total Carrying Value (loans, debt securities and off-balance sheet)	of which: performing	of which non-performing:	Specific Provisions Stage 3
Retail Lending	20,943.3	20,873.8	69.6	4.5
Agriculture, Forestry And Fishing	1.8	1.2	0.6	-
Construction	5.7	5.7	-	-
Education and Training	7.1	7.1	-	-
Financial And Insurance Services <sup>(1)</sup>	3,668.8	3,668.8	-	-
Health Care and Social Assistance	1.8	1.8	-	-
Manufacturing	4.0	4.0	-	-
Professional, Scientific and Technical Services	1.2	1.2	-	-
Rental, Hiring And Real Estate Services	8.9	8.9	-	-
Retail Trade	7.2	7.2	-	-
Other	24.8	24.8	-	-
<b>Total</b>	<b>24,674.6</b>	<b>24,604.5</b>	<b>70.2</b>	<b>4.5</b>

<sup>(1)</sup> Financial and Insurance Services contains \$3,663.1M of Debt Securities (refer Table 4 of CRB).

**Table 3: Exposures by Residual Maturity**

	<b>Total</b>
<=1 year	1,920.7
1-5 years	2,278.6
> 5 years	20,475.3
<b>Total</b>	<b>24,674.6</b>

**Table 4: Non-Performing loans & Provisions by Exposure Type**

	Performing Exposures			Non-performing Exposures		
	Total	Not past due or Past due < 30 days	Past due >= 30 days < 90 days	Total	Unlikely to pay or past due >= 90 days and < 180 days	Past due >= 180 days
Loans	<b>18,147.8</b>	18,114.9	32.9	<b>68.4</b>	66.9	1.5
Debt Securities	<b>3,663.1</b>	3,663.1	-	-	-	-
Off-Balance Sheet Exposures	<b>2,793.5</b>	2,793.5	-	<b>1.8</b>	1.8	-
<b>Total</b>	<b>24,604.4</b>	<b>24,571.5</b>	<b>32.9</b>	<b>70.2</b>	<b>68.7</b>	<b>1.5</b>

**Table 5: Restructured Loans**

	Performing Exposures	Non-performing Exposures	Total
Restructured <sup>(1)</sup>	83.8	16.7	<b>100.5</b>
Not Restructured	20,857.5	53.5	<b>20,911.0</b>
<b>Total</b>	<b>20,941.3</b>	<b>70.2</b>	<b>21,011.5</b>

<sup>(1)</sup> Restructured exposures includes loan accounts which are in a current restructured arrangement, or those that have not yet met the exit criteria, as defined in Section 5.

## Credit Risk Mitigation

Mitigating credit risk is a fundamental part of NGM Group's lending strategy. The primary credit risk mitigant for NGM Group's largest portfolio – home loans – is high-quality collateral in the form of residential property mortgages. NGM Group's loan book is secured, predominantly by first-registered mortgages over residential property. This collateral significantly reduces loss given default (LGD) in the event a borrower cannot repay, as the property can be sold and debt repaid. The average LVR at origination for the mortgage portfolio is managed within conservative limits (typically <= 80% for the majority of loans). For loans written above 80% LVR, NGM Group generally obtains Lenders Mortgage Insurance (LMI) from an external insurer or Housing Australia (Government) guarantee. LMI/Housing Australia guarantee further mitigates credit risk by insuring and protecting NGM Group against loss if a high-LVR borrower defaults. As a result of these practices, nearly the entire mortgage book either has substantial borrower equity or LMI/Housing Australia guarantee coverage, contributing to the very low loss experience.

For business loans, which are a small part of the portfolio, collateral may include commercial real estate, land, or other tangible assets. These loans are underwritten at conservative LVRs and often with additional covenants or guarantees. NGM Group does not engage in significant amounts of unsecured commercial lending. Personal loans and credit cards (unsecured retail credit) form a minor portion of exposures.

For derivatives and similar contracts, NGM Group employs collateralisation (per industry standard CSA agreements) to mitigate counterparty credit risk – this is discussed further in section 'Counterparty Credit Risk'.

NGM Group actively manages its collateral obligations in accordance with CPS 226 (Margining and Risk Mitigation for non-Centrally Cleared Derivatives). Collateral requirements for derivative and repo exposures are managed via receipt/placement of cash balances with the counterparty. This forms part of the daily liquidity and funding risk management function in Treasury. Variation margin calls to collateralise exposures are validated and exchanged between NGM Group and its counterparties in accordance with CSAs.

NGM Group actively manages its derivative exposures, and potential collateral calls under stress are captured within adverse market scenario stress testing. Potential collateral calls under a three-notch downgrade of the Bank's credit ratings are also captured.

ISDA and similar master netting agreements only allow offsetting on certain events, such as settlement of interest and in the event of default. These terms do not meet the criteria for netting in the statement of financial position.

NGM Group does not have any counterparty credit risk exposures to credit derivative counterparties, such as Credit Default Swaps.

### CR3: Credit risk mitigation techniques – overview

The following table provides a breakdown of loan and debt security exposures and the credit risk mitigation techniques used to secure these exposures.

30 June 2025		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured <sup>(1)</sup>	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	125.2	18,058.5	18,058.5	-	-
2	Debt securities	3,662.5	-	-	-	-
<b>3</b>	<b>Total</b>	<b>3,787.7</b>	<b>18,058.5</b>	<b>18,058.5</b>	-	-
4	<i>Of which: non-performing</i>	0.9	67.5	67.5	-	-

<sup>(1)</sup> Exposures secured by eligible collateral for the purposes of reducing capital requirements under APS 112.

#### CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

The following table illustrates the effect of Credit Risk Mitigation (CRM) and Credit Conversion Factors (CCF) on capital requirement calculations under the standardised approach for credit risk.

30 June 2025		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)
1	Sovereigns and their central banks	1,958.1	-	1,958.1	-	-	-
4	Banks	2,505.0	-	2,505.0	-	557.7	22.26
6	Corporates	1.4	9.4	0.5	0.7	0.9	75.00
8	Retail	174.1	110.6	169.9	44.2	192.0	89.68
9	Real estate	17,972.4	2,673.6	17,972.4	1,282.0	6,015.8	31.24
	<i>Of which: Residential property</i>	17,919.1	2,642.6	17,919.1	1,258.1	5,913.3	30.84
	<i>Of which: Land acquisition, development and construction</i>	36.9	23.7	36.9	20.8	86.6	150.09
	<i>Of which: Commercial property</i>	16.4	7.3	16.4	3.1	15.9	81.54
10	Non-performing exposures	64.8	1.8	64.7	1.2	63.3	96.05
11	Other assets	165.8	-	165.8	11.4	129.5	73.08
12	<b>Total</b>	<b>22,841.6</b>	<b>2,795.4</b>	<b>22,836.4</b>	<b>1,339.5</b>	<b>6,959.2</b>	<b>28.79</b>

## CR5\_1: Standardised approach – exposures by asset classes and risk weights

The following table presents a breakdown of credit risk exposures under the standardised approach by asset class and risk weights. The table excludes counterparty credit risk and securitisation exposures.

30 June 2025		Risk Weight																				Total credit exposure amount (post-CCF and post-CRM)
Asset classes	0%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	95%	100%	105%	120%	150%		
1	Sovereigns and their central banks	1,958.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,958.1
4	Banks	-	2,074.2	-	362.5	-	-	-	68.2	-	-	-	-	-	-	-	-	-	-	-	-	2,504.9
6	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	1.2	-	-	-	-	-	-	-	1.2
8	Retail	-	-	-	-	-	-	-	-	-	-	-	88.2	-	-	-	125.9	-	-	-	-	214.1
9	Real estate	-	3,932.0	3,684.3	3,771.2	4,086.2	1,691.7	1,558.8	147.3	97.9	9.8	172.4	27.2	4.2	-	7.3	-	1.4	1.7	-	61.0	19,254.4
	<i>Of which: Residential property</i>	-	3,932.0	3,684.3	3,771.2	4,086.2	1,691.7	1,558.8	147.3	97.9	-	172.4	27.2	-	-	5.1	-	1.4	1.7	-	-	19,177.2
	<i>Of which: Land acquisition, development and construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57.7	57.7
	<i>Of which: Commercial property</i>	-	-	-	-	-	-	-	-	-	9.8	-	-	4.2	-	2.2	-	-	-	-	3.3	19.5
10	Non-performing exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	19.1	-	1.7	39.6	-	5.0	0.6	66.0
11	Other assets	36.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140.7	-	-	-	177.2
12	<b>Total</b>	<b>1,994.6</b>	<b>6,006.2</b>	<b>3,684.3</b>	<b>4,133.7</b>	<b>4,086.2</b>	<b>1,691.7</b>	<b>1,558.8</b>	<b>215.5</b>	<b>97.9</b>	<b>9.8</b>	<b>172.4</b>	<b>27.2</b>	<b>93.6</b>	<b>19.1</b>	<b>7.3</b>	<b>1.7</b>	<b>307.6</b>	<b>1.7</b>	<b>5.0</b>	<b>61.6</b>	<b>24,175.9</b>

## CR5\_2: Standardised approach – exposures by asset classes and risk weights

The following table presents the credit risk exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures. The table excludes counterparty credit risk and securitisation exposures.

30 June 2025		a	b	c	d
Risk Weight		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF <sup>(1)</sup> %	Exposure (post-CCF and post-CRM)
1	Less than 40%	18,793.1	2,377.7	46.76	19,905.0
2	40–70%	3,628.0	266.4	54.54	3,773.3
3	75%	53.0	110.9	43.79	93.6
4	80–85%	24.3	2.4	88.62	26.4
5	90–100%	296.6	12.2	45.67	309.3
6	105–130%	5.9	1.3	69.58	6.7
7	150%	40.6	24.3	86.55	61.6
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1250%	-	-	-	-
<b>11</b>	<b>Total exposures</b>	<b>22,841.5</b>	<b>2,795.2</b>	<b>47.77</b>	<b>24,175.9</b>

<sup>(1)</sup> Weighting is based on off-balance sheet exposure (pre-CCF).

## Counterparty Credit Risk

Counterparty credit risk (CCR) refers to the risk that a counterparty to a financial contract may default before the final settlement of the transaction's cash flows. Unlike traditional credit risk, CCR arises from the potential future exposure linked to the changing market value of the contract over time.

Counterparty credit risk related to derivatives and repurchase agreements is mitigated through collateralisation, whereby NGM Group receives or gives collateral against derivative and repo transactions with such collateral subject to standard industry terms including the International Swaps and Derivatives Association (ISDA), Credit Support Annex (CSA) and Global Master Repo Agreements (GMRA).

Investment credit risk appetite is determined at both a counterparty and portfolio level, by instrument type, credit rating and tenor (residual maturity), either in dollar amounts or as a maximum percentage of CET1. These limits are based on counterparty credit ratings issued by recognised external credit rating bodies.

NGM Group measures its investment credit risk exposure, in accordance with APS 112 Capital Adequacy: Standardised Approach to Credit Risk, APS 180 Capital Adequacy: Counterparty Credit Risk and APS 221 Large Exposures.

NGM Group 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 NGM Group 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 counterparty credit risk.

NGM Group does not enter into credit default swaps or guarantees in respect of its counterparty credit risk and it does not transact with and has no exposure to Central Clearing Counterparties (CCPs).

Wrong-way risk exposure arises when a bank's exposure to a counterparty increases as the counterparty's financial health deteriorates, leading to a higher chance of default and greater potential losses. NGM Group has no exposure to wrong-way risk.

### CCR1: Analysis of CCR exposures by approach

The following table provides a comprehensive view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

30 June 2025		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives) <sup>(1)</sup>	24.8	5.5		1.4	30.3	6.1
3	Simple Approach for credit risk mitigation (for SFTs)						
6	<b>Total</b>						<b>6.1</b>

<sup>(1)</sup> NGM Group uses the Current Exposure Method (CEM) to calculate Counterparty Credit Risk. NGM Group has reported under the SA-CCR line, in accordance with the Instructions.

### CCR5: Composition of collateral for CCR exposure

The following table provides a breakdown of all types of collateral posted or received to support or reduce the counterparty credit risk exposures related to derivative transactions or to Securities Financing Transactions (SFTs), including transactions cleared through a counterparty clearing house.

30 June 2025		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
	Cash – domestic currency	-	25.7	-	-	-	-
	<b>Total</b>	-	<b>25.7</b>	-	-	-	-

### Use of External Credit Ratings under the Standardised Approach for Credit Risk

NGM Group uses Standard & Poor's (S&P) Global Ratings, Moody's, and Fitch Ratings as its External Credit Assessment Institutions (ECAIs) to support risk-weighting under the standardised approach for credit risk, with no changes to these institutions during the reporting period. These ratings are applied to exposures held in NGM Group's Liquid Assets and Long-Term Investments portfolios. NGM Group operates a quarterly review process to ensure that issuer and issue credit ratings in its reporting systems remain aligned with the latest ECAI ratings and are appropriately applied to individual exposures in line with APS 112 requirements. In mapping these external ratings to risk weights, NGM Group follows the APRA-published standardised credit rating scale set out in Attachment F of APS 112, which prescribes the mapping between each agency's alphanumerical rating scale and the corresponding risk-weight categories.

## 6. Market Risk and Interest Rate Risk in the Banking Book (IRRBB)

### Market Risk

The predominant market risk that NGM Group is exposed to is interest rate risk, defined as the potential change in the entity's net interest income and capital position arising from the impact of movements in interest rates. NGM Group is not exposed to any material foreign exchange risks. The Board has no appetite for, and does not accept, speculative risk positions, which includes the operation of a trading book, short term asset purchase and resale and market making. Thus, the entity only manages Interest Rate Risk in the Banking Book (refer 'IRRBB risk management objectives and policies' below).

NGM Group does not hold capital against interest rate risk, equity position risk, foreign exchange risk and commodity risk as it is subject to APS 112 Capital Adequacy: Standardised Approach to Credit Risk.

IRRBB risk management objectives and policies

Interest Rate Risk in the Banking Book (IRRBB) is the potential change in NGM Group's net interest income and capital position arising from the impact of movements in interest rates. Changes in rates impact:

- Net Interest Income (NII) due to changes in interest rate sensitive income and expenses of the bank from movements in interest rates, i.e. Earnings at Risk (EaR); and
- Economic Value Sensitivity (EVS) due to specified parallel and non-parallel movements in interest rates over the projected life of the balance sheet. It reflects the projected change in the net present value of balance sheet, primarily measuring the long-term impact of interest rate movements.

The responsibility for mitigating and managing interest rate risk exposures within the Board's risk appetite have been assigned by the Chief Executive Officer (CEO), under delegation from the Board to the Chief Financial Officer (CFO). Day-to-day management of interest rate risk has been delegated by the CFO to the Treasury Function.

### Risk Governance

The Interest Rate Risk framework for NGM Group clearly establishes and defines the roles and responsibilities for IRRBB management:

- The Board defines the IRRBB appetite for NGM Group, through setting of appropriate risk limits;
- Treasury is responsible for day to day management and to transact hedges to maintain IRRBB within the Board's risk appetite;
- Balance Sheet Management (BSM) is separately responsible for producing daily reporting and facilitate the monitoring reporting of IRRBB for Asset and Liability Committee (ALCO);
- ALCO for the oversight and governance of IRRBB practices and activity;
- Balance Sheet Risk, as the second line Risk function, for independent review, check and challenge and reporting to Board on IRRBB; and
- Internal Audit, as third line function, for independent assurance activity.

### IRRBB measurement and reporting

NGM Group uses a number of mechanisms 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 100bp 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 300bp instant and parallel rate curve shock.

Daily reporting of both EaR and EVS is produced by BSM and provided to stakeholders, to monitor position against internal limits and for Treasury to take actions to maintain within appetite.

Additionally, a range of scenarios and stress testing for both EaR and EVS measures is produced monthly for ALCO that considers various changes in the level, slope and shape of yield curves, as well as changes in customer and other behavioural assumptions. These include:

1. Parallel shock up/down (300bps);
2. Steepener (short rates down and long rates up);
3. Flattener (short rates up and long rates down);
4. Short rates up/down;
5. Behavioural cashflows for Prepayments and at-call non rate sensitive deposits;
6. Basis shocks (1 & 3m).

NGM Group models the repricing profile of stable Non-Maturity Deposits (NMDs) in equal monthly tranches over 3 years, while the non-stable portion is assumed to reprice overnight.

NGM Group has comprehensive documentation for its IRRBB measurement system, with specifics covering data, calculation and methodology/assumptions for customer behaviour and timing of cashflows. These are reviewed and updated to reflect changes in market, regulatory or business operations. As well as the IRRBB framework, including the measurement system, is required to be reviewed independently every 3 years.

All derivative actions are for the sole purpose of managing IRRBB within Board risk appetite. The Board has no appetite for utilising derivatives for any other purpose other than hedging. It is required for contracts entered to be documented under a Hedge Accounting relationship.

NGM Group currently only enters into cash flow hedge relationships.

APRA finalised the revised APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book on 8 July 2024, establishing updated requirements for ADIs to manage IRRBB. The new standard becomes effective on 1 October 2025.

## 7. Securitisation Risk

(NGM Group does not operate a trading book, and all comments below apply to its regulatory banking book.)

### Overview

Securitisation is a financing structure where the cash flow from an underlying pool of assets is used to service obligations to at least two different tranches or classes of creditors (typically holders of debt securities), with each class reflecting a different degree of credit risk (i.e. one class of creditors is entitled to receive payments from the pool before another class of creditors). Payments to the creditors depend upon the performance of the specified underlying pool of assets

Securitisation for the purposes of this qualitative disclosure include:

- *Traditional securitisation*: a securitisation where an underlying pool of assets is transferred (or assigned) to a Special Purpose Entity (SPE); and
- *Synthetic securitisation*: a securitisation where the transfer of credit risk (in whole or part) is transferred to a third party through the use of credit derivatives or guarantees. NGM Group does not undertake any synthetic securitisations.

### Securitisation Activities

NGM Group's role in securitisation activities includes Originating ADI, Manager<sup>(1)</sup> and Servicer for its securitisation programs.

NGM Group has two funding-only warehouse facilities for the purpose of sourcing wholesale funding along with two self-securitisation facilities for contingent liquidity.

NGM Group's securitisation facilities or investments do not have re-securitisation exposures (defined as those where at least one of the underlying assets in the pool is itself a securitisation exposure).

Additionally, NGM Group invests in prime Residential Mortgage Backed Securities (RMBS) issued by third party SPEs as part of portfolio yield management. Investments must be repo-eligible AAA rated senior unsubordinated notes and held in the banking book. RMBS investments are subject to initial and ongoing due diligence in accordance with APS 120 – Securitisation.

### Regulatory Capital Treatment

NGM Group retains the credit risk on the underlying pool of assets in NGM Group originated securitisations<sup>(2)</sup> and meets the requirements of funding-only securitisation under APS 120. NGM Group therefore includes the underlying exposures in the pool in the calculation of its regulatory capital for credit risk<sup>(3)</sup> in line with APS 120 and APS 112.

NGM Group assumes credit risk on the prime RMBS issued by third party SPEs, in which it invests and uses the External Ratings Based approach (ERBA) to calculate regulatory capital in line with APS 120.

### Special Purpose Entities (SPEs)

NGM Group acts as originating ADI and holds all of the debt securities issued by the following two SPEs, for the purpose of exchanging them with the Reserve Bank of Australia (RBA) through a repurchase agreement (i.e. contingent liquidity):

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

NGM Group acts as originating ADI and holds the non-senior securities, issued by two SPEs, that provide access to diversified wholesale funding in the form of warehouse securitisation facilities. The SPEs issue senior notes to warehouse financiers and NGM Group retains non-senior notes issued by the following two SPEs:

- GBS Secured Funding Trust No.1
- Newcastle Permanent Funding Trust No 1 – ANZ Warehouse Series

For further information, refer Section 9. Liquidity.

### Affiliated Entity

NGM Group provides administrative services to its 100% owned subsidiary, Greater Investment Services Pty Limited (GIS), in respect of its role as Trustee Manager for the two GBS trusts listed above.

NGM Group does not provide implicit support to a securitisation in accordance with the requirements of APS 120.

### Accounting Policies and Consolidation

NGM Group applies trust accounting principles, to the securitisation trusts such as the distribution of residual income to the beneficiary.

To align with Australian Accounting Standards, NGM Group consolidates the securitisation SPEs on the basis that NGM Group controls those SPEs.

<sup>(1)</sup> NGM Group is Trust Manager for the Newcastle Permanent Funding Trust No.1. Greater Investment Services Pty Limited (a wholly owned subsidiary of NGM Group) is the Trust Manager for the GBS Trusts)

<sup>(2)</sup> Including NGM Group funding-only and self-securitisation facilities.

<sup>(3)</sup> This treatment is in line with the requirements of APS 120 Securitisation for funding-only securitisations, given there has not been significant credit risk transfer as NGM Group holds the non-senior securities in NGM Group originated securitisations.

## Rating Agencies

Fitch Ratings, provides a rating on the senior notes issued by the GBS Receivables Repo Trust self-securitisation programme and S&P Global, provides a rating on the senior notes issued by the Newcastle Permanent Funding Trust No.1 – Series 2013-1R self-securitisation programme.

### SEC1: Securitisation exposures in the banking book

The following table presents a breakdown of NGM Group's securitisation exposures in its banking book by role and underlying asset type.

30 June 2025		a	c	d	i	k	l
		Bank acts as originator <sup>(1)</sup>			Banks acts as investor <sup>(2)</sup>		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	<b>Retail (total) – of which</b>	<b>3,496.6</b>	-	<b>3,496.6</b>	<b>155.2</b>	-	<b>155.2</b>
2	Residential mortgage	3,496.6	-	3,496.6	155.2	-	155.2

<sup>(1)</sup> Bank acts as originator reflects securitisation activities in which we securitise our own assets. This includes internal securitisation and funding only securitisation transactions where NGM Group retains all or partial notes issued by securitisation vehicles within the NGM Consolidated Group.

<sup>(2)</sup> Bank acts as investor reflects the purchase of securitisation assets from the market.

#### SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

The following table presents a breakdown of securitisation exposures in the banking book by risk weight and by regulatory approach when NGM Group act as investor, and the associated capital requirements.

30 June 2025

		a	b	c	d	f	g	h	j	k	l	n	o	p
		Exposure values (by risk weight bands)				Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap		
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250%	SEC-IRBA	SEC-ERBA and SEC- IAA	SEC-SA	SEC-IRBA	SEC-ERBA and SEC- IAA	SEC-SA	SEC-IRBA	SEC-ERBA and SEC- IAA	SEC-SA
1	<b>Total exposures</b>	155.2	-	-	-	-	155.2	-	-	31.0	-	-	2.5	-
2	Traditional securitisation	155.2	-	-	-	-	155.2	-	-	31.0	-	-	2.5	-
3	<i>Of which: securitisation</i>	155.2	-	-	-	-	155.2	-	-	31.0	-	-	2.5	-
4	<i>Of which: retail underlying</i>	155.2	-	-	-	-	155.2	-	-	31.0	-	-	2.5	-
6	<i>Of which: wholesale</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
8	<i>Of which: re-securitisation</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-
10	<i>Of which: securitisation</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
11	<i>Of which: retail underlying</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
12	<i>Of which: wholesale</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
13	<i>Of which: re-securitisation</i>	-	-	-	-	-	-	-	-	-	-	-	-	-

## 8. Operational Risk

NGM Group defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This includes business continuity and service provider management.

NGM Group is inherently exposed to a diverse range of Operational Risks. Appetite for Operational Risk is determined in the context of its business strategy and in consideration of NGM Group's capacity and capability to assume risk. In addition to the RMF elements mentioned in Section 3, NGM Group has the following policies, frameworks, and guidelines in place to manage operational risk:

- Operational Risk Framework
- Business Continuity Management Policy
- Service Provider Management Policy
- Compliance Management Framework

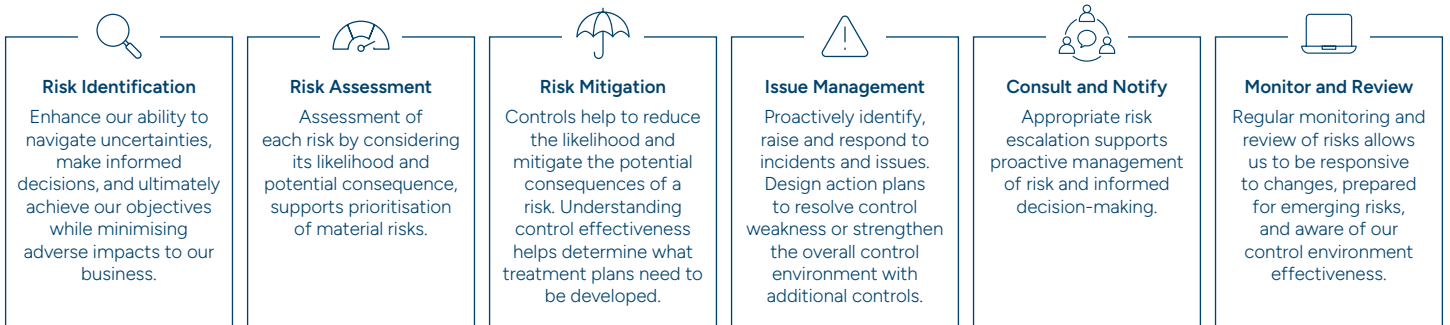
### Structure and Organisation of the Operational Risk Function

NGM Group assigns risk ownership and responsibilities through Board and Executive Accountability Statements, position descriptions, reporting lines, Policies, Executive Statements and Frameworks, and Charters of governing bodies.

NGM Group acknowledges that managing risk in a highly regulated environment is complex and has established dedicated roles to support the business to manage their operational risks. Operational risk management follows the Three Lines of Defence model described in Section 3, ensuring business units own their risks, the risk function provides oversight, and Internal Audit offers independent assurance.

The Risk and Control Self-Assessment (RCSA) process enables the identification, assessment, management, and monitoring of risks through the concept of a risk profile. The purpose of this process is to proactively support timely monitoring of the risk and control environment, identification of control environment weaknesses, and appropriate risk reporting to the Executive and Board.

The risk management process overview:



## Operational Risk Calculation

NGM Group calculates its operational risk capital in line with APRA's prudential requirements. The Standardised approach under Basel III framework is the basis of this calculation.

### OR2: Business Indicator and subcomponents

NGM Group maintains capital to absorb potential losses from operational risk in accordance with APS 115. The table below presents the Business Indicator (BI) and its subcomponents that determined the operational risk capital requirement which applied as at the disclosure date.

BI and its subcomponents		a	b	c
		30-Jun-24 <sup>(1)</sup>	30-Jun-23	30-Jun-22
1	Interest, lease and dividend component	446.6		
1a	Interest and lease income	1,067.5	791.1	444.9
1b	Interest and lease expense	550.3	295.2	81.4
1c	Interest earning assets	20,551.8	19,296.1	19,693.2
1d	Dividend income	-	-	-
2	Services component	42.2		
2a	Fee and commission income	30.3	34.0	30.6
2b	Fee and commission expense	34.4	31.7	25.8
2c	Other operating income	0.8	1.2	1.7
2d	Other operating expense	9.9	11.8	10.0
3	Financial component	2.1		
3a	Net P&L on the trading book	-	-	-
3b	Net P&L on the banking book	(1.2)	(0.8)	4.5
4	BI	490.9		
5	Business indicator component (BIC)	58.9		

<sup>(1)</sup> The operational risk capital requirement which applied as at 30 June 2025 related to NGM Group's 30 June 2024 calculations, in accordance with APS 110 and APS 115.

### OR3: Minimum required operational risk capital

The following table discloses NGM Group's operational risk regulatory capital requirements.

		a
		30-Jun-24
1	Business indicator component (BIC)	58.9
2	Internal loss multiplier (ILM)	1
3	Minimum required operational risk capital (ORC)	58.9
4	Operational risk RWA	736.3
5	Other regulatory capital changes	-

## Operational Risk Reporting

Appropriate oversight relies on robust information flows that provide the Board and Executive with reliable, repeatable management information. Quantitative risk appetite measures are monitored by the Risk Management function and are reported to the Executive Risk Committee (ERC) and the Board via the RAS dashboard and other operational risk reporting. Qualitative reporting from relevant accountable executives on operational risk is provided to the Executive, BRC and Board.

NGM Group utilises an integrated Governance, Risk and Compliance (GRC) system to aggregate risk data across the enterprise, linking incidents, controls, and metrics to provide a holistic view of the operational risk profile.

Risk reporting includes a sufficient level of information to support escalation requirements. This includes (but is not limited to):

- Current risk ratings relative to risk appetite;
- The health of the control environment informed by associated incidents, issues, control testing, assurance and audit activities;
- Material open issues and progress status of management action plans; and
- Key Risk Indicators, including explanation of any measures outside risk appetite settings.

## Operational Risk Management Process

Operational risk is managed within Board-approved risk appetite levels; when issues or incidents cause thresholds to be breached, they are escalated and remediated in line with NGM Group's risk management framework (Refer Section 3).

NGM Group has a service provider management framework which describes how outsourcing arrangements are identified and managed, including management of material risks associated with these arrangements. It describes NGM Group's approach to entering, monitoring, substituting and exiting agreements.

NGM Group utilises risk transfer through its Corporate Insurance Program, which incorporates appropriate General, Financial and Cyber insurance policies aligned with various risk classes. This mitigation approach is used where the options for controlling consequence of a risk are limited and/or the cause of the risk has elements that are uncontrollable, e.g. business disruption from external events. The adequacy of these policies is reviewed annually in consultation with NGM Group Insurance Brokers through the renewal and Board approval process. This process ensures that the insurance program remains appropriate for NGM Group's size, scale, and risk profile.

## 9. Liquidity Risk

Liquidity risk is the risk that NGM 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 responsibility for mitigating and managing liquidity and funding risk exposures within the Board's risk appetite have been assigned by the Chief Executive Officer (CEO), under delegation from the Board, to the Chief Financial Officer (CFO). Day-to-day management of liquidity and funding requirements has been delegated by the CFO to the Treasury Function, which consolidates liquidity management in one area. The Risk Management Function is responsible for designing, maintaining and monitoring compliance with the Liquidity Risk Management Framework; and independently reporting on the liquidity risk profile to the Executive and Board Committees.

NGM 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 NGM Group's capacity to fund and NGM 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 NGM 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.

NGM Group uses the following mechanisms to monitor and report on its liquidity risks:

- Liquid Assets Portfolio and Minimum Liquidity Holding (MLH) Liquidity Ratio;
- Investment portfolio;
- Funding concentration, duration and diversity limits;
- Maturity gap reports, incorporating intraday liquidity;
- Scenario analysis and stress testing; and
- Early warning indicators.

NGM Group has maintained its MLH ratio above APRA and Board minimums throughout the reporting period.

### 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.

NGM 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 SPE 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 SPE, 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.

For further information, refer [Section 7. Securitisation Risk](#).

#### ENC: Asset encumbrance

The following table provides the amount of encumbered and unencumbered assets.

30 June 2025

	a	c	d
	Encumbered assets	Unencumbered assets	Total
Equity instruments	3.9	-	3.9
Debt securities	-	3,971.7	3,971.7
Other assets	478.7	18,633.9	19,112.6
<b>Total</b>	<b>482.6</b>	<b>22,605.6</b>	<b>23,088.2</b>

## 10. Linkages to Financial Statements

Table LI1 highlights the differences between accounting and regulatory scopes of consolidation, and maps financial statement categories with regulatory risk categories. The main differences between the accounting scope of consolidation (column a within LI1) and regulatory scope of consolidation (column b within LI1) arise from entities excluded from the Level 2 regulatory Consolidated Group (refer to CC2). These entities are included in the accounting consolidation but excluded from the regulatory Consolidated Group for capital purposes.

Table LI2 reconciles accounting carrying values with the exposure amounts used for regulatory purposes. The primary cause of the differences is that regulatory exposures include off-balance sheet exposures. Certain commitments and contingencies do not appear as assets on the balance sheet but are included as credit exposures for regulatory purposes. These exposures are converted to credit-equivalent amounts using APRA's prescribed Credit Conversion Factors (CCFs).

NGM Group has no insurance subsidiaries in its corporate structure.

### LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The following table provides NGM Group's carrying values of assets and liabilities to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation.

30 June 2025	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values	Carrying values of items:				
		under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>							
Cash and cash equivalents	996.0	990.3	990.3	-	-	-	-
Prepayments and other receivables	18.8	18.7	3.3	-	-	-	15.4
Derivative financial instruments	25.0	25.0	-	25.0	-	-	-
Financial assets	3,687.6	3,662.5	3,507.3	-	155.2	-	-
Loans and advances	18,244.0	18,244.0	18,186.3	-	-	-	57.7
Current tax assets	6.3	6.3	6.3	-	-	-	-
Net deferred tax assets	22.3	22.3	-	-	-	-	22.3
Intangible assets	0.6	0.6	-	-	-	-	0.6
Property, plant and equipment	116.5	116.5	116.5	-	-	-	-
Investment properties	2.0	2.0	2.0	-	-	-	-
<b>Total assets</b>	<b>23,119.1</b>	<b>23,088.2</b>	<b>22,812.0</b>	<b>25.0</b>	<b>155.2</b>	<b>-</b>	<b>96.0</b>
<b>Liabilities</b>							
Payables	89.4	88.4	-	-	-	-	88.4
Deposits	18,886.8	18,886.8	-	-	-	-	18,886.8
Borrowings	2,081.3	2,081.3	-	-	-	-	2,081.3
Lease liabilities	41.4	41.4	-	-	-	-	41.4
Provisions	35.6	35.6	-	-	-	-	35.6
<b>Total liabilities</b>	<b>21,134.5</b>	<b>21,133.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,133.5</b>

## LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The following table provides information on the main sources of differences between NGM Group's financial statements' carrying value amounts and the exposure amounts used for regulatory purposes.

30 June 2025

		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)	22,992.2	22,812.0	155.2	25.0	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)	-	-	-	-	-
<b>3</b>	<b>Total net amount under regulatory scope of consolidation (Row 1 – Row 2)</b>	<b>22,992.2</b>	<b>22,812.0</b>	<b>155.2</b>	<b>25.0</b>	-
4	Off-balance sheet amounts	2,806.8	2,806.8	-	-	-
5	Differences due to credit conversion factors	(1,467.2)	(1,467.2)	-	-	-
6	Differences in valuations	5.3	-	-	5.3	-
7	Differences due to the use of credit risk mitigation techniques (CRMs)	(5.2)	(5.2)	-	-	-
<b>8</b>	<b>Exposure amounts considered for regulatory purposes</b>	<b>24,331.8</b>	<b>24,146.3</b>	<b>155.2</b>	<b>30.3</b>	-

## 11. Other

### Countercyclical Capital Buffers

#### CCyB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

The following table provides an overview of the geographical distribution of private sector credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement.

Geographical breakdown	a	b		c	d	e
	Countercyclical capital buffer rate (%)	Exposure values and/or risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer			Bank-specific countercyclical capital buffer rate (%)	Countercyclical capital buffer amount
		Exposure values	RWA			
Australia	1.00	19,856.6	6,432.6			
<b>Total</b>		<b>19,856.6</b>	<b>6,432.6</b>		<b>1.00</b>	<b>77.4</b>

#### Credit valuation adjustment risk

NGM Group uses the Standardised Approach to calculating its Credit Valuation Adjustment (CVA) charge in accordance with APS 180 Attachment E. NGM Group's CVA capital charge (to cover potential mark-to-market losses on swaps from counterparty credit spread moves) is minimal (\$0.4M) and reported as part of credit RWA.

CVA risk is managed as part of NGM Group's broader counterparty credit and market risk management framework. CVA exposures arise from derivative counterparties and are assessed alongside exposure-at-default (EAD) and market volatility measures. NGM Group does not maintain a standalone CVA policy but addresses CVA risk through existing policies covering derivative risk, credit risk, and valuation adjustments.

Senior management oversight of CVA risk is conducted through the Risk Management Committee and NGM Group ALCO, which review exposures to derivative counterparties, changes in CVA capital, and associated hedging activity where applicable. Regular reporting is provided to executive-level risk forums and the Board Risk Committee as part of counterparty and trading book risk updates.

NGM Group currently does not undertake CVA-specific hedging. Derivatives exposures are managed primarily through collateral agreements and counterparty limits rather than active CVA hedging strategies.