

ANNUAL REPORT 2026



Great Southern
Bank

COVER STORY



“

Buying a house, for me, is one of the happiest moments of my life and biggest achievements.”

Great Southern Bank continues to be the bank of choice for many first home buyers, helping more than 14,000 Australians this year achieve their home ownership goals.

One of them is Girlie, a registered nurse living in Toowoomba.

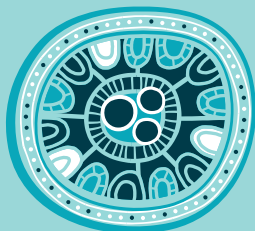
Through disciplined saving, and with the support of one of Great Southern Bank's extended term home loans, she achieved a major milestone in 2026 - purchasing her first home.

“It really was a wow moment. I was in disbelief that my dream had come true. I always wanted to have my own space. It has really boosted my confidence and happiness to know that I own my own home.”

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Acknowledgement of Country



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

Overview

About Great Southern Bank

With origins dating back to 1946, Great Southern Bank is one of the country's largest customer-owned banks supporting the financial needs of over 428,000 Australians.

We exist to benefit customers, with profits reinvested to enhance products, services and long-term sustainability. We are a genuine banking alternative to the biggest banks in Australia, remaining true to our founding principles of fairness and mutuality.

Great Southern Bank is a certified B Corp, reflecting our commitment to operating responsibly for the benefit of customers, communities and the environment.

About this Report

Our 2026 Annual Report outlines our financial and non-financial performance for the period 1 July 2025 to 30 June 2026.

Our reporting continues to evolve, showcasing our impacts and our ongoing efforts to support and create value for our customers. It incorporates the views of our key stakeholders – including our customers - who have identified the most important focus areas for our bank (see our updated ESG Materiality Assessment on page 22).

This year's report includes the Bank's Sustainability report, prepared in accordance with AASB S2 *Climate-related Disclosures* (AASB S2) and the Corporations Act 2001.

Our 2026 Annual Report has been approved by the Board of Great Southern Bank.

Our purpose and values

For almost 80 years, we've been committed to a fairer, more inclusive approach to banking.

We exist to support our customers to build financial security and achieve their goals - bringing our purpose to life through a strong customer focus and a commitment to creating a positive impact.

Our purpose

Today, our commitment to customers is reflected in our clear and focused purpose: helping all Australians own their own home.

Our values



Customers first

We make every choice with our customers' needs at heart.



Always growing

We believe in getting better every day - as individuals, as teammates and as a business.



Make it happen

We create real results that help our customers succeed while building a lasting, sustainable future.



Keep it real

We build trust by being open and working together.



2026 highlights

	2026	2025	2024
Number of active customers*	428,816	419,977	414,581
Customer Net Promoter Score	56	51	51
New first home buyer lending	\$1.87b	\$1.24b	\$1.32b
Total new or additional lending to home buyers (\$)	\$5.14b	\$4.60b	\$4.23b
Number of customers supported with financial assistance agreements	2,750	2,600	2,494
Gallup employee engagement score**	4.46	4.48	4.52
Group Net Profit After Tax (NPAT)	\$55.0m	\$43.2m	\$37.3m
Total lending	\$19.3b	\$18.0b	\$16.9b
Retail deposits	\$16.0b	\$14.5b	\$14.2b

*Total number of customers: 689,551

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



A message from our CEO and Chair

It's our privilege to lead one of the nation's largest customer-owned banks.

Today, more than **428,000** Australians choose to bank with us, reflecting the trust they place in our customer-owned model. We continue to offer a genuine alternative to the major banks, combining competitive products, outstanding service and a clear social purpose.

Supporting customers with home ownership and savings

As ever, the needs of our customers guided our decisions and investments throughout the year.

Against a backdrop of rising house prices and affordability pressures, we expanded our support for home buyers and launched innovative products and increased our home lending by **7.6%** to **\$18.78** billion during the financial year. Once again, we grew in all states and capital territories in Australia.

Around **2.45%** of all Australian first home buyers chose to bank with us – more than three times our natural market share – demonstrating the relevance of our proposition.

Total deposits increased by **10.4%** to more than **\$16.02** billion, reflecting both customer confidence and our competitive products. For the majority of the year, our savings rates ranked among the top five in the market, reflecting the strength of our competitive offering. This was also recognised with Canstar's Customer Owned Bank of the Year for Savings award for the eleventh consecutive year.

Independently, we were acknowledged by leading research organisations as among Australia's most trusted banks*, and also judged the third best bank in Australia for customer satisfaction**. Through our Business+ offering, we continued to strengthen our support for businesses by introducing new features and launching a compelling deposit product, which has twice received Canstar's Outstanding Value Business Savings Account award. Customer growth is accelerating, and in the two years since launch we have already attracted more than 5,500 active business customers.

Strong performance with a long-term focus

We delivered a resilient financial performance in FY2026, balancing business expansion with prudent risk management, enabling a sustainable **Net Profit After Tax of \$55.0 million**. While profit is not our primary objective, it is our only source of capital, and enables us to grow our lending, invest in our core services and technology, and support the resilience of our business. Importantly, our capital position remains strong and improved further during the financial year.

Net Interest Income increased to **5.9% to \$389.7 million**, while costs were controlled through disciplined execution and responsible growth, and we finished the year with positive momentum across our business. In an increasingly competitive, dynamic and volatile environment our growth as a business, strong profit momentum and ability to continue strengthening our technology and resilience has been a pleasing outcome this financial year.

Protecting customers and strengthening resilience

We continued our investment in cybersecurity, fraud prevention capabilities and customer education initiatives designed to help protect Australians from financial crime.

These efforts contributed to a reduction in potential scam losses of **12%** compared to the previous financial year.

During FY2026, we approved more than **2,750** financial assistance arrangements, helping customers navigate difficult circumstances and regain financial stability.

Advancing the banking experience through innovation

Our ongoing technology investment has delivered a unified, secure and resilient data platform, supporting faster strategic analysis, higher-impact initiatives and better customer outcomes. Teams can work with trusted data, build insights and visualise results themselves, with some work that once took days now taking minutes.

* Roy Morgan survey, October 2025

**YouGov BrandIndex, August 2025

We also continued to advance our use of artificial intelligence. Our focus remains on the responsible and practical use of emerging technologies that enhance employee capacity and support better decision-making. This includes in our contact centre, where AI is helping capture and categorise customer calls, freeing up our team to focus on customer engagement and significantly reducing call waiting times.

Driving positive environmental and social outcomes

Through our partnership with Mission Australia, we are helping community housing tenants reduce their cost of living. During the year, we partnered to improve housing quality, increase energy efficiency and reduce costs for residents, while contributing to lower environmental impacts.

Our Climate Active certification and B Corporation status reflect our ongoing work balancing commercial success with positive social and environmental outcomes.

We delivered the final actions under our Financial Inclusion Action Plan (FIAP), which included enhanced accessibility features on debit and credit cards and strengthened our support for customers experiencing vulnerability.

We also continued to progress our reconciliation journey, closing our Innovate Reconciliation Action Plan (RAP) in FY2026 and laying the groundwork for the launch of our third RAP in FY2027.

Empowering our people to succeed

We continued investing in leadership, capability development, wellbeing and flexible work initiatives for our team. Our focus on engagement, diversity and belonging helps ensure our people have the tools, support and opportunities they need to thrive.

For the third year running, we have been recognised with the Gallup Exceptional Workplace Award, placing us among just 78 organisations worldwide and only three in Australia to receive this distinction.

The dedication and commitment of our team remain one of our greatest strengths, and we are proud of the culture we continue to build together.

Looking ahead with confidence

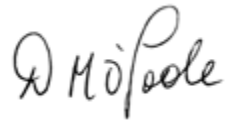
During the year, we decided not to proceed with a potential merger with P&N Bank after determining it was not in the best interests of our customers. We will continue to explore both organic and inorganic growth opportunities where they align with our strategy and deliver value for our customers.

As we look to the future, we remain guided by the principles that have shaped our bank for almost 80 years: putting customers first, acting with integrity, and creating long-term value.

On behalf of our Board, leadership team and employees, thank you for your ongoing support and for choosing a bank that exists to serve its customers.



Paul Lewis
Managing Director and
Chief Executive Officer



Deborah O'Toole
Chair



Our impact



Helping more Australians achieve home ownership

For Adam, Hannah, and their young daughter Mabel, buying their first home in the Blue Mountains was the dream – a dream made reality with great support from family and a home lending expert from our bank.



“

[Our home] is exactly where we want to be on weekends,” says Hannah. “We’ve got friends in the area, and Adam’s parents are close by which is a massive help. Having that stability and network of people around to support us is a massive weight off our shoulders.”

Our customers

We believe there are many pathways to home ownership. Our bank is committed to helping more Australians on that journey, supporting them with innovative new products and helping build their deposit with competitive products and services.

Owning a home

- Our bank's home lending grew strongly, increasing 7.6% year-on-year to \$18.78 billion, supporting strong demand from owner-occupiers and investors.
- We supported over three times our natural market share of first home buyers, reinforcing our purpose to help Australians into home ownership.
- We introduced variable home loans with terms up to 40 years.
- Our bank maintained fast approval times with the average loan agreed in 4.5 days and most in two days, supporting timely access to finance and improving customer experience.

Supporting savings habits

- Our retail deposits grew 10.4% to \$16.02 billion, driven by strong demand for competitive savings and term deposit rates.
- We were recognised with awards including Canstar's Customer-Owned Bank of the Year - Savings for the 11th consecutive year.
- We continued to support customer savings behaviour through competitive products and digital tools.

Customer experience and trust

- We maintained strong, top quartile customer Net Promoter Scores, and we were also recognised as one of Australia's most trusted banks by market research company Roy Morgan.
- As part of a large-scale survey of people who had contacted our Customer Contact Centre, 85% of customers said their issues were resolved on the first call, and 97% were satisfied with the service they were given.
- Our ongoing investment in cybersecurity, system resilience and fraud prevention capabilities has increased customer protection, and is supporting customers with reliable banking systems.
- We maintained high employee engagement, recognised with a Gallup Exceptional Workplace Award for a third consecutive year.

Helping smaller business

- Our expanded Business+ offering includes digital onboarding, invoicing, accounting integrations and lending features.
- We delivered strong small business customer growth through improved digital experiences and embedded finance solutions.
- There was strong growth in SME deposits, with balances nearly doubling, supported by new digital products, competitive rates and flexible terms.

CASE STUDY

"I like to say the house was made for me. I love a retro vibe, and it has a lot of charm. It's also a sturdy, well-built home. It really felt like me in a nutshell."

From a young age Tish knew she wanted to own a home with character in a social and connected community. Thanks to a loan from Great Southern Bank she bought exactly that - her first home, and happy place, in Southwest Victoria.

A retail job at a young age kickstarted Tish's savings for her first home deposit. Now, just over a decade later she's using those same savings skills to confidently manage her home loan.

Although only the second property she inspected, she says she knew her home was simply made for her.



Key metrics	FY26	FY25	FY24
Net Promoter Score (NPS)*	56	51	51
Customers supported via Home Guarantee Scheme	4,071	3,198	3,863
New lending to first homebuyers	\$1.87b	\$1.24b	\$1.32b
Home loan customers supported with new/ additional lending	14,264	14,226	14,203
Approved financial assistance agreements	2,750	2,600	2,494
Individual payment plans approved (includes hardship & collections)**	32,138	35,761	35,179
Referrals accepted for CareRing assistance	320	182	113
Internal Dispute Resolution complaints resolved within 21 days	95.2%	96.2%	94.8%

*Great Southern Bank customer research, June 2026.

**Individual payment plans approved for FY2026 comprises 30,137 collections and recoveries plans, and 2,001 hardship payment plans.

Our team members

Our people are at the heart of our purpose. When people understand their role, feel supported, and are aligned to a shared direction, we strengthen our culture and empower the team to make a meaningful impact for our customers.

A well-supported workplace

- For the third consecutive year, we've been awarded the Gallup Exceptional Workplace Award – only 78 organisations globally earned this award, and our Bank is one of just two Australian companies to achieve it three times in a row.
- Our new Enterprise Agreement provides enhanced leave benefits and remuneration increases to improve work-life balance and employee retention.
- We strengthened expectations of conduct and behaviour through initiatives such as Respect@ Work, and further enhanced leader capability in performance management.
- We are better able to proactively identify and manage psychosocial and physical risks through improved training and enhanced risk management practices.
- Our annual graduate program continues to attract emerging talent, helping to shape the future of customer-owned banking.
- Our team members came together to donate 170 hampers filled with food and hygiene items and raise over \$17,000 to Mission Australia tenants experiencing homelessness or vulnerability.

Celebrating diversity

- For the fourth time in a row, we've been recognised as an Inclusive Employer by the Diversity Council of Australia, demonstrating our commitment to strengthening workplace culture.
- In support of diversity and inclusion, our team celebrated Lunar New Year, Harmony Week, International Women's Day, R U OK? Day, Diwali, Pride Month, NAIDOC Week, and acknowledged Anzac Day and National Reconciliation Week.

Partnering for progress

- Our new partnership with Women In Digital, a community dedicated to connecting, provides our team members with a network of industry peers, resources, and learning opportunities.
- We transitioned to a new Employee Assistance and Wellbeing partner, Sonder, providing employees and their families with 24/7 access to confidential support, improving access to real-time safety, mental health and professional care.

Key metrics	FY26	FY25	FY24
Employee engagement*	4.46	4.48	4.52
Senior leadership roles held by women**	47.6%	45.2%***	42%
Median gender pay gap (total remuneration)****	20.8%	21%	21.2%
Board roles held by women	28.5%	38%	25%
Employees who completed cybersecurity training	95.6%	94.8%	92.4%

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

**Senior leadership roles include Level 4 and 5 roles, excluding the CEO.

***Restated from 55% in previous reporting period.

****As calculated by Workplace Culture & Gender Agency.

CASE STUDY



Connecting more Australians to their home goals

“If there is something I can do to make the home buying process easier for my customers, then I am all for it.”

After 12 years as a home lender at our Chermside branch, Jasmine is helping more Australians achieve their home ownership goals as the first member of our newly formed virtual lending team.

The team supports customers who prefer to complete their home ownership journey with us online, providing expert guidance and personalised support every step of the way.

“Life can get busy, so this new way of supporting customers makes it more convenient to meet at a time and place that suits them,” Jasmine says.

Helping customers into their own home has always been at the heart of Jasmine’s work. From guiding hundreds of first home buyers through years of saving to the moment they receive their keys, Jasmine is proud to support our customers at every step of their journey.

Jasmine’s move to the virtual team also reflects how we support flexible ways of working. With the ability to connect with customers outside standard hours, Jasmine can better meet customer needs while balancing a busy family life.

Our community

We continue to invest in initiatives that strengthen communities and deliver meaningful social and environmental outcomes, with a focus in FY2026 on reducing cost-of-living pressures, supporting financial inclusion and advancing reconciliation.

Financial inclusion for every housing journey

- In FY2026, we committed to expand our partnership with **Mission Australia** through a new three-year agreement, including an additional \$3 million investment to support Australians in community housing. The agreement will commence in FY2027.
- The expanded partnership combines energy efficiency upgrades with energy and financial literacy initiatives to reduce utility bills and build long-term financial resilience, alongside a pilot supporting housing stability.
- The property upgrade program will be expanded beyond NSW to include Queensland, Victoria and Western Australia.
- In FY2026, upgrades were delivered across seven housing complexes in NSW - bringing the total to 10 sites - and reducing tenant utility bills by around \$500 per household annually. This was complemented by team member volunteering, Festive Giving, energy literacy initiatives, and a financial literacy pilot with Canterbury Bankstown Youth Service.

Supporting inclusion and customer resilience

- Through our collaboration with **Uniting**, we provided access to **CareRing**, a wraparound support service for customers experiencing vulnerability, including financial counselling, mental health services and addiction support.

- In FY2026, we referred 320 customers who were accepted into the program, bringing the total to 615 accepted referrals over the past four years.
- We improved accessibility by transitioning credit and debit cards to accessible designs for customers who are vision impaired.
- We supported customers to stay safe from financial harm through scam awareness and education.

Advancing reconciliation

- We completed our **2023–25 Innovate RAP**, delivering all actions endorsed by Reconciliation Australia, and published our third RAP in June.
- Our **2026–28 Innovate RAP** reflects a shift from intent to action - embedding reconciliation into everyday operations, strengthening governance, accountability and measurement, and committing to a culturally appropriate homeownership education program to support pathways to homeownership for First Nations peoples.
- We continued embedding reconciliation into workplace practices through a new Enterprise Agreement, including the introduction of cultural leave to support cultural connection and participation.
- Our partnership with **Carlton Football Club** continued to deliver the **Loorende-gat Business and Entrepreneur Program**, supporting First Nations business owners and aspiring entrepreneurs (see case study).

Building confidence and opportunity through Loorende-gat

In FY2026, we continued our partnership with Carlton Football Club to deliver the **Loorende-gat Business and Entrepreneur Program**, supporting First Nations business owners and aspiring entrepreneurs.

Now in its third year, the program provides culturally appropriate, hands-on learning in leadership, strategy, communication and financial management, helping participants develop the skills, confidence and knowledge needed to start and grow successful small businesses. In FY26, 22 participants from industries including retail, consulting, DJing and app development took part across two streams - established business owners and emerging entrepreneurs.

The program delivered measurable improvements in financial confidence and business capability. Emerging entrepreneurs reported a 33% increase in their understanding of business finance and a 40% increase in understanding of business governance, giving them greater confidence and capability to start and grow successful businesses.

As Darrin Hanigan, Senior Manager, Customer Experience and a mentor in the program, said, "Mentoring through Loorende-gat has been one of the most rewarding experiences of my career - helping people create something lasting for themselves, their families and their communities."

Key metrics	FY26	FY25	FY24
Investment to support our sustainability objectives	\$2.01m	\$1.72m	\$1.67m
B Corp accreditation score*	80.4	80.4	80.4
Number of financial education interactions delivered**	8,892	11,258	N/A
Tenants benefitting from Mission Australia energy efficiency upgrades***	318	139	122
Estimated reduction in carbon emissions through partnership with Mission Australia****	66.38 tCO ₂ -e	54.26 tCO ₂ -e	N/A
Employees who have completed cultural awareness training*****	70.0%	65%	46.5%

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

** In FY2026, financial education interactions focused on delivering financial and energy literacy.

*** Includes 10 sites upgraded between 1 July 2023 - 30 June 2026.

**** Includes 8 out of 10 sites upgraded between 1 July 2023 - 30 June 2026.

***** Based on total number of the workforce who have completed cultural awareness training as at 30 June 2026.

Our partners

Our values-aligned partnerships play a vital role in helping us deliver on our purpose. In FY2026, we celebrated a range of important milestones with our partners across community, business partners and sponsorships, enhancing our capabilities and extending our impact.

Investing in community and sports

- We extended our existing partnership with leading community housing provider Mission Australia, following the completion of our first three-year agreement.
- Together, we provided energy efficiency upgrades to community housing to improve comfort and reduce carbon emissions, delivered energy and financial literacy programs that build confidence in finance and energy use. We also funded an Aboriginal and Torres Strait Islander Community Navigator role to provide First Nations tenants with culturally safe support.
- We are in the fifth year of our partnership with Carlton Football Club, one of AFL's most recognised clubs.
- Through our association with the club, brand awareness among AFL fans is growing. In FY2026, 79% of Carlton Blues fans recalled Great Southern Bank as a sponsor.

Better broker experience

- We've built strong broker engagement and relationships, demonstrated by brokers voting us in the top four lenders in Australia - and first among non-major banks.
- Additionally, 93% of brokers in the Broker Pulse industry survey were satisfied with Great Southern Bank across every stage of the lending journey.
- For most of FY2026 we were ranked first in the industry by PEXA for the on-time settlement of home loans.

Collaborating for better outcomes

- Through our ongoing five-year partnership with Helia, we are helping more Australians achieve home ownership by offering Lenders Mortgage Insurance.
- We continue to simplify and modernise our technology landscape through our work with trusted partners, including cloud service providers, managed service partners, cybersecurity experts and data specialists to scale more effectively and increase our resilience.
- Those partnerships are enabling us to simplify our data landscape, enhance our business agility, embed strong data governance and supports faster, better decision-making for the benefit of our customers.

CASE STUDY

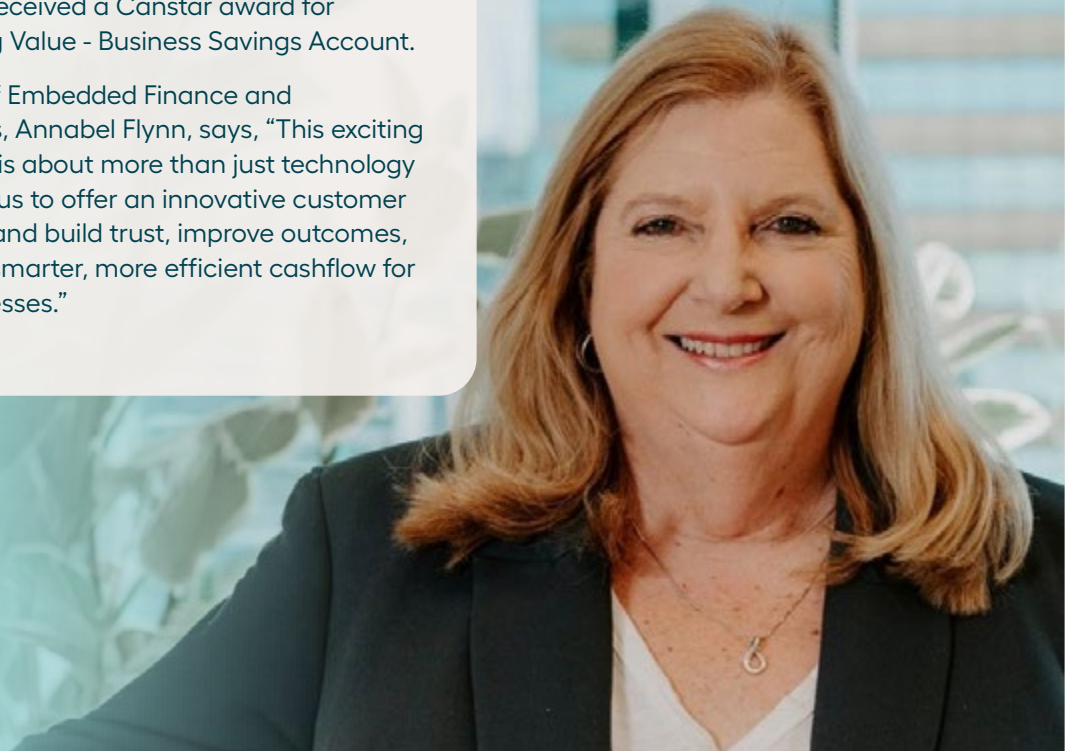
Delivering for small businesses

Small businesses often face challenges with cashflow management and time pressure.

Powered by the Constantinople platform, our enhanced Business+ app gives small businesses a simple way to manage invoices, with access to transaction and savings accounts, overdrafts, unsecured loans and direct bank feeds into Xero and MYOB.

We now have more than 5,500 active small business customers. We've also seen strong deposit growth in our new savings account, which also received a Canstar award for Outstanding Value - Business Savings Account.

Our Head of Embedded Finance and Partnerships, Annabel Flynn, says, "This exciting partnership is about more than just technology – it enables us to offer an innovative customer experience and build trust, improve outcomes, and create smarter, more efficient cashflow for small businesses."



Key metrics	FY26	FY25	FY24
Proportion of small business invoices paid by Great Southern Bank within 30 days	H1 26 87.5%	H1 25 89.5%	H1-24 91.7%
	H2 26 91.71%	H2 25 92.8%	H2-24 89.0%

Environment

We are taking a targeted approach to climate action, including transition planning, operational improvements, partnerships and transparent climate-related disclosures. Together, these actions support our efforts to reduce emissions and build climate resilience.

Implementing climate action and managing climate risks and opportunities

- We progressed delivery of our **2025–28 Climate Transition Plan**, advancing actions to meet our net zero commitment, manage climate-related risks and opportunities, support customers purchase electric vehicles, and help communities reduce energy costs and improve resilience.
- We assessed our residential mortgage portfolio's exposure to climate-related physical and transition risks. Results indicated the Group's business model remains resilient and climate-related risks are not expected to have a material financial impact under current assumptions.
- We finalised our **FY2026 Sustainability Report**, obtaining limited external assurance across governance, strategy (risks and opportunities) and key financed and operational emissions metrics.
- Customer uptake of our green lending portfolio continued to grow, including products and incentives supporting energy-efficient vehicles, home improvements, and discounted rates on eligible home and business vehicle loans.

- We transitioned a further nine branches to renewable energy or GreenPower in FY2026, bringing the total to 25, with one remaining to reach our 100% renewable electricity target by 2030.
- We retained carbon neutral certification for our business operations under the Australian Government's Climate Active program.
- We remain committed to responsible investment, with no direct investment in fossil fuels and industries such as tobacco, arms and gambling.

Partnering for impact

- We upgraded the energy efficiency of seven community housing complexes in FY2026, through our partnership with **Mission Australia** (see *Our community*).
- We engaged with industry peers through active participation in the **Customer Owned Banking Associations' Sustainability Community of Practice** and signatory to **BCCM Declaration of Climate Action**.

Helping more Australians make the switch to electric vehicles

In FY2026, we continued to provide affordable finance for electric and lower-emissions vehicles.

For aged care support worker Hanna Sauer, replacing her ageing Jeep Cherokee with a Toyota C-HR Hybrid vehicle was about finding a reliable, fuel-efficient vehicle that aligned with her values.

"I've literally halved my fuel costs overnight. I believe one person can make a difference. Small changes can have a big impact. Having this car reminds me every day what we can do to reduce our environmental footprint."

Stories like Hanna's reflect growing customer interest in lower-emissions transport. Green personal loans now make up 6% of our total personal loan portfolio, more than doubling over the past 12 months.

By helping customers purchase electric and lower-emissions vehicles, we are contributing to Australia's transition to a lower-carbon economy.

Key metrics

	FY26	FY25	FY24
Total value of green lending portfolio	\$22.49m	\$8.83m	\$3.34m

What matters most to our stakeholders

Meeting stakeholder expectations is critical to our long-term performance. To stay aligned with evolving expectations, we regularly undertake materiality assessments. These involve engaging internal and external stakeholders to identify our most significant environmental, social and governance (ESG) risks, opportunities and impacts.

These assessments inform decisions that strengthen our positive impact for customers and the community.

Our most recent assessment, completed in FY2025, incorporated feedback from a wide range of stakeholders, including customers, team members, suppliers, investors, brokers, community

and sponsorship partners. It identified five priority areas: **Data Privacy and Security, Home Ownership Support and Advocacy, Responsible Lending and Business Ethics, Welfare of Vulnerable Customers, and Employee Health, Safety and Wellbeing.**

The following outlines how we addressed each area during FY2026.



1. Data privacy and security:

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

- We strengthened our response to emerging cyber threats by working with industry and government partners to better safeguard our customers.
- We increased the protection of customer data by transitioning to a single, secure enterprise data platform - enhancing governance and controls while reducing risk through the retirement of legacy systems.
- We reduced potential scam losses by 12% in FY2026 - supported by initiatives such as Confirmation of Payee, which helps people verify who they're paying.

2. Home ownership support and advocacy:

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

- We supported over three times our natural market share of first home buyers in FY2026.
- We introduced variable home loans with terms of up to 40 years.
- We made it easier for more Australians to enter the market by enhancing our Family Guarantor Policy - simplifying eligibility requirements and enabling eligible family members to use their home equity to guarantee up to 20% of a property's value.

3. Responsible lending and business ethics:

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

- We maintained a responsible approach to investments and lending, with no direct exposure to fossil fuel extraction or fossil fuel-based energy production.
- We upheld high standards of accountability and transparency by continuing to embed our B Corp Certification and United Nations Global Compact commitments across the business.
- We supported customers experiencing financial difficulty, providing more than 2,750 approved applications for financial assistance.

4. Welfare of vulnerable customers:

Providing support for customers facing vulnerability and financial hardship.

- We delivered the final six actions under our Financial Inclusion Action Plan (FIAP), including new ways for customers to self-identify vulnerability and enhanced accessibility features across all new debit and credit cards.
- We made it faster and easier for customers experiencing vulnerability to get support, answering 84% of calls within 25 seconds and simplifying hardship processes to provide more timely, effective assistance.
- We enhanced frontline capability and referral pathways, including 320 referrals to Uniting's CareRing customer wraparound support program and expanded training for our teams.

5. Employee health, safety and wellbeing:

Promoting a safe, inclusive, and supportive workplace.

- We continued to build an inclusive workplace where our people can thrive, recognised as an Inclusive Employer by the Diversity Council of Australia for the fourth consecutive year.
- We enhanced support for our people through a new Enterprise Agreement, strengthening benefits and leave provisions - including parental and flexible leave - to better support work-life balance and retention.
- We improved wellbeing support for our people and their families by introducing a new Employee Assistance and Wellbeing partner, Sonder, providing 24/7 confidential access to safety, mental health and professional care.





An aerial photograph showing a lush green park on the left, a winding road in the center, and a dense urban skyline with numerous skyscrapers on the right. The image is used as a background for the financial report cover.

CREDIT UNION AUSTRALIA LTD
(trading as Great Southern Bank)

Financial report

FOR THE YEAR ENDED 30 JUNE 2026

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Directors' report

The Directors have pleasure in presenting their report together with the financial statements of Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank) and of the Group, being the Bank and its controlled entities, for the year ended 30 June 2026 and the auditor's report thereon.

Directors and Company Secretaries

Directors

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

Deborah O'Toole

LLB, MAICD

Chair and Independent Non-Executive Director

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

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

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

Kim Anderson AM

BA

Independent Non-Executive Director

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

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

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

Kim is currently a Director of SiteMinder Ltd, the Sax Institute and the Royal Humane Society of New South Wales.

Directors' report

Directors and Company Secretaries (continued)

Directors (continued)

Peeyush Gupta AM

BA, MBA, FAICD

Independent Non-Executive Director

Peeyush joined the Board in March 2024. He is Chair of the Purpose and Impact Committee and a member of the Board Risk Committee.

With experience working in the finance sector for over thirty-five years, Peeyush has a track record of starting and growing businesses, and in acquisitions, integration, managing digital transformation, industry disruption and growth.

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

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

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

Mark Hand

B.Bus., MBA, CPA

Independent Non-Executive Director

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

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

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

Mark is currently the Chair of 6GPI and a Director of Atomic.io and has previously been a Director of Diversity Council Australia Limited, ANZ Bank Taiwan Limited and ANZ Trustees Limited.

Directors' report

Directors and Company Secretaries (continued)

Directors (continued)

Paul Lewis

BA, MBA

Managing Director and Chief Executive Officer (CEO)

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

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

With more than 25 years' experience in financial services leadership positions, Paul has held senior executive retail banking roles in Australia, New Zealand and Malaysia.

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

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

Kyle Loades

MBA, FAICD, FTL, GFIN

Independent Non-Executive Director

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

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

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

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

Directors' report

Directors and Company Secretaries (continued)

Directors (continued)

Wayne Stevenson

B.Com., CA, FAICD

Non-Executive Director

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

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

Wayne is currently a Director of Cuscal Limited; and Indue Limited and Chair of Southerncrossai Holdings Ltd.

Company Secretaries

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

Belinda Bones

B.Bus, FGIA, FCG

Company Secretary

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

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

Andrew McMaugh

B.A LL.B GAICD

General Counsel and Company Secretary

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

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

Directors' report

Directors and Company Secretaries (continued)

Directors' meetings

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

A = Number of meetings eligible to attend

B = Number of meetings attended

	Board		BAC ¹		BRC ²		BPCRC ³		Combined BPCRC & BRC		PIC ⁴		Combined PIC & BRC		Due Diligence Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
D. O'Toole	17	17	-	-	-	-	5	5	2	2	4	3	1	-	3	3
K. Anderson	17	17	4	4	-	-	5	5	2	2	-	-	-	-	-	-
P. Gupta	17	17	-	-	6	6	-	-	2	2	4	4	1	1	-	-
M. Hand	17	16	4	4	6	5	-	-	2	2	4	4	1	1	-	-
P. Lewis	17	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K. Loades	17	17	4	4	6	6	-	-	2	2	-	-	1	1	3	3
W. Stevenson	17	17	4	4	6	5	5	5	2	2	-	-	1	1	3	3

¹Board Audit Committee

²Board Risk Committee

³Board People, Culture & Remuneration Committee

⁴Purpose and Impact Committee

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

Remuneration of Non-Executive Directors and other key management personnel

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

Non-Executive Directors' fees

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

In line with the Bank's Remuneration policy, the Bank completes external benchmarking for Non-Executive Directors, CEO and Executive roles in preparation for annual remuneration reviews. In determining the appropriate level of remuneration, external consultants are engaged to provide independent advice to ensure that the compensation is set competitively compared to the market. A Chair and/or Committee fee structure for the financial year ended 30 June 2026 is in place, to align with industry practice and recognise the additional work of the Chair of the Committees, or Non-Executive Directors who are members of multiple Committees.

Remuneration disclosures

In accordance with Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 511 *Remuneration*, the Bank publishes standalone remuneration disclosures on its website detailing its remuneration framework and practices.

Directors' report

Directors and Company Secretaries (continued)

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

Other key management personnel (KMP)

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

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

Directors' benefits

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

Indemnification of Directors and Officers

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

Financial performance disclosures

Principal activities

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

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Group during the year ended 30 June 2026 not otherwise contained in the Directors' report or the financial statements.

Dividends

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

Directors' report

Financial performance disclosures (continued)

Review of operations

The Group reported a net profit after tax of \$55.0 million for the financial year ended 30 June 2026 (2025: \$43.2 million), an increase of \$11.8 million (27.3%) on the prior year. The improvement was primarily driven by a \$21.6 million increase in net interest income (NII), partially offset by a \$5.4 million increase in operating expenses.

Gross loans and advances increased by \$1.3 billion (7.4%), contributing to higher NII while the Group maintained a resilient net interest margin of 1.80%. Lending growth was supported by a \$1.6 billion (8.4%) increase in deposits and borrowings to \$21.2 billion (2025: \$19.6 billion). Throughout the year, the Group maintained a disciplined approach to pricing and funding while continuing to deliver on its purpose of helping more Australians own their own home.

Operating expenses increased to \$301.1 million (2025: \$295.7 million), reflecting continued investment in technology, together with higher amortisation, depreciation and other operating costs. These increases were partially offset by lower personnel expenses. The Group remains focused on disciplined cost management while continuing to invest in technology to enhance customer experience, strengthen operational capability and support its digitally led small business banking proposition.

Asset quality remained sound, supported by the Group's prudent risk management and lending practices. Credit and other financial asset impairment expense increased modestly to \$9.0 million (2025: \$8.4 million), primarily reflecting higher collective provisions arising from updated forward-looking macroeconomic assumptions.

Other matters

Securitisation trust

On 9 October 2025, Series 2025-1 Harvey Trust was established, acquiring \$800.0 million of loans comprising \$27.6 million from the Bank and \$772.4 million from Harvey Warehouse Trust No.4. The acquisition was funded by the issuance of floating rate notes.

Events subsequent to reporting date

On 17 August 2026, the Bank repurchased the remaining loans and advances held by the Series 2017-1 Harvey Trust, totalling \$88.4 million. At the same time, all outstanding securitisation borrowings of the Trust were repaid to investors.

There are no other matters or circumstances not otherwise dealt with in the Financial Report that have significantly or may significantly affect the Group.

Likely developments

Further information as to likely developments in the operations of the Group and the expected results of those operations in subsequent financial years has not been included in this report because disclosure of such information is likely to result in unreasonable prejudice to the Group.

Directors' report

Other matters (continued)

Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes that the Group is not aware of any breach of environmental requirements as they apply to the Group.

Rounding

The Group is of a kind referred to in the Australian Securities & Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 dated 24 March 2026 and, in accordance with that instrument, amounts have been rounded to the nearest million dollars (\$m) unless otherwise stated.

Lead auditor's independence

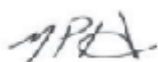
The Directors have obtained a copy of the Lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, refer to page 36.

Authorisation by Directors

This report is made in accordance with a resolution of the Board of Directors and is authorised for and on behalf of the Directors by:



Deborah O'Toole
Chair



Mark Hand
Director

Brisbane
26 August 2026



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

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

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of the Bank for the financial year ended 30 June 2026 there have been:

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


KPMG


Scott Guse
Partner

Brisbane
26 August 2026

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Financial statements

FOR THE YEAR ENDED 30 JUNE 2026

Income statements

For the year ended 30 June 2026

	Note	Group		Bank	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
Interest income	2.1	1,102.6	1,095.4	1,102.6	1,095.4
Interest expense	2.1	(712.9)	(727.3)	(713.0)	(727.4)
Net interest income		389.7	368.1	389.6	368.0
Net other operating income/(expense)	2.1	1.0	(0.9)	2.2	0.1
Share of net loss of a joint venture		(3.0)	(2.9)	(3.0)	(2.9)
Total operating income		387.7	364.3	388.8	365.2
Expenses					
Employment related expenses		(164.0)	(166.5)	(163.9)	(166.3)
Occupancy		(4.1)	(3.9)	(4.1)	(3.9)
Depreciation	2.2	(15.7)	(14.9)	(15.7)	(14.9)
Amortisation of intangibles	4.2	(18.5)	(16.8)	(18.5)	(16.8)
Information technology	2.2	(45.6)	(42.2)	(45.6)	(42.2)
General administrative expenses		(20.9)	(21.0)	(22.1)	(22.6)
Other expenses	2.2	(32.3)	(30.4)	(32.2)	(30.2)
Total operating expenses		(301.1)	(295.7)	(302.1)	(296.9)
Profit before impairment and income tax		86.6	68.6	86.7	68.3
Credit and other financial asset impairment	2.2	(9.0)	(8.4)	(9.0)	(8.4)
Profit before income tax		77.6	60.2	77.7	59.9
Income tax expense	2.3	(22.6)	(17.0)	(22.5)	(16.8)
Profit for the year		55.0	43.2	55.2	43.1
Profit attributable to:					
Members of the Bank		55.0	43.2	55.2	43.1

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

Statements of comprehensive income

For the year ended 30 June 2026

	Note	Group		Bank	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
Profit for the year		55.0	43.2	55.2	43.1
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Cash flow hedges:					
Revaluation taken to members' funds		(44.3)	31.4	(44.3)	31.4
Transferred to profit or loss		0.4	(0.4)	0.4	(0.4)
Debt instruments at FVOCI ¹ :					
Revaluation taken to members' funds		(12.1)	-	(12.7)	(2.0)
Transferred to profit or loss		7.9	-	7.9	-
<i>Items that will not be reclassified to profit or loss</i>					
Equity instruments at FVOCI:					
Revaluation taken to members' funds		26.1	20.4	26.1	20.4
		(22.0)	51.4	(22.6)	49.4
Income tax on other comprehensive income	2.3	6.6	(15.4)	6.8	(14.8)
Other comprehensive income after tax		(15.4)	36.0	(15.8)	34.6
Total comprehensive income		39.6	79.2	39.4	77.7
Total comprehensive income for the period is attributable to:					
Members of the Bank		39.6	79.2	39.4	77.7

¹FVOCI - Fair value through other comprehensive income

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

Balance sheets

As at 30 June 2026

	Note	Group		Bank	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
Assets					
Cash and cash equivalents	3.1	579.9	535.0	577.1	532.3
Receivables due from other banks	3.1	12.6	1.7	12.6	1.7
Derivative financial instruments	3.3	76.3	32.1	76.3	32.1
Financial assets	3.2	2,738.7	2,447.7	5,709.9	5,312.5
Loans and advances	3.4	19,287.8	17,951.5	19,287.8	17,951.5
Other assets		28.6	24.5	28.6	24.5
Investments in controlled entities	4.7	-	-	0.8	0.8
Investments in a joint venture	4.8	4.6	4.1	4.6	4.1
Property, plant and equipment	4.1	19.2	21.1	19.2	21.1
Intangibles	4.2	70.5	68.9	70.5	68.9
Right-of-use assets	4.3	28.1	34.7	28.1	34.7
Deferred tax asset	2.3	10.4	5.9	10.4	5.7
Total assets		22,856.7	21,127.2	25,825.9	23,989.9
Liabilities					
Payables due to other banks	3.1	54.6	19.8	54.6	19.8
Derivative financial instruments	3.3	35.4	11.7	35.4	11.7
Deposits	3.6	16,022.6	14,515.2	16,022.6	14,515.2
Borrowings	3.7	5,210.1	5,080.5	8,187.9	7,951.3
Other liabilities	4.4	58.3	67.0	58.6	67.6
Provisions	4.5	37.2	37.8	37.2	37.8
Total liabilities		21,418.2	19,732.0	24,396.3	22,603.4
Net assets		1,438.5	1,395.2	1,429.6	1,386.5
Members' funds					
Reserves	4.6	41.6	53.2	41.5	53.5
Retained earnings		1,396.9	1,342.0	1,388.1	1,333.0
Total members' funds		1,438.5	1,395.2	1,429.6	1,386.5

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

Statements of changes in members' funds

For the year ended 30 June 2026

	Group			Bank		
	Reserves \$m	Retained earnings \$m	Total members' funds \$m	Reserves \$m	Retained earnings \$m	Total members' funds \$m
Balance at 1 July 2025	53.2	1,342.0	1,395.2	53.5	1,333.0	1,386.5
Reclassification and revaluation of financial assets - amortised cost to financial assets - FVOCI ¹	3.7	-	3.7	3.7	-	3.7
Restated balance at 1 July 2025	56.9	1,342.0	1,398.9	57.2	1,333.0	1,390.2
Profit for the year after tax	-	55.0	55.0	-	55.2	55.2
<i>Other comprehensive income after tax:</i>						
Cash flow hedges:						
Revaluation taken to members' funds	(31.0)	-	(31.0)	(31.0)	-	(31.0)
Transferred to profit and loss	0.3	-	0.3	0.3	-	0.3
Debt instruments at FVOCI:						
Revaluation taken to members' funds	(8.5)	-	(8.5)	(8.9)	-	(8.9)
Transferred to profit and loss	5.5	-	5.5	5.5	-	5.5
Equity instruments at FVOCI:						
Revaluation taken to members' funds	18.3	-	18.3	18.3	-	18.3
Total comprehensive income for the period	(15.4)	55.0	39.6	(15.8)	55.2	39.4
Redemption of member shares	0.1	(0.1)	-	0.1	(0.1)	-
Balance at 30 June 2026	41.6	1,396.9	1,438.5	41.5	1,388.1	1,429.6
Balance at 1 July 2024	32.8	1,283.2	1,316.0	34.5	1,274.3	1,308.8
Profit for the year after tax	-	43.2	43.2	-	43.1	43.1
<i>Other comprehensive income after tax:</i>						
Cash flow hedges:						
Revaluation taken to members' funds	22.0	-	22.0	22.0	-	22.0
Transferred to profit and loss	(0.3)	-	(0.3)	(0.3)	-	(0.3)
Equity instruments FVOCI reserve transfer	(16.0)	16.0	-	(16.0)	16.0	-
Debt instruments at FVOCI:						
Revaluation taken to members' funds	-	-	-	(1.4)	-	(1.4)
Equity instruments at FVOCI:						
Revaluation taken to members' funds	14.3	-	14.3	14.3	-	14.3
Total comprehensive income for the period	20.0	59.2	79.2	18.6	59.1	77.7
Redemption of member shares	0.4	(0.4)	-	0.4	(0.4)	-
Balance at 30 June 2025	53.2	1,342.0	1,395.2	53.5	1,333.0	1,386.5

¹During the year, the Bank's liquid asset portfolio was reclassified from financial assets - amortised cost to financial assets - FVOCI due to changes in business model from "held to collect" to held to collect and sell". Refer to Note 3.2 for the details.

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

Statements of cash flows

For the year ended 30 June 2026

	Note	Group		Bank	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
Cash flows from operating activities					
Interest received		1,190.3	1,122.4	1,189.7	1,123.9
Interest paid		(701.9)	(717.9)	(702.0)	(718.0)
Fees and commissions received		34.8	30.3	34.8	30.3
Fees and commissions paid		(33.8)	(34.2)	(33.8)	(34.2)
Dividends received		1.3	2.5	1.7	2.8
Other non-interest income received		3.0	2.8	4.1	3.9
Payments to suppliers and employees		(277.9)	(262.4)	(279.3)	(263.5)
Income tax paid		(25.2)	(25.3)	(25.2)	(25.3)
Cash flows from operating activities before changes in operating assets and liabilities		190.6	118.2	190.0	119.9
(Increase)/decrease in operating assets:					
Derivative financial instruments		(69.6)	-	(69.6)	-
Financial assets		(327.7)	8.1	(327.7)	8.1
Loans and advances		(1,374.8)	(1,075.2)	(1,374.8)	(1,075.2)
Increase in operating liabilities:					
Deposits		1,507.4	349.6	1,507.4	349.6
Net cash used in operating activities	3.1	(74.1)	(599.3)	(74.7)	(597.6)
Cash flows from investing activities					
Payments for plant, equipment and intangibles		(24.8)	(20.5)	(24.8)	(20.5)
Proceeds from investments in a joint venture		0.3	0.2	0.3	0.2
Net cash used in investing activities		(24.5)	(20.3)	(24.5)	(20.3)
Cash flows from financing activities					
Proceeds from borrowings	3.1	128.2	651.8	128.7	648.3
Net repayments to lease liabilities	3.1	(8.6)	(8.0)	(8.6)	(8.0)
Net cash provided by financing activities		119.6	643.8	120.1	640.3
Change in cash and cash equivalents		21.0	24.2	20.9	22.4
Cash at the beginning of the year		516.9	492.7	514.2	491.8
Cash at the end of the year	3.1	537.9	516.9	535.1	514.2

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

Notes to the financial statements

For the year ended 30 June 2026

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Notes to the financial statements

For the year ended 30 June 2026

1. Basis of preparation

1.1 Corporate information

The financial report of Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank) as an individual entity, and the Bank and its subsidiaries as a Group (the Group) for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on 26 August 2026.

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

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

1.2 Basis of accounting

(a) Basis of preparation

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

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

The financial report is presented in Australian dollars. Unless otherwise stated, all amounts have been rounded to the nearest million dollars (\$m) in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*.

(b) Statement of compliance

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

1.3 Significant accounting judgements and estimates

In applying the Group's accounting policies, management has exercised judgement and made estimates in determining the amounts recognised in the financial statements.

Forward-looking assumptions used in determining expected credit losses (ECL), including scenario and probability considerations, are set out in Note 3.5.

Given the inherent uncertainty in these assumptions, actual outcomes may differ from those forecast and may affect reported estimates. Events arising after the reporting period are recognised in future periods, unless they provide evidence of conditions that existed at the reporting date.

Notes to the financial statements

For the year ended 30 June 2026

1.3 Significant accounting judgements and estimates (continued)

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

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

Notes to the financial statements

For the year ended 30 June 2026

2. Financial performance

2.1 Income

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Net interest income				
Interest income				
Loans and advances to customers	964.1	951.0	964.1	951.0
Other financial assets	127.2	140.3	127.2	140.3
Other interest income ¹	11.3	4.1	11.3	4.1
	1,102.6	1,095.4	1,102.6	1,095.4
Interest expense				
Deposits from customers	(421.5)	(446.5)	(421.5)	(446.5)
Borrowings	(121.3)	(135.7)	(121.3)	(135.7)
Debt securities	(92.5)	(84.9)	(92.5)	(84.9)
Wholesale funding	(53.1)	(49.3)	(53.2)	(49.4)
Other interest expense ¹	(24.5)	(10.9)	(24.5)	(10.9)
	(712.9)	(727.3)	(713.0)	(727.4)
Total net interest income	389.7	368.1	389.6	368.0
Net other operating income				
Fees and commissions income from contracts with customers				
Commissions income	16.2	14.9	16.2	14.9
Account services	11.3	10.9	11.3	10.9
Transactional	3.8	5.4	3.8	5.4
Other fees	2.6	-	2.6	-
	33.9	31.2	33.9	31.2
Fee, transaction costs and commission expense				
Transaction costs	(31.8)	(30.7)	(31.8)	(30.7)
Commissions	(1.5)	(1.3)	(1.5)	(1.3)
Other expense	(1.9)	(2.0)	(1.9)	(2.0)
	(35.2)	(34.0)	(35.2)	(34.0)
Total net fee and commission expense	(1.3)	(2.8)	(1.3)	(2.8)
Finance cost - other				
Interest expense - lease liabilities	(1.6)	(1.5)	(1.6)	(1.5)
Other income				
Dividend revenue	1.3	2.5	1.7	2.8
Net gain/(loss) on derivative financial instruments	0.4	(0.4)	0.4	(0.4)
Net gain on disposal of financial assets - amortised cost	-	1.5	-	1.5
Net gain on disposal of financial assets - FVOCI	1.8	-	1.8	-
Net insurance income	0.4	0.4	-	-
Other income/(expense)	-	(0.6)	1.2	0.5
Total finance cost and other income	2.3	1.9	3.5	2.9
Total net other operating income/(expense)	1.0	(0.9)	2.2	0.1

¹Includes interest income and expense from hedging instruments.

Notes to the financial statements

For the year ended 30 June 2026

2.1 Income (continued)

Recognition and measurement

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

Interest income and expense

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

Fee, transaction costs and commission income and expense

Fee and commission income, including transaction fees and fees earned from product and service platforms, is recognised as the Bank satisfies its performance obligations and becomes entitled to consideration. Fees relating to services provided over time are recognised on an accruals basis over the period in which the services are provided.

Fee and commission expenses, primarily transaction and service fees, are recognised as the related services are received.

Interest expense on lease liabilities

The finance cost component of lease payments is charged to profit or loss over the lease term to achieve a constant periodic rate of interest on the remaining lease liability. Refer to Note 4.3 ROU assets recognition and measurement.

Notes to the financial statements

For the year ended 30 June 2026

2.2 Expenses

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Depreciation				
Property, plant and equipment	(6.6)	(5.8)	(6.6)	(5.8)
Right-of-use (ROU) assets	(9.1)	(9.1)	(9.1)	(9.1)
	(15.7)	(14.9)	(15.7)	(14.9)
Information technology (IT)				
Technology services	(44.5)	(40.9)	(44.5)	(40.9)
Other IT related expenses	(1.1)	(1.3)	(1.1)	(1.3)
	(45.6)	(42.2)	(45.6)	(42.2)
Other expenses				
Advertising	(21.0)	(20.1)	(21.0)	(20.1)
Professional services	(11.3)	(10.3)	(11.2)	(10.1)
	(32.3)	(30.4)	(32.2)	(30.2)
Credit and other financial asset impairment ¹				
Impairment of loans and advances	(1.7)	0.2	(1.7)	0.2
Bad debts written off - loans and advances	(9.3)	(10.6)	(9.3)	(10.6)
Bad debts recovered - loans and advances	1.8	1.8	1.8	1.8
Impairment of financial assets - FVOCI and amortised cost	0.2	0.2	0.2	0.2
	(9.0)	(8.4)	(9.0)	(8.4)

¹Refer to Note 3.5 for recognition and measurement information.

Notes to the financial statements

For the year ended 30 June 2026

2.3 Income tax

(a) Amounts recognised in income statements

The components of income tax expense are:

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Income tax expense	22.6	17.0	22.5	16.8
	22.6	17.0	22.5	16.8
Current tax				
Current income tax	21.6	18.5	21.5	18.2
Adjustments in respect of current income tax of previous year	0.5	(2.6)	0.5	(2.6)
Deferred tax				
Relating to origination and reversal of temporary differences	1.2	(1.3)	1.2	(1.2)
Adjustments in respect of deferred income tax of previous year	(0.7)	2.4	(0.7)	2.4
Income tax expense	22.6	17.0	22.5	16.8

(b) Reconciliation of tax expense

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

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Accounting profit before tax	77.6	60.2	77.7	59.9
At statutory income tax rate of 30% (2025: 30%)	23.3	18.1	23.3	18.0
Adjust for tax effect of:				
Non-deductible expenses	(0.1)	(0.1)	(0.1)	(0.1)
Fully franked dividends received	(0.4)	(0.7)	(0.4)	(0.7)
Intragroup dividends received	-	-	(0.1)	(0.1)
Overprovision in prior year	(0.2)	(0.3)	(0.2)	(0.3)
Income tax expense	22.6	17.0	22.5	16.8

Notes to the financial statements

For the year ended 30 June 2026

2.3 Income tax (continued)

(c) Deferred tax balances

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

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Deferred tax assets comprise temporary differences attributable to:				
Provision for impairment of loans and advances	10.9	10.6	10.9	10.6
Employee benefits	9.7	9.0	9.7	9.0
Provisions and accruals	1.9	3.1	1.9	3.0
Lease liabilities	10.0	11.7	10.0	11.7
Plant, equipment and intangibles	1.8	-	1.8	-
Derivative financial instruments	5.2	-	5.2	-
Total deferred tax assets	39.5	34.4	39.5	34.3
Deferred tax liabilities comprise temporary differences attributable to:				
Financial assets - FVOCI	20.4	10.0	20.4	10.1
ROU assets	8.2	10.2	8.2	10.2
Other assets	0.5	-	0.5	-
Plant, equipment and intangibles	-	0.4	-	0.4
Derivative financial instruments	-	7.9	-	7.9
Total deferred tax liabilities	29.1	28.5	29.1	28.6
Net deferred tax assets	10.4	5.9	10.4	5.7

Notes to the financial statements

For the year ended 30 June 2026

2.3 Income tax (continued)

(d) Movement in deferred tax

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Deferred income tax credit included in income tax expense comprises:				
Increase/(decrease) in deferred tax assets	5.1	(0.7)	5.2	(0.8)
Increase in deferred tax liabilities	(5.6)	(0.4)	(5.7)	(0.4)
	(0.5)	(1.1)	(0.5)	(1.2)
Deferred income tax related to items charged or credited to other comprehensive income:				
Net loss/(gain) on cash flow hedges	13.2	(9.3)	13.2	(9.3)
Net (gain)/loss on FVOCI ^{1,2}	(8.2)	(0.1)	(8.0)	0.5
	5.0	(9.4)	5.2	(8.8)
Total deferred tax movement	4.5	(10.5)	4.7	(10.0)

¹During the year, the Bank's liquid asset portfolio was reclassified from financial assets - amortised cost to financial assets - FVOCI due to changes in business model from "held to collect" to held to collect and sell". The tax effect of the valuation changes of \$1.6m is included within net gain on FVOCI. Refer to Note 3.2 for the details.

²During the previous year, the Bank sold some investment shares which resulted in a capital gains tax of \$6.0m included within net gain on FVOCI. Refer to Note 3.8 for details of the sale.

(e) Unused tax losses and franking account

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Unused tax losses for which no deferred tax asset has been recognised	0.9	0.9	0.9	0.9
Potential tax benefit at 30%	0.3	0.3	0.3	0.3

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Franking account balance	500.8	475.2	500.8	475.2

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

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

Notes to the financial statements

For the year ended 30 June 2026

2.3 Income tax (continued)

Recognition and measurement

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

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

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

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

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

Tax consolidation

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

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

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

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

Notes to the financial statements

For the year ended 30 June 2026

3. Balance sheet and risk management

3.1 Cash and cash equivalents

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Notes and coins on hand	4.3	2.2	4.3	2.2
Deposits on call	575.6	532.8	572.8	530.1
	579.9	535.0	577.1	532.3

Cash and cash equivalents include restricted balances of \$186.4 million (2025: 210.3 million) in the Group which represent deposits held in securitisation trust collection accounts which are not available to the Group.

Recognition and measurement

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

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

Notes to the statements of cash flows

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

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Profit after tax for the year	55.0	43.2	55.2	43.1
<u>Adjustments for:</u>				
Depreciation and amortisation	34.2	31.7	34.2	31.7
Credit and other financial asset impairment	11.0	10.4	11.0	10.4
Net interest on loans and advances	28.9	27.7	28.9	27.7
Other non-cash items	(0.9)	(0.7)	(0.9)	(0.7)
<u>Changes in:</u>				
Derivative financial instruments	(59.0)	(4.9)	(59.0)	(4.9)
Financial assets	(256.2)	8.1	(256.5)	8.1
Loans and advances	(1,374.8)	(1,075.2)	(1,374.8)	(1,075.2)
Net deferred tax asset/liability	(4.5)	10.5	(4.7)	10.0
Other assets	(4.1)	7.0	(4.1)	8.8
Deposits	1,507.4	349.6	1,507.4	349.6
Insurance policy liabilities	(0.1)	(0.1)	-	-
Income tax payable	(3.1)	(3.6)	(3.1)	(3.6)
Other liabilities	(7.4)	(5.3)	(7.8)	(4.9)
Provisions	(0.5)	2.3	(0.5)	2.3
Net cash used in operating activities	(74.1)	(599.3)	(74.7)	(597.6)

Notes to the financial statements

For the year ended 30 June 2026

3.1 Cash and cash equivalents (continued)

Notes to the statements of cash flows (continued)

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

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

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Cash and cash equivalents	579.9	535.0	577.1	532.3
Receivables due from other banks ¹	12.6	1.7	12.6	1.7
Payables due to other banks ¹	(54.6)	(19.8)	(54.6)	(19.8)
	537.9	516.9	535.1	514.2

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

(c) Reconciliation of cash flows from financing activities:

Group	1 July 2025	Cash flows	Non-cash changes	30 June 2026
	\$m	\$m	\$m	\$m
Liabilities				
Borrowings	5,080.5	128.2	1.4	5,210.1
Lease liabilities	39.1	(8.6)	2.7	33.2
Total liabilities from financing activities	5,119.6	119.6	4.1	5,243.3

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

Bank	1 July 2025	Cash flows	Non-cash changes	30 June 2026
	\$m	\$m	\$m	\$m
Liabilities				
Borrowings	7,951.3	128.7	107.9	8,187.9
Lease liabilities	39.1	(8.6)	2.7	33.2
Total liabilities from financing activities	7,990.4	120.1	110.6	8,221.1

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

Notes to the financial statements

For the year ended 30 June 2026

3.2 Financial assets

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Financial assets - fair value through profit or loss				
Term deposits	5.0	4.9	-	-
	5.0	4.9	-	-
Financial assets - amortised cost				
Deposits	98.0	619.9	98.0	619.9
Floating rate notes	-	1,769.1	-	1,769.1
RMBS ¹	-	-	2,869.8	2,804.8
Impairment provision ²	-	(0.3)	-	(0.3)
	98.0	2,388.7	2,967.8	5,193.5
Financial assets - fair value through other comprehensive income				
Debt instruments				
RMBS	-	-	106.4	64.9
Deposits	366.9	-	366.9	-
Fixed coupon bonds	573.8	-	573.8	-
Floating rate notes	1,609.4	-	1,609.4	-
	2,550.1	-	2,656.5	64.9
Equity instruments				
Shares in listed and unlisted entities	85.6	54.1	85.6	54.1
	2,635.7	54.1	2,742.1	119.0
Total financial assets	2,738.7	2,447.7	5,709.9	5,312.5

¹Residential mortgage-backed securities

²Refer to Note 3.5 for consideration of asset credit quality and ECL.

Recognition and measurement

The Bank's liquid asset portfolio comprises investment securities. Prior to 1 July 2025, these securities were managed within a business model whose objective was to hold assets to collect contractual cash flows and were therefore measured at amortised cost.

Effective 1 July 2025, the Bank implemented a revised Liquid Asset Strategy, resulting in a reassessment of the relevant business model in accordance with AASB 9 *Financial Instruments*. This reassessment considered the purpose of the portfolio, the manner in which risks are managed, and how performance is evaluated. Based on this review, it was determined that the business model objective is achieved through both the collection of contractual cash flows and the sale of financial assets.

Under the revised strategy, investment securities are primarily held to earn interest income over the life of the instruments; however, sales may occur in response to changes in market conditions, liquidity requirements, or risk management considerations.

Accordingly, all investment securities held at 1 July 2025 were reclassified from amortised cost to fair value through other comprehensive income (FVOCI). Investment securities acquired on or after this date are measured at FVOCI.

The impact of reclassifying investment securities to FVOCI, including the related fair value adjustment at 1 July 2025 was not material to the Group.

Notes to the financial statements

For the year ended 30 June 2026

3.2 Financial assets (continued)

Recognition and measurement (continued)

Initial recognition of financial assets

On initial recognition, financial assets are measured at fair value. Subsequent measurement is then either at FVTPL, amortised cost or FVOCI. For an asset that is at amortised cost or FVOCI, the initial carrying amount includes transaction costs that are directly attributable to the acquisition of that financial asset. The fair value of a financial instrument at initial recognition is generally its transaction price.

Amortised cost

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

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

Fair value through other comprehensive income

Financial assets are classified at FVOCI when they are held for both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI. The FVOCI reserve reflects changes in the fair value of investments in debt and equity instruments.

Debt instruments at FVOCI include RMBS, deposits, fixed coupon bonds and floating rate notes which are initially recognised at fair value including directly attributable transaction costs. Subsequent measurement is at fair value with any revaluation gains or losses being included in other comprehensive income. Upon disposal, the cumulative gains or losses previously recognised in other comprehensive income are transferred to profit or loss.

Equity instruments at FVOCI include listed and unlisted shares held for long-term investment. Changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Instead, cumulative gains or losses are transferred directly to retained earnings on derecognition. Dividends are recognised in profit or loss unless they represent a recovery of the cost of the investment.

Fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL.

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

Impairment of financial assets

Refer to Note 3.5.

Modified financial assets

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

Notes to the financial statements

For the year ended 30 June 2026

3.3 Derivative financial instruments

(a) Fair value of derivatives

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

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

Group & Bank - 2026	Fair value		Weighted average fixed interest rate	Maturity of notional amount ¹			
	Assets \$m	Liabilities \$m		Notional amount \$m	Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m
Derivatives designated as cash flow hedges							
Interest rate swaps	9.7	33.4	4.10%	10,505.0	8,117.0	2,388.0	-
Derivatives designated as fair value hedges							
Interest rate swaps	66.6	2.0	3.35%	638.7	-	5.0	633.7
Total derivatives measured at fair value	76.3	35.4		11,143.7	8,117.0	2,393.0	633.7

Group & Bank - 2025	Fair value		Weighted average fixed interest rate	Maturity of notional amount ¹			
	Assets \$m	Liabilities \$m		Notional amount \$m	Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m
Derivatives designated as cash flow hedges							
Interest rate swaps	32.1	11.7	3.77%	8,793.0	6,836.0	1,957.0	-
Total derivatives measured at fair value	32.1	11.7		8,793.0	6,836.0	1,957.0	-

¹During the year ended 30 June 2026, the Group revised the maturity time bands presented in the quantitative maturity analysis for derivative assets and liabilities to better reflect the maturity profile of its swap portfolio and ensure consistency with the presentation adopted elsewhere in the financial statements. Comparative information has been restated to conform with the current year's presentation. This change is presentational only and had no impact on the measurement or carrying values of derivative assets and liabilities.

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

(b) Accounting for derivatives

Recognition and measurement

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

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

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

Notes to the financial statements

For the year ended 30 June 2026

3.3 Derivative financial instruments (continued)

(b) Accounting for derivatives (continued)

Hedge accounting for fair value and cash flow hedges

The Bank continues to apply the hedge accounting requirements under AASB 139 *Financial Instruments: Recognition and Measurement* as permitted under AASB 9 *Financial Instruments*.

There are two types of hedge accounting relationships the Group utilises:

	Fair value hedge	Cash flow hedge
Objective of this hedging arrangement	To hedge the Bank's exposure to changes to the fair value of a recognised asset or liability or unrecognised firm commitment caused by interest rate movements.	To hedge the Bank's exposure to variability in cash flows of a recognised asset or liability, a firm commitment or a highly probable forecast transaction caused by interest rate movements.
Hedging instruments	Interest rate swaps	
Determination of hedge relationship	The Bank determines whether an economic relationship exists between a hedging instrument and a hedged item by considering the reference interest rates, tenors, repricing dates, maturities and related notional amounts.	
Recognition of effective hedge portion	The following are recognised in profit or loss at the same time: - all changes in the fair value of the underlying item relating to the hedged risk; and - the change in the fair value of the derivatives.	The Bank recognises the effective portion of the changes in the fair value of derivatives designated as cash flow hedge in the cash flow hedge reserve.
Recognition of ineffective hedge portion	Recognised immediately in net other operating income within the income statement.	
If a hedging instrument expires, or is sold, terminated, or exercised; or no longer qualifies for hedge accounting	When a hedged item is recognised in profit or loss, the related unamortised fair value hedge adjustment is also recognised in profit or loss. Where the hedged item is measured using the effective interest method, the fair value hedge adjustment is recognised over the remaining term of the hedged item as part of its effective yield.	Only when the Bank recognised the hedged item in profit or loss is the amount previously deferred in the cash flow hedged reserve transferred to profit or loss.
Hedged item sold or repaid	The Bank recognises the unamortised fair value hedge adjustment immediately in profit or loss.	Amounts accumulated in members' funds are transferred immediately to profit or loss.

Notes to the financial statements

For the year ended 30 June 2026

3.3 Derivative financial instruments (continued)

(b) Accounting for derivatives (continued)

Hedge accounting for fair value and cash flow hedges (continued)

The following table provides information regarding the determination of hedge ineffectiveness at 30 June 2026 and 30 June 2025:

Group & Bank - 2026	Change in fair value of hedging instrument \$m	Change in fair value of hedged item ¹ \$m	Hedge ineffectiveness recognised in income statement ² \$m	Amount reclassified from the cash flow hedge reserve to income statement ¹ \$m
<i>Interest rate risk</i>				
Derivatives designated as cash flow hedges				
Interest rate swaps	(30.9)	(31.0)	0.1	0.2
Derivatives designated as fair value hedges				
Interest rate swaps	5.5	(5.5)	-	-
Total derivatives measured at fair value	(25.4)	(36.5)	0.1	0.2
Group & Bank - 2025				
<i>Interest rate risk</i>				
Derivatives designated as cash flow hedges				
Interest rate swaps	21.9	22.0	(0.1)	(0.2)
Derivatives designated as fair value hedges				
Interest rate swaps	-	-	-	-
Total derivatives measured at fair value	21.9	22.0	(0.1)	(0.2)

¹Changes in the fair value of cash flow hedges of \$31.0 million (2025: \$22.0 million) were recognised in the statements of comprehensive income within the cash flow hedge reserve. Changes in the fair value of fair value hedges of \$5.5 million (2025: \$nil) were recognised in the income statements within net other operating income/(expense).

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

Balances presented in the table are net of tax. There is \$nil (2025: \$0.5 million) remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

3.4 Loans and advances

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Term loans	19,186.4	17,848.2	19,186.4	17,848.2
Credit cards and overdrafts	77.3	82.1	77.3	82.1
Gross loans and advances	19,263.7	17,930.3	19,263.7	17,930.3
Impairment provision	(36.1)	(34.4)	(36.1)	(34.4)
Net deferred origination cost and fee revenue	60.2	55.6	60.2	55.6
Net loans and advances	19,287.8	17,951.5	19,287.8	17,951.5

Notes to the financial statements

For the year ended 30 June 2026

3.4 Loans and advances (continued)

Recognition and measurement

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

3.5 Impairment of financial assets

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

Group & Bank - 2026	Stage 1	Stage 2	Stage 3		Total provision \$m
	Collective provision	Collective provision	Collective provision	Individual provision	
	\$m	\$m	\$m	\$m	
Balance at 30 June 2025	11.1	7.6	15.7	-	34.4
<i>Transfers to/(from) during the year:</i>					
Stage 1	(0.9)	0.6	0.3	-	-
Stage 2	1.0	(4.3)	3.3	-	-
Stage 3	0.5	0.4	(0.9)	-	-
Net movement in income statement	2.3	1.7	(2.4)	0.1	1.7
Balance at 30 June 2026	14.0	6.0	16.0	0.1	36.1

Group & Bank - 2025	Stage 1	Stage 2	Stage 3		Total provision \$m
	Collective provision	Collective provision	Collective provision	Individual provision	
	\$m	\$m	\$m	\$m	
Balance at 30 June 2024	12.4	8.2	13.8	0.2	34.6
<i>Transfers to/(from) during the year:</i>					
Stage 1	(1.6)	1.0	0.6	-	-
Stage 2	1.8	(3.3)	1.5	-	-
Stage 3	1.0	1.8	(2.8)	-	-
Net movement in income statement	(2.5)	(0.1)	2.6	(0.2)	(0.2)
Balance at 30 June 2025	11.1	7.6	15.7	-	34.4

Reclassification of comparative information (ECL Staging Methodology Alignment)

During the year ended 30 June 2026, the Group refined the methodology for allocating macroeconomic management overlays within the ECL framework. Under the previous methodology, these overlays were allocated entirely to Stage 1. Under the revised methodology, the overlays are allocated across the relevant ECL stages based on the underlying credit risk characteristics of the exposures, resulting in a more appropriate alignment with the staging requirements of AASB 9 *Financial Instruments*.

Comparative information as at 30 June 2025 has been reclassified to be consistent with the current year presentation. The reclassification affects only the allocation of the ECL allowance between Stage 1, Stage 2 and Stage 3 and has no impact on the Group's total ECL allowance, net loans and advances, total assets, total equity or net profit for the prior period.

Notes to the financial statements

For the year ended 30 June 2026

3.5 Impairment of financial assets (continued)

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

Group & Bank - 2026	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Loans and advances (gross) as at 1 July 2025	17,559.3	299.7	71.3	17,930.3
<i>Transfers to/(from) during the year:</i>				
Stage 1	(260.1)	216.2	43.9	-
Stage 2	77.8	(145.6)	67.8	-
Stage 3	4.9	2.1	(7.0)	-
Balance of new loans and advances originated during the year	4,835.4	22.3	1.9	4,859.6
Loans and advances derecognised during the year including write-offs	(3,435.9)	(60.3)	(30.0)	(3,526.2)
Loans and advances (gross) as at 30 June 2026	18,781.4	334.4	147.9	19,263.7

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

During the year ended 30 June 2026, the Bank refined its definition of Stage 3 exposures to align with its internal non-performing loan classification framework. This resulted in certain loan exposures being reclassified to Stage 3, increasing the Stage 3 gross carrying amount compared with the prior year. This change reflects a refinement in classification methodology rather than a deterioration in the underlying credit quality of the portfolio and did not have a material impact on the Bank's overall expected credit loss allowance.

Recognition and measurement

The ECL model used for impairment under AASB 9 *Financial Instruments* applies to financial assets measured at amortised cost and at FVOCI, including loans and advances.

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

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

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

Notes to the financial statements

For the year ended 30 June 2026

3.5 Impairment of financial assets (continued)

Recognition and measurement (continued)

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

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

Model inputs

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

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

Forward-looking information

Forward-looking information is incorporated into the measurement of ECL through multiple unbiased, probability weighted economic scenarios. The scenarios incorporate macroeconomic variables that are expected to influence credit losses, including gross domestic product (GDP), house price index (HPI), wage price index (WPI), consumer price index (CPI), the cash rate and the unemployment rate.

Significant increase in credit risk (SICR)

The Bank assesses whether there has been a significant increase in credit risk (SICR) by comparing the risk of default over the expected remaining life of a financial asset at the reporting date with the risk of default at initial recognition. In making this assessment, the Bank considers reasonable and supportable information that is available without undue cost or effort and performs the assessment on both an individual and collective basis.

Indicators that a financial asset has experienced a SICR include where the asset is 30 days or more past due, has been restructured or the facility was previously classified as Stage 2 or Stage 3 and is yet to demonstrate a period of good repayment conduct.

Notes to the financial statements

For the year ended 30 June 2026

3.5 Impairment of financial assets (continued)

Forward-looking macroeconomic adjustments

The scenarios and assumptions for the forward-looking macroeconomic adjustments are outlined below.

Judgement/ Assumption	Description	Consideration for the year ended 30 June 2026
Base case economic forecast	The Group develops a forward-looking base case economic scenario that reflects the Bank's assessment of expected macroeconomic conditions.	There have been no significant changes to the forward-looking macroeconomic variables (key economic drivers) used as inputs to the Group's ECL models. The base case incorporates both internal economic analysis and external data, including the Reserve Bank of Australia's May 2026 Statement on Monetary Policy. The base case assumptions have been updated to reflect the current inflation outlook. Near-term economic growth forecasts have been revised downward to reflect ongoing global economic uncertainty and the expected impacts of the 2026 Federal Budget tax reforms. GDP growth is expected to return to more typical levels during 2027, while the unemployment rate is forecast to increase modestly between 2026 and 2027. The key assumptions underpinning the base case economic forecast at 30 June 2026 are presented below under Base case economic forecast assumptions.
Probability weighting of economic scenarios	The probability weightings assigned to the base, upside, downside and severe downside scenarios are determined by management after considering the risks and uncertainties surrounding the base case economic outlook at each reporting date. These probability weightings involve significant judgement.	At 30 June 2026, the weighting assigned to the severe downside scenario increased by 2.5 percentage points to reflect the deterioration in the global and domestic economic outlook and the increased uncertainty associated with the 2026 Federal Budget tax reforms. The probability weightings applied in the current and prior reporting periods are presented under probability weightings.

Base case economic forecast assumptions

The key macroeconomic assumptions underpinning the Group's base case forecast at 30 June 2026, including assumptions informed by the Reserve Bank of Australia's May 2026 Statement on Monetary Policy, are set out below.

	Forecast calendar year	
	2026	2027
	%	%
GDP growth	1.3	1.4
Unemployment rate	4.3	4.6
Residential property price index	-	3.0
CPI inflation	4.0	2.4

Notes to the financial statements

For the year ended 30 June 2026

3.5 Impairment of financial assets (continued)

Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

The Bank considers these weightings to provide estimates of the possible loss outcomes within the Bank's credit portfolios. The weightings applied across the Group are set out below:

Scenario	Scenario weights	
	2026 %	2025 %
Base	45.0	45.0
Downside	40.0	40.0
Severe downside	12.5	10.0
Upside	2.5	5.0

ECL - Sensitivity analysis

Expected credit losses represent management's best estimate of credit losses at the reporting date and are inherently sensitive to changes in macroeconomic assumptions and the judgements applied in assessing the probability of future borrower default.

The following table illustrates the sensitivity of the Group's collectively assessed ECL at 30 June 2026 to changes in key assumptions used in the measurement of ECLs.

Sensitivity measures	Impairment provision \$m	Income Statement impact \$m
If 1% of Stage 1 mortgage secured loans moved to Stage 2	38.3	2.2
If 1% of Stage 1 mortgage secured loans moved to Stage 3	48.2	12.1
If 1% of Stage 1 personal lending exposures moved to Stage 2	36.9	0.8
If 1% of Stage 1 personal lending exposures moved to Stage 3	39.2	3.1
100% base case scenario	28.5	(7.6)
100% downside scenario	39.8	3.7
100% severe downside scenario	53.0	16.9
100% upside scenario	26.1	(10.0)

Write-offs

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

Notes to the financial statements

For the year ended 30 June 2026

3.5 Impairment of financial assets (continued)

Use of judgements and estimates

The determination of ECL requires significant judgement in estimating future cash shortfalls over the expected life of financial assets. Judgement is applied in assessing significant increases in credit risk, estimating probabilities of default, loss given default and exposure at default, and determining management overlays where risks and uncertainties are not fully captured by the core ECL models, including emerging portfolio risks, model limitations and areas of estimation uncertainty.

At 30 June 2026, the Bank completed a comprehensive review of management overlays and model adjustments. Management overlays are allocated across the relevant ECL stages based on the underlying credit risk characteristics of the exposures and whether the associated risk gives rise to 12-month or lifetime expected credit losses.

ECL incorporates forward-looking macroeconomic information through multiple economic scenarios and probability weightings that reflect management's assessment of future economic conditions. Changes in these assumptions and estimates could result in a material change to the recognised ECL allowance.

3.6 Deposits

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Members' shares	2.3	2.4	2.3	2.4
Customers' call deposits	9,836.1	9,402.9	9,836.1	9,402.9
Customers' term deposits	6,184.2	5,109.9	6,184.2	5,109.9
	16,022.6	14,515.2	16,022.6	14,515.2

Recognition and measurement

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

3.7 Borrowings

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Securitisation trust borrowings	1,771.4	1,593.2	4,705.4	4,398.0
Securitisation warehouse borrowings	658.6	963.5	700.9	1,028.1
Term borrowings	2,780.1	2,523.8	2,781.6	2,525.2
	5,210.1	5,080.5	8,187.9	7,951.3

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

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

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3.8 Fair value of financial instruments

Fair value hierarchy

As part of the fair value measurement, the Group classifies its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the hierarchy are defined as follows:

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

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

Group - 2026	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total fair value \$m	Total carrying amount \$m
Financial assets measured at fair value					
Derivative financial instruments	-	76.3	-	76.3	76.3
Financial assets - FVTPL	-	5.0	-	5.0	5.0
Financial assets - FVOCI	65.3	2,550.1	20.3	2,635.7	2,635.7
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	98.0	-	98.0	98.0
Loans and advances	-	-	19,121.2	19,121.2	19,287.8
Financial liabilities measured at fair value					
Derivative financial instruments	-	35.4	-	35.4	35.4
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits	-	15,892.7	-	15,892.7	16,022.6
Borrowings	-	5,217.1	-	5,217.1	5,210.1

Notes to the financial statements

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3.8 Fair value of financial instruments (continued)

Group - 2025	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total fair value \$m	Total carrying amount \$m
Financial assets measured at fair value					
Derivative financial instruments	-	32.1	-	32.1	32.1
Financial assets - FVTPL	-	4.9	-	4.9	4.9
Financial assets - FVOCI	38.9	-	15.2	54.1	54.1
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	2,393.8	-	2,393.8	2,388.7
Loans and advances	-	-	17,842.8	17,842.8	17,951.5
Financial liabilities measured at fair value					
Derivative financial instruments	-	11.7	-	11.7	11.7
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits	-	14,453.0	-	14,453.0	14,515.2
Borrowings	-	2,567.6	2,474.8	5,042.4	5,080.5
Bank - 2026	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total fair value \$m	Total carrying amount \$m
Financial assets measured at fair value					
Derivative financial instruments	-	76.3	-	76.3	76.3
Financial assets - FVOCI	65.3	2,656.5	20.3	2,742.1	2,742.1
Financial assets not measured at fair value for which fair values are disclosed					
Financial assets - amortised cost	-	2,973.2	-	2,973.2	2,967.8
Loans and advances	-	-	19,121.2	19,121.2	19,287.8
Financial liabilities measured at fair value					
Derivative financial instruments	-	35.4	-	35.4	35.4
Financial liabilities not measured at fair value for which fair values are disclosed					
Deposits	-	15,892.7	-	15,892.7	16,022.6
Borrowings	-	8,200.8	-	8,200.8	8,187.9

Notes to the financial statements

For the year ended 30 June 2026

3.8 Fair value of financial instruments (continued)

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

Effective 1 July 2025, the Bank's investment securities within the liquid asset portfolio were reclassified from amortised cost to fair value through other comprehensive income (FVOCI). Investment securities acquired after this date are also measured at FVOCI. Refer to Note 3.2 for further information.

During the year ended 30 June 2026, the Bank transferred certain borrowings from Level 3 to Level 2 of the fair value hierarchy following a revision to the valuation methodology to reflect the increased availability of observable market inputs. As a result, the valuation no longer incorporates significant unobservable inputs.

During the previous year, certain equity instruments in an entity were transferred from Level 3 into Level 1 of the fair value hierarchy following the listing of that entity on the Australian Stock Exchange.

Recognition and measurement

Fair value reflects 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.

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

Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using other valuation techniques.

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

Notes to the financial statements

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3.8 Fair value of financial instruments (continued)

Valuation techniques used to determine fair value

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

Instrument	Fair value measurement technique
Derivative financial instruments	The fair value for derivative financial instruments is derived from discounted cash flow models. Where there is no market value, the fair value is determined using inputs which are observable either directly or indirectly. The fair values of derivative financial instruments take into account both credit valuation adjustments (CVA) and debit valuation adjustments (DVA).
Financial assets - FVTPL	These assets include insurance assets backing insurance liabilities and are therefore designated at FVTPL to reduce the accounting mismatch between assets and related liabilities. Term deposits are brought to account at the gross value of the outstanding balance, which approximates their fair value due to the short-term maturities of these securities and the lack of fluctuations in the market interest rates or credit quality of the counterparties since their inception.
Financial assets - Debt instruments at FVOCI	These assets include investments and securities held to manage the Group's liquidity risk. The liquid asset portfolio is valued using observable market prices, which are sourced from independent pricing services or broker quotes. Where this information is not available, observable market data on capital pricing for similar instruments is used. These assets also include internal RMBS held by the Bank and are not quoted or traded on an active market. These assets are measured at fair value on initial recognition and are subsequently measured by utilisation of observable market data for highly comparable or similar instruments.
Financial assets - Equity instruments at FVOCI	These assets represent investments that the Group intends to hold for long-term strategic purposes. The fair value of shares in listed entities is calculated using quoted prices in active markets. Shares in unlisted entities were measured at fair value on initial recognition and subsequently measured incorporating the most recently transacted prices for the shares, earnings multiples of other similar entities and the net asset value per share of the underlying investment.

Notes to the financial statements

For the year ended 30 June 2026

3.8 Fair value of financial instruments (continued)

Valuation techniques used to determine fair value (continued)

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

Instrument	Fair value measurement technique
Financial assets - amortised cost	These instruments include internal RMBS held by the Bank, with contractual cash flows occurring on specified dates and maturities ranging from short to long term. Fair value is estimated primarily by reference to available market price data. Where such data is unavailable, observable market inputs, including pricing for comparable instruments, is applied. The remaining balance comprises a security deposit, for which fair value approximates the carrying value at the balance date due to its at-call or variable-rate nature.
Loans and advances	The carrying value of loans and advances is net of provisions for impairment. For variable-rate loans, excluding impaired exposures, the amortised cost is considered a reasonable approximation of fair value. Fair value for fixed-rate loans is calculated utilising a discounted cash flow model, with discount rates based on current benchmark rates for comparable fixed-rate loans with similar remaining terms.
Deposits and borrowings	The fair value of deposits is determined utilising a discounted cash flow model. Discount rates are based on current benchmark rates applicable to the remaining term of the portfolio at the balance date. For non-interest bearing, call and variable-rate deposits that reprice within 12 months, fair value approximates the carrying value at the balance date.

The carrying values of cash and cash equivalents, receivables due from other banks and payables due to other banks, approximate their fair value reflecting their short-term nature or on-demand settlement terms.

Notes to the financial statements

For the year ended 30 June 2026

3.8 Fair value of financial instruments (continued)

Reconciliation of balances for fair value measurement in Level 3 of the fair value hierarchy

The table below shows the movements in Level 3 of the fair value hierarchy for equity instruments measured at FVOCI by the Group.

Group & Bank - 2026	\$m
Balance at beginning of the year	15.2
Fair value movement recognised in other comprehensive income	(0.3)
Additions	5.4
Balance at end of the year	20.3

Group & Bank - 2025	\$m
Balance at beginning of the year	65.5
Fair value movement recognised in other comprehensive income	14.0
Additions	0.7
Shares sold ¹	(32.5)
Transfers out of Level 3 into Level 1	(32.5)
Balance at end of the year	15.2

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

The Group holds \$20.3 million (2025: \$15.2 million) of unlisted equity instruments classified at FVOCI. In the absence of active markets or quoted prices, these instruments are classified within Level 3. Changes in fair value are recognised in the statements of changes in members' funds, with no impact to net profit or loss. Sensitivity to reasonably possible changes in unobservable valuation inputs is not expected to have a material impact on the Group's results.

Use of judgements and estimates

Where the fair values of financial assets and financial liabilities recorded in the balance sheets cannot be derived from active markets, they are determined using valuation models. Model inputs are sourced from observable market data where available, otherwise valuation techniques incorporating unobservable inputs are applied.

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management

Overview

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

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

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

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

Line of Accountability	Responsibilities
First	Under the first line of accountability, operational management (including each member of staff) is responsible for identifying, assessing, mitigating and managing risk in a way that is consistent with the Group's RMF and risk appetite set by the Board.
Second	The second line of accountability is the risk management function, headed by the Chief Risk Officer (CRO), which develops risk and compliance management frameworks, defines guardrails and provides objective review and challenge regarding the effectiveness of risk management in the first line business.
Third	Internal audit provides independent assurance over the adequacy and effectiveness of the Group's governance, risk management and internal controls.

Risk management frameworks and governance structures outline how risks are managed to appetite and the relationship between Board, Committees and executives. Risk management policies have been established to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Training, standards and procedures, aim to develop a disciplined control environment in which all employees understand their roles and obligations.

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

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

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

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

(a) Interest rate risk

Interest rate risk is the risk that movements in interest rates result in losses for a financial institution. The Group is exposed to this risk due to mismatches in the timing of interest rate repricing across its financial instruments. The tables below show the value of financial instruments grouped by interest rate repricing period:

Group - 2026	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	575.6	-	-	-	4.3	579.9
Receivables due from other banks	12.6	-	-	-	-	12.6
Derivative financial instruments	-	5.1	5.7	65.5	-	76.3
Financial assets - FVTPL	-	5.0	-	-	-	5.0
Financial assets - FVOCI	1,609.4	366.9	8.3	565.5	-	2,550.1
Financial assets - amortised cost	98.0	-	-	-	-	98.0
Loans and advances (gross)	17,925.3	382.5	816.8	139.1	-	19,263.7
	20,220.9	759.5	830.8	770.1	4.3	22,585.6
Liabilities						
Payables due to other banks	54.6	-	-	-	-	54.6
Derivative financial instruments	-	16.3	17.8	1.3	-	35.4
Deposits	9,836.1	5,910.3	273.9	-	2.3	16,022.6
Borrowings	3,991.7	1,216.9	1.5	-	-	5,210.1
Commitments (Note 4.9)	664.4	2.8	14.3	-	-	681.5
	14,546.8	7,146.3	307.5	1.3	2.3	22,004.2
Group - 2025	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	532.8	-	-	-	2.2	535.0
Receivables due from other banks	1.7	-	-	-	-	1.7
Derivative financial instruments	-	5.6	26.5	-	-	32.1
Financial assets - FVTPL	-	4.9	-	-	-	4.9
Financial assets - amortised cost	1,866.9	521.8	-	-	-	2,388.7
Loans and advances (gross)	16,861.0	269.6	641.9	157.8	-	17,930.3
	19,262.4	801.9	668.4	157.8	2.2	20,892.7
Liabilities						
Payables due to other banks	19.8	-	-	-	-	19.8
Derivative financial instruments	-	7.7	4.0	-	-	11.7
Deposits	9,402.8	4,955.0	155.0	-	2.4	14,515.2
Borrowings	3,694.9	1,385.1	0.5	-	-	5,080.5
Commitments (Note 4.9)	670.1	1.5	3.8	-	-	675.4
	13,787.6	6,349.3	163.3	-	2.4	20,302.6

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(a) Interest rate risk (continued)

Bank - 2026	At call/ variable \$m	Fixed interest rate maturing			Non interest bearing \$m	Total \$m
		Within 1 year \$m	1 to 5 years \$m	Over 5 years \$m		
Assets						
Cash and cash equivalents	572.8	-	-	-	4.3	577.1
Receivables due from other banks	12.6	-	-	-	-	12.6
Derivative financial instruments	-	5.1	5.7	65.5	-	76.3
Financial assets - FVOCI	1,715.8	366.9	8.3	565.5	-	2,656.5
Financial assets - amortised cost	2,967.8	-	-	-	-	2,967.8
Loans and advances (gross)	17,925.3	382.5	816.8	139.1	-	19,263.7
	23,194.3	754.5	830.8	770.1	4.3	25,554.0
Liabilities						
Payables due to other banks	54.6	-	-	-	-	54.6
Derivative financial instruments	-	16.3	17.8	1.3	-	35.4
Deposits	9,836.1	5,910.3	273.9	-	2.3	16,022.6
Borrowings	6,968.0	1,218.4	1.5	-	-	8,187.9
Commitments (Note 4.9)	664.4	2.8	14.3	-	-	681.5
	17,523.1	7,147.8	307.5	1.3	2.3	24,982.0

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

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(a) Interest rate risk (continued)

Interest rate risk in the banking book (IRRBB)

Interest rate risk in the banking book is the risk that adverse interest rate movements affect the Group's current and future earnings or economic value. It includes repricing, yield curve, basis and optionality risks, and arises mainly from lending and funding activities. The Group measures and monitors this risk using earnings and economic value approaches, defined stress scenarios and historical statistical measures.

The Group manages IRRBB in accordance with the Board Approved IRRBB Strategy, which forms part of the Group's risk management framework and establishes the principles for the management of IRRBB. The Board oversees IRRBB within approved risk limits, supported by ongoing management monitoring.

Reclassification of comparative information - interest rate risk disclosures

During the year, the Bank revised its interest rate risk methodology, including an increase in the interest rate shocks applied in the sensitivity analysis to 200 basis points (bps). The Bank also revised its methodology to exclude the capital framework from the 2026 sensitivity analysis following amendments to APRA prudential standard APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book*, effective 1 October 2025.

Accordingly, the comparative disclosures for net interest income sensitivity, present value sensitivity and Value at Risk have been restated to present the FY25 information on a basis consistent with the current year. The restatement affects the presentation of these disclosures only and enhances comparability between reporting periods.

The restatement has no impact on the recognition or measurement of financial assets or financial liabilities, or on the Group's profit, total comprehensive income, total assets, total liabilities, equity or cash flows.

Net interest income sensitivity (NIIS)

Net interest income sensitivity measures the potential earnings impact over a 12-month forecast period using a static balance sheet and a range of 200bps market interest rate stress scenarios.

The table below shows the average, maximum and minimum potential adverse change in NIIS during the year:

	2026	2025 ¹
Net interest income sensitivity	\$m	\$m
Average exposure	10.7	9.2
Maximum exposure	16.3	12.3
Minimum exposure	7.5	6.0

¹Comparative information has been restated to present the FY25 interest rate risk disclosures on a basis consistent with the current year, reflecting changes to the Group's interest rate risk methodology and the implementation of the revised capital framework. Refer to Reclassification of comparative information - interest rate risk disclosures for further details.

Economic value sensitivity

The Group also assesses IRRBB using measures of economic value, which captures the impact of interest rate changes on the present value of all known future cash flows using a static balance sheet.

Value at Risk (VaR) is a statistical measure of economic value sensitivity used to quantify the potential loss in economic value based on historical yield curve observations. Eight years of daily historical yield curve data is sampled to measure the potential loss in economic value over a one month holding period at the 99th percentile.

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(a) Interest rate risk (continued)

The table below shows the average, maximum and minimum VaR during the year:

Value at Risk	2026 \$m	2025¹ \$m
Average	20.5	19.1
Maximum	24.6	24.4
Minimum	15.0	13.8

¹Comparative information has been restated to present the FY25 interest rate risk disclosures on a basis consistent with the current year, reflecting changes to the Group's interest rate risk methodology and the implementation of the revised capital framework. Refer to Reclassification of comparative information - interest rate risk disclosures for further details.

Present value sensitivity (PVS)

Present value sensitivity measures the change in the economic value of all known future cash flows using a static balance sheet and a range of 200bps market interest rate stress scenarios.

The table below shows the average, maximum and minimum potential adverse change in PVS during the year:

Present value sensitivity	2026 \$m	2025¹ \$m
Average exposure	55.7	55.0
Maximum exposure	68.7	63.1
Minimum exposure	34.6	44.7

¹Comparative information has been restated to present the FY25 interest rate risk disclosures on a basis consistent with the current year, reflecting changes to the Group's interest rate risk methodology and the implementation of the revised capital framework. Refer to Reclassification of comparative information - interest rate risk disclosures for further details.

(b) Credit risk

Credit risk is the risk that a counterparty fails to meet its contractual obligations resulting in financial loss. It arises from the Bank's lending activities, including residential mortgages, term loans, overdrafts and credit cards, as well as from financial instruments held for liquidity management and interest rate hedging purposes.

Credit risk incorporates the risks also associated with lending to customers including those who could be impacted by climate change. Climate change impacts such as extreme weather events, combined with changes to future insurance affordability and availability, may increase default rates, or depress collateral values. As at 30 June 2026, management has assessed that climate-related credit risk is not material to the Bank's loan portfolio.

The Bank maintains a structured credit risk management framework that comprises:

- Defined lending risk appetite;
- Strategies, policies and governance arrangements; and
- Ongoing monitoring of credit quality, impairment and provisioning adequacy.

Credit risk exposure by risk grade

Credit exposures are capped to the carrying value reported in the balance sheets. The "Credit risk exposure by risk grade" table presents the Bank's maximum credit exposure across asset classes at the reporting dates. The amounts are presented on a gross basis before impairment provisions and without regard to collateral or other credit enhancements.

Counterparty concentration risk is monitored daily by management and reviewed monthly by ALCO. Counterparty limits are set by management within Board-approved maximum exposure thresholds, informed by internal credit assessments. Exposures are limited to the carrying amount in the balance sheets and classified in accordance with APRA's APS 112 *Capital Adequacy: Standardised Approach to Credit Risk (Attachment F, paragraph 8, Table 21)* which broadly aligns with external long-term ratings from agencies such as Standard & Poor's, Moody's and Fitch.

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit risk exposure by risk grade (continued)

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

Group - 2026	Credit rating Grade 1 \$m	Credit rating Grade 2 \$m	Credit rating Grade 3 \$m	Unrated \$m	Total \$m
Assets					
Cash and cash equivalents	570.9	-	-	9.0	579.9
Receivables due from other banks	12.6	-	-	-	12.6
Financial assets - FVTPL	3.1	1.9	-	-	5.0
Financial assets - FVOCI					
Stage 1: 12-month ECL - not credit impaired	2,302.9	215.2	32.0	-	2,550.1
Financial assets - amortised cost					
Stage 1: 12-month ECL - not credit impaired	98.0	-	-	-	98.0
	2,987.5	217.1	32.0	9.0	3,245.6

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

Bank - 2026	Credit rating Grade 1 \$m	Credit rating Grade 2 \$m	Credit rating Grade 3 \$m	Unrated \$m	Total \$m
Assets					
Cash and cash equivalents	568.1	-	-	9.0	577.1
Receivables due from other banks	12.6	-	-	-	12.6
Financial assets - FVOCI					
Stage 1: 12-month ECL - not credit impaired	2,350.9	223.2	37.8	44.6	2,656.5
Financial assets - amortised cost					
Stage 1: 12-month ECL - not credit impaired	2,877.4	-	-	90.4	2,967.8
	5,809.0	223.2	37.8	144.0	6,214.0

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

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit quality - lending portfolios

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

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

Group & Bank - 2026				
Overdue status of loans and advances (gross)	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Residential mortgages				
Current	18,089.5	205.4	24.4	18,319.3
Overdue less than or equal to 30 days	239.0	57.6	17.6	314.2
Overdue more than 30 days	-	57.7	93.4	151.1
	18,328.5	320.7	135.4	18,784.6
Business lending				
Current	84.4	1.5	1.2	87.1
Overdue less than or equal to 30 days	1.8	-	-	1.8
Overdue more than 30 days	-	0.6	0.2	0.8
	86.2	2.1	1.4	89.7
Personal lending				
Current	354.2	5.7	1.6	361.5
Overdue less than or equal to 30 days	12.5	2.7	1.0	16.2
Overdue more than 30 days	-	3.2	8.5	11.7
	366.7	11.6	11.1	389.4
Total loans and advances (gross)	18,781.4	334.4	147.9	19,263.7
Total impairment provision	14.0	6.0	16.1	36.1

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit quality - lending portfolios (continued)

Group & Bank - 2025				
Overdue status of loans and advances (gross)	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
Residential mortgages				
Current	16,892.1	171.4	-	17,063.5
Overdue less than or equal to 30 days	224.3	51.2	-	275.5
Overdue more than 30 days	-	64.3	62.6	126.9
	17,116.4	286.9	62.6	17,465.9
Business lending				
Current	58.2	0.2	-	58.4
Overdue less than or equal to 30 days	0.3	0.8	-	1.1
Overdue more than 30 days	-	0.1	0.8	0.9
	58.5	1.1	0.8	60.4
Personal lending				
Current	370.6	5.1	-	375.7
Overdue less than or equal to 30 days	13.8	1.9	-	15.7
Overdue more than 30 days	-	4.7	7.9	12.6
	384.4	11.7	7.9	404.0
Total loans and advances (gross)	17,559.3	299.7	71.3	17,930.3
Total impairment provision	11.1	7.6	15.7	34.4

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit quality - lending portfolios (continued)

The Bank holds collateral against certain loans and advances, primarily through registered mortgages over property, and other secured interests over assets and guarantees. In the event of default, the Bank has the right to enforce these securities and take possession of the underlying collateral to mitigate credit losses.

The following table outlines the main types of collateral held for each class of financial asset:

Group & Bank Types of credit exposure	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	2026 %	2025 %	
Loans and advances:			
Residential mortgages	100	100	Real estate property
Business lending	99	100	Real estate property and motor vehicle
Personal lending	34	33	Motor vehicle

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

For derivative financial instruments, the Bank exchanges AUD cash collateral under standard ISDA arrangements to mitigate counterparty credit risk. As at 30 June 2026, collateral of \$12.6 million (2025: \$1.7 million) and \$54.6 million (2025: \$19.8 million) was recognised within receivables due from other banks and payables due to other banks respectively.

The value of collateral held as security is estimated at the time of origination and is generally not updated, except when loans and advances are individually assessed for impairment. As at 30 June 2026, gross loans and advances balance of \$19.2 million (2025: \$18.5 million) have been assessed as credit impaired. The Group does not, typically, take possession of collateral held as security in a manner that would result in recognition of an asset on the balance sheet.

The following table shows the Group's loan to value ratios (LVR) for its residential mortgage portfolio. The valuations used are based on the security values determined at origination or at subsequent revaluation.

Group & Bank	2026 \$m	2025 \$m
LVR 0% - 60%	5,924.4	5,448.4
LVR 60.01% - 80%	7,182.7	7,022.9
LVR 80.01% - 90%	3,177.7	2,783.7
LVR > 90.01%	2,499.8	2,210.9
Total loans and advances (gross)	18,784.6	17,465.9

The Bank participates in the Government's Home Guarantee Scheme, which primarily supports eligible first home buyers. Under the scheme, the Government provides a partial guarantee that enables eligible borrowers to purchase a home without the need for lenders mortgage insurance. Loans supported by the scheme typically have an initial loan-to-value ratio (LVR) exceeding 90%. While the guarantee enhances the Bank's security position, the reported LVRs do not reflect the benefit of the guarantee.

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(b) Credit risk (continued)

Credit risk - geographical analysis (concentration risk)

The lending portfolio is concentrated in residential mortgages, consistent with the Group's core business and risk appetite. Exposures are largely aligned with the Group's business strategy, focused primarily on the capital cities in the eastern states. Management conducts periodic analysis, including stress testing and geographical reviews to assess concentration risk within the lending portfolio. Based on this analysis, management considers the level of concentration risk to be acceptable.

Group & Bank State	2026		2025	
	Residential mortgages \$m	Other loans \$m	Residential mortgages \$m	Other loans \$m
Queensland	7,050.4	212.1	6,539.1	212.1
New South Wales	5,228.2	118.1	5,041.3	109.1
Victoria	4,246.1	105.2	3,790.6	109.5
Western Australia	1,351.2	24.5	1,249.3	21.1
Australian Capital Territory	292.5	5.7	282.1	4.7
South Australia	392.5	9.2	363.3	4.3
Tasmania	175.4	2.9	154.0	2.3
Northern Territory	48.3	1.4	46.2	1.3
Total loans and advances (gross)	18,784.6	479.1	17,465.9	464.4

(c) Liquidity and funding risk

Liquidity and funding risk is the risk that funding or liquidity resources are insufficient to meet business requirements and regulatory obligations. The primary liquidity objective is to maintain funding that supports growth in core activities across a wide range of market conditions.

The Group manages liquidity and funding in accordance with the Board approved Liquidity Management Strategy and Funding Strategy which forms part of the Group's broader liquidity and funding risk management framework.

Liquidity risk is managed through daily matching of asset and liability maturities, maintaining committed funding facilities and ongoing cash flow forecasting, supported by scenario analysis. Funding risk is monitored using key metrics covering diversification, duration and capacity. The operational management of liquidity and funding is centralised within Treasury, with oversight from Risk, ALCO and the Board. Policies are approved by the Board on ALCO's recommendation and align with APRA prudential standard APS 210 *Liquidity*.

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

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

Group - 2026	Carrying Amount \$m	Gross contractual inflow/(outflow) \$m	Within 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	More than 5 years \$m
Financial liability by type							
Non-derivative financial liabilities²							
Payables due to other banks	54.6	(54.6)	(54.6)	-	-	-	-
Members' shares	2.3	(2.3)	(2.3)	-	-	-	-
Customers' call deposits	9,836.1	(9,836.1)	(9,836.1)	-	-	-	-
Customers' term deposits	6,184.2	(6,334.1)	(891.8)	(1,445.6)	(3,698.6)	(298.1)	-
Borrowings	5,210.1	(5,671.9)	(193.4)	(530.7)	(2,062.4)	(2,296.7)	(588.7)
Lease liabilities	33.2	(37.0)	(0.8)	(1.5)	(6.1)	(23.4)	(5.2)
Total non-derivative financial liabilities	21,320.5	(21,936.0)	(10,979.0)	(1,977.8)	(5,767.1)	(2,618.2)	(593.9)
Derivative financial liabilities							
Interest rate swaps ¹							
Outflow	-	(373.3)	(23.1)	(45.7)	(145.8)	(140.1)	(18.6)
Inflow	-	336.9	21.5	42.0	130.9	123.5	19.0
Total derivative financial liabilities	35.4	(36.4)	(1.6)	(3.7)	(14.9)	(16.6)	0.4
Financial asset by type							
Non-derivative financial assets²							
Cash and cash equivalents	579.9	579.9	579.9	-	-	-	-
Receivables due from other banks	12.6	12.6	12.6	-	-	-	-
Financial assets - FVTPL	5.0	5.0	0.1	3.2	1.7	-	-
Financial assets - FVOCI	2,635.7	2,635.7	118.3	106.6	372.6	1,092.3	945.9
Financial assets - amortised cost	98.0	98.0	-	-	98.0	-	-
Loans and advances	19,287.8	19,287.8	38.2	101.1	322.6	1,788.7	17,037.2
Total non-derivative financial assets	22,619.0	22,619.0	749.1	210.9	794.9	2,881.0	17,983.1
Derivative financial assets							
Interest rate swaps ¹							
Outflow	-	(364.7)	(5.4)	(10.4)	(136.6)	(175.8)	(36.5)
Inflow	-	452.9	5.7	14.9	147.3	220.5	64.5
Total derivative financial assets	76.3	88.2	0.3	4.5	10.7	44.7	28.0

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

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

Notes to the financial statements

For the year ended 30 June 2026

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

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

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

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

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For the year ended 30 June 2026

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

Bank - 2026	Carrying Amount \$m	Gross contractual inflow/(outflow) \$m	Within 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	More than 5 years \$m
Financial liability by type							
Non-derivative financial liabilities²							
Payables due to other banks	54.6	(54.6)	(54.6)	-	-	-	-
Members' shares	2.3	(2.3)	(2.3)	-	-	-	-
Customers' call deposits	9,836.1	(9,836.1)	(9,836.1)	-	-	-	-
Customers' term deposits	6,184.2	(6,334.1)	(891.8)	(1,445.6)	(3,698.6)	(298.1)	-
Borrowings	8,187.9	(9,071.1)	(269.3)	(670.7)	(2,631.4)	(4,055.7)	(1,444.0)
Lease liabilities	33.2	(37.0)	(0.8)	(1.5)	(6.1)	(23.4)	(5.2)
Total non-derivative financial liabilities	24,298.3	(25,335.2)	(11,054.9)	(2,117.8)	(6,336.1)	(4,377.2)	(1,449.2)
Derivative financial liabilities							
Interest rate swaps ¹							
Outflow	-	(373.3)	(23.1)	(45.7)	(145.8)	(140.1)	(18.6)
Inflow	-	336.9	21.5	42.0	130.9	123.5	19.0
Total derivative financial liabilities	35.4	(36.4)	(1.6)	(3.7)	(14.9)	(16.6)	0.4
Financial asset by type							
Non-derivative financial assets²							
Cash and cash equivalents	577.1	577.1	577.1	-	-	-	-
Receivables due from other banks	12.6	12.6	12.6	-	-	-	-
Financial assets - FVOCI	2,742.1	2,742.1	118.6	106.6	372.6	1,092.3	1,052.0
Financial assets - amortised cost	2,967.8	2,967.8	6.0	-	98.0	-	2,863.8
Loans and advances	19,287.8	19,287.8	38.2	101.1	322.6	1,788.7	17,037.2
Total non-derivative financial assets	25,587.4	25,587.4	752.5	207.7	793.2	2,881.0	20,953.0
Derivative financial assets							
Interest rate swaps ¹							
Outflow	-	(364.7)	(5.4)	(10.4)	(136.6)	(175.8)	(36.5)
Inflow	-	452.9	5.7	14.9	147.3	220.5	64.5
Total derivative financial assets	76.3	88.2	0.3	4.5	10.7	44.7	28.0

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

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

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For the year ended 30 June 2026

3.9 Risk management (continued)

(c) Liquidity and funding risk (continued)

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

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

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

Notes to the financial statements

For the year ended 30 June 2026

3.10 Capital management

Regulatory capital

The Group actively manages its capital base to support the risks inherent in its operations. The primary objectives of capital management are to maintain sufficient capital resources to support business activities and to optimise capital utilisation in accordance with regulatory requirements and the Board-approved risk appetite. Capital is also deployed to reinvest in the business, enhancing products and services for customers.

Capital is measured and managed in line with APRA Prudential Standards. The Banking Group¹ has complied with all applicable capital requirements in both the current and prior year.

The elements of capital are set out below:

Qualifying capital	Banking Group ¹	
	As at 30 June 2026 \$m	As at 30 June 2025 \$m
Common Equity Tier 1 Capital		
Retained profits, including current year profits	1,391.0	1,335.9
Reserves	41.5	53.5
Total Common Equity Tier 1 Capital	1,432.5	1,389.4
Regulatory Adjustments		
Intangibles	(70.5)	(68.9)
Equity investments	(95.2)	(63.3)
Other deductions	(60.2)	(93.7)
Total Regulatory Adjustments	(225.9)	(225.9)
Net Common Equity Tier 1 Capital	1,206.6	1,163.5
Tier 2 Capital		
Provisions eligible for inclusion in Tier 2 Capital	13.5	17.3
Net Tier 2 Capital	13.5	17.3
Capital base	1,220.1	1,180.8
Risk weighted assets	7,799.7	7,678.3
Risk Weighted Capital Ratios		
Tier 1	15.47%	15.15%
Tier 2	0.17%	0.23%
Total Capital Ratio	15.64%	15.38%

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

Notes to the financial statements

For the year ended 30 June 2026

4. Other notes

4.1 Property, plant and equipment

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
At cost	66.0	60.2	66.0	60.2
Accumulated depreciation	(46.8)	(40.2)	(46.8)	(40.2)
Property, plant and equipment	19.2	20.0	19.2	20.0
Capital work in progress	-	1.1	-	1.1
Total property, plant and equipment	19.2	21.1	19.2	21.1

All property, plant and equipment balances at 30 June 2026 and 30 June 2025 are non-current.

Recognition and measurement

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

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

The estimated useful lives are as follows:

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

Impairment of property, plant and equipment

Refer to Note 5.1(c) for accounting policy on impairment of non-financial assets.

Notes to the financial statements

For the year ended 30 June 2026

4.2 Intangibles

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
At cost	223.4	211.1	223.4	211.1
Accumulated amortisation	(183.6)	(165.1)	(183.6)	(165.1)
Intangibles	39.8	46.0	39.8	46.0
Capital work in progress	30.7	22.9	30.7	22.9
Total intangibles	70.5	68.9	70.5	68.9
Reconciliation of carrying amounts				
Carrying amount at beginning of the year	68.9	68.1	68.9	68.1
Additions	12.3	20.3	12.3	20.3
Net movement in capital work in progress	7.8	(2.7)	7.8	(2.7)
Amortisation	(18.5)	(16.8)	(18.5)	(16.8)
Carrying amount at end of the year	70.5	68.9	70.5	68.9

All intangible asset balances at 30 June 2026 and 30 June 2025 are non-current.

Recognition and measurement

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

The estimated useful lives are as follows:

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

Impairment of intangibles

Refer to Note 5.1(c) for accounting policy on impairment of non-financial assets.

4.3 Right-of-use (ROU) assets

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Buildings	28.1	34.7	28.1	34.7
Total ROU assets	28.1	34.7	28.1	34.7
Reconciliation of carrying amounts				
Carrying amount at beginning of the year	34.7	30.0	34.7	30.0
Additions	2.5	13.8	2.5	13.8
Depreciation	(9.1)	(9.1)	(9.1)	(9.1)
Carrying amount at end of the year	28.1	34.7	28.1	34.7

Refer to Note 3.9(c) for maturity analysis of lease liabilities as at 30 June 2026 and 30 June 2025.

Notes to the financial statements

For the year ended 30 June 2026

4.3 ROU assets (continued)

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

Recognition and measurement

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

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

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

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

The lease liability is initially measured at the present value of lease payments, discounted using the Group's incremental borrowing rates (IBR) as the interest rate implicit in the leases is not readily determinable. The IBR represent the rate that the Group would incur to borrow funds to acquire a similar ROU asset under comparable economic conditions, terms, security and other relevant factors.

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

Exemptions are available for short-term leases and leases of low-value assets, with lease payments recognised as operating expenses over the lease term in the income statement. The Group has applied these exemptions to its short-term leases at 30 June 2026 and 30 June 2025.

Occupancy expenses in the income statement include lease expenses of \$1.1 million (2025: \$1.1 million) in relation to short-term leases.

Use of judgements and estimates

Determining the lease term of contracts with renewal and termination options

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

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

Estimating the incremental borrowing rate

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

Notes to the financial statements

For the year ended 30 June 2026

4.4 Other liabilities

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Lease liabilities	33.2	39.1	33.2	39.1
Trade creditors and accruals	21.6	21.2	21.9	21.9
Insurance contract liabilities ¹	-	0.1	-	-
Income tax payable	3.5	6.6	3.5	6.6
	58.3	67.0	58.6	67.6

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

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

The Bank does not hold any bank guarantees in relation to its leased properties as at 30 June 2026 and 30 June 2025.

Except for the lease liabilities, all other liability balances at 30 June 2026 and 30 June 2025 are current. The current and non-current balances in respect of lease liabilities are as follows: current lease liabilities of \$7.1 million (2025: \$8.4 million), non-current lease liabilities of \$26.1 million (2025: \$30.7 million).

Notes to the financial statements

For the year ended 30 June 2026

4.5 Provisions

	Group		Bank	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Employee benefits	32.5	30.1	32.5	30.1
Make good provision	2.9	3.1	2.9	3.1
Other provisions	1.8	4.6	1.8	4.6
	37.2	37.8	37.2	37.8
Current	30.4	30.9	30.4	30.9
Non-current	6.8	6.9	6.8	6.9
	37.2	37.8	37.2	37.8

Recognition and measurement

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

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

Employee benefits

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

Make good provision

The make good provision is the estimated present value of expenditure required to restore the leased branches and hub offices to their original condition at the end of the respective leases. The provision is assessed at each balance date for new, amended and expired leases. The provision has been estimated using cost estimates prepared by an independent quantity surveyor.

Other provisions

Other provisions include amounts recognised for ongoing remediation programs and regulatory reviews. The Group conducts continuous compliance activities, including reviews of products, advice, conduct and services provided to customers, as well as interest, fees and premiums charged. Some of these investigations and reviews have resulted in remediation programs or are being assessed for possible breaches of regulatory obligations. Where a breach is identified, there is a risk that regulators may impose fines or penalties.

The recognition and measurement of these provisions require significant judgement, including assessing whether a present obligation exists, the likely outcomes of future events, and the estimation of associated cash outflows. Where future events remain uncertain or outflows cannot be reliably measured, a contingent liability is disclosed.

Notes to the financial statements

For the year ended 30 June 2026

4.6 Reserves

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Redeemed member share reserve	4.0	3.9	4.0	3.9
FVOCI reserve	40.3	21.3	40.2	21.6
Cash flow hedge reserve	(12.3)	18.4	(12.3)	18.4
Business combination reserve	9.6	9.6	9.6	9.6
	41.6	53.2	41.5	53.5

Nature and purpose of reserves

Redeemed member share reserve

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

FVOCI reserve

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

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

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

Cash flow hedge reserve

This reserve represents the effective portion of the cumulative net gain or loss on cash flow hedges.

Business combination reserve

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

Notes to the financial statements

For the year ended 30 June 2026

4.7 Related parties

(a) Key management personnel (KMP)

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

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

	Non-Executive Directors		Other KMP ¹	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	1,335.9	1,410.9	4,183.5	4,895.3
Post-employment benefits	224.6	250.8	218.9	243.8
Other long-term benefits	-	-	627.7	487.7
Termination benefits	-	-	512.2	550.5
	1,560.5	1,661.7	5,542.3	6,177.3

¹Other KMP comprises Executive Committee members.

Short-term benefits comprise salaries, annual and sick leave, and performance-based bonuses, where applicable. Non-Executive Directors and other KMP are only remunerated by the Bank.

Post-employment benefits include superannuation contributions and defined benefit plan entitlements. The plan provides lump sum benefits based on years of service and final average salary for Directors who joined the Group prior to 30 June 2021. Other long-term benefits include long-term incentive arrangements for the CEO and Executive Committee members.

Long-term benefits are subject to deferral in accordance with APRA Prudential Standard CPS 511 *Remuneration*, Banking Executive Accountability Regime and the Financial Accountability Regime with deferral periods between four to six years.

The average total compensation per Non-Executive Director, excluding post-employment and termination benefits, is \$222,654 (2025: \$201,563).

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

	2026	2025
	\$'000	\$'000
Aggregate of loans as at balance date	6,102.7	2,370.5
Total undrawn revolving credit facilities available at balance date	746.9	422.2
Interest charged on loans and overdraft facilities	239.9	141.7

The above table includes amounts relating to the Group's Non-Executive Directors and other KMP employed at balance date, together with their related parties. Non-Executive Directors and other KMP who resigned during the current year are excluded from the current year disclosures but included in the prior year comparatives.

The Group's lending policy for Non-Executive Directors and other KMP requires that all loans are assessed and approved on the same criteria as those applied to customers. No amounts were written down or recognised as impaired during the year (2025: \$nil).

No concessional terms or benefits apply to loans with family members or related parties of Non-Executive Directors and other KMP (2025: \$nil). No such balances were written down or recognised as impaired during the year (2025: \$nil).

Notes to the financial statements

For the year ended 30 June 2026

4.7 Related parties (continued)

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

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

Other transactions with the Group's Non-Executive Directors and other KMP, and their related parties, primarily comprise deposit balances.

All such transactions are conducted on arm's length terms and are subject to the same approval processes, terms and conditions as those applied to customers. Interest is paid on terms no more favourable than those available on comparable transactions with customers. Other transactions include deposits and payments to the Group for insurance products, undertaken on normal commercial terms and conditions no more favourable than those available to other employees or customers.

(b) Controlled entities and other related parties

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

(i) Particulars in relation to controlled entities

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

Name of entity	Equity interest		Investment	
	2026 %	2025 %	2026 \$'000	2025 \$'000
Credicorp Finance Pty Ltd	100%	100%	800.0	800.0
Credicorp Insurance Pty Ltd	100%	100%	-	-
CUA Management Pty Ltd	100%	100%	-	-
			800.0	800.0

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

All entities are incorporated in Australia.

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

(ii) Securitisation

The Bank operates an asset securitisation program through which it packages and issues asset-backed securities to investors and obtains funding through special purpose entities (SPE). The Bank retains the rights to residual income of the SPEs after payments to investors and lenders and program costs have been met. The SPEs are consolidated as the Bank retains the majority of the residual risks and rewards associated with these vehicles.

The following securitisation trusts are controlled by the Bank:

- Series 2012-1R Harvey Trust
- Series 2015-1 Harvey Trust (closed on 16 October 2024)
- Series 2017-1 Harvey Trust
- Series 2018-1 Harvey Trust
- Series 2021-1 Harvey Trust
- Series 2023-1 Harvey Trust
- Series 2024-1 Harvey Trust
- Series 2025-1 Harvey Trust (established on 9 October 2025)
- Harvey Warehouse Trust No. 4
- Harvey Warehouse Trust No. 5

Notes to the financial statements

For the year ended 30 June 2026

4.7 Related parties (continued)

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

(ii) Securitisation (continued)

Transfer of financial assets

The following table presents the financial assets and associated liabilities of the securitisation program that do not qualify for derecognition.

	Group		Bank	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Transferred financial assets				
Loans and advances at amortised cost	5,286,191.6	5,293,238.8	5,286,191.6	5,293,238.8
Associated financial liabilities				
Securitisation liabilities - external investors	2,430,039.9	2,556,662.0	2,430,039.9	2,556,662.0
Amounts due to the Bank	-	-	3,030,624.1	2,938,304.6
	2,430,039.9	2,556,662.0	5,460,664.0	5,494,966.6
For those liabilities that have recourse only to transferred assets:				
Fair value of transferred assets	5,273,471.1	5,282,983.2	5,273,471.1	5,282,983.2
Fair value of associated liabilities	(5,217,147.8)	(2,567,619.6)	(8,200,766.0)	(5,444,603.7)
Net position	56,323.3	2,715,363.6	(2,927,294.9)	(161,620.5)

Collateral

The Bank has advanced \$227.0 thousand (2025: \$227.0 thousand) as cash collateral in relation to interest rate swaps for securitisation trusts. The funds are held in restricted interest earning accounts and will be returned at maturity of the interest rate swap contracts.

(iii) Significant restrictions

Cash and cash equivalents include restricted balances of \$186,441.2 thousand (2025: \$210,340.2 thousand) representing deposits held in securitisation trust collection accounts which are not available for use by the Group.

The general insurance subsidiary is subject to regulatory requirements that mandate minimum levels of capital and liquid assets, restrict exposures to other Group entities, and impose compliance with prescribed prudential ratios. These regulatory requirements limit the ability of the Bank to access or transfer the subsidiary's cash and other assets.

The carrying amounts of the subsidiary's assets and liabilities are \$8,836.8 thousand and \$138.2 thousand, respectively (2025: \$8,985.2 thousand and \$188.3 thousand, respectively).

(iv) Particulars in relation to a joint venture entity

The Group has a 50% interest in Mutual Marketplace Pty Ltd (2025: 50%). For more details, refer to Note 4.8.

Notes to the financial statements

For the year ended 30 June 2026

4.7 Related parties (continued)

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

(v) Transactions with controlled and joint venture entities

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

Transactions with controlled and joint venture entities:

	Bank	
	2026	2025
	\$'000	\$'000
Dividend revenue	360.0	300.0
Commission revenue	-	0.1
Net management fees expense	(402.7)	(649.8)
Net interest expense	(75.5)	(104.1)
Net expense Mutual Marketplace Pty Ltd ¹	(113,317.8)	(107,471.3)

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

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

	Bank	
	2026	2025
	\$'000	\$'000
Credicorp Finance Pty Ltd	91.6	91.9
Credicorp Insurance Pty Ltd	994.8	1,297.2
CUA Management Pty Ltd	678.9	741.8

The intercompany payables to the controlled and joint venture entities are unsecured, repayable on demand and bear interest at the BBSW 3-month rate (2025: BBSW 3-month rate).

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

(vi) Indemnity arrangements

At 30 June 2026, there is a deed of indemnity between the Bank and CUA Management, and the Bank and Credicorp Insurance relating to remediation activities which have been completed.

Notes to the financial statements

For the year ended 30 June 2026

4.8 Joint venture

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

(a) Interest in joint venture

Name of entity	Place of business/country of incorporation	% Ownership interest		Nature of relationship	Measurement	Carrying amount	
		2026	2025			2026 \$m	2025 \$m
Mutual Marketplace Pty Ltd	Australia	50%	50%	Joint Venture	Equity Method	4.6	4.1

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

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

	2026 \$m	2025 \$m
Commitments to operating expenditure	2.1	1.8
	2.1	1.8

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

(ii) Summarised financial information for joint venture

The table below presents summarised financial information for the joint venture, based on the amounts reported in its financial statements rather than the Bank's share. These amounts have been adjusted to reflect the Bank's application of the equity method of accounting, including fair value adjustments and alignment of accounting policy.

	2026 \$m	2025 \$m
Summarised income statement		
Revenue	226.4	203.8
Cost of sales	(216.8)	(195.3)
Gross profit	9.6	8.5
Operating expenses	(7.4)	(6.9)
Profit before income tax	2.2	1.6
Income tax expense	(0.7)	(0.5)
Profit for the year	1.5	1.1

Notes to the financial statements

For the year ended 30 June 2026

4.8 Joint venture (continued)

(a) Interest in joint venture (continued)

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

	2026 \$m	2025 \$m
Summarised balance sheet		
Total assets	18.1	18.5
Total liabilities	(9.0)	(10.4)
Net assets	9.1	8.1
Reconciliation to carrying amounts:		
Opening net assets	8.1	7.4
Profit for the year	1.5	1.1
Dividends paid	(0.5)	(0.4)
Closing net assets	9.1	8.1
Group's share in %	50%	50%
Group's share in \$	4.6	4.1
Carrying amount	4.6	4.1

Investment in the joint venture at 30 June 2026 and 30 June 2025 is non-current.

Recognition and measurement

The Group's investment in the joint venture is accounted for using the equity method, reflecting its joint control over operational decisions and activities.

Under the equity method, the investment is initially recognised at cost and subsequently adjusted for the Group's share of the joint venture's profit or loss. The Group ceases recognising its share of losses when the carrying amount of its investment, including any amounts receivable from the joint venture, is reduced to nil, unless it has incurred further obligations.

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

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

At each reporting date, the Group determines whether there is objective evidence of impairment of the investment. Where such evidence exists, the impairment loss is measured as the difference between the recoverable amount of the investment and its carrying value.

Notes to the financial statements

For the year ended 30 June 2026

4.9 Commitments and contingent liabilities

(a) Outstanding loan and credit facility commitments

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

	Group		Bank	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Loans approved not advanced	506.3	485.8	506.3	485.8
Undrawn overdrafts and credit facilities at call	175.2	189.6	175.2	189.6
	681.5	675.4	681.5	675.4

(b) Capital commitments

At 30 June 2026 and 30 June 2025, the Group had no commitments relating to plant and equipment acquisitions.

(c) Superannuation commitments

The Bank contributes to a number of defined contribution superannuation funds, which provide benefits to employees on retirement, death or disability. Employees may also make additional contributions from their pre-tax income. The Bank has no financial interest in these funds and is not exposed to their investment performance or liable for their obligations.

4.10 Remuneration of auditor

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

	Group		Bank	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Audit services				
Audit of financial statements	600.3	569.3	571.0	540.2
Other regulatory and audit services	468.0	412.5	445.1	389.7
Total audit services	1,068.3	981.8	1,016.1	929.9
Audit related services				
Other assurance services	131.5	147.2	131.5	147.2
Total audit related services	131.5	147.2	131.5	147.2
Total auditor's remuneration	1,199.8	1,129.0	1,147.6	1,077.1

Other regulatory and audit services included assurance over climate-related disclosures in the sustainability report, in accordance with applicable phase-in requirements. Prior year services included work relating to the internal capital adequacy assessment process and reviews under APRA Prudential Standard CPS 220 *Risk Management*.

Notes to the financial statements

For the year ended 30 June 2026

4.11 Insurance governance and capital management

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

On 17 September 2019, the Credicorp Insurance Board approved the cessation of the sale of consumer credit insurance products.

The portfolio is in run-off, and as at 30 June 2026, the financial position and performance are not material to the Group.

4.12 Events subsequent to reporting date

On 17 August 2026, the Bank repurchased the remaining loans and advances held by the Series 2017-1 Harvey Trust, totalling \$88.4 million. At the same time, all outstanding securitisation borrowings of the Trust were repaid to investors.

Since 30 June 2026, no other matters or circumstances have arisen that have significantly affected, or may significantly affect the Group and that have not otherwise been addressed in the financial report.

No subsequent events have been identified that require adjustment to, or disclosure in the financial statements.

Notes to the financial statements

For the year ended 30 June 2026

5. Accounting policies and new accounting standards

5.1 Other accounting policies

(a) Basis of consolidation

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

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

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

(b) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs comprise of interest and other costs incurred in connection with the borrowing of funds.

(c) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any indication exists, or where annual impairment testing is required, the Group estimates the asset's recoverable amount.

The recoverable amount is the higher of fair value less costs of disposal and value in use and is determined for an individual asset unless the asset does not generate largely independent cash inflows. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

(d) Loyalty program

The Bank rewards credit card holders via direct statement credits. A provision is recognised for the estimated accrued liability of cashback earned by card holders on eligible transactions but not yet settled at the reporting date.

(e) Software as a service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access a cloud provider's application service software over the contractual period. No intangible asset is recognised at contract commencement.

Configuration and customisation costs that are distinct services provided by the cloud vendor are expensed as incurred. Non-distinct configuration and customisation costs are expensed over the SaaS contract term. Fees for access to the application software are recognised as operating expenses over the service period as the services are received.

Non-distinct customisation activities may significantly enhance or modify the underlying SaaS application. Judgement is applied in determining whether such customisation is significant.

Expenditure that meets the definition and recognition criteria for an intangible asset is capitalised. This includes costs incurred to develop software code that enhances, modifies, or adds functionality to existing systems owned and controlled by the Group.

Notes to the financial statements

For the year ended 30 June 2026

5.2 New accounting standards

(a) New Australian Accounting standards and amendments to accounting standards that were effective as of 1 July 2025

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2025:

- AASB 2023-5 Amendments to Australian Accounting Standards: *Lack of Exchangeability*
- AASB 2026-1 Amendments to Australian Accounting Standards: *Disclosures about Uncertainties in the Financial Statements*

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the annual reporting period ended 30 June 2026. Unless otherwise indicated below, these are not expected to have a material impact on the Group's financial statements.

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

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and will be effective for the Group on 1 July 2027. The standard introduces changes to the presentation of the income statement and requires greater disaggregation of information to enhance transparency, comparability and consistency in the communication of financial performance.

Key concepts include a revised structure of the income statement, mandatory disclosures for certain management-defined performance measures and enhanced principles for aggregation and disaggregation across the financial statements and accompanying notes.

Management is assessing the impact of AASB 18, including implications for data, systems, process, controls and financial reporting.

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

Consolidated entity disclosure statement

For the year ended 30 June 2026

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

Name of entity	Type of entity	Country of Incorporation	Bank's interest (%)	Tax residency	Foreign jurisdiction of foreign residents
Credicorp Finance Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Credicorp Insurance Pty Ltd	Body corporate	Australia	100%	Australian	n/a
CUA Management Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Series 2012-1R Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2017-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2018-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2021-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2023-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2024-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Series 2025-1 Harvey Trust	Trust	Australia	N/A	Australian	n/a
Harvey Warehouse Trust No. 4	Trust	Australia	N/A	Australian	n/a
Harvey Warehouse Trust No. 5	Trust	Australia	N/A	Australian	n/a

Key assumptions and judgements

Determination of Tax Residency

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

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

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

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

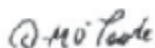
Directors' declaration

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

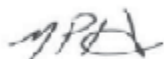
- (a) the financial statements and notes of the Bank and of the Group as set out on pages 37 to 102 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Bank's and the Group's financial position as at 30 June 2026 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*.
- (b) the consolidated entity disclosure statement as at 30 June 2026 set out on page 103 is true and correct; and
- (c) there are reasonable grounds to believe that the Bank and the Group will be able to pay their debts as and when they become due and payable.

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

Signed in accordance with a resolution of the Directors:



Deborah O'Toole
Chair



Mark Hand
Director

Brisbane
26 August 2026



Independent Auditor's Report

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

Report on the audit of the Financial Report

Opinion

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

In our opinion, each of the accompanying Group Financial Report and Bank Financial Report gives a true and fair view, including of the **Group's and the Bank's** financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance sheets as at 30 June 2026
- Income statements, Statements of comprehensive income, Statements of changes in members' funds and Statements of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026;
- Notes, including material accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

We are independent of the Group and Bank in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

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

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.



Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon with the exception of the specified sustainability disclosures within the Sustainability Report and our respective assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

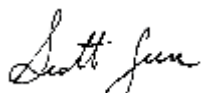
- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

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

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

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

KPMG
KPMG


Scott Guse
Partner

Brisbane
26 August 2026



CREDIT UNION AUSTRALIA LTD
(trading as Great Southern Bank)

Sustainability report

(climate statements)

FOR THE YEAR ENDED 30 JUNE 2026

Basis of preparation

Overview

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

For details about the Group's upstream and downstream value chain refer to the Technical documentation for GHG emissions: operational emissions on the Bank's website www.greatsouthernbank.com.au/2026/technical-documentation-for-operational-emissions

Reporting entity

This sustainability report covers Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank) and its subsidiaries (the Group) for the year ended 30 June 2026. This report has been prepared for the same consolidated reporting entity, period and currency as the Group's financial statements (refer to Note 1.1 in the financial statements).

Statement of compliance

This report represents the Group's climate-related disclosures and has been prepared in accordance with *Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures (AASB S2)* and the *Corporations Act 2001*. It includes the climate statements, related notes and the Directors' declaration.

This report was authorised for issue in accordance with a resolution of the Directors on 26 August 2026.

Transition provisions

AASB S2 provides transition relief from disclosing comparative information and Scope 3 GHG emissions in an entity's first annual reporting period. The Group has applied this relief in FY2026 and will commence disclosing comparative GHG emissions information and mandatory Scope 3 GHG emissions, under AASB S2, from FY2027.

Notwithstanding this relief, the Group has voluntarily disclosed selected Scope 3 GHG emissions in FY2026 using the basis of preparation described in the GHG emissions section.

Limitations, judgements, estimates and assumptions

Preparation of these climate statements requires Management to apply judgement, estimates and assumptions, particularly where information cannot be directly measured or where outcomes are inherently uncertain. These disclosures are based on information, methodologies and assumptions available as at the reporting date and may be affected by evolving climate, regulatory, economic and market conditions.

Judgements

Area	Judgement	Reference
Identifying climate-related risks and opportunities	Judgements have been applied in identifying and assessing climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects over the short, medium and long term. These judgements are based on information available at the reporting date and reflect the inherent uncertainty associated with forward-looking assessments.	Strategy – <i>Climate-related risks and opportunities</i> Strategy – <i>Climate resilience</i>
Time horizons	The Group has adopted the following time horizons for assessing and disclosing climate-related risks and opportunities. <i>Short-term</i> – 3 years – Aligns with the Group's business planning cycle. <i>Medium-term</i> – 10 years – Informed by the Group's strategic planning horizons and average customer tenure. <i>Long-term</i> – 25 years – Considers the expected timing and variability of climate-related impacts.	Strategy – <i>Climate-related risks and opportunities</i> Strategy – <i>Climate resilience</i>
Anticipated financial effects	Judgements have been applied in determining which information in these climate statements is material and should be disclosed, including assessments of the nature, magnitude and likelihood of anticipated financial effects arising from climate-related risks and opportunities. This assessment included quantitative analysis of potential financial effects, including scenario analysis and portfolio assessments. Where those assessments concluded that the anticipated financial effects were not material or otherwise not decision-useful for primary users, quantitative information has not been disclosed.	Strategy – <i>Anticipated financial effects from climate-related risks</i> Strategy – <i>Current and anticipated financial effects from climate-related opportunities</i>
Scenario analysis inputs and assumptions	Judgements have been applied in determining the inputs and assumptions used to assess the resilience of the Bank's business model, financial position and financial performance under climate-related scenarios. These inputs and assumptions are intended to reflect the conditions and variables most relevant to the Bank's business model and risk profile, and support climate resilience assessments and other forward-looking disclosures.	Strategy – <i>Climate resilience</i>
Organisational boundary for GHG emissions	In the first year of applying AASB S2, the Group engaged external subject matter specialists to support the determination of its organisational boundary. Judgements were applied in identifying operations and activities within the Group's control.	Metrics and targets – <i>GHG emissions</i> ¹

¹ Refer to pages 5-7 in the Technical documentation for GHG emissions: operational emissions www.greatsouthernbank.com.au/2026/technical-documentation-for-operational-emissions

Basis of preparation (continued)

Area	Judgement	Reference
Measurement methodology for GHG emissions	The Group has applied a range of methodologies to calculate Scope 1 and Scope 2 GHG emissions, with judgement used in selecting appropriate methodologies, emissions factors and proxy data based on data availability and quality. Similar judgements have been applied in the voluntary disclosure of Scope 3 GHG emissions.	Metrics and targets – <i>GHG emissions</i>

Measurement uncertainty

The following metrics have a high degree of measurement uncertainty:

Area	Measurement uncertainties	Reference
GHG emissions and other climate-related metrics	GHG emissions measurement is subject to inherent limitations due to reliance on third-party data and, where data is unavailable or incomplete, the use of proxy data, assumptions and emissions factors. Data availability and quality vary across counterparties, sectors and geographies. Accordingly, emissions estimates involve estimation uncertainty and may change over time as methodologies and data quality evolve.	Metrics and targets – <i>GHG emissions</i>
Progress against GHG emissions targets	Progress against GHG emissions targets is assessed using estimated emissions data (see above). Accordingly, reported progress is subject to data quality limitations, emissions measurement methodologies and external factors outside the Group's control.	Metrics and targets – <i>Progress against GHG emission reduction targets</i>

Connectivity to information outside of the sustainability report

The Group discloses certain information required by AASB S2 outside this sustainability report. Where applicable, cross-references are provided to other documents, including the Group's financial statements.

Certain climate-related risks and opportunities disclosed in this report are presented differently to those in the Group's 2025–28 Climate Transition Plan (CTP), reflecting a different basis

of preparation, as the CTP was prepared in accordance with the *TPT Disclosure Framework* (international guidance). The underlying risks and opportunities remain substantively consistent across both disclosures.

The CTP is available at www.greatsouthernbank.com.au/media/files-and-documents/environment/Great-Southern-Bank-2025-28-Climate-Transition-Plan.pdf.

Governance

The Group's governance of climate-related risks and opportunities is set out below:

Group Board

The Board has oversight of the Group's climate-related risks and opportunities. It also oversees the Group's climate-related commitments including the setting of climate-related targets, and monitors progress against those targets, as well as related activities, disclosure and alignment with the corporate strategy. To assist the Board in its oversight it has delegated authority to the Committees below. The Board and Committees' responsibilities for climate-related considerations are set out in their charters through oversight of strategy, risk management, governance, regulatory compliance and other relevant matters.

Purpose and Impact Committee

Oversees sustainability strategy, including climate-related opportunities, climate transition planning, and the setting of associated metrics and targets.

Board Risk Committee

Oversees material risk classes, risk categories and risk appetite, including climate-related risks and the strategic approach to managing them.

Board Audit Committee

Oversees sustainability and climate-related performance including progress against climate-related targets, disclosures and reporting, including AASB S2, and associated assurance.

Board People, Culture and Remuneration Committee

Oversees matters that relate to the remuneration, skills, expertise of Directors and Executives, including the impact on remuneration of risk outcomes.

Executive Committee

Oversees climate-related risks and opportunities, including their integration into business strategy and enterprise risk management, and the establishment, monitoring and disclosure of climate-related commitments and performance. This includes ensuring that climate-related risk and opportunity assessments are performed and considered as part of decision making. To assist the Executive Committee in its responsibilities, it has delegated authority to the Committees below.

Enterprise Risk Committee

Oversees the Risk Management Framework (RMF) including the approach to monitoring and managing climate related risks and their integration into enterprise risk management processes.

Asset and Liability Committee

Oversees financial stress testing including assessing the effects of climate-related risks on the Bank's mortgage portfolio.

Product and Pricing Committee

Responsible for pricing decisions and the approval of new products, including climate-related offerings.

Management Working Groups

Divisional representatives collaborate through working groups to support management. The CTP Working Group implements initiatives aligned to the CTP. The AASB S2 Working Group prepares the sustainability report in accordance with AASB S2.

Governance (continued)

Key matters discussed in the year ended 30 June 2026

Board

The Board received quarterly updates on the CTP and monthly reporting on climate-related risks from the Chief Risk Officer. Management monitored progress against the Group's existing climate-related targets through the preparation of the Climate-Related Disclosures, with one update provided to the Board Audit Committee and Board. No new climate-related targets were established during the reporting period. As part of its annual review of the Climate-Related Disclosures, the Board also considered climate-related opportunities.

Purpose and Impact Committee

The Purpose and Impact Committee received quarterly updates on the CTP.

Board Risk Committee

The Board Risk Committee received two updates on quantitative scenario analysis assessing the impact of climate-related risks on the Bank's residential mortgage portfolio and capital adequacy.

The Purpose and Impact Committee and Board Risk Committee jointly received an annual update on climate-related risks and opportunities.

Board Audit Committee

The Board Audit Committee received three updates on AASB S2 implementation, reviewed related disclosures and assurance processes, and received an annual update on non-financial metrics, including progress against climate-related targets.

Management controls and procedures

Management's oversight of climate-related risks and opportunities is supported by controls and procedures outlined in the Group's RMF, Climate Opportunity Management Framework (COMF) and

CTP. These include documented climate-related risks and opportunities, the mitigation or response actions in place, and clearly assigned accountabilities. Information on the Group's approach to identifying, assessing, prioritising and monitoring climate-related risks and opportunities can be found in the Risk management section.

Skills and competencies

The Board recognises that effective oversight of climate-related risks and opportunities requires appropriate skills and expertise. It regularly evaluates its collective capability to oversee strategic and risk matters, with any identified gaps addressed through director development, succession planning or external advisory support. In FY2026, this evaluation was informed by an externally facilitated Board performance review, the outcomes of which informed the Board's ongoing development and succession planning. Core competencies and target capabilities are also reviewed to inform Board succession planning and recruitment.

During FY2026, the Board received an update on AASB S2 climate-related disclosure developments, including insights from early adopters and emerging practices across the financial services sector and broader market. The update supported the Board's oversight of the Group's climate-related governance and reporting.

Board and Executive remuneration

The Group's approach to remuneration is outlined in its Remuneration Policy. Information on the remuneration of Non-Executive Directors and other key management personnel, including the CEO and Executive roles, is provided in the Directors' report.

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

Strategy

The Group recognises that climate change may affect Australians' ability to own, maintain and insure their homes, which is closely aligned to the Group's purpose of helping Australians own their own home. In 2022, the Group made climate action a priority by committing to achieve net zero emissions by 2040, 10 years earlier than the timeframe set by the Paris Agreement.²

Subsequently, in 2025, the Group commenced its latest CTP, outlining actions to reduce emissions and manage climate-related impacts across the business, customers and communities. The CTP is structured around four core commitments:

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

Further information on the CTP is available at www.greatsouthernbank.com.au/media/files-and-documents/environment/Great-Southern-Bank-2025-28-Climate-Transition-Plan.pdf.

Climate-related risks and opportunities

This section outlines the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects over the short, medium and long term, including current and anticipated impacts.

Climate-related physical risks include acute events, such as extreme weather, and chronic changes in climate conditions over time. Climate-related transition risks arise from changes in policy, regulation, technology, market dynamics and stakeholder expectations associated with the transition to a lower-carbon economy.

Both physical and transition risks may affect property values, insurance availability and affordability, customer financial resilience, profitability, investment decisions, and the long-term performance of certain assets and sectors.

The identification of climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects was informed by a materiality assessment drawing on the Group's RMF, prior climate-related disclosures, scenario analysis, internal risk and opportunity assessments, and input from external subject matter experts and management. The assessment also considered relevant external factors, including industry trends, regulatory developments and market expectations.

Climate-related risks and opportunities were assessed across the short (three years), medium (10 years) and long term (25 years), requiring judgement in several areas, including:

- evaluating the likelihood and potential financial magnitude³ of impacts, including consideration of reputational, regulatory and strategic factors; and
- whether information could reasonably be expected to influence primary user decision-making, having regard to investor expectations, public commitments, industry developments and the scale and concentration of key balance sheet exposures.

The disclosures below provide context on how climate-related risks may affect the Group's operations, customers and residential mortgage portfolio, reflecting the significance and potential vulnerability of this asset class.

² The Group is committed to developing net zero emissions targets in line with the Science-Based Targets initiative (SBTi) Net Zero Standard for Financial Institutions.

³ The potential financial impact of climate-related risks is assessed against Board-approved risk appetite settings, including capital, funding and liquidity metrics. Outcomes that remain within risk appetite are not considered financially material.

Strategy (continued)

Climate-related risks

Risk type	Risk description	Time horizon ⁴	Impact on business model and value chain
Physical – Acute	Properties in the Bank's residential mortgage portfolio exposed to increased frequency and severity of natural disasters may experience reduced insurance availability or affordability, leading to increased customer hardship, defaults and/or stranded assets.	Medium and long	• Credit risk may increase where higher insurance premiums, underinsurance or lack of cover, and reduced repayment capacity affect customers' ability to service loans. • Customers' borrowing capacity may be constrained, affecting demand for loans. • Access to, and affordability of, insurance may deteriorate for customers.
Transition – Market and Physical – Acute & Chronic	Customers employed in industries or regions exposed to climate-related transition pressures or physical climate impacts may experience disruption to employment, income and economic activity, affecting their ability to service loans and potentially contributing to declines in property values.	Short, medium and long	• Credit risk may increase where customers' repayment capacity weakens due to climate-related economic disruption or physical climate impacts. • Property values in affected regions or industries may decline, increasing collateral risk. • Customers' borrowing capacity and demand for lending products may be adversely affected.
Transition – Policy & Legal	The Group may issue climate reporting, product or marketing materials which are incomplete, misleading or non-compliant with legal requirements, resulting in legal action for greenwashing and/or reputational damage.	Short, medium and long	• Legal, regulatory and reputational impacts may increase compliance, remediation and governance costs. • Reduced customer and investor confidence may adversely affect the Group's brand, product demand and access to funding. • Increased assurance, governance and third-party data validation requirements may increase operational complexity and reliance on external advisors.

⁴ Time horizons stated in the 2025 Annual Report have been updated to reflect the results of quantitative analysis conducted in FY2026.

Current financial effects from climate-related risks

The Group monitors its financial position, financial performance, and cashflow on an ongoing basis through established governance processes. In the current reporting period, climate-related risks have not had a material effect on these metrics. In addition, no adjustments to the carrying amounts of assets or liabilities have been identified as necessary for the forthcoming reporting period.

Anticipated financial effects from climate-related risks

Climate change presents risks to the Australian economy and communities. However, based on the Group's current assessment, exposure to high physical and transition risk within the Bank's residential mortgage portfolio remains relatively limited. Historically, customers have demonstrated strong repayment performance, supported by customer assistance measures available during periods of financial stress, including climate-related events.

In some periods, extreme weather events may contribute to increased credit losses. However, climate scenario analysis performed to 2050 (refer to Climate resilience section) indicates that climate-related impacts are not expected to have a material effect on the Group's financial position, financial performance or cashflows. This reflects the Bank's diversified mortgage portfolio, capital position and established risk management practices.

Climate-related opportunities

The transition to a lower-carbon economy may create opportunities arising from efforts to mitigate and adapt to climate change.

The table below outlines climate-related opportunities relevant to the residential mortgage portfolio. While climate-related opportunities are not currently expected to materially affect the Group's financial position, financial performance or cash flows, they may support customer resilience, portfolio performance and progress against climate-related objectives over time. This information also supports an understanding of potential benefits to the Group, given the significance of this asset class.

Opportunity type	Opportunity description	Time horizon	Impact on business model and value chain
Products & services	Offer products and solutions that help customers strengthen the physical resilience of their homes to extreme weather events, improve household energy efficiency and meet evolving sustainability standards.	Short and medium	• Strengthening physical asset resilience should reduce loss given default following extreme weather events, supporting more stable portfolio performance. • A tailored resilience or energy efficiency offering can differentiate the Group's proposition, help attract new customers and strengthen relationships with existing ones. • More resilient properties are likely to experience lower damage frequency and severity, which should translate to reduced insurance premiums and fewer uninsured losses over time. • More energy-efficient homes reduce ongoing energy expenditure and may enhance property desirability and valuation resilience over time, potentially reducing expected credit loss exposure. • Supporting customers to improve residential energy efficiency should lower portfolio emissions, contributing to delivery against climate-related targets.

Strategy (continued)

Current and anticipated financial effects from climate-related opportunities

The Group's climate-related opportunities did not have a material effect on its financial position, financial performance or cash flows in the reporting period, and are not expected to be material going forward.

Climate resilience

The Group evaluates climate-related risks and opportunities to support strategic planning and risk management.

Scenario analysis, incorporating qualitative and quantitative inputs, is used to identify physical and transition impacts on the Bank's operations, and to

evaluate their nature, magnitude, likelihood and potential effects on financial position, performance and cash flows. This supports assessment of the Bank's resilience under a range of plausible climate pathways.

The RMF and COMF are applied to assess and manage outcomes arising from this analysis. Further detail is provided in the Risk management section.

During the 2025 and 2026 financial years, the Group undertook scenario analysis across two future pathways, covering short, medium and long-term horizons:

Scenario	Low global warming scenario – Net Zero (~1.5°C)	High global warming scenario – Hot House (~3-4°C)
Description	This scenario reflects the rapid and disorderly implementation of stringent climate policies and technological change required to achieve a low emissions pathway consistent with limiting global warming to approximately 1.5°C above pre-industrial levels. The climate-related physical risks under this scenario have been assessed using Representative Concentration Pathway (RCP) 2.6 which is consistent with temperature rises of less than 1.5°C through to 2050. Climate-related transition risks have been assessed based on current Australian policy settings, together with economic modelling of the additional policy measures required to achieve net zero emissions by 2050 and limit temperature increases to 1.5°C.	This scenario reflects a high-emissions pathway consistent with RCP 8.5, resulting in global average temperature increases well-exceeding 2°C above pre-industrial levels by 2100. The scenario assumes limited additional climate policy intervention and continued growth in greenhouse gas emissions over the century. It is most relevant for assessing exposure to physical risks, including the increasing severity and frequency of acute and chronic climate impacts. Under this pathway, critical climate thresholds may be exceeded, contributing to significant and potentially irreversible impacts such as sea-level rise, extreme weather events and ecosystem disruption.

Scenario	Low global warming scenario – Net Zero (~1.5°C)	High global warming scenario – Hot House (~3-4°C)
Assumptions	- Global warming is limited to 1.5°C above pre-industrial levels. - Governments globally are committed to net zero by 2050. - Net zero by 2050 and stringent reporting is mandatory for banks. - Gas and internal combustion engine cars are phased out and homes are required to be built or retrofitted to be zero emissions by 2035 and 2040 respectively. - Consumers expect organisations to be net zero. - Greenwashing is penalised through litigation, fines and loss of customers. - People working or living in industries and regions reliant on high-emitting activities are impacted by job loss and higher costs. - Insurance becomes less affordable for people living in flood-prone areas. - Severe weather events worsen, particularly coastal hazards. - The world is mostly aligned on climate transition and geopolitical tension is low.	- Global warming reaches around 4°C above pre-industrial levels by 2100. - Net zero targets are abandoned by governments and replaced with a focus on energy security and resilience. Homes require expensive resilience measures by 2040. - People working in industries reliant on a stable climate, particularly those working outdoors, are negatively impacted. - Insurance becomes unaffordable or unavailable for many households. - Severe weather events have broad systemic impacts. Coastal hazards and heat stress make historically popular regions unliveable. - Geopolitical tensions escalate as high emitting countries are open about their lack of mitigation.
Rationale for selection	This scenario aligns to the Paris Agreement, AASB S2 and is prescribed in the <i>Corporations Act 2001</i> as the low-climate change temperature to be used.	This scenario aligns to the <i>Corporations Act 2001</i> requirement for a high global warming scenario, where temperature increases well exceed 2°C by 2100.

Scope of climate scenario analysis

As an Australian bank, with residential mortgages representing the largest component of its balance sheet, the Bank undertook both physical and transition risk scenario analysis across its residential mortgage portfolio. Further information is provided in the Insights sections following.

Strategy (continued)

INSIGHT

Assessing physical climate-related risk in the residential mortgage portfolio

The Bank undertook a property-level climate physical risk assessment across its residential mortgage portfolio using specialist third-party climate and insurance modelling. The assessment considered both insured and uninsured physical risks under low global warming (RCP2.6) and high global warming (RCP8.5) scenarios to 2035 and 2050.

The assessment focused on how climate hazards may translate into credit risk through impacts on home insurance affordability and under insurance, property values, borrower serviceability and loan-to-value ratios. Key hazards assessed included flood, cyclone, storm, bushfire, coastal inundation, coastal erosion and heat stress.

The analysis estimated home insurance premiums and annual average losses for individual properties under current and future climate scenarios. The assessment considered how rising insurance costs and uninsured risks may affect borrower affordability and property values over time.

In FY2025, around 0.3% of the portfolio was assessed as having medium or high physical climate risk, increasing to an estimated 4.7% by 2050 under the high global warming scenario. Insured perils, particularly flood and cyclone risk, were identified as the primary drivers of risk in the near to medium term, while heat stress emerged as a more significant driver under the high global warming scenario by 2050.

The Bank's portfolio exposure is concentrated primarily in Queensland and New South Wales, with physical risk outcomes varying by geography and hazard type. Insurance affordability pressures were most pronounced in parts of north Queensland and northern New South Wales, while exposure to coastal inundation and erosion remained relatively limited across the portfolio.

Key assumptions:

- The analysis assumed a static portfolio over time to isolate the impacts of climate change on modelled losses. Accordingly, no adjustments have been made for changes in population, mitigation actions, building standards or portfolio composition;
- Future property values were assumed to reflect the capitalised impact of higher future insurance premiums;
- Heat stress was assessed using Wet Bulb Globe Temperature (WBGT) thresholds, including assumptions regarding the number of days above 28°C and projected increases under future climate scenarios;
- The assessment assumed customers have access to insurance information and respond rationally to climate-related pricing signals.

INSIGHT

Assessing transition climate-related risk in the residential mortgage portfolio

The Bank undertook a climate transition risk assessment across its residential mortgage portfolio using scenario-based economic and household modelling. The assessment considered the impacts of transition pathways under current Australian policy settings, together with the additional policy measures modelled to achieve net zero emissions by 2050 and limit temperature increases to 1.5°C.

The assessment analysed how climate-related transition impacts may affect borrowers through changes in employment, household income, living costs, and property values, with these impacts translated into potential credit risk outcomes, using the Bank's provisioning methodology and regional macroeconomic forecasts.

The assessment indicated limited transition risk impacts across both current policy and net zero scenarios, with up to 1.03% of the current portfolio identified as potentially vulnerable under the net zero scenario by 2050.

Transition risk exposure is influenced by the geographic composition of the portfolio, particularly the Bank's concentration in Queensland, which represents approximately 38% of loan balances and includes regions with greater exposure to emissions-intensive industries and related supply chains.

Key assumptions:

- The assessment assumed a static portfolio with no change in portfolio composition and no asset value growth from property appreciation;
- Expected credit loss impacts were assessed using the Bank's existing AASB 9 provisioning model (refer to Note 3.5 in the financial statements) and regional macroeconomic variables including unemployment, Gross Domestic Product and house price changes;
- The analysis assumed transition impacts would vary materially by region and industry, particularly in regions exposed to coal mining, fossil fuel energy generation and other emissions-intensive industries.

Climate scenario analysis outputs were benchmarked against the Bank's current capital adequacy levels, consistent with its established capital stress-testing framework. The results indicate that the Bank is sufficiently capitalised to absorb the potential financial impacts modelled under the climate scenarios over all time horizons. As the modelled impacts remain within the Bank's risk appetite and capital capacity, climate-related risks are not considered financially material under the scenarios assessed.

The scenario analysis did not identify any climate-related impacts requiring fundamental changes to the Bank's business model or strategic direction. However, the analysis continues to inform portfolio monitoring, risk management and climate-related decision-making. If climate conditions differ materially from current expectations or become more severe, the Bank will reassess its risk management and opportunity frameworks accordingly.

Strategy (continued)

Significant areas of uncertainty

Climate scenario analysis and resilience assessments involve uncertainty due to the complexity of climate systems, the long timeframes over which climate risks may emerge, and limited historical data on the interaction between climate change and the economy.

Climate resilience assessments rely on evolving methodologies, models and data, which continue to develop across the financial services industry. The Group expects climate-related modelling approaches, assumptions and data quality to continue to develop over time, supporting more informed analysis and decision-making.

Key uncertainties include the potential severity and frequency of climate-related physical events, the pace and nature of the global economic transition, future technological developments, and evolving regulatory and policy responses across jurisdictions. The Group has considered these uncertainties in determining the scope, inputs and assumptions used in its climate scenario analysis and climate resilience assessment.

Strategy and decision-making

Climate-related risk mitigation and adaptation

Through its CTP and ongoing risk management processes, the Group has identified targeted actions to mitigate climate-related risks and support adaptation. These actions underpin the Group's transition strategy and are intended to strengthen the resilience of its operations, customers and the communities it serves.

Climate-related risks and opportunities are embedded within business-as-usual risk management and funded through existing Group budgets. No material direct expenditure was identified that is solely attributable to climate-related initiatives during the reporting period.

The Bank incorporates climate-related physical risk considerations, including exposure to flooding and bushfire, into property valuation processes. It continues to monitor geographic concentrations within the residential mortgage portfolio and assesses the need for additional mitigation measures as climate-related risk data and methodologies evolve.

Within the investment portfolio, the Group applies its Responsible Investment Policy, introduced in 2024, to manage climate-related transition risk.

The Policy excludes direct investment in fossil fuel extraction and fossil fuel-based energy production. As at the end of the reporting period, the Group had no direct investment or lending exposure to these excluded sectors.

The Group does not apply an internal carbon price. Further information on mitigation and adaptation initiatives is set out on pages 14-29 in the CTP at www.greatsouthernbank.com.au/media/files-and-documents/environment/Great-Southern-Bank-2025-28-Climate-Transition-Plan.pdf.

Climate Transition Plan

The Group's CTP sets out how climate-related risks and opportunities are incorporated into strategy and decision-making. It reaffirms the Group's commitment to its near-term and net zero emissions targets and outlines the planned pathway to progress these objectives through to 2028.

Progress against the CTP in the 2026 financial year

Core commitment	Progress made during the 2026 financial year	
Implementing climate action		Maintained the Bank's green lending portfolio, including products and incentives supporting eligible energy-efficient vehicles, home improvements, and discounted rates on eligible home and business vehicle loans.
		Transitioned 10 branches to GreenPower, increasing the proportion of offices and branches powered by accredited renewable electricity to 73%. ⁵
		Retained carbon neutral certification for business operations under the Australian Government's Climate Active program.
Managing climate risks and opportunities		Undertook quantitative scenario analysis to assess the residential mortgage portfolio's exposure to climate-related physical and transition risks, including potential financial impacts.
		Enhanced management of climate-related opportunities through the establishment of a COMF, aligned to the RMF where appropriate.
		Refreshed climate-related risk and opportunity inventories to reflect insights from scenario analysis conducted across the 2025 and 2026 financial years.
Building resilience and supporting recovery		Expanded the unsecured green personal loan offering to support customers in strengthening the physical resilience of their homes.
		Maintained website content to raise awareness of appropriate insurance coverage and promote available protection options.
Partnering for impact		Continued the partnership with Mission Australia, supporting energy and water efficiency upgrades across 10 community housing sites over three years.
		Engaged with industry peers through active participation in the Customer Owned Banking Association's Sustainability Community of Practice.

⁵ GreenPower is a government managed program which supports the growth of renewable energy in Australia. Under the scheme, large-scale generation certificates (LGC) are purchased by the Group's energy provider and surrendered on behalf of the Group.

Risk management

Great Southern Bank's RMF establishes the systems, structures, policies, processes and people used to identify, assess, manage and monitor material risks, including climate-related risks, that may impact customers, stakeholders or the Group.

The RMF incorporates key risk artefacts, including the Risk Management Strategy (RMS), Risk Appetite Statement (RAS), stress testing and strategic

planning processes. The RMS defines the Group's material risks and the approach to managing those risks across the business.

The RMF incorporates an enterprise-wide risk taxonomy comprising seven material risk classes and 38 risk categories. Climate-related risks are embedded within this taxonomy, including physical, transition and liability risks within the Strategic and People risk class.



Detailed information about the Group's RMS is provided in Note 3.9 to the financial statements.

Risk management process

Risks are managed through a consistent lifecycle comprising identification, assessment, treatment, monitoring and reporting.

1. IDENTIFY

The Group identifies risks that may affect the achievement of business objectives or result in regulatory or legal breaches.

Climate-related risks are identified through:

- scenario analysis and strategic planning processes
- industry engagement and peer analysis
- external research and recognised frameworks
- internal stakeholder engagement and escalation mechanisms

Climate-related opportunities are identified through development of the CTP, strategic planning activities, market analysis and ongoing business initiatives.

3. TREAT

Risk treatments are designed to manage risks within approved risk appetite settings, considering the expected benefits, trade-offs and cost of further action. Risk treatment responses may include:

- mitigation;
- reduction;
- transfer;
- avoidance; and
- acceptance.

2. ASSESS AND PRIORITISE

Risks are assessed based on likelihood and consequence across customer, financial, operational, regulatory, reputational and people dimensions.

Inherent risk ratings are determined prior to the application of controls, drawing on internal loss experience, forward-looking external indicators, regulatory insights and structured expert judgement. These ratings support risk prioritisation, resource allocation and escalation.

Short-term climate-related risks are assessed within the Group's RMF. Medium and long-term outlooks are assessed using RMF consequence scales, with consideration of time horizons beyond traditional RMF likelihood scales. Risk ratings for these outlooks are based on management judgement informed by scenario analysis. Physical and transition risks are assessed across relevant portfolios and operations.

Climate-related risks are assessed relative to Board-approved risk appetite settings. Where exposures approach or exceed thresholds, management actions may include enhanced monitoring, portfolio management actions and additional controls or mitigation measures.

Climate-related opportunities are prioritised having regard to materiality, alignment with the CTP, and their potential to support customer outcomes, portfolio resilience and strategic objectives.

4. MONITOR AND REPORT

Risks are subject to ongoing monitoring, including periodic reassessment of inherent and residual risk ratings, control effectiveness, incidents and emerging risk factors.

Management and the Board Risk Committee oversee enterprise risk exposures, including emerging and climate-related risks, and review the effectiveness of risk management actions.

Climate-related risks are recorded and monitored through the Group's governance, risk and compliance systems, supporting enterprise-wide reporting and oversight. Climate-related opportunities and actions under the CTP are also subject to ongoing monitoring and governance oversight.

Updates on climate-related risks and opportunities are reported annually to management and the Board Risk Committee and Board Purpose and Impact Committee.

Metrics and targets

Climate-related targets

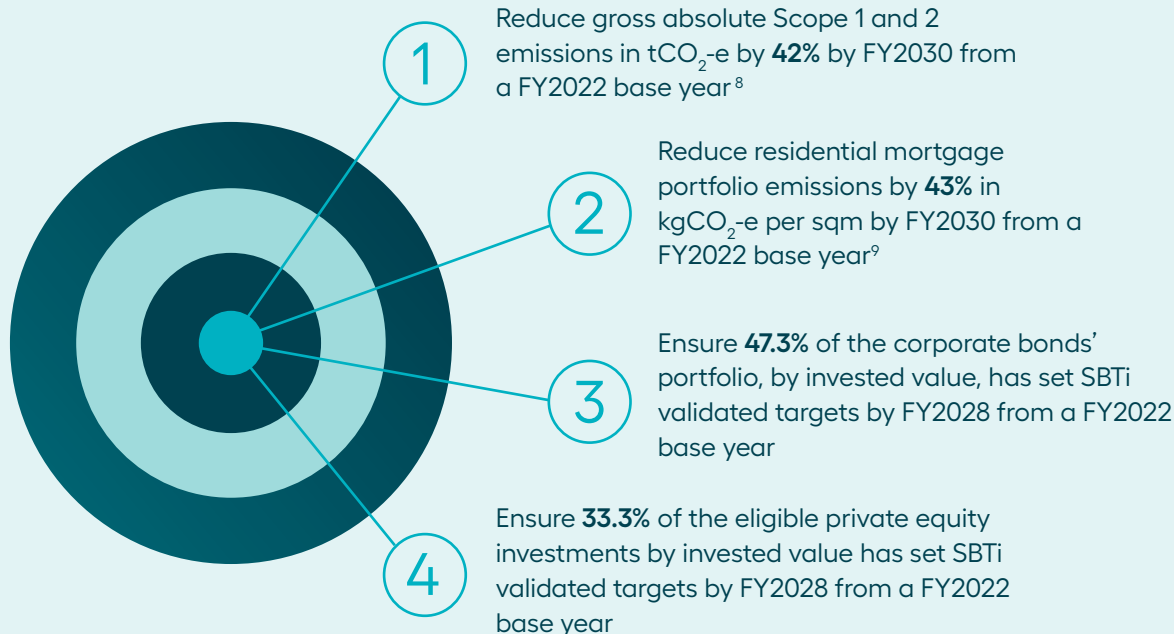
Science-based targets (SBTs)

The Group has near-term science-based emissions reduction targets for Scope 1 and 2 as well as Scope 3, Category 15 financed emissions. These targets were validated by the *Science-Based Target initiative* (SBTi) in 2024. At that time, the Group was the third Australian bank to achieve this validation. In accordance with SBTi requirements, and as outlined in the CTP, the Group will review these

targets by 2029, or earlier if significant changes in the external environment are expected to affect the Group's ability to meet them. The Group has no additional interim targets.

The Group's SBTs are gross targets. This means the Group does not use carbon credits to offset GHG emissions in order to meet its targets.

Great Southern Bank validated near-term science-based targets^{6,7}



⁶ Targets developed in accordance with the SBTi near-term Standard Version 1.0.

⁷ Targets 1, 3 and 4 are absolute targets and target 2 is an intensity target.

⁸ Target uses the SBTi cross-sector absolute reduction method. Refer to the definition of Greenhouse Gases in Table 1 on page 4 and Table 7 on page 20 in the Technical documentation for GHG emissions: operational emissions on the Group's website www.greatsouthernbank.com.au/2026/technical-documentation-for-operational-emissions for information on greenhouse gases included in this target.

⁹ Target uses the SBTi Sectoral Decarbonisation Approach (SDA) for the buildings sector.

In 2022, the Group committed to achieving net zero emissions by 2040. During the financial year, the Group noted the release of the *SBTi Financial Institutions Net Zero Standard* and is committed to developing a net zero pathway aligned to this framework.

The Board and Board Audit Committee oversee, and the Group publicly reports on progress against its near-term targets annually. At the end of each target cycle, the Group will develop new near-term targets aligned with the latest SBTi criteria, climate science, and its net zero commitment.

The Group may also review its near-term targets outside the target cycle where a material internal change occurs, including mergers, acquisitions, structural changes, or significant inventory changes, or where material external changes affect its ability to achieve those targets.

Use of carbon credits and carbon neutral certification under Climate Active

The Group has maintained Climate Active carbon neutral certification since FY2021 through the purchase and retirement of eligible carbon credits under the *Climate Active Carbon Neutral*

Standards (Climate Active). These carbon credits are not applied towards the Group's Scope 1 and 2 GHG emissions reduction target, which is measured before the use of offsets. Further information on the Group's Climate Active certification and carbon credits retired in prior years is available at www.climateactive.org.au/buy-climate-active/certified-members/great-southern-bank.

Progress against GHG emission reduction targets

The Group's progress against its Scope 1 and 2 GHG emissions reduction targets is shown below. To support these targets, the Group has started transitioning its hubs and branches to 100% renewable energy by 2030.

In FY2026, all three hubs (Brisbane, Sydney and Melbourne) were powered entirely by GreenPower. In addition, 25 branches were powered by GreenPower¹⁰, with 10 transitioning to GreenPower from January 2026 in line with the CTP. In FY2027, the Group will aim to extend GreenPower procurement to the remaining branch.

The Group's progress against its Scope 1 and 2 SBT is presented below¹¹:

Target	FY2026	Base year	Progress
Reduce absolute Scope 1 and 2 GHG emissions by 42% by FY2030 from a FY2022 base year	93 tCO ₂ -e	952 tCO ₂ -e ¹²	In FY2026, the Group's combined Scope 1 and market-based Scope 2 GHG emissions were estimated at 93 tCO ₂ -e, 90% below the FY2022 base year (952 tCO ₂ -e). The reduction reflects a reduced operational footprint, lower electricity consumption and GreenPower procurement.

¹⁰ GreenPower is a government managed program which supports the growth of renewable energy in Australia. Under the scheme, large-scale generation certificates (LGC) are purchased by the Group's energy provider and surrendered on behalf of the Group.

¹¹ Aligned with the SBTi Near-Term Criteria Version 1 for Financial Institutions, targets for Scope 2 GHG emissions are tracked using market-based Scope 2 GHG emissions. Further details about the metrics used and how they are calculated can be found in the section Metrics to track progress against SBTi targets section on pages 20-21 in the Technical documentation for GHG emissions: operational emissions on the Group's website www.greatsouthernbank.com.au/2026/technical-documentation-for-operational-emissions.

¹² The base year for Scope 1 and 2 GHG emissions has been restated using market-based Scope 2 GHG emissions.

Metrics and targets (continued)

The Group's progress against its Scope 3 SBTs is presented below¹³:

Target	FY2026	Base year	Progress
Reduce residential mortgage portfolio emissions by 43% per sqm by FY2030 from a FY2022 base year	34.13 tCO ₂ -e/m ²	30.18 tCO ₂ -e/m ²	Comparisons with the base year are not directly comparable due to changes in the methodology used to calculate residential mortgage portfolio GHG emissions. FY2026 calculations use assumptions based on individual property-level data, compared with assumptions based on postcode or Local Government Area-level data in FY2022.¹⁴ In FY2027, the Group will explore recalculating the base year and target using the revised methodology in accordance with SBTi requirements.
Ensure 47.3% of the corporate bonds' portfolio, by invested value, has set SBTi validated targets by FY2028 from a FY2022 base year.	At the end of FY2026, the Group had invested \$492.18 million in corporate bonds. Of these, 25% were in organisations that have targets validated by the SBTi.	At the end of FY2022, investment in corporate bonds by invested value was \$1.49 billion and the proportion of organisations with a SBTi validated target was 21%.	This year the Group explored ways to evolve its policies, processes and strategies to consider investees' climate commitments and performance.
Ensure 33.3% of the eligible private equity investments by invested value have set SBTi validated targets by FY2028 from a FY2022 base year.	At the end of FY2026, the Group had invested \$4.62 million in eligible private equity.	At the end of FY2022, investment in eligible private equity by invested value was \$3.41 million. ¹⁵	The only eligible investment the Group currently holds is in Mutual Marketplace Pty Ltd. The Group is continuing to work towards its interim FY2028 target and will keep monitoring its unlisted equity portfolio and whether its investments meet the SBTi criteria.

¹³ The targets, including language and any metrics used to track progress against these targets, are defined by the SBTi Near-Term Criteria Version 1 for Financial Institutions. Further details about the metrics used and how they are calculated can be found in the section Metrics to track progress against SBTi targets section on pages 20-21 in the Technical documentation for GHG emissions: operational emissions on the Group's website www.greatsouthernbank.com.au/2026/technical-documentation-for-operational-emissions

¹⁴ For details about the methodology used in FY2026 see section Methodology for calculating financed emissions on pages 9-21 in the Technical documentation for GHG emissions: financed emissions on the Group's website www.greatsouthernbank.com.au/2026/technical-documentation-for-financed-emissions

¹⁵ FY2022 figure has been restated to correct an error reported in FY2025.

GHG emissions

The Group continues to measure and disclose Scope 1, Scope 2 and Scope 3 GHG emissions for the Bank and its controlled entities according to its organisational boundary.

The Group calculates and reports GHG emissions in accordance with the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)*. GHG emissions are reported using the operational control approach, whereby emissions are attributed to facilities and activities over which the Group has operational control.

For further information about the Group's organisational and operational boundaries, GHG emissions measurement methodologies, and the inputs and assumptions applied, refer to the Technical documentation for GHG emissions: operational emissions www.greatsouthernbank.com.au/2026/technical-documentation-for-operational-emissions and Technical documentation for GHG emissions: financed emissions www.greatsouthernbank.com.au/2026/technical-documentation-for-financed-emissions

Operational emissions: Scope 1 and 2

The Group's offices and branches in Queensland, New South Wales, Victoria and Western Australia are the main source of its Scope 1 and 2 emissions. The Group calculates these emissions using the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)*.

Metric	Units	FY2026 ¹⁶
Scope 1	tCO ₂ -e	5
Scope 2 location-based	tCO ₂ -e	727
Scope 2 market-based	tCO ₂ -e	88
Total Scope 1 and 2 GHG emissions¹⁷	tCO₂-e	93

Operational emissions: Scope 3 Categories 1 to 14

The Group's operational Scope 3 emissions in this report include all material categories described in the Technical documentation for GHG emissions: operational emissions. The Group calculates these emissions using the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)* and *Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*.

Metric	Units	FY2026
Scope 3 GHG emissions	tCO ₂ -e	15,128
Total operational GHG emissions (Scope 1, 2 and 3)	tCO ₂ -e	15,221
Operational GHG emissions intensity by FTE (Scope 1, 2 and 3)	tCO ₂ -e/FTE	9.89
Electricity consumption	MWh	1,074
Waste generated	Tonnes	47
Waste diverted from landfill	Tonnes	7
Water consumption	kL	1,635

¹⁶ KPMG has performed a review over specified mandatory sustainability disclosures for FY2026. The independent review conclusion in respect of mandatory sustainability disclosures is presented on page 131-134.

¹⁷ Total Scope 1 and 2 GHG emissions are based on Scope 2 market-based emissions which is the metric Great Southern Bank uses to track progress against SBTi targets (see Progress against GHG emission reduction targets for details).

Metrics and targets (continued)

Financed emissions: Scope 3, Category 15

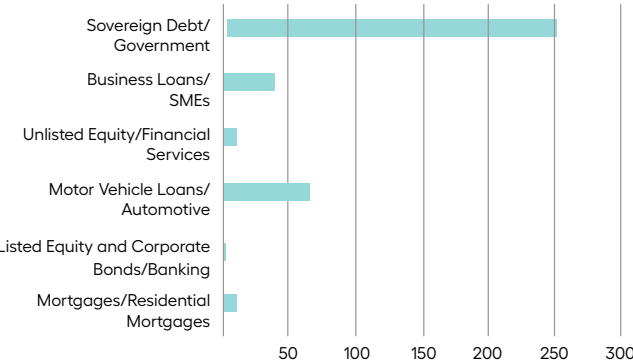
The Bank’s residential mortgage portfolio and the Group’s investment portfolios are the main source of the Group’s financed emissions. These emissions are calculated using the *Partnership for Carbon Accounting Financials (PCAF) Standard for Financed Emissions*, which the Group considers to be best practice, noting that most PCAF methodologies have been ratified by the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)*. Information on the methodology and process used to determine the Group’s financed emissions can be found in the Technical documentation for GHG emissions: financed emissions.

Key findings for FY2026 include:

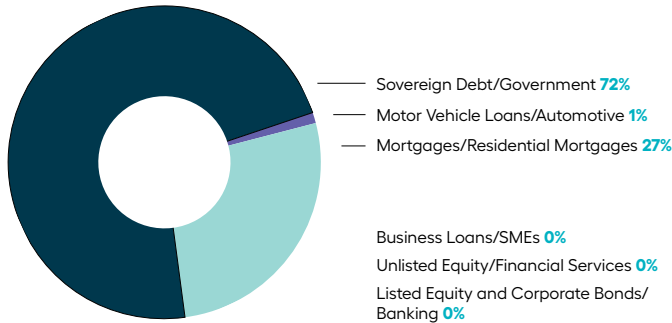
- The carbon intensity of each million Australian dollars lent or invested was estimated at 35.44 tCO₂-e.¹⁹ This varies across asset classes and sectors. Listed equity and corporate bonds had the lowest emissions intensity (0.89 tCO₂-e/A\$ million), while sovereign debt had the highest (250.99 tCO₂-e/A\$ million). Residential mortgages, the Bank’s largest asset class, had an emissions intensity of 10.93 tCO₂-e/A\$ million.
- One tonne of GHG emissions (in tCO₂-e) is generated for every \$28,217 loaned or invested.²⁰
- The overall weighted data quality score in FY2026 was 4.37, where 1 represents the highest data quality and 5 the lowest.
- The total emissions generated by the Group’s portfolio in FY2026 were estimated at 772,438 tCO₂-e.¹⁸

Emissions intensity and emissions share by asset class and sector

Emissions intensity by asset class and sector
(tCO₂e/\$m)



Emissions share by asset class and sector



¹⁸ KPMG has provided limited assurance over selected voluntary climate-related metrics for FY2026. The independent limited assurance report in respect of voluntary climate related metrics is presented on page 135-137.
¹⁹ KPMG has provided limited assurance over selected voluntary climate-related metrics for FY2026. The independent limited assurance report in respect of voluntary climate related metrics is presented on page 135-137.
²⁰ KPMG has provided limited assurance over selected voluntary climate-related metrics for FY2026. The independent limited assurance report in respect of voluntary climate related metrics is presented on page 135-137.

Key metrics by asset class and sector are outlined below.

FY2026 Financed emissions intensity by asset class and sector

Asset class	Sector	Dollars lent/invested per tonne of emissions generated (\$/tCO ₂ -e)	Emissions intensity (tCO ₂ -e/\$m)
Mortgages	Residential Mortgages	91,453	10.93
Listed Equity and Corporate Bonds	Banking	1,119,495	0.89
Motor Vehicle Loans	Automotive	16,267	61.47
Unlisted Equity	Financial Services	94,471	10.59
Business Loans	SMEs	24,280	41.19
Sovereign Debt	Government	3,984	250.99

FY2026 Financed emissions by asset class and sector

Asset class	Sector	Total outstanding loans and investments covered (\$m)	Scope 1 financed emissions (tCO ₂ -e)	Scope 2 financed emissions (tCO ₂ -e)	Total Scope 1 and 2 financed emissions (tCO ₂ -e)	Total financed emissions (Scope 1, 2 and 3 in tCO ₂ -e)
Mortgages ²¹	Residential Mortgages ²²	18,784	32,283	154,287	186,570	205,390
Listed Equity and Corporate Bonds	Banking	492	9	50	59	440
Motor Vehicle Loans	Automotive	132	6,374	160	6,534	8,144
Unlisted Equity	Financial Services	90	27	252	279	955
Business Loans	SMEs	91	617	2,342	2,959	3,743
Sovereign Debt	Government	2,206	384,011	203	384,214	553,766
Total		21,795	423,321	157,294	580,615	772,438²³

²¹ The methodology to estimate GHG emissions from the Group's residential mortgage portfolio has changed in FY2026. For details about the methodology used in FY2026 see section Methodology for calculating financed emissions on pages 9-11 in the Technical documentation for GHG emissions: financed emissions on the Group's website www.greatsouthernbank.com.au/2026/technical-documentation-for-financed-emissions

²² The methodology to estimate GHG emissions from the Group's residential mortgage portfolio has changed in FY2026. For details about the methodology used in FY2026 see section Methodology for calculating financed emissions on pages 9-11 in the Technical documentation for GHG emissions: financed emissions on the Group's website www.greatsouthernbank.com.au/2026/technical-documentation-for-financed-emissions

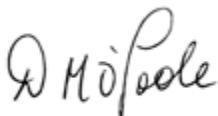
²³ KPMG has provided limited assurance over selected voluntary climate-related metrics for FY2026. The independent limited assurance report in respect of voluntary climate related metrics is presented on page 135-137.

Directors' declaration

In the opinion of the Directors of Credit Union Australia Ltd (trading as Great Southern Bank) (the Bank), reasonable steps have been taken to ensure that the substantive provisions of the sustainability report (climate statements) for the year ended 30 June 2026 as presented on pages 107 to 129 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures*; and
- (b) containing the climate statement disclosures required by section 296C and section 296D of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors:



Deborah O'Toole

Chair



Mark Hand

Director

Brisbane

26 August 2026



Independent Auditor's Review Report

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

Report on specified Sustainability Disclosures of Credit Union Australia limited (trading as Great Southern Bank) presented in the Sustainability Report titled "FY26 Sustainability Report (Climate Statements)" prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of Great Southern Bank titled "FY26 Sustainability Report (Climate Statements)" for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)	Locations in Sustainability Report
Governance disclosures	Paragraph 6	Section "Governance" on pages 111-112
Strategy (risk and opportunities) disclosures	Subparagraphs 9(a), 10(a) and 10(b)	Section "Strategy", subsection "Climate-related risks and opportunities", tables "Climate-related risks" and "Climate-related opportunities" on pages 114-115
Scope 1 greenhouse gas emissions	Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)	Section "Metrics and targets", Table "Operational emissions: Scope 1 and 2", page 127, including the emissions calculation methodology described in the "Technical documentation for GHG emissions: operational emissions"
Scope 2 greenhouse gas emissions (location-based and market-based)		

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

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Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Auditor's responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other Information

The Directors of Great Southern Bank are responsible for the other information. The other information comprises Great Southern Bank's Annual Report including the Financial Report and Sustainability Report, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, 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 for the specified Sustainability Disclosures

The Directors of Great Southern Bank are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

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

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

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.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Made enquiries with relevant Great Southern Bank personnel to understand the governance structure and reporting process of the specified Sustainability Disclosures;
- Made enquiries with relevant Great Southern Bank personnel to understand process for developing the climate governance, strategy and greenhouse gas emissions disclosures;



- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, and basis of preparation documents;
- Reviewed Great Southern Bank's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- For scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled the specified Sustainability Disclosures to underlying information.

KPMG

Scott Guse
Partner

Brisbane
26 August 2026



Independent Practitioners' Limited Assurance Report

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

Report on selected Sustainability Information presented in the Sustainability Report titled "FY26 Sustainability Report (Climate Statements)"

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the following Sustainability Information presented in the Sustainability Report of Great Southern Bank titled "FY26 Sustainability Report (Climate Statements)" for the year ended 30 June 2026.

Sustainability Information	Location in Sustainability Report
Total financed emissions of 772,438 tCO ₂ -e	Section "Metrics and Targets", "Financed emissions: Scope 3, Category 15", on page 128
Emissions intensity for financed emissions of 35.44 tCO ₂ -e per \$m	
Dollars lent/invested per tonne of emissions generated of \$28,217 per tCO ₂ -e	

We assessed the Sustainability Information against the Criteria. The Sustainability Information needs to be read and understood together with the Criteria, as described in the *Technical documentation for GHG emissions: financed emissions* ("the Criteria"). The Criteria is available on Great Southern Bank's website.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Sustainability Information of Great Southern Bank for the year ended 30 June 2026 is not prepared, in all material respects, in accordance with the applicable Criteria.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standard on Sustainability Assurance (ASSA) 5000 *General Requirements for Sustainability Assurance Engagements* issued by the Australian Auditing and Assurance Standards Board (AUASB).

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ASSA 5000 are further described in the "Practitioner's Responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*,

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issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other Information

The Directors of Great Southern Bank are responsible for the other information. The other information comprises the financial and non-financial information included in Great Southern Bank's Annual Report but does not include the Sustainability Information and our assurance report thereon.

Our limited assurance conclusion on the Sustainability Information does not cover the other information and we do not express any form of assurance conclusion thereon, with the exception of the Financial Report, select Sustainability Disclosures in the FY26 Sustainability Report (Climate Statements) and our respective audit reports.

In connection with our limited assurance engagement on the Sustainability Information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Information, or our knowledge obtained in the assurance engagement, 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.

Use of this Assurance Report

This report has been prepared solely for the Directors of Great Southern Bank, who have voluntarily requested independent assurance over the Sustainability Information of Great Southern Bank. Accordingly, this report may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Great Southern Bank, or for any other purpose than that for which it was prepared.

Responsibilities for the Sustainability Information

Management of Great Southern Bank are responsible for:

- The preparation of the Sustainability Information in accordance with the Criteria;
- Determine that the basis of preparation for the Sustainability Information is appropriate to meet their needs and the needs of the intended users; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of the Sustainability Information in accordance with the Criteria that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Sustainability Information may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on



which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Practitioner's Responsibilities

Our objectives are to plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. 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 decisions of intended users taken on the basis of the Sustainability Information.

As part of limited assurance engagements in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosures level in the Sustainability Information.

The risk of not detecting a material misstatement due to fraud is higher than for one due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Summary of the Work Performed for the Limited Assurance Engagement

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our limited assurance engagement, we:

- Enquired with relevant Great Southern Bank personnel to understand the internal controls, governance structure and reporting process of the Sustainability Information;
- Reconciled Sustainability Information to underlying data sources on a sample basis;
- Reviewed relevant documentation including the 2026 Basis of Preparation for Financed Emissions; and
- Evaluated the appropriateness of the Criteria with respect to the Sustainability Information

KPMG

Scott Guse
Partner

Brisbane
26 August 2026



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

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AFSL: 238 317

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Credicorp Insurance Pty Ltd

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AFSL: 238 335

Registered office:

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Brisbane QLD 4000

CUA Management Pty Ltd

ABN: 60 010 003 853

AFSL: 221 896

Registered office:

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Brisbane QLD 4000



greatsouthernbank.com.au



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

