

Annual Report 2024



Our Story

As the name suggests, we're a customer-owned mutual bank. Based in the Hunter Region, we have been helping regional people and their communities thrive since 1888.

We're a proud member of the Customer Owned Banking Association (COBA) and voluntary subscriber to the Customer Owned Banking Code of Practice. The Code establishes higher standards than the law requires of financial institutions and reflects our commitment to serving the interests of our Members and regional communities.

As an authorised deposit-taking institution, we are regulated under the *Banking Act 1959 (Cth)* and by government agencies including the Australian Prudential Regulation Authority (APRA), Australian Securities and Investment Commission (ASIC), and Australian Transaction Reports and Analysis Centre (AUSTRAC).

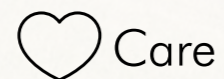
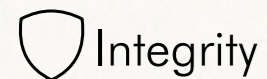
Our vision is to be the bank of choice for the Hunter and regional communities. We exist to champion financial wellbeing for our Members and regional communities to help people thrive.

We were originally established by passionate Maitland residents who wanted to keep financial investment in the area to benefit the local community. For decades we were known as Maitland Mutual Building Society before adopting a trading name that reflects our growth and vision for the future: The Mutual Bank.

Although much has changed over the years, our focus on serving our Members and regional communities remains steadfast. We proudly provide Members with banking choice and convenience, offering innovative digital banking solutions and award-winning personalised customer service. We provide regional communities with grassroots support for a diverse range of education, sporting, charitable and cultural interests.

Thank you for banking with us. We are thrilled to serve you and regional communities for generations to come.

Our Values



Contents

- 4 A Message from our Chair and CEO
- 10 Our People
- 13 Strategic Goals 2024-2027
- 14 Our Performance at a Glance
- 16 Backing the Local Community
- 29 Summary Financial Report
- 40 Independent Audit Report

The Mutual Bank acknowledges the Traditional Custodians of Country across Australia and recognises their continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past and present.



A Message from our Chair and CEO

It is with great pleasure that we present our results for the 2023/24 financial year.



Inspired by achievements of the past, we remain steadfast in our ambition to help people thrive by championing financial wellbeing for our Members and regional communities.

Our Member-first philosophy remains at the heart of all we do. Our people lead with Integrity, Respect and Care each and every day and we are proud custodians of this wonderful organisation.

The work we do is important to our Members and communities, and we are thrilled to continue this great legacy of the leaders who have come before us.

Despite a challenging operating environment, with unprecedented

cost of living pressures, The Mutual Bank remains financially strong with the 2023/24 year best characterised by:

- 1 a stronger balance sheet evidenced by strong growth in the capital adequacy ratio. Capital adequacy is a key indicator of financial strength and is a measure of the financial cushion available to absorb any unexpected losses that might be experienced (see pg. 15);
- 2 maintaining a strong net interest margin. This ensures that The Mutual Bank continues to be financially sustainable and that we are able to continue to make

investments in better products, services and capabilities for our Members and in local community sponsorships and initiatives;

- 3 an increase in the balance sheet provision to protect The Mutual Bank against the risk of future credit losses given the uncertain operating environment; and
- 4 a significant investment program that continues to enhance long-term business resilience and capabilities for the benefit of our Members.

More detail on these points is provided on the following page.

Leadership from Strength to Strength

As The Mutual Bank continues to grow, so does our team. We are exceptionally proud of the increased experience and depth of talent within our Executive Team.

We welcomed Josh Hessel as Chief Digital and Technology Officer in July 2023. A strong technology leader, Josh has extensive experience in all facets of digital and technology, spanning more than 20 years in banking, education and telecommunications. Josh will drive our digital transformation so we may continue to serve our Members with enhanced digital solutions alongside our personalised service.

In September 2023, Erin Howells was appointed to the Executive Team in her position as Head of Internal Audit. Having spent most of her career in customer-owned banking, Erin has more than 16 years of experience in the financial services sector and is uplifting and maturing our Internal Audit function and working with the broader business to continue to drive optimal business performance and outcomes.

We welcomed David Vincent as Chief Financial Officer in January 2024. David is a Chartered Accountant and is responsible for our Finance and Treasury portfolios. Prior to joining The Mutual Bank, David spent 14 years in a range of finance roles at one of the largest mutual banks in Australia, most recently as Head of Finance.

In February 2024 we farewelled Director Melinda Smith who retired from the Board after 10 years of service. Melinda truly personifies The Mutual Bank values of Integrity, Respect and Care and we are indebted to her for sharing her experience with us all over so many years.

Melinda's position on the Board was filled by Andre Pinkowski in March 2024. An experienced Founder, CEO and digitally native Company Director, Andre's career has spanned enterprise software-as-a-service, IT consultancy, web, mobile, and digital entertainment. He brings a dynamic new energy to the Board as

an inspiring entrepreneurial leader and strategist, having founded, scaled, and sold several high growth companies.

Business Performance

At the start of each financial year, we set out our performance objectives for the year using a "Balanced Scorecard," which means that The Mutual Bank's business performance is measured across four equally important dimensions:

- 1 Members;
- 2 Community;
- 3 Employees; and
- 4 Long-Term Business Resilience and Sustainability.

Members

Our membership grew by 4.6% in the 2023/24 financial year.

The Net Promoter Score is a measure used to gauge customer loyalty, satisfaction and enthusiasm with a company. It is generally recognised that a score of above zero is good, above 20 is favourable, above 50 is excellent and above 80 is world class. The Mutual Bank measured its Net Promoter Score twice during the year and, in both surveys, reported a score of 62. For context, the average of the four major banks was 1.2 at December 2023. We are particularly proud of our score, which is a testament to each one of our Member-facing teams, and positions us as one of the leading banks in Australia with respect to Member advocacy.

The Mutual Bank's total loans outstanding grew to \$896 million at 30 June 2024, which represents a growth rate of 4.7% compared to 1 July 2023. This growth rate is in line with the broader aggregate home loan growth experienced by all Australian ADIs over the past year.

Total deposits increased from \$968 million to just over \$1 billion at 30 June 2024. The growth in deposits of 4.7% is also in line with the broader deposit aggregate growth experienced by all ADIs over the past year. Like all banks, The Mutual Bank also obtains funding from wholesale funding markets to provide diversity of funding options. Around 14% of

our total funding is sourced from wholesale markets with 86% sourced from our Members, which highlights the strength and stability of our funding profile.

The alignment between the growth in total loans outstanding of 4.7% and the growth in total deposits of 4.7% is consistent with a prudent balance sheet management strategy to sustainably fund our asset acquisition.

Community

Our purpose is to champion the financial wellbeing of our Members and regional communities and to help people thrive. As a result, we have an unwavering commitment to support the communities we serve and make a positive impact.

We are pleased to have contributed \$123,000 to more than 70 organisations in 2023/24 through our sponsorship program. Our Team Members have volunteered more than 400 hours to events, and we have provided in-kind contributions to various community events throughout the year.



Member Growth



Net Promoter Score



\$123,000 Sponsorship Funding

Employees

Employee engagement is a metric that measures the enthusiasm employees feel toward The Mutual Bank. It is a measure of how motivated and committed our employees are.

For the 2023/24 year, our employee engagement score increased 3% to 76%, with any score above 70% generally recognised as “high engagement.”

We continuously strive to uplift our Employee Engagement Score, as we recognise its role in organisational success and contributing to better outcomes for our Members.

Long-Term Business Resilience and Sustainability

The Mutual Bank seeks to strike the right balance between short-term profitability and making

the right investments in our long-term business resilience.

At the beginning of the financial year, the Board and Executive Team determined several key financial objectives. These objectives focused on sustainable growth and making a range of investments that will continue to strengthen The Mutual Bank’s long-term business resilience for the benefit of Members.

These key financial objectives, and the results achieved, are as follows:

Financial Objective	Result
<p>Target a sustainable level of growth that balances:</p> <ol style="list-style-type: none"> 1 growth in loans outstanding; 2 strengthening net interest margin; and 3 continuing to strengthen capital adequacy (a key measure of financial strength). 	<p>The Mutual Bank achieved its objective of sustainable growth evidenced by the following key metrics:</p> <ol style="list-style-type: none"> 1 growth in total loans outstanding of 4.7% was in line with overall system growth of 4.7%; 2 net interest margin maintained at above 2.4%; and 3 capital adequacy increased from 15.4% to 16.4%.
<p>Ensure the balance sheet is sufficiently buttressed for future economic shocks given an uncertain macroeconomic environment characterised by rising interest rates and rising cost of living.</p>	<p>To buttress the balance sheet against the potential risk of the current uncertain economic environment, The Mutual Bank reviewed its approach to determine the provision for expected credit losses. Given the macroeconomic environment, the provision was increased from \$300k at 30 June 2023 to \$902k at 30 June 2024.</p>
<p>Make the requisite investments to uplift long-term business resilience and sustainability for the benefit of our Members.</p>	<p>The Mutual Bank made a range of material investments, many of which resulted in a series of non-recurring costs. Significant investments for the benefit of our Members and long-term business resilience were made in the following areas:</p> <ol style="list-style-type: none"> 1 implementing a Digital Loan Origination Platform that allows our Members to apply for a home loan and personal loan online; 2 continued strengthening of information and cyber security with the aim of protecting Members considering the ever-evolving threat landscape; 3 developing a Digital and Technology Strategy and roadmap of initiatives that will support our business strategy and deliver a range of enhancements for Members; 4 continued strengthening of our approach to product management and governance; 5 continued strengthening of our approach to enterprise risk management, including enhancing our approach to managing interest rate risk, strengthening our approach to operational risk management and implementing requirements of new Prudential Standards; 6 reviewing our lending processes and developing a roadmap to enhance Member experience; and 7 continuing to strengthen our funding profile by establishing a Medium-Term Note program that has allowed The Mutual Bank to secure long-term funding and further diversify our funding sources.



2024 Annual Report

To achieve its financial objectives in the 2023/24 year, while simultaneously strengthening the balance sheet, The Mutual Bank targeted a lower level of profitability compared to the 2022/23 year, which facilitated those objectives being achieved in the best long-term interest of Members.

Taking into account the financial objectives described above, The Mutual Bank's profit from ordinary activities after providing for income tax was \$2.4 million (2023: \$5.8 million).

Notwithstanding the decrease in profitability in the 2023/24 year driven by a range of one-off investments that will strengthen The Mutual Bank's long-term business resilience, the profit outcome is in line with expectations, while the balance sheet has been strengthened through higher capital adequacy and a higher provision for future credit losses given the uncertain operating environment.

The Mutual Bank remains extremely well positioned and is financially strong and optimistic with respect to its growth and profitability prospects in the 2024/25 year.

Creating a Stronger Future

For the second year running, The Mutual Bank's Budget Home Loan won a Mozo Experts Choice Home Loan Award in the Low-Cost Home Loan award category. Our Budget Home Loan was also named one of the best refinance home loans in the market with a 2024 RateCity Gold Award.

During the year, The Mutual Bank initiated a project to implement a Digital Loan Origination Platform, which went live in June 2024. Members can now apply for a home loan or personal loan online and we are exceptionally encouraged by the number of Members who have used this platform since it has been implemented. Our digital home loan journey is exciting and we intend to use the Digital Loan Origination Platform to leverage growth in our region, but also across Australia. This platform will directly support one

of our key strategies: getting more people into a home.

We believe in providing our Members with choice – some of our Members choose to deal with us directly, while an increasing number of Members may choose to self-serve by applying for a loan online. Implementing a Digital Loan Origination Platform is part of our strategy to provide Members a choice in how they interact with The Mutual Bank. In any case, we recognise that our point of difference is our service and relationship proposition and, even with a Digital Loan Origination Platform, we are committed to continuing to provide a human touchpoint with our Members, so that we can continue to build trusted relationships.

According to data collected by APRA, almost 800 bank branches have closed in regional areas between June 2017 and June 2023. That number accounts for more than one third of all regional bank branches.

In contrast, The Mutual Bank has determined that it will commence a multi-year program to refurbish its branch network recognising the importance of a physical presence for Members. The first branch to be refurbished is the East Maitland branch, which is expected to commence in January 2025. We eagerly await being able to welcome Members to our contemporary, state-of-the-art premises in East Maitland and continuing to rejuvenate our entire branch network. In addition, The Mutual Bank continues to review our points of presence to ensure that we are positioned in a way and in locations that allow us to achieve our vision.

The Mutual Bank continues implementing strategies to ensure the ongoing strength of its balance sheet and liquidity management options in support of ongoing sustainable growth. During the 2023/24 year, we successfully completed our first Medium Term Note (MTN) issuance. This was a \$22 million private placement of one and three year Floating Rate Notes to a range of institutional investors. This is a significant achievement for The Mutual Bank, as it marks the



launch of our \$250 million MTN program. This program will enable us to diversify our funding sources in both source and tenor, enhance our funding profile, and support our growth strategy.

We are proud to be a part of the Scam-Safe Accord aimed at delivering a higher standard of protection for our Members and help put scammers out of business in Australia.

The Scam-Safe Accord, between Australia's customer-owned banks, mutual banks, building societies, credit unions and commercial banks, is a comprehensive set of anti-scam measures across the entire industry. At the heart of the Scam-Safe Accord is a \$100 million investment by the industry in a new confirmation of payee system to be rolled out across all Australian banks.

We remain positive with respect to our growth ambitions: we are positioned in one of the fastest growing local government areas in the state, we have a recognised and trusted brand, we are making material investments in our business and our people, and our Members will always remain at the centre of every decision we make.

Thank you, once again, for your continued support of The Mutual Bank.

Steve Meyn
Chair

Mark Williams
Chief Executive Officer

Our People



Board of Directors



Steve Meyn
Chair



Sharon Howes
Chair of the People and Culture Committee



Scott King
Chair of the Digital and Information Technology Committee



Steve Martinelli
Chair of the Risk Committee



Deb Mirisch
Chair of the Audit Committee



Andre Pinkowski
Board Member

Our People

Strategic Goals 2024-2027

Executive Team



Mark Williams
Chief Executive Officer



Matthew Dunnill
Chief Member Officer



Josh Hessel
Chief Digital and
Technology Officer



Erin Howells
Head of Internal Audit



Kane Jones
Chief Risk Officer since
September 2024



Felicity Laczina
Chief Operations Officer



Merran Magill
Chief Governance
Officer and Company
Secretary



David Vincent
Chief Financial Officer

Vision

We are the Bank of Choice for the Hunter and regional communities.



MARKETPLACE

- ✓ Members choose how and when they bank with us.
- ✓ Ensure a culture of proactive Member service anticipating the needs and building strong relationships to foster loyalty and advocacy.
- ✓ Tailor banking products and services to meet the specific needs and preferences of targeted member segments.

Purpose

Champion financial wellbeing for our Members and regional communities to help people thrive.



DIGITAL, TECHNOLOGY & OPERATIONS

- ✓ Deliver Digital, Technology and Payment initiatives that support our members to do their banking as they choose, when they choose and in a manner that protects their information.
- ✓ Transform our data capability to provide advanced analytics and intelligence via improved data quality and robust governance.
- ✓ Strengthen security measures to safeguard Member data and protect our Information Assets.



PEOPLE & CULTURE

- ✓ Foster a diverse and inclusive culture that is engaging and encourages Team Members to grow, develop and reach their full potential.
- ✓ Attract, develop and retain talent who align with our values and purpose and help us achieve our strategic goals.
- ✓ Cultivate strong leadership at all levels.



FINANCE, RISK & GOVERNANCE

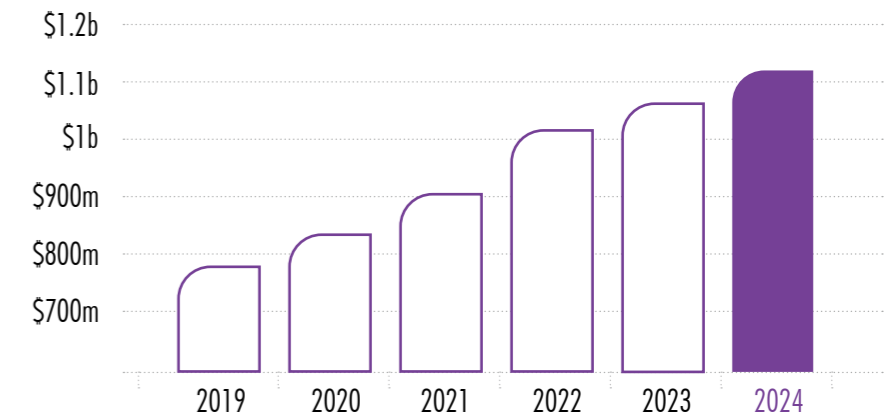
- ✓ Drive sustainable growth in deposits and lending whilst maintaining appropriate financial metrics as a customer-owned bank.
- ✓ Reduce the geographic concentration of the credit portfolio.
- ✓ Strengthen our enterprise risk management framework including the uplift of operational resilience and maturation of stress testing capabilities.

Our Performance at a Glance

↑ 4.0%

Increase in total assets to \$1.117 billion

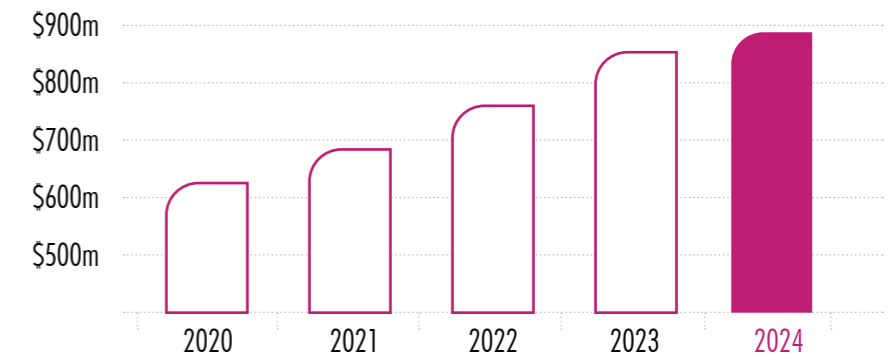
TOTAL ASSETS



↑ 4.7%

Increase in loans and advances to \$896.4 million

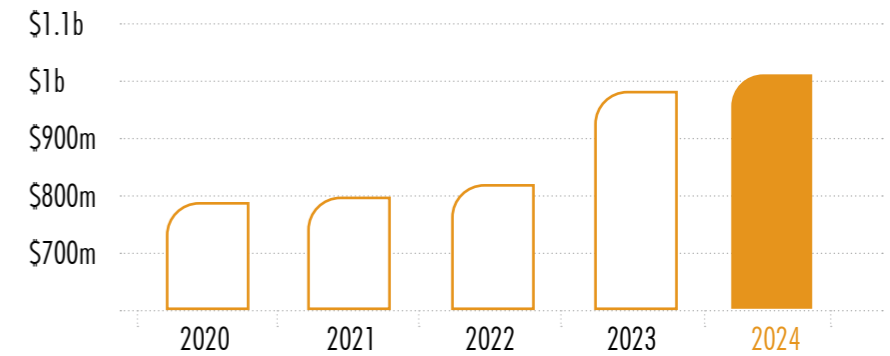
TOTAL LOANS OUTSTANDING



↑ 4.7%

Increase in deposits to \$1.013 billion

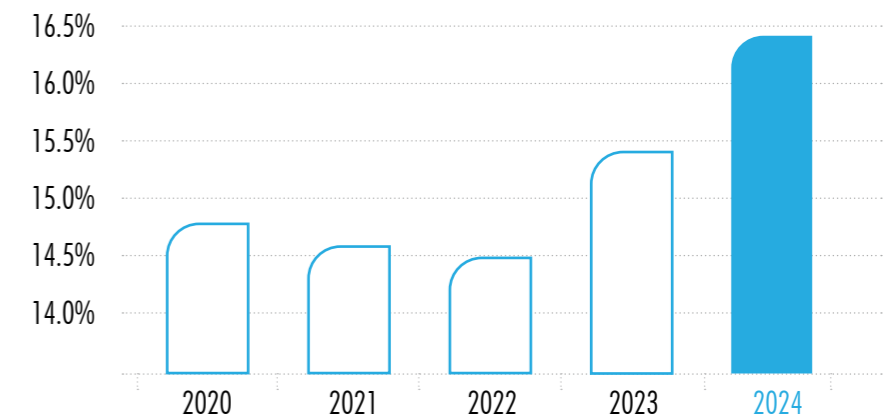
TOTAL DEPOSITS



↑ 94 basis points

Increase in our capital adequacy ratio to 16.4%

TOTAL CAPITAL ADEQUACY



Backing the Local Community



We've teamed up with local sporting stars

The Mutual Bank has partnered with Newcastle Knights professional rugby league players: Sheridan Gallagher and the dynamic sister duo Hannah and Jesse Southwell.

The partnership isn't just about showcasing our brand, it's about championing women's sport. By joining forces with these talented athletes, we are helping to shine a spotlight on women's sport and inspiring our community to rally behind these trailblazers.

Our backed by The Mutual Bank campaign has celebrated the homegrown talent that we support throughout the 2023/24 financial year, from grassroots clubs to sports stars.



Riding the waves at Surfest

Once again, The Mutual Bank made a splash by proudly sponsoring the High Schools Team Challenge at Surfest 2024.

It is the second year we have sponsored the event, which showcases up and coming junior surfers in an exhilarating team event. Students from across NSW showcased their skills in close to perfect conditions at South Bar Beach on Thursday 14 March. When the surf turned wild the action was transferred to Nobbys Beach on Friday 15 March.

Surfest celebrated its 38th anniversary in 2024 and we are honoured to be a part of the largest surfing festival in the southern hemisphere.



Our Team Making a Difference



\$123,000
in sponsorship
to more than 70
organisations



Raised \$6,400
for the St Vincent De Paul CEO
Sleepout to fight homelessness



\$12,000
of in-kind contributions and
merchandise provided to
community initiatives



400
hours volunteered
to community events



500
members supported
with lending needs



Our Award-Winning Home Loan

For the second year running, The Mutual Bank's Budget Home Loan* won a Mozo Experts Choice Home Loan Award in the Low-Cost Home Loan award category.

But that's not all - the win follows The Mutual Bank's Budget Home Loan being named one of the best refinance home loans in the market with a 2024 RateCity Gold Award.

The 2024 RateCity Gold Awards celebrate the most competitive financial products in Australia that deliver the best value for customers.

The awards are based on RateCity's market-leading Real Time Ratings™ system which gives every home loan

in their database a score out of five, based on cost and flexibility.

These accolades highlight our commitment to offer competitive products and exceptional value to our Members.

Mozo Experts Choice Awards Judge Peter Marshall said when it comes to choosing a home loan, key factors that people look for are competitive rates, low fees and a lender they can trust. "The Mutual Bank has demonstrated that it delivers on all three fronts," he said.

"This is the second year running that the Budget Home Loan has taken out a coveted award in the low-cost

home loan category and is to be congratulated on this achievement.

"These awards were designed to showcase the products in the market that deliver best value and The Mutual Bank is a great example of a small member-owned challenger competing with the big guys."

* The Mozo Experts Choice Low-Cost Home Loan award was awarded to The Mutual Bank's Budget Home Loan Special Variable Rate for owner occupied loans with ≤80% LVR and Principal and Interest repayments. Eligibility and lending criteria, terms, conditions, fees and charges apply and are available on application.



Helping our Members Thrive

Kirsten Adam bought her first home with a loan from The Mutual Bank, when we were known as Maitland Mutual Building Society. Fast forward many years and Kirsten, operating the successful real estate agency Myall Coast Realty Pty Ltd, was looking for business finance.

Kirsten was excited by the prospect of owning the business outright. Lending Manager Geoff Marshall met Kirsten at her Tea Gardens office to discuss a business loan. "Geoff just made everything so easy for me," said Kirsten.

"The whole process could not have been smoother, despite a short time frame for me to have such a favourable outcome." Kirsten knew two of her clients were struggling to find finance so referred them to The Mutual Bank and they are now searching for their dream home.

What our Members Say about Us

“Our Lending Manager provided an awesome service with refinancing all our loans from my ex-lender. The whole way through she answered all our queries patiently providing enough details and options which has saved us significant amount of money. I can't thank her enough. She is very prompt, and we didn't have to wait for any responses. It has been a pleasure to deal with The Mutual Bank, which is cream on top of the amazing products they offer.

Very helpful and efficient, glad I made the switch. Wouldn't have got my house if it wasn't for these guys being able to do a quick settlement.

Amazing service and great interest rate on our home loan! Couldn't be happier!

Still bank with The Mutual Bank even though I relocated interstate. Much prefer because of the personal service and security.

It is refreshing to be able to do business face to face with a teller who is knowledgeable and pleasant.

Great customer service by caring and efficient staff. Having a branch that is easy to get to and not in the main shopping centre makes the task of banking so much easier. I have been banking with The Mutual Bank for around 8 years and cannot fault them.

Excellent online loan application process! Friendly and helpful staff! Recommend to all.

I have the lowest home loan mortgage rate of all my colleagues banking with the big four, and I love reminding them.



Helping our People Thrive

Our Team Members make a difference through their passion, their dedication and commitment to our Members. We are pleased to have achieved these milestones for our team in the 2023/24 financial year, to help them thrive:



- We introduced additional community leave to encourage our team to support the local community organisations and charities that are close to their hearts.
- We enhanced our approach to supporting wellbeing with a broad reimbursement program as well as development opportunities for leaders and the team.
- We celebrated the service and achievements of our hard-working Team Members with a new reward and recognition program.
- We saw 30 leaders across The Mutual Bank complete our Leadership Development Program.
- We continue to bring our whole team together twice a year to learn, celebrate and collaborate at Staff Conferences.
- We made our first Workplace Gender Equality Act submission.
- We grew our team and welcomed new skillsets and capability to continue to drive our success.



We celebrated the 20 year milestone anniversary of Team Members Lynne Montgomery and Kate Newman.

Helping our Communities Thrive



Susan Roskell Toy and Gift Drive

The Mutual Bank partnered with the Susan Roskell Toy and Gift Drive in 2023 to help bring joy to local families. This initiative provides gifts to children and families affected by domestic violence, homelessness, and illness. Organised by Todd Sheldon, the drive began in 2016 and has grown significantly. Our branches collected gifts, and our team volunteered to sort and distribute them, spreading holiday cheer to those in need.

The tablets are now a staple in the not-for-profit organisation's Community Hub area, streamlining the process of assessing client needs. The digital shift not only reduces waste, but also boosts the safety and security of sensitive client information, crucial for the vulnerable individuals facing homelessness or domestic violence that Carrie's Place supports.



The Mutual Bank Wig and Headwear Library

We are proud to support the Hunter Breast Cancer Foundation's Wig and Headwear Library, which truly embodies our core values of Integrity, Respect and Care. This initiative offers comfort and dignity to those on their cancer journey, providing wigs and headwear to help them feel like themselves. Thanks to our funding, the library operates online, allowing clients to browse and try on headwear at home with contactless delivery.



Carrie's Place

Thanks to our sponsorship program, Carrie's Place has turned an idea into reality by purchasing four computer tablets, making client meetings completely paperless.



Supporting our Community

We are proud to have supported a range of educational, sporting, cultural and community organisations during the 2023-2024 Financial Year.

- Aberglasslyn Rugby League Football Club
- Carrie's Place
- Central Charlestown Junior Rugby League
- Charlie's Run 4 Kids
- City United District Cricket Club
- Clans on the Coast Highland Celtic Festival
- Combined Churches of Morpeth



- Dungog Arts Society
- Dungog Junior Rugby League



- Dungog Public School
- Dungog Shire Community Centre
- Dungog Show
- Dungog Tea Party
- East Maitland Bowling Club
- Edgeworth Memorial Neighbourhood Centre
- Filipino-Australian Society of the Hunter Valley
- Gloucester Show
- Hunter Breast Cancer Foundation
- Hunter Innovation Festival

- Indie Festival Maitland
- Illuminate Raymond Terrace
- Lorn Park Bowls Sports & Recreation Club
- Maitland Business Chamber
- Maitland District Cricket Umpires & Scorers Association
- Maitland District Netball Association



- Maitland Football Club
- Maitland Heritage Festival
- Maitland Pickers Rugby League Club
- Maitland Polocrosse Club
- Maitland Redbacks Touch Football Association
- Maitland Region Community Support



- Maitland Rugby Club
- Maitland Show
- Maitland Taste
- Maitland Triathlon Club
- Mentor Support Network
- Northern Suburbs Maitland Cricket Club
- Port Stephens Family and Neighbourhood Services
- Raymond Terrace Community
- Street Parade



- Raymond Terrace District Cricket Club
- Rutherford Technology High School
- Saint Peter's Anglican Church
- Slow Food Hunter Valley
- Soul Hub Newcastle
- St Mary's Golf Day
- Stroud Brick and Rolling Pin Throwing Competition
- Stroud Show
- Surfest
- Susan Roskell Toy and Gift Drive
- Thornton Beresfield Rugby League Club
- Vinnies CEO Sleepout
- West Maitland Junior Rugby League Football Club
- Zeal Futures Excellence Awards



Environmental Social Governance

At The Mutual Bank, we are committed to fostering positive change and creating a sustainable future for the regional communities we serve.

Our commitment to Environmental, Social, and Governance (ESG) principles is deeply ingrained in our values, guiding our actions and decisions to make a meaningful impact.

We recognise the significance of environmental stewardship in safeguarding our region's natural beauty and biodiversity. The Mutual Bank is dedicated to minimising our environmental footprint by adopting sustainable practices, reducing carbon emissions, and promoting energy efficiency.

Our commitment to social responsibility extends to the wellbeing and inclusivity of our community. The Mutual Bank is committed to fostering diversity, equity, and inclusion within our organisation and the broader community. We strive to support local initiatives that empower individuals and contribute to the social fabric of the regional communities we serve.

Maintaining a high standard of corporate governance is paramount to The Mutual Bank. We are dedicated to transparency, accountability, and ethical business practices. Our governance framework is designed to ensure fairness, integrity, and responsible decision-making, with a focus on long-term sustainability. We actively engage with our stakeholders to understand their perspectives, address concerns, and continuously improve our governance practices. By living these principles each day, we strive to be a trusted financial partner, promoting economic resilience, social progress, and environmental sustainability in the Hunter Valley and beyond.

Environment

The Mutual Bank continues to look at reducing waste and creating efficiencies. Members are able to opt out of receiving paper statements and access their statements online if they choose. Our Member newsletter is going online for download instead of being printed and mailed out with the half yearly and yearly paper statements. Members were notified of this change in the Winter 2024 newsletter.

Our purpose-built head office, which has been designed to incorporate a wide range of energy efficiencies, has received a NABERS rating of six out of six stars. Our business operations actively work to reduce consumables across all areas. Our Team Members use recycling and green waste bins to reduce landfill. We use 100% recycled toilet paper and forest friendly facial tissues (100% recycled) and 100% bamboo paper towels.

Our fleet of vehicles includes fuel-efficient smaller cars and hybrid vehicles.

Our Mutual Visa Credit Card and Visa Debit Card are made from 90% plant-based material that reduces pollution in both the manufacture and disposal process by using zero petroleum. PLA (Polylactic Acid) is industrially compostable, non-toxic and non-hazardous, producing no toxins when destroyed during incineration. The cards have accessibility features to make it easier for visually impaired users. A cut out notch on the bottom of the card can help visually-impaired Members insert the card into ATMs and card readers. Raised dots feature on the Visa Debit Card to distinguish it from the Mutual Visa Credit Card.

Our eco-friendly debit and credit cards are delivered in 100% recycled packaging. The welcome letter and envelope are made of 100% recycled paper with soy-based ink – even the

envelope windowpane is a paper-based material with plant-based adhesive to seal the envelope.

On 9 September 2024, Australia's mandatory climate-related financial disclosure regime was enacted. This regulation will apply to The Mutual Bank for the financial year beginning 1 July 2027. We have commenced preparing for this regime and look forward to providing our Members with updates as we move closer to the effective date.

Social

We aim to champion inclusivity as we provide financial and in-kind support for a range of organisations at a grassroots level including sports, arts, culture, charities and schools. In the 2023/2024 financial year this amounted to \$123,000 in sponsorships.

For our Members we provide regular scam awareness information, offer personalised service, have responsible and flexible lending, and abide by the voluntary Customer Owned Banking Code Of Practice.

The Mutual Bank Winter Appeal sees us partner with local charities to collect donated goods for the charities to distribute. Our sponsorship of the Susan Roskell Toy and Gift Drive also helps families who are struggling by providing a gift.

We strive to create a workplace that values and celebrates the unique perspectives, experiences and contributions of all employees. We support and aim to improve gender diversity across our organisation through our policies and procedures. This includes flexible work arrangements, fair opportunity for career advancement and a respectful work environment.

In 2024 The Mutual Bank made its inaugural submission to the Workplace Gender Equality Agency (WGEA). This milestone reflects

our growth as an organisation with reporting mandatory for employers of more than 100 employees. The WGEA is an Australian Government statutory agency created by the Workplace Gender Equality Act 2012.

We have a Flexible Working Policy and our Leave Policy allows our Team Members to contribute and support local initiatives close to their hearts with two days of paid volunteer leave. Our Corporate Fitness and Wellness initiative encourages higher participation by

Team Members. Our team enjoys regular engagement initiatives, and we foster an environment of diversity and inclusion with team wellbeing as a priority. Our safety systems protect Team Members and visitors to our branches and offices. We support and develop our Team Members at all stages of their careers and provide the highest level of privacy and data security protections. We have an intern program for university students and Team Members are encouraged to experience working in other departments.

Governance

Our commitment to good governance extends across robust structures to ensure our Members are central to our operations and decision making, with an independent and diverse Board overseeing the business and strategy. Our Governance framework is built upon ethical decision making and our policies and procedures ensure we operate effectively and prudently. Our commitment to regulatory compliance and strong risk culture is evident at all levels of the business.



Corporate Governance

The Mutual Bank is committed to excellence in governance practices to ensure our sustainability, maintain integrity and provide value to Members and our communities.

Core to our governance framework is our Constitution, regulatory compliance systems, our Risk Management Framework (RMF), our culture and our assurance programs. The governance framework is supported by policies that govern Board operations, conflicts of interest, delegations, conduct, fraud and corruption, whistleblowing and fitness and propriety requirements, among others.

Our governance framework is guided by the Business Council of Co-operatives and Mutuals Co-operative and Mutual Enterprise Governance Principles (which is adapted from the ASX Corporate Governance Principles and Recommendations) and incorporates the three lines of defence risk governance model.

Board and Committees

The Board has ultimate responsibility for oversight of the sound and prudent management of The Mutual Bank. The Board establishes the plans, policies, desired culture, and values, and oversees the organisation's performance and compliance activities, and its role and responsibilities are set out in a Board Charter.

The Board is supported by a number of Board Committees. The roles and responsibilities for all Committees are set out in individual Committee charters. During FY2024 the remits of two Committees were revised and expanded and the Committees were renamed. The IT Committee is now the Digital and Information Technology Committee and the Remuneration and Nominations Committee is now the People and Culture Committee.

Our Board comprises six independent non-executive directors, bringing together a range of skills and experience that is regularly assessed against our Board Composition Matrix. The Board's performance is formally assessed annually, as is the performance of each Director. Every three years this process is undertaken independently, with the last independent review taking place in 2023.

Director fitness and propriety and independence are assessed annually. Directors are encouraged to become members of the Australian Institute of Company Directors and undertake ongoing professional development and education in areas relevant to their role and the bank's operations. The People and Culture Committee is responsible for orderly Board succession planning and renewal, in accordance with the Board Renewal Policy. During this financial year, following an extensive selection process, the Board appointed Andre Pinkowski to fill one vacancy in March 2024. Andre's extensive experience and skillset has already allowed him to make a valuable contribution to the Board and the Digital and Information Technology Committee.

The Board meets 11 times each year and each Committee meets quarterly. In addition, the Risk and Audit Committees meet jointly at least once per year. Information about each of our Directors, the composition of each Committee and Directors' meeting attendance, is provided in the Directors' Report on page 35. The Directors and their respective qualifications, experience and special responsibilities are outlined in the Directors' Report on pages 32-34.

Relationship with Management

The Board is responsible for appointing the CEO and delegates to the CEO the day-to-day responsibility of managing the bank's operations.

The Board formally reviews the CEO's performance annually. The CEO sub-delegates specific functions to Executives and other team members through the Delegation of Authority Policy. The Executive Committee meets twice each month to manage delivery of the Strategic Plan and the business plan. All Executives are required to satisfy fitness and propriety requirements annually and sign an Accountability Statement in line with the Financial Accountability Regime.

The CEO leads the Executive Committee, which oversees two management committees: the Assets and Liabilities Committee and the Product and Pricing Committee. Through the People and Culture Committee, the Board evaluates the performance of the CEO and Executives on an annual basis by:

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

The organisation has a Chief Governance Officer and Company Secretary to manage and advise on corporate governance and support Board and Committee operations. This Executive has a direct and independent line of reporting to the Chair, the Board and its Committees.

Risk Management

Risk management is a fundamental part of our corporate governance framework and is an area of increased focus for banks given the complexity of the financial services risk landscape.

With the support and expertise of the Risk Committee, the Board reviews and approves the Risk Management Strategy and core financial and non-financial risk management policies at least annually. The Risk Management Strategy describes The Mutual Bank's strategy for managing risk and the key elements of the RMF that give effect to this strategy.

The RMF includes the systems, culture, strategies, policies, processes, people, and controls used to support the management of The Mutual Bank's material risks. It specifically includes the following components:

- a clear articulation of risk appetite and tolerance levels in our Risk Appetite Statement;
- financial and non-financial material risk policies to manage those risks;
- compliance systems;

- a range of procedures to assist the business to manage risk across our operations;
- scenario analysis and stress testing;
- a fraud management system;
- Internal Capital Adequacy Assessment Process (ICAAP); and
- an Internal Audit Plan.

The Mutual Bank has in place a comprehensive insurance program allowing for risk transfer of specified risks.

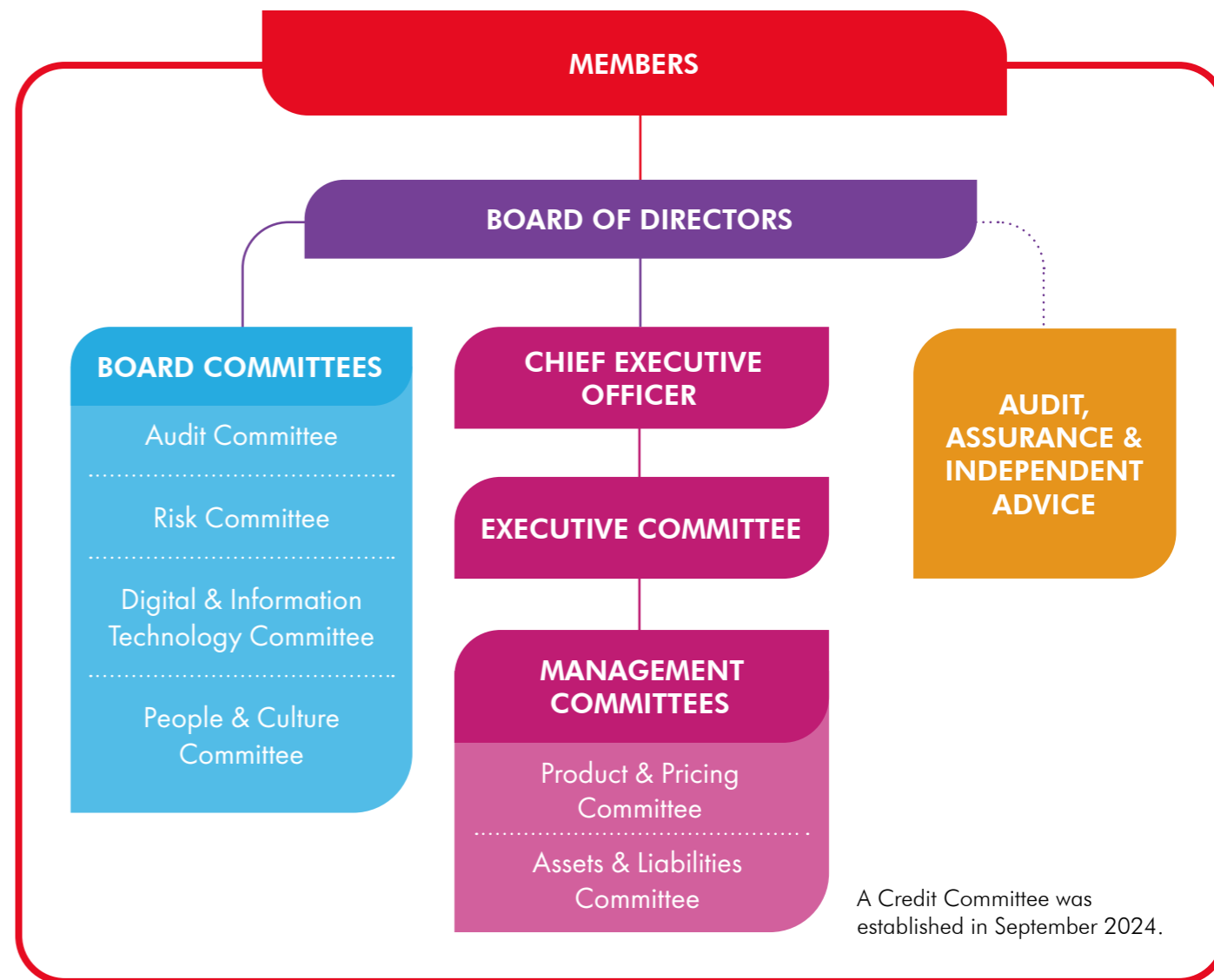
Cyber security remains a high priority for the Board, its Committees and Management, and the bank has a range of strategies in place to manage and minimise cyber risk to keep our Members safe.

Internal Audit

Internal audit is a critical component of the three lines of defence risk

governance model. Its role is to provide independent, risk-based, and objective assurance, advice, insight and foresight to Management and the Board over the Bank's activities and operations. Together with Management and the Audit Committee, the Head of Internal Audit (HIA) develops an annual Internal Audit Plan that provides assurance coverage over regulatory requirements, key risk areas and strategic goals. The HIA reports directly to the Audit Committee through its Chair and has complete access to management required for each internal audit review. The Audit Committee is responsible for the appointment of the HIA and reviews the performance of the HIA annually.

Corporate Governance Framework: The Mutual Bank



Summary Financial Report

Contents	Page
Directors' Report	30
Auditor's Independence Declaration	39
Independent Audit Report	40
Directors' Declaration	41
Summary Statement of Profit or Loss and Other Comprehensive Income	42
Summary Statement of Financial Position	43
Summary Statement of Changes in Equity	44
Summary Statement of Cash Flows	45
Notes to the Financial Statements	46
Discussion and Analysis of the Summary Financial Statements	48

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

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

A copy of Maitland Mutual Group's 2024 full financial statements, including the independent audit report, is available to all members and will be sent to members without charge upon request.



Directors' Report

The Directors of Maitland Mutual Limited (The Mutual Bank) present their report, together with the financial statements of the Group (Maitland Mutual Group), being Maitland Mutual Limited and its controlled entity, for the year ended 30 June 2024.



Directors

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

S. J. Meyn
S. C. Howes
S. R. King
S. P. Martinelli
D. J. Mirisch
M. J. Smith-Coates
(retired 28 February 2024)
A. Pinkowski
(appointed 20 March 2024)

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

Information on Directors



Steven J Meyn (Chair)

Mr. Meyn joined the Board in 2018 and was appointed Chair on 1 May 2022. Mr. Meyn is the Chair of PKF Australia and works within PKF's Business Advisory team. With more than 35 years of experience as an accountant and business adviser, Mr. Meyn has developed specific expertise in the field of business and strategic planning, family business succession and IT consulting. Mr. Meyn also works with clients across needs analysis, business system risk analysis, business analytics, corporate governance and reporting. Mr. Meyn holds a Bachelor of Commerce from the University of Newcastle and is a member of Chartered Accountants Australia & New Zealand (CA ANZ). Mr. Meyn is an Advisory Board Member to a number of businesses and local charity Harry Meyn Foundation Ltd.

Mr. Meyn was Chair of the Digital and Information Technology and People and Culture Committees until February 2024 and continues to be a member of The Mutual Bank's Risk, Audit and People and Culture Committees.

Sharon C Howes

Mrs. Howes joined the Board in 2020 and is Chair of the People and Culture Committee. Mrs. Howes is the Managing Director of Ableson Howes and Associates, a business consultancy specialising in the provision of mergers and acquisitions, human capital and culture change services to the mining services, energy and manufacturing industries. With more than 30 years of experience in management and senior executive roles across the energy and manufacturing sectors as well as management consulting roles, Mrs. Howes specialises in culture change, leadership development, non-financial risk management, and business improvement. Mrs. Howes is Deputy Chair and Chair of the People and Culture Committee of Hunter Health Insurance, and an independent member of the Audit Risk and Improvement Committee at Lake Macquarie City Council. Mrs. Howes holds a Bachelor of Science from the University of Newcastle, a Graduate Diploma of Management from Central Queensland University, is a qualified executive coach, and is a Graduate of the Australian Institute of Company Directors.

Mrs. Howes was Chair of the Risk Committee until March 2024 and continues as a member.



Scott R King

Mr. King joined the Board on 18 May 2023 and became Chair of The Mutual Bank's Digital and Information Technology Committee in February 2024.

Mr. King has more than 25 years of experience in the banking and finance industry, including as CEO and CFO of Qudos Bank, and has extensive experience in finance, risk management, strategy, and technology.

Mr. King has extensive experience as a non-executive director, and currently sits on the boards of the National Affordable Housing Consortium Board and the Royal Australian College of General Practitioners. Mr. King holds a Bachelor of Economics from Macquarie University, is a Chartered Accountant and is a Member of the Australian Institute of Company Directors and Chartered Accountants Australia & New Zealand.

Stephen P Martinelli

Mr. Martinelli joined the Board on 18 May 2023 and is a member of The Mutual Bank's Risk Committee, becoming Chair in March 2024. Mr. Martinelli also joined the Audit Committee in February 2024.

A senior banking, finance and asset management executive, Mr. Martinelli has more than 40 years of experience with leading financial institutions, including as CEO of a member-owned mutual bank. Mr. Martinelli has specialist expertise in consumer lending, commercial lending, distribution, strategy and operations.

An experienced non-executive director, Mr. Martinelli now advises start-ups and established businesses on strategy, risk management, business transformation and cultural change.

Mr. Martinelli holds a Master of Business, is a Graduate of the Australian Institute of Company Directors and is a Fellow of FINSIA. He has also served as a representative on the Mortgage & Finance Association of Australia's National Lending and Broking Committees.

Debbie J Mirisch

Mrs. Mirisch joined the Board in 2020 and is Chair of The Mutual Bank's Audit Committee.

Mrs. Mirisch is a Director of Beam Bookkeeping, a local bookkeeping firm that provides management accounting, bookkeeping, BAS Agent, and CFO/Finance Team services. With more than 25 years of experience as an accountant, Mrs. Mirisch is experienced in cloud-based technology delivery, yet places a high importance on good old-fashioned communication and relationships.

Mrs. Mirisch holds a Bachelor of Commerce from the University of Newcastle, is a Registered BAS Agent, a member of the Institute of Certified Bookkeepers and the Maitland Business Chamber. Mrs. Mirisch served three years as a Director and Honorary Secretary of local not-for-profit NDIS registered provider, The Mai-Wel Group, retiring from this position on 30 June 2021. Mrs. Mirisch is also a past Treasurer of the Maitland Black & White Committee, which raised significant funds for the vision impaired of the Hunter Region in partnership with Vision Australia.

Mrs. Mirisch is also a member of The Mutual Bank's Digital and Information Technology and People and Culture Committees.

Directors Report - Continued



Melinda J Smith-Coates

Mrs. Smith-Coates joined the Board in 2014 and retired on 28 February 2024 after serving the maximum 10-year term.

After working as a journalist, news presenter and radio broadcaster, Mrs. Smith-Coates moved into executive management roles in corporate and public affairs before establishing her own public relations and strategic communication consultancy. She holds a Master of Business (Distinction) graduating from the University of Newcastle and is a member of the Public Relations Institute of Australia. She is a founding and life member, and Patron, of Mentor Support Network and has been an active committee member and supporter of several charity and community organisations.

At various times until her retirement from the Board, Mrs. Smith-Coates was a member of the People and Culture, Audit and Risk Committees.

Andre Pinkowski

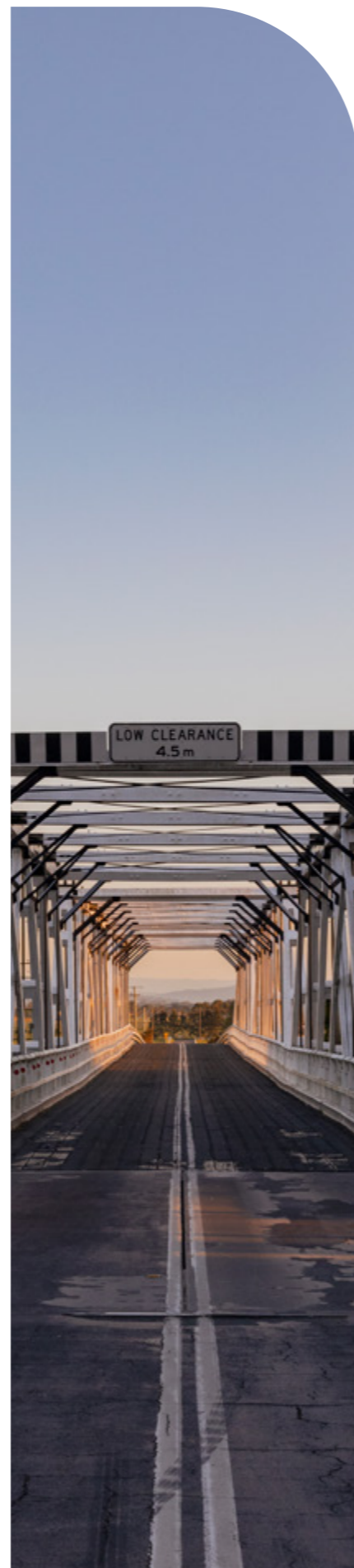
Mr. Pinkowski joined The Mutual Bank's Board of Directors on 20 March 2024.

An experienced founder, CEO and digitally native company Director, Mr. Pinkowski's career has spanned enterprise software-as-a-service, IT consultancy, web, mobile, and digital entertainment.

Mr. Pinkowski brings a dynamic new energy to the Board as an inspiring entrepreneurial leader and strategist, having founded, scaled, and sold several high growth companies, leveraging various forms of venture funding.

Mr. Pinkowski is also passionate about the community and is a Committee Member of the HMRI Foundation and non-executive Director at Hunter Angels.

Mr. Pinkowski is a graduate of the Australian Institute of Company Directors and is a member of The Mutual Bank's Digital and Information Technology Committee.



Company Secretary

Ms. Merran Magill. BBus, LLB, Grad Dip Applied Corporate Governance (appointed 17 March 2022). Ms. Magill is the Chief Governance Officer and Company Secretary of The Mutual Bank. Ms. Magill joined The Mutual Bank on 24 January 2022 and has 20 years of experience in private and in-house legal practice and corporate governance.

Principal Activities

The principal activities of Maitland Mutual Group involved the provision of financial services to members in the form of retail lending and deposit products.

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

Meetings of Directors

The number of meetings of The Mutual Bank's Board of Directors and of each Board Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Meetings of Directors		Audit		People & Culture	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Steven J Meyn	11	11	4	4	4	4
Sharon C Howes	11	10	-	-	4	4
Scott R King	11	11	-	-	-	-
Stephen P Martinelli	11	11	1	1	-	-
Debbie J Mirisch	11	10	4	4	4	4
Melinda J Smith-Coates (retired 28 February 2024)	7	7	3	3	2	2
Andre Pinkowski (appointed 20 March 2024)	4	4	-	-	-	-

	Digital & Information Technology		Risk	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Steven J Meyn	3	3	5	5
Sharon C Howes	-	-	5	5
Scott R King	4	4	-	-
Stephen P Martinelli	-	-	5	5
Debbie J Mirisch	4	4	-	-
Melinda J Smith-Coates (retired 28 February 2024)	-	-	2	2
Andre Pinkowski (appointed 20 March 2024)	1	1	-	-

There was a further joint meeting between the Audit and Risk Committees held during the year where Mrs. Mirisch (Co-Chair), Mr. Martinelli (Co-Chair), Mr. Meyn (Member Risk and Audit Committee), and Mrs. Howes (Member Risk Committee) were in attendance.

Directors Report - Continued

Member Liability

The Mutual Bank is a company limited by shares and guarantee. The Mutual Bank has not issued shares. The guarantee is provided by members of The Mutual Bank aged 18 years or older who became members after 24

October 2000 and is limited to \$5 per member. The total amount that members of The Mutual Bank are liable to contribute if The Mutual Bank is wound up is \$109,295.

Review of Operations

At the beginning of the financial year, the Board and the Executive

Team of The Mutual Bank determined several key financial objectives. These objectives focused on sustainable growth and making a range of investments that would continue to strengthen The Mutual Bank's long-term business resilience for the benefit of Members.

These key financial objectives, and the results achieved, are as follows:

Financial Objective	Result
Target a sustainable level of growth that balances: <ol style="list-style-type: none"> 1 growth in loans outstanding; 2 strengthening net interest margin; and 3 continuing to strengthen capital adequacy (a key measure of financial strength). 	The Mutual Bank achieved its objective of sustainable growth evidenced by the following key metrics: <ol style="list-style-type: none"> 1 growth in total loans outstanding of 4.7% was in line with overall system growth of 4.7%; 2 net interest margin maintained at above 2.4%; and 3 capital adequacy increased from 15.4% to 16.4%.
Ensure the balance sheet is sufficiently buttressed for future economic shocks given an uncertain macroeconomic environment characterised by rising interest rates and rising cost of living.	To buttress the balance sheet against the potential risk of the current uncertain economic environment, The Mutual Bank reviewed its approach to determine the provision for expected credit losses. Given the macroeconomic environment, the provision was increased from \$300k at 30 June 2023 to \$902k at 30 June 2024.
Make the requisite investments to uplift long-term business resilience and sustainability for the benefit of our Members.	The Mutual Bank made a range of material investments, many of which resulted in a series of non-recurring costs. Significant investments for the benefit of our Members and long-term business resilience were made in the following areas: <ol style="list-style-type: none"> 1 implementing a Digital Loan Origination Platform that allows our Members to apply for a home loan and personal loan online; 2 continued strengthening of information and cyber security with the aim of protecting Members considering the ever-evolving threat landscape; 3 developing a Digital and Technology Strategy and roadmap of initiatives that will support our business strategy and deliver a range of enhancements for Members; 4 continued strengthening of our approach to product management and governance; 5 continued strengthening of our approach to enterprise risk management, including enhancing our approach to managing interest rate risk, strengthening our approach to operational risk management and implementing requirements of new Prudential Standards; 6 reviewing our lending processes and developing a roadmap to enhance the Member experience; and 7 continuing to strengthen our funding profile by establishing a Medium-Term Note program that has allowed The Mutual Bank to secure long-term funding and further diversify our funding sources.



To achieve its financial objectives in the 2023/24 year, while simultaneously strengthening the balance sheet, the Board and Executive Team targeted a lower level of profitability compared to the 2022/23 year, which facilitated those objectives being achieved in the best long-term interest of Members.

Taking into account the financial objectives described above, Maitland Mutual Group's profit from ordinary activities after providing for income tax was \$2.4 million (2023: \$5.8 million).

Total assets increased by 4.0% to \$1.1 billion for the year to 30 June 2024 with total loans outstanding increasing from \$856.4 million at 30 June 2023 to \$896.4 million at 30 June 2024 (growth of 4.7% which is in line with broader home loan system credit growth). New loan funding for the year totalled \$230 million.

Total deposits increased from \$967.9 million at 30 June 2023 to \$1.013 billion at 30 June 2024. The growth in deposits of 4.7% is also in line with the broader deposit aggregate growth experienced by all ADIs over the past year.

The Mutual Bank continues to operate a Trust, which holds the rights to a portfolio of secured

loans to enable The Mutual Bank to secure funds from the Reserve Bank of Australia, if required, to meet short- and medium-term liquidity requirements.

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

Short and Long Term Objectives

Maitland Mutual Group has established short- and long-term objectives as outlined in its business plan which is reviewed on an annual basis. These objectives are both financial and non-financial and are aimed towards providing exceptional financial security, value and service to its members. These objectives are measured through both financial and non-financial key performance indicators that have been determined relevant to the industry.

Significant Changes in State of Affairs

No significant changes in Maitland Mutual Group's financial situation occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly

affect, the operations of Maitland Mutual Group, the results of those operations, or the state of affairs of Maitland Mutual Group in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 39.

Future Developments

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

Indemnification of Officers

The Mutual Bank's Constitution provides that it may indemnify, unless and to the extent prohibited by statute, each Officer of Maitland Mutual Group against liabilities incurred by such a person in that capacity (including legal costs incurred in defending any proceedings).

The Mutual Bank has entered into deeds providing for indemnity, insurance and access to documents

Directors Report - Continued

for each Director and Company Secretary who served during the year ended 30 June 2024. The deeds require The Mutual Bank to indemnify, to the extent permitted by law, the Directors and Company Secretaries from and against all liabilities (including costs, charges, losses, damages, expenses, penalties and liabilities of any kind) incurred in their capacity as an Officer of The Mutual Bank.

Insurance of Officers

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

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors or Officers of The Mutual Bank, and any other payments arising from liabilities incurred by the Directors or Officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the Directors or Officers

or the improper use by the Directors or Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to The Mutual Bank. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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

Environmental Issues

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

Proceedings on behalf of The Mutual Bank

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

No proceedings have been brought

or intervened in on behalf of The Mutual Bank with leave of the Court under section 237 of the Corporations Act 2001.

Rounding of Amounts

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

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



Steven J Meyn



Debbie J Mirisch

26 September 2024

Auditor's Independence Declaration

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

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

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE
19 September 2024

SYDNEY

Level 11, Suite 1102, 20 Berry Street,
North Sydney, NSW, 2059

BRISBANE

Suite 5, 36 Agnes Street,
Fortitude Valley, QLD, 4006

NEWCASTLE

Level 3, 130 Parry Street,
Newcastle West, NSW, 2302

CONTACT

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EMAIL cnmail@cutcher.com.au

Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Limited ABN 37 126 556 330

Independent Audit Report to the Members of Maitland Mutual Limited and controlled entity

Report on the Audit of the Financial Report

Opinion

The summary financial statements of Maitland Mutual Limited and controlled entity (Maitland Mutual Group), which comprise the summary statement of financial position as at 30 June 2024, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity, the summary statement of cash flows, notes to the summary financial statements, discussion and analysis of the summary financial statements, and the Directors' declaration, are derived from the audited financial statements of the Maitland Mutual Group for the year ended 30 June 2024 as set out on pages 41 to 49.

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

Summary Financial Statements

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

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit report on the audited financial report in our report dated 27 September 2024.

Directors' Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE
27 September 2024

Directors' Declaration

In the Directors' opinion, the summary financial statements of Maitland Mutual Group for the financial year ended 30 June 2024, as set out on pages 42 to 49:

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

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



Steven J Meyn



Debbie J Mirisch

Dated 26 September 2024

Summary Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

	Note	Parent Entity		Consolidated Entity	
		2024 \$'000s	2023 \$'000s	2024 \$'000s	2023 \$'000s
Interest revenue	2	68,299	50,257	58,062	42,516
Interest expense	2	(42,730)	(24,211)	(32,429)	(16,406)
Net interest income		25,569	26,046	25,633	26,110
Fees and commission income	3	1,674	1,829	1,674	1,829
Fees and commission expense	4	(1,900)	(1,605)	(1,909)	(1,614)
Net fees and commission income / (expense)		(226)	224	(235)	215
Other operating income	3	185	645	185	645
Loss on disposal of property, plant and equipment		-	(16)	-	(16)
Impairment expense on loans and advances		(602)	(4)	(602)	(4)
Employee benefits expense		(12,300)	(10,853)	(12,300)	(10,853)
Depreciation and amortisation expense		(2,525)	(2,417)	(2,525)	(2,417)
Marketing expenses		(635)	(538)	(635)	(538)
Information technology expense		(1,370)	(976)	(1,370)	(976)
Other expenses		(4,483)	(4,189)	(4,538)	(4,244)
Interest expense on lease liabilities		(218)	(218)	(218)	(218)
Profit before income tax		3,395	7,704	3,395	7,704
Income tax expense		(1,018)	(1,941)	(1,018)	(1,941)
Profit attributable to members		2,377	5,763	2,377	5,763
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		2,377	5,763	2,377	5,763

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

Summary Statement of Financial Position As at 30 June 2024

	Parent Entity		Consolidated Entity	
	2024 \$'000s	2023 \$'000s	2024 \$'000s	2023 \$'000s
ASSETS				
Cash and cash equivalents	111,786	94,116	124,110	114,783
Loans and advances to members	896,386	856,398	896,386	856,398
Other receivables	3,082	2,648	1,969	1,569
Financial assets	266,132	272,894	63,632	70,394
Current tax assets	626	-	626	-
Intangible assets	826	965	826	965
Property, plant and equipment	25,224	25,964	25,224	25,964
Right of use assets	4,041	3,983	4,041	3,983
Net deferred tax assets	276	-	276	-
TOTAL ASSETS	1,308,379	1,256,968	1,117,090	1,074,056
LIABILITIES				
Deposits from other financial institutions	77,501	69,330	77,501	69,330
Deposits due to members	935,753	898,536	935,753	898,536
Other borrowed funds	217,779	214,475	26,490	31,560
Payables and other accruals	1,854	933	1,854	936
Current tax liabilities	-	182	-	182
Provisions	1,423	1,890	1,423	1,890
Net deferred tax liabilities	-	28	-	28
Lease liabilities	4,493	4,395	4,493	4,395
TOTAL LIABILITIES	1,238,803	1,189,769	1,047,514	1,006,857
NET ASSETS	69,576	67,199	69,576	67,199
EQUITY				
Retained earnings	64,848	62,471	64,848	62,471
Contributed equity	4,728	4,728	4,728	4,728
TOTAL EQUITY	69,576	67,199	69,576	67,199

Summary Statement of Changes in Equity For the Year Ended 30 June 2024

	Parent Entity		
	Retained Earnings \$'000s	Contributed Equity \$'000s	Total \$'000s
Opening balance 1 July 2023	62,471	4,728	67,199
Profit attributable to members	2,377	-	2,377
Balance at 30 June 2024	64,848	4,728	69,576
Opening balance 1 July 2022	56,708	4,728	61,436
Profit attributable to members	5,763	-	5,763
Balance at 30 June 2023	62,471	4,728	67,199

	Consolidated Entity		
	Retained Earnings \$'000s	Contributed Equity \$'000s	Total \$'000s
Opening balance 1 July 2023	62,471	4,728	67,199
Profit attributable to members	2,377	-	2,377
Balance at 30 June 2024	64,848	4,728	69,576
Opening balance 1 July 2022	56,708	4,728	61,436
Profit attributable to members	5,763	-	5,763
Balance at 30 June 2023	62,471	4,728	67,199

Summary Statement of Cash Flows For the Year Ended 30 June 2024

	Parent Entity		Consolidated Entity	
	2024 \$'000s	2023 \$'000s	2024 \$'000s	2023 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest received	68,226	49,639	58,080	41,423
Fees and commissions received	1,674	1,829	1,674	1,829
Other cash receipts in the course of operations	147	655	147	833
Interest paid	(42,748)	(24,628)	(32,506)	(16,406)
Fees and commissions paid	(1,900)	(1,605)	(1,909)	(1,614)
Payments to suppliers and employees	(20,177)	(16,595)	(20,232)	(17,224)
Income taxes paid	(2,130)	(1,848)	(2,130)	(1,848)
Net increase in loans and advances to members	(39,994)	(111,809)	(39,994)	(111,769)
Net increase in deposits due to members / financial institutions	46,329	60,830	46,329	61,672
Net cash provided by / (used in) operating activities	9,427	(43,532)	9,459	(43,104)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of property, plant and equipment	20	35	20	35
Payments for intangible assets	(455)	(515)	(455)	(515)
Payments for property, plant and equipment	(566)	(1,097)	(566)	(1,097)
Net movement in financial assets	6,762	(5,426)	6,762	(5,426)
Net cash provided by / (used in) investing activities	5,761	(7,003)	5,761	(7,003)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net movement in other borrowed funds	3,305	(4,517)	(5,070)	(2,821)
Repayment of leases	(823)	(675)	(823)	(675)
Net cash provided by / (used in) in financing activities	2,482	(5,192)	(5,893)	(3,496)
Net increase / (decrease) in cash and cash equivalents held	17,670	(55,727)	9,327	(53,603)
Cash and cash equivalents at beginning of year	94,116	149,843	114,783	168,386
Cash and cash equivalents at end of financial year	111,786	94,116	124,110	114,783

Notes to the Summary Financial Statements

For the Year Ended 30 June 2024

1 Accounting policies

The summary financial statements have been prepared from the audited financial report of Maitland Mutual Limited and controlled entity (Maitland Mutual Group) for the year ended 30 June 2024. The audited report for the year ended 30 June 2024 is available on request from Maitland Mutual Group free of charge.

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

The presentation currency used in the financial report is Australian dollars. Maitland Mutual Group has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly amounts in this concise financial report have been rounded to the nearest \$1,000.

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

2 Net interest income

	Parent Entity		Consolidated Entity	
	2024 \$'000s	2023 \$'000s	2024 \$'000s	2023 \$'000s
Interest revenue				
Cash and cash equivalents	4,285	3,572	4,880	4,113
Loans and advances to members	49,712	35,973	49,712	35,973
Financial assets	14,302	10,712	3,470	2,430
	68,299	50,257	58,062	42,516
Interest expense				
Deposits from other financial institutions	4,319	2,330	4,319	2,330
Deposits due to members	27,639	13,774	27,639	13,774
Other borrowed funds	10,772	8,107	471	302
	42,730	24,211	32,429	16,406
Net interest income	25,569	26,046	25,633	26,110

Notes to the Summary Financial Statements

For the Year Ended 30 June 2024

3 Non-interest revenue

	Parent Entity		Consolidated Entity	
	2024 \$'000s	2023 \$'000s	2024 \$'000s	2023 \$'000s
Fees and commission income				
Management fees	1,191	1,426	1,191	1,426
Transaction fees	180	159	180	159
ATM fees	236	183	236	183
Commissions	67	61	67	61
	1,674	1,829	1,674	1,829
Other operating income				
Rental income	159	111	159	111
Other income	26	534	26	534
	185	645	185	645

4 Non-interest expense

Fees and commission expense				
Brokerage and trailing fees paid	244	216	244	216
Settlement transaction fees	1,656	1,389	1,665	1,398
	1,900	1,605	1,909	1,614

Notes to the Summary Financial Statements

For the Year Ended 30 June 2024

5 Discussion and Analysis of the Summary Financial Statements

Information on Maitland Mutual Limited and controlled entity Financial Statements

The financial statements and disclosures in the summary financial statements have been derived from the 2024 financial statements of Maitland Mutual Group.

This discussion and analysis is provided to assist members in understanding the summary financial statements. The discussion and analysis is based on the Maitland Mutual Group's financial statements.

Comparative information has been reclassified where appropriate to enhance comparability. Please refer to the full set of financial statements for further information.

Summary Statement of Profit or Loss and Other Comprehensive Income

Total interest income increased by **\$15.5 million to \$58.1 million**, representing an increase of **36.6%**. The increase was due to the 4.7% growth in the balance of loans and advances to members, as well as higher average returns on lending assets during the financial year. Average returns on lending assets increased due to the full year impact of official cash rate increases in the prior year, as well as low fixed rate loans that matured and transitioned to current market rates. The Mutual Bank sought to provide competitive offers to support Members in this transition and is pleased to report very high retention rates.

Total interest expense increased by **\$16.0 million to \$32.4 million**, representing an increase of **97.7%**. Members benefited from an increase in average deposit rates, caused by market competition for retail funding and the flow through of prior year movements in the official cash rate to maturing fixed term deposits.

Impairment losses on loans and advances includes an increase in the provision for expected credit loss **\$0.6 million**. Maitland Mutual Group took a prudent decision to increase the provision during the year to mitigate potential credit losses that may arise due to future economic uncertainty.

Other operating income decreased by **\$0.5 million**, primarily reflecting receipt of a transition support payment in the previous financial year as The Mutual Bank moved to an alternative payments' provider.

Employee benefits expenses increased during the year due to incremental wage increases from annual reviews and industrial awards as well as an increase in staff numbers as The Mutual Bank continues to strengthen its organisational capability.

The net profit after tax of **\$2.4 million** is lower compared to the prior year reflecting a range of non-recurring costs to uplift long-term business resilience and capabilities in the best interests of Members. Refer to **pages 36-37** for further explanation.

Summary Statement of Financial Position

Total assets of Maitland Mutual Group increased by **4.0% to \$1.1 billion** primarily due to a **4.7%** increase in total loans outstanding. Total liabilities increased by **4.0% to \$1.0 billion** and reflects increases in the balances of deposits due to members, and additional funding sourced in the wholesale market through the establishment of a Medium-Term Note program that provides further funding diversity and tenor.

The provision for expected credit losses increased by **\$0.6 million to \$0.9 million**, representing **0.10%** of gross loans and advances.

Summary Statement of Changes in Equity

Total equity for the Maitland Mutual Group increased by **\$2.4 million to \$69.6 million**. The increase in total equity was due to Maitland Mutual Group's net profit for the year. As a result of the increase in total equity, and the prioritisation of sustainable growth in lending and deposits, capital adequacy increased to **16.4%** at 30 June 2024, a level well above minimum prudential requirements.

Summary Statement of Cash Flows

The summary statement of cash flows shows that there has been an increase in cash during the year of **\$9.3 million**, primarily resulting from deposit growth of **\$46.3m** exceeding growth in total loans outstanding of **\$40.0m**.

M The
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