

Maitland Mutual Limited and controlled entity

ABN 94 087 651 983

Summary Financial Statements

For the Year Ended 30 June 2024

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.

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Directors' Report

30 June 2024

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

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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

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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.

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

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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 and 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 and 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) and Mr. Martinelli (Co-Chair), Mr. Meyn (Member Risk and Audit Committee), and Mrs. Howes (Member Risk Committee) were in attendance.

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.

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30 June 2024

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:

Objective	Result
<p>Target a sustainable level of growth that balances:</p> <ul style="list-style-type: none">(i) growth in loans outstanding;(ii) strengthening net interest margin; and(iii) 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> <ul style="list-style-type: none">(i) growth in total loans outstanding of 4.7% was in line with overall system growth of 4.7%;(ii) net interest margin was maintained above 2.4% for the year ended 30 June 2024; and(iii) capital adequacy increased from 15.4% at 30 June 2023 to 16.4% at 30 June 2024.
<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 determined that it would increase the expected credit loss provision 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>During the year ended 30 June 2024, The Mutual Bank made a range of 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> <ul style="list-style-type: none">(i) implementation of a Digital Loan Origination Platform that allows our Members to apply for a home loan and personal loan online;(ii) continued strengthening of information and cyber security capabilities considering the ever-evolving threat landscape;(iii) development of a Digital and Technology Strategy and roadmap that will support The Mutual Bank's Business Strategy and deliver a range of enhancements for Members;(iv) continued strengthening of our approach to product management and governance;(v) continued strengthening of our approach to enterprise risk

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Objective	Result
	management, including enhancing our approach to the management of interest rate risk, strengthening our approach to operational risk management and implementing requirements of new Prudential Standards; (vi) a review of our lending processes that has provided a roadmap for continuing enhancements so that we can continue to make them as seamless and frictionless as possible for our Members; (vii) continued strengthening our funding profile through the establishment of a Medium-Term Note program that has allowed The Mutual Bank to secure long-term funding.

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 totaled **\$230 million**.

Total deposits due to members (both retail deposits and wholesale deposits) increased from **\$898.5 million** at 30 June 2023 to **\$935.8 million** at 30 June 2024. Growth in retail deposits was **5.0%** compared to broader financial system growth of **4.1%**.

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.

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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 9.

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 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

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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:

Director:
Steven J Meyn

Director:
Debbie J Mirisch

26 September 2024

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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

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Maitland Mutual Limited and controlled entity

ABN 94 087 651 983

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 12 to 18.

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

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SYDNEY

Level 11, Suite 1102, 20 Berry Street,
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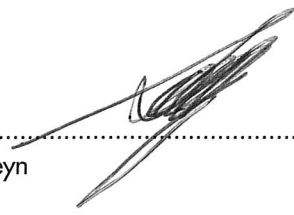
Directors' Declaration

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 12 to 18:

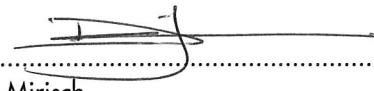
- (a) comply with Accounting policies as described in Note 1; and
- (b) have been derived from and are consistent with the full financial statements of Maitland Mutual Group.

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

Director
Steven J Meyn



Director
Debbie J Mirisch



Dated 26 September 2024

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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.

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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

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Summary Statement of Changes in Equity

For the Year Ended 30 June 2024

	Parent Entity		
	Retained Earnings	Contributed Equity	Total
	\$'000s	\$'000s	\$'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	Contributed Equity	Total
	\$'000s	\$'000s	\$'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

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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

Maitland Mutual Limited and controlled entity

ABN 94 087 651 983

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	2023	2024	2023
	\$'000s	\$'000s	\$'000s	\$'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
	<hr/>	<hr/>	<hr/>	<hr/>
	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
	<hr/>	<hr/>	<hr/>	<hr/>
	42,730	24,211	32,429	16,406
Net interest income	<hr/>	<hr/>	<hr/>	<hr/>
	25,569	26,046	25,633	26,110

Maitland Mutual Limited and controlled entity

ABN 94 087 651 983

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

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.

Maitland Mutual Limited and controlled entity

ABN 94 087 651 983

Notes to the Summary Financial Statements

For the Year Ended 30 June 2024

5 Discussion and Analysis of the Summary Financial Statements (continued)

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 5-7** 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**.