

Police & Nurses Limited

# ANNUAL REPORT 2025





# Acknowledgement of Country

P&N Group respectfully acknowledges the Traditional Custodians of the lands on which we operate and pays respect to elders past and present.

Our registered office is located on the lands of the Whadjuk people of the Noongar nation in Perth, Western Australia.



## Directory

### Directors

Gary Humphreys (Chair)  
Julie Elliott (retired  
24 October 2024)  
Andrew Hadley  
Trevor Hunt  
Louise Clarke  
Monish Paul  
Kellie Properjohn

### Chief Executive Officer

Andrew Hadley

### Company Secretary

David Fehlberg

### Registered Office

Police & Nurses Limited  
ABN 69 087 651 876  
Level 6  
556 Wellington Street  
Perth 6000  
Western Australia  
Telephone: 13 25 77  
[www.pnbank.com.au](http://www.pnbank.com.au)

### External Auditors

Grant Thornton Audit Pty Ltd  
Grosvenor Place  
Level 26/255 George Street  
Sydney, NSW 2000

### Internal Auditors

Ernst & Young Australia  
9 The Esplanade  
Perth 6000  
Western Australia

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This financial report covers both the separate financial statements of Police & Nurses Limited as an individual entity and holder of the ADI licence (Bank) and the consolidated financial statements for the consolidated entity consisting of Police & Nurses Limited and its subsidiaries (Group). The financial report presentation and functional currency is Australian dollars.

Police & Nurses Limited is a company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Report of the Directors on pages 30 to 34.

The financial report was authorised for issue by the Directors on 26 August 2025. The Directors have the power to amend and reissue the financial report.

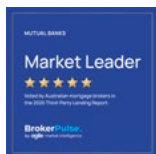
#### Glossary of abbreviations and defined terms

ADI	Authorised Deposit-taking Institution
Bank, Company or PNL	Police & Nurses Limited ABN 69 087 651 876 as an individual entity and holder of the ADI licence
BCU	the division of the Bank carried on under the trading name 'BCU Bank'
Group	the Company and its subsidiaries
P&N	the division of the Bank carried on under the trading name 'P&N Bank'

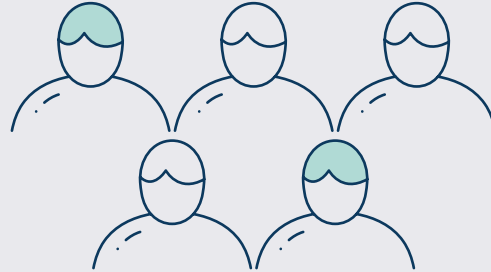


# Our highlights

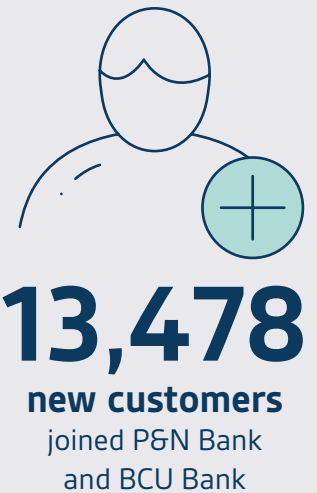
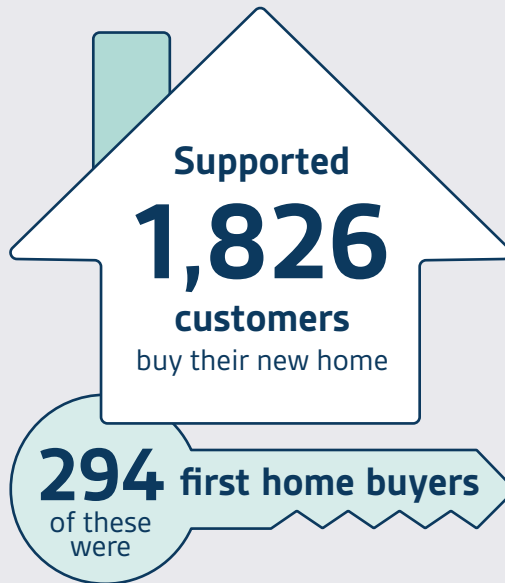
## Our awards



## Our customers



**201,863**  
customers



**930+**

**Business Banking  
customers**

with approximately \$473m in  
loans and \$202m in deposits



**Total number of  
digital banking  
transactions**

**11.7**  
**million**

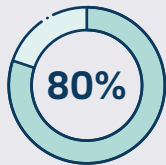
10.5% year-on-year growth

**Our vision is to be Australia's leading customer-owned banking Group.**  
**Our purpose is to enrich the lives of our customers and their communities.**

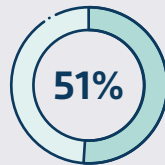
### Our people



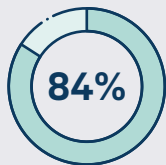
**~600**  
employees



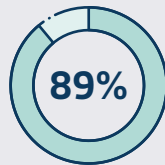
**80%**  
employee  
engagement



**51%**  
women in  
leadership



of employees feel supported to  
**balance work and  
personal life**



of employees  
**feel like they  
belong at work**

### Our social impact



**700+**  
hours spent  
volunteering in  
the community



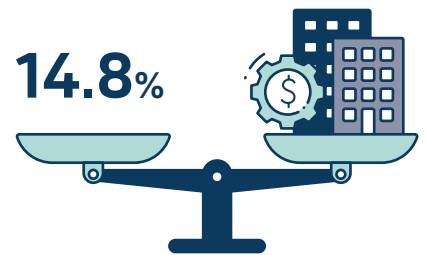
**More than 100**  
community groups, charities  
and individuals  
received over

**\$550,000**  
through community partnerships,  
grants, donations and in-kind support

### Our financial results

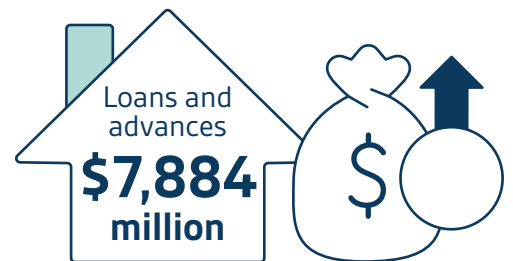
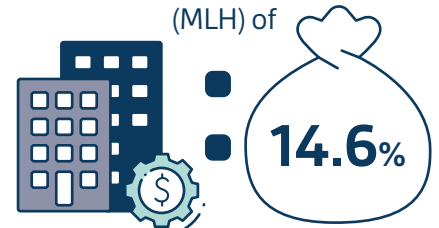
Stable capital with a regulatory  
capital ratio of

**14.8%**



Strong liquidity with a  
regulatory liquidity ratio  
(MLH) of

**14.6%**



“

We have prioritised strategic investments and service excellence innovations that aim to deliver more convenient, accessible, and personalised products, services, and communication channels.

”





# Message from the Chair and CEO

BY GARY HUMPHREYS, CHAIR AND ANDREW HADLEY, MANAGING DIRECTOR AND CEO

**In a challenging economic environment, our Group has remained focused on delivering the support, services, and value our customers need most, while also making important progress towards becoming a more sustainable organisation.**

Now representing more than 200,000 P&N Bank and BCU Bank customers across three states, 2025 saw P&N Group remain focused on delivering trusted, customer-owned banking with fair pricing, exceptional service, and smart offerings to help more Australians get ahead.

We have prioritised strategic investments and service excellence innovations that aim to deliver more convenient, accessible, and personalised products, services, and communication channels. By continuing to advance our technology and processes, we're strengthening customer relationships and ensuring a consistent experience – no matter how or where our customers choose to bank with us.



## **Our financial performance**

With inflation, cost-of-living, and interest rates remaining elevated for much of the year, P&N Group navigated the challenging environment delivering solid financial performance outcomes that protect long-term member value, resilience, and sustainability.

We ended the year with net profit after tax of \$28.2m, up 17% on last year, following strong balance sheet growth, prudent net interest margin management, and cost management discipline, as well as our ongoing investment to deliver improved outcomes for customers, advance our strategic priorities, and support future business performance.

Delivering above market growth in loans and deposits, up 7% and 11% respectively, it was pleasing to see our products, customer value propositions, and service offerings continue to attract an increased share of the market in both retail and business banking segments.

Our all-important capital measures remained broadly stable, with our total regulatory capital ratio ending the year at 14.8%.

The Group's loan impairment provisions levels remained relatively consistent with the prior year at 0.08% of gross loans and advances, reflecting our strong credit practices and diligence in helping our customers navigate their way through the difficult environment.



## Consolidation of customer-owned banks

Our Group remains in a strong and secure position, with growth continuing to be a key strategic priority.

We are committed to building the right capabilities, investing in skilled and experienced people, along with the technology, security, fraud prevention, and compliance measures needed to protect and serve our customers. In this highly competitive market, delivering above-and-beyond customer experiences means continuing to expand, both through organic growth and inorganic strategic mergers.

It's no surprise consolidation across the customer-owned banking sector has continued. This year has seen the successful mergers of customer-owned Bank Australia and Qudos Bank, and Unity Bank and G&C Mutual Bank, with several more merger propositions in train.

Given the critical investments required in digital banking, cyber security, technology, and regulation, a merger with a like-minded customer-owned bank would create a stronger and more resilient bank to benefit our customers and our people, and help ensure we remain competitive and sustainable.

While we do not have any specific updates we can provide at the time of publishing this report, we have remained committed to exploring merger opportunities and want to reassure our members that our Board will only recommend a merger if they believe it to be in the best interests of members. Members would be provided with information and communication leading up to a final member vote that would ultimately determine the outcome of a merger proposal.

As always, we look forward to keeping our members informed as updates and developments unfold.

## Improvements to our services and security

As customer expectations evolve alongside the ever-changing technology landscape, we must provide exceptional customer experiences and high-quality products and services to remain a trusted banking provider for our customers. Further in this report, we outline some of the improvements we have made to help make our customers' lives easier.

We strengthened our cyber maturity and resilience by investing in technology, data, and artificial intelligence (AI). With AI fast becoming a driver of efficiency, risk management and customer experience across the banking sector, we are embracing it with a clear strategy, robust risk frameworks, and strong governance. Our aim is to apply AI responsibly to create meaningful value for our people, customers, and organisation going forward.

Throughout the year we delivered enhancements to our fraud and scam frameworks in alignment with, and beyond the scope of, the Scam-Safe Accord, including comprehensive training and awareness programs to ensure our people have the necessary skills to identify and prevent fraud and scams. The launch of Confirmation of Payee, which is expected at the end of 2025, should further support efforts to reduce risks for customers.

With new CPS230 regulatory standards in place as of 1 July 2025, our Group developed a robust framework of policies, comprehensive training, and readiness and recovery plans to ensure we are well-positioned to mitigate and recover from disruptions, such as cyber-attacks, outages which could impact our customers or business, or environmental events including fire or flood.

## Our commitment to social impact responsibility

Our Environmental, Social, and Governance (ESG) Strategy continued to be embedded across our organisation throughout the year.

We know climate change is one of the most significant challenges of our time. Our ongoing focus on sustainability saw us progress several initiatives through our Climate Action Plan, aimed at reducing the impact of our operations on the environment. Pleasingly, we recently submitted our Climate Active Carbon Neutral Certification application for FY24 emissions.



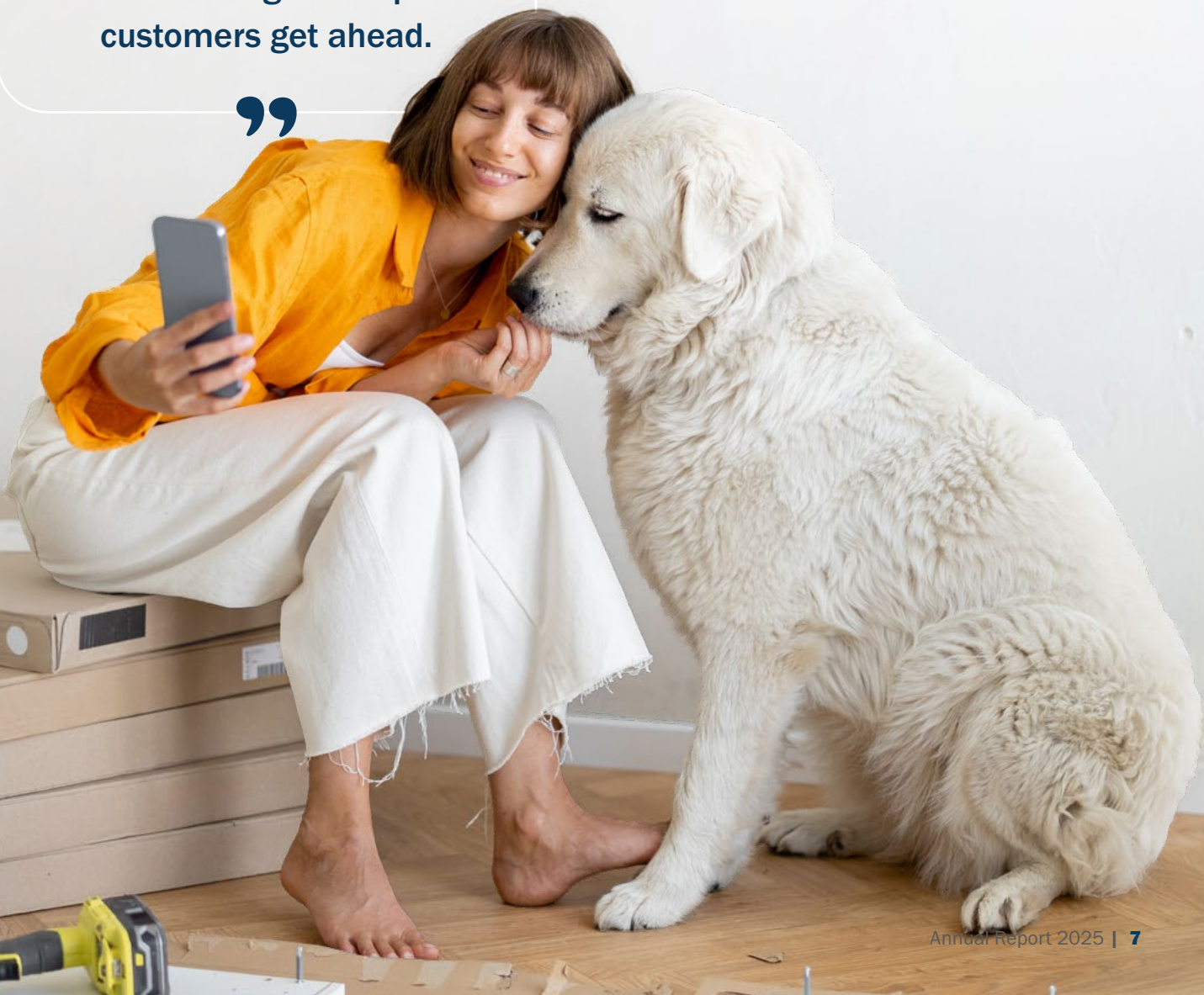
As part of our commitment to belonging and inclusion as a contemporary Australian organisation, we continued to deepen our understanding and support for the LGBTQIA+ community and advocate for gender equity and reconciliation. Through these focus areas, we continue to champion greater respect, understanding, and meaningful action towards a more inclusive, equitable and sustainable society.

The year saw us finalise our Reconciliation Action Plan (RAP) Reflect, which helped to educate our people and support our communities thanks to our valued partners.

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**We remain focused on delivering trusted, customer-owned banking with fair pricing, exceptional service, and smart offerings to help our customers get ahead.**

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## With thanks

As we close out another year, we're proud of the strong performance and strategic direction of our Group.

Throughout the year, our committed Directors, passionate leaders, and dedicated employees have continued to serve our customers with focus, energy, and a forward-thinking mindset. We offer our thanks to our Directors, leaders, and people for their continued drive to strengthen our customer offering and sharpen our position in the market.

And most importantly – to you, our customers – thank you for your trust. We remain firmly committed to supporting your financial wellbeing and making a meaningful difference in your lives.

**Gary Humphreys**  
Chair

**Andrew Hadley**  
Managing Director and CEO

# Our customers

We pride ourselves on putting our customers first. That's why we're committed to making banking with us easier and more convenient, no matter how or where our customers choose to bank with us.

## Seamless banking experiences

From our customers who love to visit our branches, to those who prefer to interact with us digitally or through our contact centre, providing seamless, transparent, and personalised service is at the heart of everything we do.

- Our commitment to delivering standout customer experiences at the moments that matter continued, as we introduced a more streamlined home loan journey that now provides customers and brokers with instant digital contract delivery. This means most customers now receive their loan documents within minutes of loan approval, helping them get into their dream home sooner.
- The use of digital banking continued to grow, with close to 12 million transactions made through Internet Banking and our mobile banking apps - up 10.5% year on year. We know however, our customers value face-to-face conversations and are committed to being available where they choose to bank with us.
- We improved our P&N and BCU contact centres by introducing new technology to increase productivity for a better overall customer experience. This included cross-training employees to support peak call periods across our Perth and Coffs Harbour contact centres.
- For the second consecutive year, and third time, P&N Bank was awarded Bank of the Year 2024 in Roy Morgan's Customer Satisfaction Awards. Through Roy Morgan's independent survey of bank customers in Australia, including the big four banks, our customers voted P&N Bank as the Australian bank with the highest customer satisfaction throughout 2024.
- By partnering with our brokers, P&N Bank was rated the bank with the strongest third-party channel among mutual banks in Broker Pulse's 2025 Third-Party Lending Report of residential mortgage brokers. P&N was also named winner of the WA Mutual/Credit Union Lender Award in the Mortgage & Finance Association of Australia's 2025 State Excellence Awards.







**13,478**  
new customers

joined P&N Bank and BCU Bank



Supported  
**1,826**  
customers  
buy their  
new home

Almost  
**300**  
of these customers  
purchased their  
very first home

- Through dedicated focus on the needs of our business banking customers, we have helped more business banking customers grow or develop their business than ever before.
- Both BCU Bank and P&N Bank were named winners in the 2025 Mozo Experts Choice Awards for our business banking accounts. Recognised in the Small Business Exceptional Everyday Account category, this recognition reflects our commitment to offering accessible, everyday banking that puts small business customers first.

### Empowering our customers' financial wellbeing

We believe in a future where everyone has access to financial knowledge and are empowered to get ahead. We want to be there every step of the way to help our customers navigate their own unique financial journey.

- This year we surpassed 200,000 customers, highlighting our growing appeal to new customers and our collective focus on keeping our existing customers at our core.
- We continued to offer competitive transaction, savings, and loan products providing value to borrowers and savers alike. This included the introduction of our new P&N Savvy Saver and BCU Boss Saver wealth building products.



- To complement our banking products, our personal financial management mobile apps, mymo by P&N Bank and mymo by BCU Bank, showcase our genuine commitment to helping customers achieve their financial goals.
- P&N Bank's partnership with Vinnies WA helped the not-for-profit to provide 1,082 free financial coaching sessions to West Australians facing financial difficulty to boost their financial wellness. Together, we hosted four in-branch education sessions for our customers, while Vinnies delivered an additional 20 education workshops to the wider community.
- To mark our long-standing relationship with the WA Police Union, P&N Bank announced a renewed partnership which offers their members enhanced personal banking, lending, and financial wellbeing benefits.
- BCU Bank once again was major partner of the 2025 Primex Field Days in NSW. For the past 20 years, BCU has been alongside the farming community at Primex, and we were privileged to be back amongst the community again this year.

## Protecting our customers

Protecting our customers from scams, fraud, and financial abuse is of the utmost importance. With scams and fraud on the rise, it's more important than ever that we work on behalf of, and with, our customers to help to prevent them.

- As cyber threats become more sophisticated, we're committed to staying one step ahead. That's why we continue to invest in advanced cyber security systems and response capabilities to help protect your information every step of the way.

- We continued to build stronger cyber and fraud and scam resilience through ongoing investment in technology, threat analytics, employee training, and compliance standards.
- We engaged with like-minded organisations and industry advocacy groups to share insights of emerging fraud and scam trends and areas of risk so these can be proactively managed.
- We invested in better understanding the psychosocial risks posed to our teams with a high exposure to fraud and scam management, to ensure they are supported with appropriate frameworks for their own wellbeing and assist them in providing high levels of support to our customers.
- Protecting our customers from scams is a shared responsibility. We continued to train our teams to better spot suspicious activity and conducted five community scam sessions to build awareness and prevent fraud within typically vulnerable community members.
- Our specialist financial crime team provided support and guidance to 870 customers who were directly impacted by scam activity.
- We launched biometric identification for digital account openings, to deliver a fast, seamless experience for our customers and help better mitigate risks associated with internet banking limit increases. The ID review process now takes 10 seconds, where previously it took up to one minute. The biometric identification aims to reduce the need to manage fraudulent mule accounts, while also delivering on our commitment to the Scam Safe Accord to introduce enhanced identity fraud checks for new customers and accounts.
- During the year we published more than 300 articles on our websites and social media, aimed at raising customer awareness of fraud and scam risks and emerging threats.
- We introduced a new tool to help our people identify and support customers who are experiencing vulnerability or financial abuse.
- We fostered an ongoing relationship with the WA Police Cybercrime and Mid North Coast NSW Police Elderly Crime Prevention teams to support our customers experiencing scams, while also sharing knowledge and expertise to raise awareness.



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We believe in a future where everyone has access to financial knowledge and is empowered to get ahead.

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# Our social impact

As a customer-owned bank, we aim to foster greater respect, understanding, and meaningful action toward a more inclusive, equitable, and sustainable society.

## Giving back to our communities

As part of our commitment to belonging and inclusion, we aspire to deepening our understanding and support for the LGBTQIA+ community and advocating for gender equity and reconciliation.

- Almost 100 of our people provided 710 volunteer hours to support charities including Vinnies WA, Australia Zoo, Gumbaynggirr Giingana Freedom School, Lifeline North Coast, Lifeline WA, Orange Sky, Manna, and Clean Up Australia.

- Our people volunteered to pack more than 100 bags to send to First Nations women in some of Australia's most remote communities through the Happy Boxes Project.
- We made donations to a range of deserving community organisations, including Pride in Diversity, Freemason Benevolent Society, Dress for Success, and Wear it Purple Day.



More than 100 community groups,  
charities and individuals received over  
**\$550,000**

through community partnerships, grants,  
donations and in-kind support



**700+**  
hours spent  
volunteering in the  
community



“

As an Australian customer-owned bank and employer, we aspire to deepening our understanding and support for the LGBTQIA+ community and advocating for gender equity and reconciliation.

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P&N Bank have always had a strong focus on community and making things better for all. Over the years, we're proud to say that countless Western Australians have benefitted from our programs, initiatives, and activities within the wider WA community.

- Our continued support of Vinnies WA provided much-needed funding for financial coaching services. This has significantly enhanced Vinnies' ability to provide more holistic financial support in response to growing community needs.
- Through our ongoing partnership, Lifeline WA trained seven Crisis Support Officers to expand their frontline capacity, allowing them to handle an additional 1,750 support calls and provide direct assistance to those in need.
- We helped six WA not-for-profits striving for equity in the areas of disability and accessibility; mental health; poverty and homelessness; and domestic violence with \$60,000 of funding through our Community Empowerment Grants.
- We assisted 66 individuals and families in financial crisis or who have basic needs that are not being met through our People Empowerment Grants.
- We sponsored the inaugural National Police Legacy Day held on 17 June in Canberra, ensuring Police Legacy can continue providing educational grants, welfare programs, and social opportunities that bring police legatees together.
- We were again a proud major sponsor of the WA Police Force Recognition of Excellence Awards.
- P&N again partnered with the Perth Wildcats team for the NBL's Indigenous round game, providing 100 young Indigenous basketball players from the Binar Futures and Stephen Michael Foundation with an opportunity to watch their heroes in action.





**P&N Bank's Empowerment Grants provide funding to support inclusive WA charities and not-for-profits that strive for equity and give West Aussies facing major social issues a helping hand.**

### **Sam's Spares**

Sam's Spares was founded by Sam Thomas, a tech enthusiast with autism who is passionate about the circular economy, at just 17 years of age. The not-for-profit is bridging the digital divide by refurbishing and donating IT equipment free of charge to those in need, and empowering neurodivergent individuals through hands-on training, mentoring, and inclusion.

Sam's Spares also champions environmental responsibility by prioritising reuse over waste. Since moving into its new premises in 2024, Sam's Spares has distributed over 2,900 tech devices – valued at over \$1 million dollars – and diverted tonnes of e-waste from landfill.

Through a \$15,000 Empowerment Grant, we've helped expand their repair capacity, grow their peer-led training program, and support long-term sustainability, which is vital for children from low-income families who may not otherwise access the technology needed for education.



Sam Thomas, from Sam's Spares.

### **Worthy Australia**

The Worthy Australia Foundation transforms empty houses into fully furnished homes for women and children escaping domestic violence, bridging the gap between crisis and stability through its Safe Haven program.

Partnering with refuges across Perth and Peel, Worthy Australia provides more than shelter - offering families comfort, safety, and renewed hope after trauma.

The \$15,000 Empowerment Grant was put towards funding a larger warehouse space, which is essential for the continued growth of the Foundation's Safe Haven program.





**At BCU Bank, we're passionate about supporting our communities and giving back. Over the years, we've helped countless charities, organisations and sporting groups, and made it possible for community members to achieve their personal, financial, and wellness goals.**

- Our partnership with Lifeline North Coast saw us support the Out of the Shadows Community Walk and allowed expansion of their suicide bereavement support group and suicide prevention training.
- Through our ongoing Orange Sky partnership, we supported people experiencing homelessness by providing clean clothes, hot showers, and meaningful connections.
- We provided donations to Orange Sky to support ex-tropical cyclone Alfred recovery efforts in the communities in which we operate.
- Our Australia Zoo partnership continued to support the vital role of the Australia Zoo Wildlife Hospital and Wildlife Warriors in rescuing endangered koalas, as well as the Koala Ward which supports breeding efforts.
- We supported 22 community and charitable groups across Queensland and New South Wales through our Community Cares Program, including Bellingen Affordable Housing, the local International Women's Day in Bellingen, Nambucca Little Athletics, Coffs Coast Careers Day, and the Warrina Domestic Violence Centre in Grafton.
- Provided funding to Watson Place to furnish two units for women over 55 in need of housing.





# Supporting the Gumbaynggirr Giingana Freedom School's expansion into high school

**A new partnership between BCU Bank and Gumbaynggirr Giingana Freedom School has delivered a funding boost to support the construction of new classrooms, providing an opportunity for children to attend years seven and eight for the first time.**

The partnership formalises the support BCU has provided the school since 2022, which includes the donation of iPads and books, use of their catering business, leveraging their consulting expertise, volunteering at sporting events, and financial contributions towards key projects and fundraising efforts.

The Freedom School is part of Bularri Murray Nyanggan Aboriginal Corporation (BMNAC), a not-for-profit which aims to empower Aboriginal and Torres Strait Islander communities through culture and education.

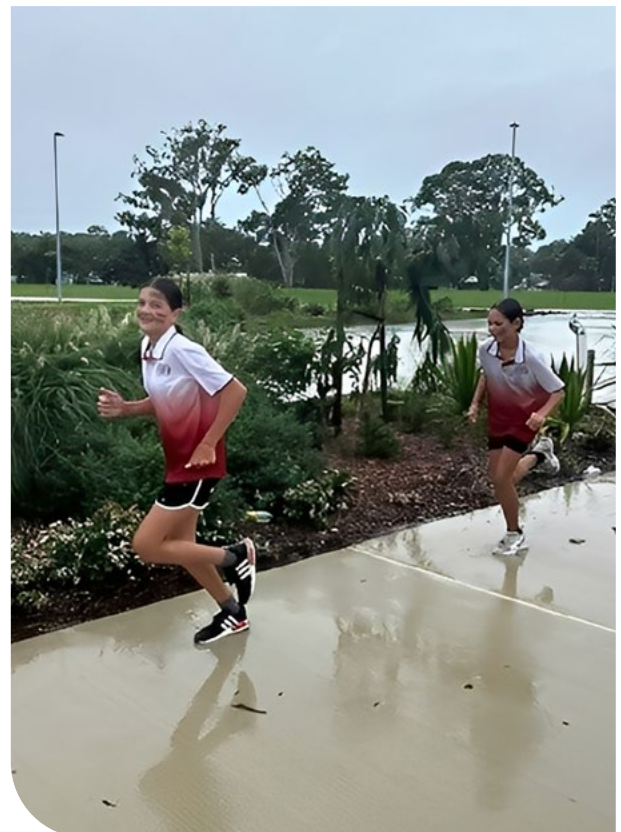
The school, located in Coffs Harbour, is the first and only bilingual school of an Aboriginal language in New South Wales which pushes the boundaries of bilingual teaching and learning, revolutionising education for Gumbaynggirr People and First Nations communities.

As a customer-owned community-first bank, we're passionate about supporting our communities and giving back. We believe that by supporting the communities in which we operate, we can make a positive difference and create lasting change.

With education, youth jobs, and employment critical enablers to support the Closing the Gap targets for reconciliation, the partnership between BCU and the Freedom School aims to support year 12 completion by First Nations students.



We know through improving the education of Aboriginal and Torres Strait Islander Peoples, we can help overcome the inequality experienced by First Nations Peoples and achieve life outcomes equal to all Australians. That's why we're proud to be working alongside the Freedom School to support their ambitions to offer high school education within the local community.



# Our environment

**As a signatory to the Business Council of Cooperatives and Mutuals (BCCM) Declaration of Climate Action, we are committed to reducing the environmental impact of our operations by measuring and reducing our greenhouse gas emissions, and improving energy and resource efficiency.**

We recognise climate change is already impacting our customers and their livelihoods, and we acknowledge we have a part to play to address the challenges facing them.

In 2024, we launched our inaugural Climate Action Plan, charting a path to 2030 that prioritises climate resilience, reducing our emissions, and supporting our customers through the transition.

In 2025, we strengthened our governance framework by expanding the Board Audit Committee's remit to cover oversight of sustainability, and it is now known as the Audit & Sustainability Committee. The Committee reviews and endorses our sustainability strategies; monitors progress towards our goals; and oversees sustainability reporting requirements.



## **Delivering our Climate Action Plan**

In our first year of delivering our Climate Action Plan, we made tangible progress across our operations, governance, and community support.

We started our Electric Vehicle fleet trial by purchasing our first electric vehicle and charging station, as part of our commitment to transition our remaining 50 motor fleet vehicles to hybrid, plug-in hybrid, and electric vehicles by 2030.

We completed our first Group-wide Climate Change Risk and Opportunities assessment across short, medium, and long-term time horizons. This assessment involved understanding the risks climate change might pose to our business into the future and establishing a process for monitoring and assessing the risks over time. It is a foundational step towards embedding climate risk into our Risk Management Framework and preparing for mandatory climate reporting.

We increased GreenPower usage as a percentage of electricity usage from 2% in FY24 to 24% in FY25.

We reduced the overall printing of our annual report by 54%.<sup>1</sup> We also reached out to our customers who have opted into a printed copy to offer a digital alternative.

In March 2025, we streamlined our home loan process, moving away from paper contracts and providing customers and brokers with digital delivery of home loan contract packs.



“

We know real change starts from within, and we're proud of the growing momentum across our teams.

”





“  
 We are charting a path  
 to 2030 that prioritises  
 climate resilience, reducing  
 our emissions, and  
 supporting our customers  
 through the transition.  
 ”

## Operational Metrics

Metric	Unit <sup>4</sup>	FY25	FY24	FY23	FY22	FY21
Scope 1 GHG emissions <sup>2, 3, 4</sup>	tCO2-e	165	175	266	171	133
Scope 2 GHG emissions location-based <sup>4, 5</sup>	tCO2-e	705				
Scope 2 GHG emissions market-based <sup>4, 5</sup>	tCO2-e	465	667	1327	1326	2006
<b>Total operational GHG emissions (Scope 1 and 2) <sup>4, 6</sup></b>	<b>tCO2-e</b>	<b>630</b>	<b>842</b>	<b>1,593</b>	<b>1,497</b>	<b>2,139</b>
Scope 3 GHG emissions <sup>4</sup>	tCO2-e	5,774	7,298	7,723	6,979	7,770
<b>Total Operational GHG emissions (Scope 1, 2 and 3) <sup>8, 4, 6</sup></b>	<b>tCO2-e</b>	<b>6,404</b>	<b>8,140</b>	<b>9,316</b>	<b>8,476</b>	<b>9,909</b>

- 1 Reduced overall number of pages printed from 297,264 pages in FY23 to 137,424 pages in FY24.
- 2 Our emissions reporting for Scopes 1 and 2 follows the methodologies and guidance outlined in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); The Greenhouse Gas Protocol Scope 2 Guidance (2015); and the Climate Active Carbon Neutral Standard for Organisations.
- 3 Scope 1 emissions include all Greenhouse Gas emissions from sources that are within P&N Group's operational control, including emissions from fuel use for transportation purposes and refrigerants during the use of air conditioning equipment. Scope 2 emissions include the use of purchased electricity in our offices and branches, reported using the market-based method from FY21 and the location and market-based methods from FY25. Scope 3 follows the Climate Active Carbon Neutral Standard for Organisations and includes emissions that occur as a result of our activities but outside the organisation's direct control. This is limited to the following categories: Accommodation and facilities, Cleaning and Chemicals, Electricity, Food, Horticulture and Agriculture, Information and Communication Technology (ICT) services and equipment, Machinery and vehicles, Office equipment & supplies, Postage, courier and freight, Products, Professional Services, Stationary Energy (gaseous fuels), Stationary Energy (liquid fuels), Transport (Air), Transport (Land and Sea), Waste, Water, and Working from home.
- 4 Greenhouse Gas emissions quantification is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases, and estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.
- 5 In line with our Climate Action Plan, in FY25 we have analysed the effects of renewable energy procurement on our emissions. This is the first year to disclose our Scope 2 emissions from electricity consumption using both location-based and market-based methodologies.
- 6 Includes Scope 2 market-based GHG emissions.
- 7 FY24 was restated reflecting a 48 tCO2-e reduction from published figures due to Climate Active updating applicable emission factors, which decreased Scope 2 emissions by 123 tCO2-e and increased Scope 3 emissions by 927 tCO2-e. This was counteracted by a change to a relevance test around capital expenditure which reduced Scope 3 emissions by 852 tCO2-e.
- 8 All emissions values are in tonnes of carbon dioxide equivalent (tCO2-e). Emission factors were sourced from the National Greenhouse Accounts (NGA) factors following market-based approach, as well as the emissions factor compilation provided by the Department of Climate Change, Energy, the Environment and Water. This compilation includes data from sources such as IELab (via FootprintLab), AusLCI (v1.42), the UK Department for Energy Security & Net Zero and the Department for Environment, Food & Rural Affairs (2024), and the Cornell Hotel Sustainability Benchmarking Index (2024).



## Empowering our people

We're proud of the growing momentum surrounding sustainability across our teams including:

- The launch of our employee-led Sustainability Action Group, which has delivered educational resources to all employees on topics including solar rebates, greenwashing, fast fashion and energy efficiency, and has identified over 80 initiatives, and delivered 22 of these in FY25 to help our business become more sustainable over time.
- Our teams got involved in Ride2Work Day and collectively spent over 60 hours volunteering for Clean Up Australia Day in Perth and New South Wales.

## Mandatory climate-related reporting

The Australian Accounting Standards Board (AASB) has now finalised the new standard AASB S2 *Climate-related Disclosures*, which requires entities to disclose information within its general purpose financial report about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. The disclosures relate to governance, strategy, risk management, and metrics and targets, including information about scenario analysis and Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. P&N Group meets the criteria of a Group 1 entity and is preparing for our first disclosure effective period ending 30 June 2026.

During the year, we continued to closely monitor the evolving expectations around nature-related financial risks and opportunities, including the recommendations of the Taskforce for Nature-related Financial Disclosures (TNFD). While TNFD-aligned reporting is not yet mandatory in Australia, we recognise regulatory and stakeholder expectations in this area are likely to grow over the coming years. We remain committed to staying informed of industry developments, regulatory updates, and contemporary practice.



## Operational emissions

Our operational emissions, Scope 1 and Scope 2, are those associated with running our branches, corporate offices and vehicles. Scope 3 emissions relate to the goods and services we acquire, waste generation and disposal, and our people's travel. Our emissions have been calculated in line with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); The Greenhouse Gas Protocol Scope 2 Guidance (2015); The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and the Climate Active Carbon Neutral Standard for Organisations. We are currently working towards calculating our financed emissions from our mortgage and investments portfolios (Scope 3, Category 15) in line with the global best practice Partnership for Carbon Accounting Financials (PCAF) Standard for financed emissions, which will position us well to initiate emissions reduction targets by the end of 2026 in line with our Climate Action Plan 2024-2026.

In FY25, our combined Scope 1 (directly released from our operations) and market-based Scope 2 (released from offsite generation of electricity consumed in our operations) Greenhouse Gas emissions were estimated at 630 tonnes of carbon-dioxide equivalent emissions (tCO<sub>2</sub>-e).













This represents a 25% reduction from FY24 of 842 tCO<sub>2</sub>-e, attributed mainly to a reduction in total electricity consumption, the purchase of renewable energy and the disposal of seven fleet vehicles.

While we work towards setting targets to reduce our emissions, we have recently submitted our application under the Climate Active Carbon Neutral Certification and purchased carbon offsets for FY24 operational Scope 1, 2 and 3 emissions.

## Our Climate Action Plan

We are committed to prioritising climate action through embedding sustainability in our processes and achieving the commitments set out in our inaugural Climate Action Plan. We will continue to review and refine our plan to ensure we are continuously aligned to our customers' needs.

The following table details the key focus areas of our 2024-2026 Climate Action Plan, and the progress made in each area.

Description	Status	Progress update
 <h2 data-bbox="256 203 671 237">Operational Climate Action</h2>		
<p>No lending to large-scale activities, projects, and industries involved in exploration, extraction or production of fossil fuels or in electricity generation from fossil fuels.</p>		<ul style="list-style-type: none"> <li>The Business Banking team are regularly reassessing the broader Business Banking strategy to ensure we understand the impact of potential climate risks and opportunities on our customers in the short, medium and long-term.</li> </ul>
<p>Transition our owned properties to solar power <b>by the end of 2025.</b></p>		<ul style="list-style-type: none"> <li>Process initiated for installation of solar at our four owned operational sites.</li> </ul>
<p>Become carbon neutral certified under the Climate Active Carbon Neutral Standard for Organisations for operational emissions <b>by the end of 2025.</b></p>		<ul style="list-style-type: none"> <li>We recently submitted our Climate Active Carbon Neutral Certification application for FY24 emissions.</li> </ul>
<p>Initiate Emissions Reduction Targets setting <b>by the end of 2026</b> in line with the Science-Based Targets Initiative (SBTi).</p>		<ul style="list-style-type: none"> <li>We are currently working towards calculating financed emissions from our mortgage and investments portfolios (Scope 3, Category 15) using FY25 data. This will position us to develop emissions reduction targets by the end of 2026 in line with our Climate Action Plan 2024-2026.</li> </ul>
<p>Source 100% renewable energy for our offices and branches <b>by the end of 2027.</b></p>		<ul style="list-style-type: none"> <li>Contract signed to transition our Coffs Harbour Corporate Office to GreenPower in FY26, along with 14 other sites that have already been transitioned.</li> <li>Discussions ongoing with landlords and property managers around our options to transition to renewable energy sources.</li> </ul>
<p>Transition our motor fleet to hybrid, plug in hybrid, and battery electric vehicles <b>by the end of 2030.</b></p>		<ul style="list-style-type: none"> <li>The first EV and charging station was installed at our Coffs Harbour Corporate Office in June, marking the start of our EV Fleet trial.</li> <li>We reduced our petrol/diesel fleet by seven cars during FY25.</li> </ul>
<p>Educate our passionate people on the impacts of climate change and how they can embed our commitments into our operations, their own homes, and communities to accelerate change.</p>		<ul style="list-style-type: none"> <li>The Sustainability Action Group has driven employee awareness and education through monthly educational posts, internal lunch and learn sessions, and encouraging involvement in the National Ride2Work Day and Clean Up Australia events.</li> </ul>
 <h2 data-bbox="248 1364 608 1397">Managing Climate Risk</h2>		
<p>Continue to embed climate change risk assessments into our Risk Management Framework, governance processes, and reporting models.</p>		<ul style="list-style-type: none"> <li>Completed our first Group-wide Climate Change Risk and Opportunities assessment across short, medium, and long-term time horizons in alignment with upcoming AASB S2 Climate-related Disclosures and our long-term sustainability strategy.</li> <li>Completed a physical climate risk scenario analysis on our residential mortgage book to understand the current and predicted level of risk in relation to climate change. <i>Refer note 35 for further information.</i></li> </ul>
<p>Understand our key climate risks and opportunities and ensure they are considered as part of our strategy setting process.</p>		<ul style="list-style-type: none"> <li>New assessment included in our project initiation assessment to ensure we assess potential climate change risks and unlock potential opportunities.</li> </ul>
<p>Compliance with relevant Mandatory Australian Sustainability Reporting Standards (ASRS)</p>		<ul style="list-style-type: none"> <li>Project established to ensure we are prepared for the first year of mandatory reporting.</li> <li>Worked with our external auditor to complete an agreed upon procedures engagement of Scope 1 and Scope 2 emissions in readiness for Mandatory Climate reporting.</li> <li>Expanded our Board Audit Committee to include Sustainability to ensure risk responsibilities are captured.</li> </ul>



Description	Status	Progress update
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## Supporting Our Customers, Their Homes, and Businesses

Support our business banking customers to understand their climate change risks and opportunities through education and partnerships, and investigate how we might assist customers to transition to more sustainable practices.	→	<ul style="list-style-type: none"> <li>The Business Banking team engaged in various climate training (AICD, FINSIA) and industry events to upskill on topics including carbon trading, farms of the future, soil health, farm resilience, and disaster readiness.</li> <li>The further education of our team enables them to understand and support customers as they navigate climate change risk exposure.</li> </ul>
Continue to adapt to the needs of our customers by investigating products and services that could unlock the environmental and financial benefits of upgrading their homes to renewable energy and their motor vehicles to electric vehicles.	→	<ul style="list-style-type: none"> <li>While we continue to assess the needs of our customers and their appetite for green products, to date strategic priorities have been directed towards products with higher immediate impact as well as continuing to streamline and digitise existing products and processes.</li> </ul>
Continue to support customers during disaster events such as fire, flood, and drought by offering assistance packages and streamlining the hardship process.	→	<ul style="list-style-type: none"> <li>We continue to support our customers during disaster events and offered a range of support options for individuals needing emergency assistance during Ex-tropical cyclone Alfred such as loan repayment deferral, waived fees and charges and early access to term deposits with no penalty.</li> <li>During the year we distributed content around the importance of staying vigilant to increased scam attempts during times of disaster.</li> <li>We supported our existing partners Orange Sky providing additional funding to support their efforts during the Ex-Tropical Cyclone Alfred event.</li> </ul>



## Collaborate With Our Partners

Become a signatory of the Business council of Co-Operatives and Mutuals (BCCM) Climate Declaration by the end of 2024.	↻	<ul style="list-style-type: none"> <li>Continued to be a signatory of the declaration in FY25, working towards the shared commitments. We will continue to leverage this partnership to stay across industry changes and challenges.</li> <li>We participated in the BCCM Co-operatives and Mutuals declaration of Climate Action Progress report, which documents the steps that we are taking on our climate action journey with many of our peers.</li> </ul>
Collaborate with the Customer Owned Banking Association (COBA) and other Customer-owned banks to share ideas and collaborate on contemporary practice.	↻	<ul style="list-style-type: none"> <li>Continued our engagement with other customer-owned banks through COBA's Sustainability Community of Practice, which allows us to share ideas, collaborate, and discuss shared challenges.</li> </ul>
Engage with our suppliers to encourage greater transparency on emissions and agree on emissions reductions strategies.	→	<ul style="list-style-type: none"> <li>We developed a detailed supplier survey which will be rolled out to material suppliers in FY26 and will allow us to check in with existing and new suppliers to understand what Scope 3 emissions data is available, and the alignment of our suppliers and our own sustainability aspirations.</li> </ul>
Work with our insurance partners to keep across current issues and advocate for our customers' needs.	↻	<ul style="list-style-type: none"> <li>We understand the pressures our customers are experiencing with the increased cost and access to insurance.</li> <li>We continue to stay across industry reports from our insurer IAG, leveraging this partnership and staying up to date on industry changes and challenges.</li> </ul>

Key:



Actions in progress



Complete and ongoing



In planning

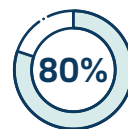
# Our people

Creating an inclusive employee experience and fostering a diverse workplace based on belonging is central to our values and the culture we strive to maintain and grow.

## A supportive environment for our people

Our people are our best asset, driven by a shared purpose and desire to collectively build a workplace of trust and belonging for all.

- We are proud to sit within the top-quartile of organisations for employee engagement with a score of 80%, a leader amongst financial services organisations.
- Our Wellbeing Strategy was finalised, aimed at creating the right conditions for positive wellbeing outcomes for our people. With 87% of our people feeling their wellbeing is a priority, we are committed to investing in initiatives that support our people to be more productive, engaged, and happier.
- We maintained our mature approach to hybrid work, with those in our corporate offices and some frontline roles able to access flexible working arrangements. Our continued focus aims to support and encourage connection with colleagues at times and in ways that make the most sense for optimal collaboration. Pleasingly, 86% of our people tell us they are supported if they choose to make use of flexible working arrangements.
- With an aim of creating a safe workplace experience, we undertook a pilot project to review our Operations team's psychosocial safety. The review uncovered potential areas for psychosocial harm, allowing us to create focused actions to improve our systems and prevent harm. Following the pilot's success, we will look to roll this initiative out further in FY26.



**employee  
engagement**



**women in  
leadership**



**employee  
belonging**



**of employees feel  
supported to balance  
work and personal life**



“  
**Our people are  
 our best asset,  
 driven by a shared  
 purpose and desire  
 to collectively build  
 a workplace of trust  
 and belonging for all.**  
 ”



- There were 29 employee-related work health and safety incidents reported during the year, with the over 80% of those being of low to minor consequence. While incident reporting rose in FY25, this was associated with our growing reporting culture and the continued emphasis we place on safe working environments in our workspaces.
- We implemented Culture Amp, as our new performance management platform, to align with modern philosophies and best practices. The new platform provides enhanced experiences for employees and managers and reduces inefficiencies by eliminating manual processes and consolidating tools.
- We focused on minimising disruption and boosting project adoption through smarter change management delivery and targeted leadership programs to help leaders guide their teams with confidence, so our people can better support our customers.

### **Our commitment to belonging**

As part of our commitment to advocacy and inclusion, we aspire to deepening our understanding and support for the LGBTQIA+ community and advocating for gender equity and reconciliation. Through these efforts, we aim to foster greater respect, understanding, and meaningful action toward a more inclusive, equitable, and sustainable society.

- In recognition of our diverse and inclusive environment, we were proud to see 89% of our people feel they belong at work.

- The completion of our Reconciliation Action Plan Reflect saw us provide reconciliation and allyship training, tools and resources to our people, including a comprehensive new Acknowledgement of Country guide, and support First Nations communities and business through the launch of our Supplier Register. We remain committed to deepening our understanding and support of reconciliation into FY26.
- Our focus on closing our Gender Pay Gap (GPG) continued. As at the Workplace Gender Equity Agency 2023-24 reporting period, our average total remuneration GPG decreased to 21.8%, our median total remuneration GPG was 28.1% and our median base salary GPG was 21.6%. While falling below the average gap of the financial services industry, there is still more we can do to close the gap. Our Gender Equity Strategy continues to focus not only on the GPG, but also financial equity and inclusion and advocacy.
- We achieved Australia Workplace Equality Index (AWEI) Bronze Accreditation, reaffirming the work we are doing within the LGBTQIA+ space aligns with best practice in Australia. The accreditation involved an extensive review into our HR policies and diversity practices, including LGBTQIA+ bullying, harassment, and support and LGBTQIA+ training, awareness, and professional development.
- For the first time, some of our people walked with Pride in Diversity alongside other WA-based organisations in the PrideFEST Pride WA Parade.

“  
What sets P&N Group apart is that diversity, gender equity, and supporting families and individuals through flexibility isn't just a policy, it's part of our culture.”



## CASE STUDY

**P&N Group is committed to fostering workplace and employment flexibility to achieve the optimum balance between work and personal responsibilities for all employees. Donna Bramwell, our People Capability Lead, has experienced first-hand how adaptable our workplace can be.**

“Since starting with P&N Group some 13 years ago, I've grown, changed roles, and taken parental leave twice, through what have been some of the most pivotal moments in our business as well as in my life.

One of the things I'll always be grateful for is the way the Group supported me when I became a parent. When I was ready to return after my first parental leave, I knew I didn't want to come back fulltime. My leader at the time didn't just say yes to flexibility, they created a new role for me at four days a week, which was perfect for me and my family.

Since then, flexibility and support as a working parent has remained a constant. Whether it's adjusting my schedule around day care, taking time off for sick kids, or making it to school assemblies without missing a full day of work, I've always felt supported. Now, with our hybrid working model, that balance is even better.

What sets P&N Group apart is that diversity, gender equity, and supporting families and individuals through flexibility isn't just a policy, it's part of our culture. It's led from the top and as a result, we don't just talk about work-life balance, we live it.

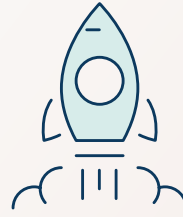
It means I can structure my home and my work life in a way that suits both, so I'm able to give more to my work, but also give more at home as well.”



## Building the workforce of the future

We're building a future-ready workforce by putting our people first. Through our learning and development programs, we're investing in growth, unlocking potential, and creating clear pathways for our team to step up and thrive from within.

- Our Emerging Leaders Program continues to be a cornerstone of internal talent development. Since launching seven years ago, 80 employees have graduated, with just under half achieving promotions to leadership or higher. The program features a blend of in-house delivery, 360 feedback assessments, mentoring, and projects. Since its inception, 44 different projects have been completed to deliver value to our customers.
- With 75 employees registered as mentors or mentees in our Connected national mentoring initiative, we took the opportunity to review and refresh the program. We expanded the program to include working parents return to work advocates, who are specifically equipped to support parents re-entering the organisation.
- We launched our new virtual induction framework, aimed at engaging new starters with P&N Group's purpose and values early in their employment journey. The new format has increased accessibility and significantly reduced travel costs related to onboarding.



120 employees completed our induction program, ensuring they are equipped with the foundational knowledge and cultural orientation needed to effectively contribute from day one.



20 participants took part in our Leadership Essentials Program, building core leadership capabilities such as coaching, communication, and strategic thinking.



905 hours of Udemy Business online training completed by our people, demonstrating flexible, self-paced learning across a wide range of professional and personal development areas.



100 frontline employees completed Enrich or Empower training to help them consistently deliver exceptional service and build long term relationships with our customers.

## Supporting our people to flourish

Our senior leadership, including executives, is made up of **33%** women

Women make up **33%** of our Board

**90%** of employees feel we are committed to Respect at Work

**84%** of our people feel they have work-life balance

**86%** of employees feel supported to access flexible work

**87%** of employees feel their wellbeing is a priority

**93%** of our people believe we take the health and safety of employees and customers seriously

**87%** of our people have access to the learning and development they need to do their job well

**44%** of our workforce supported as working parents or guardians





## COBA EMERGING LEADER FINALIST: Sara McCann

Sara McCann is a Quality Assurance Officer with P&N Group and a proud finalist in the 2025 national Customer Owned Banking Association Emerging Leader Award.

Since joining the Group in 2018 as a Member Relations Officer, Sara has embraced every opportunity for growth, working across a range of roles in Retail Operations and Enterprise Change Management.

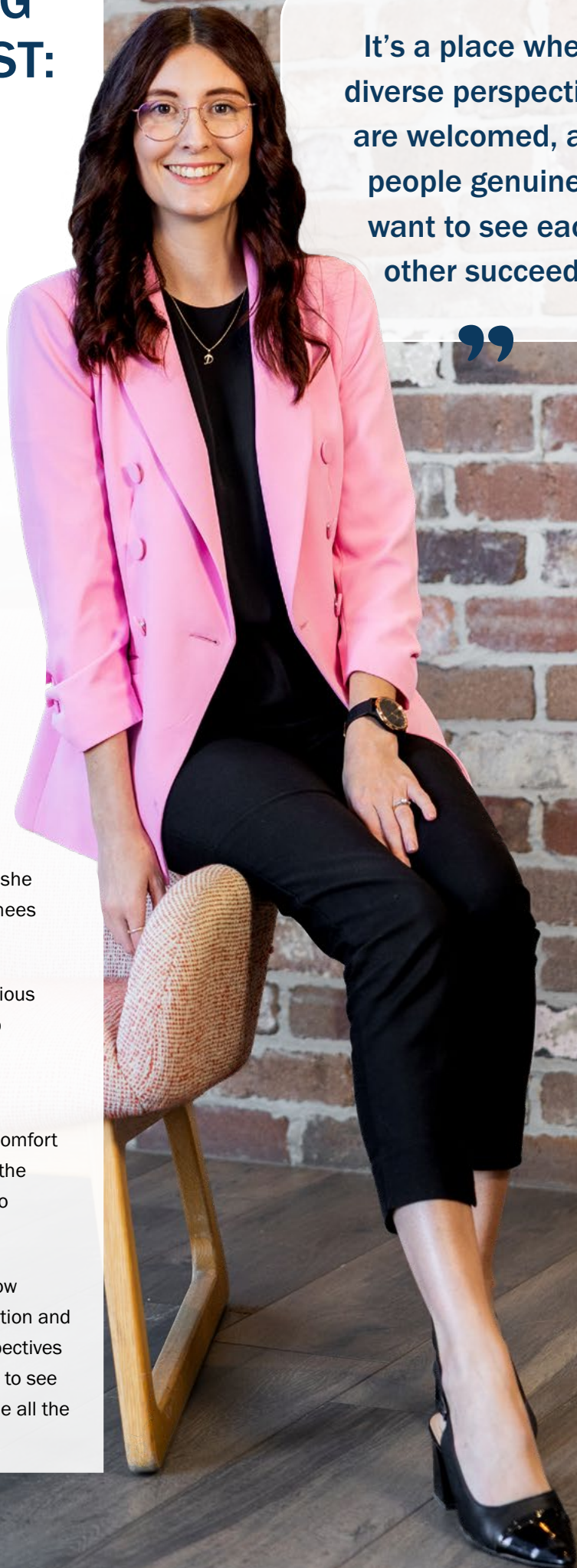
Earlier this year, Sara was named winner of the 2024 P&N Group Emerging Leader Award in recognition of her leadership, commitment, and impact. Her nomination for the COBA Emerging Leader Award followed soon after, where she was shortlisted from more than 80 nominees to make the final six.

“After seeing the incredible growth of previous participants, taking part in the P&N Group Emerging Leaders Program became a personal goal.

The program helped me step outside my comfort zone, connect with inspiring peers across the Group, and build on the strengths I bring to the table.

What stands out to me at P&N Group is how opportunities are earned through contribution and character. It's a place where diverse perspectives are welcomed, and people genuinely want to see each other succeed. That culture has made all the difference in my journey.”

“  
It's a place where diverse perspectives are welcomed, and people genuinely want to see each other succeed.  
”





# Report of the Directors



# Report of the Directors

## Relationship of the concise financial report to the full financial report.

The concise financial report is an extract from the full financial report for the year ended 30 June 2025. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Police & Nurses Limited and its controlled entities as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please call 13 25 77 to request a copy or visit <https://www.pnbank.com.au/corporate/annual-reports/>.

## Your Directors present their report on the financial statements of the Bank and the Group for the year ended 30 June 2025

### Corporate Governance

The Board of Directors of the Bank (Board) is responsible for the corporate governance of the Group. To ensure the Board can fulfil its responsibilities, it has established guidelines for the operation of the Board and a framework for ensuring internal controls and business risk management processes are adequate and that ethical standards are appropriate. Unless otherwise stated, all these practices were in place for the entire financial year.

### Operations of the Board of Directors

Corporate governance responsibilities of the Board include:

- contributing to, evaluating, approving and monitoring strategic direction and business objectives developed in conjunction with management;
- monitoring the Group's progress against agreed performance measures linked to business objectives and strategies, and comparing these with its peers in the marketplace;
- contributing to and enhancing the reputation and image of the Group to its members, the marketplace and the community at large;
- ensuring the required frameworks are in place including risk and capital management policies, internal controls, compliance with regulatory requirements, and public reporting; and
- as a customer-owned bank, ensuring members are always placed at the centre of our decision-making.

### Directors

The following persons held office as Directors of the Bank during the year or since the year end and unless otherwise stated at the date of this report:

#### Gary HUMPHREYS

GAICD, AMP173 (Harvard) (Chair)

Full time Non-Executive Director across various sectors including banking, health, government, and not for profit, with over 20 years' experience leading and operating large corporations as a senior executive, deputy CEO and COO. Board Chair, Nominations Committee Chair, and an ex officio member of the Audit & Sustainability Committee, Risk Committee and the Board Governance & Remuneration Committee.

#### Andrew HADLEY

BCom GAICD SFFin

A seasoned financial services executive, CEO of the Bank since 2014 and Managing Director of the Bank since 2016.

Through a related corporate entity, Mr Hadley holds 22 shares in the Police & Nurses Limited Capital Note.

#### Trevor HUNT

BBus FAICD

Experienced retail banking and financial services WA-based professional with over 30 years operating in Australia in banking and senior executive positions and over 20 years as a non-executive director across banking, superannuation, financial planning, mortgage broking and the care industry. Risk Committee Chair and Board Governance & Remuneration Committee member.

#### Louise CLARKE

BBus GAICD

Executive and leadership coach with over 30 years' experience in the financial services sector as a Senior Executive. Risk Committee member until 29 October 2024, Board Governance & Remuneration Committee member - and Board Governance & Remuneration Committee Chair since 29 October 2024, and Audit & Sustainability Committee member.

#### Monish PAUL

MAICD, MBA, BBus

Professional with 25 years' experience in corporate strategy, technology, regulation and public policy across a range of industries both in the public and private sectors. Audit & Sustainability Committee Chair, and Risk Committee member.



# Report of the Directors

## Kellie PROPERJOHN

Assoc Degree Criminology & Justice, Grad Certificate of Business (Leadership), GAICD (appointed 29 October 2024)

Previously the Assistant Commissioner, WA Police with 36 years of service spanning strategy, technology, operations and legislative reform. Formerly a Partner of Deloitte Australia. Ms Properjohn has a passion for business transformation and strengthening organisational culture to drive performance outcomes. Board Governance & Remuneration Committee member, Audit & Sustainability Committee member, and Risk Committee member – each since her appointment on 29 October 2024.

## Julie ELLIOTT

FAICD FCA FFin MBA (Exec) BEc (retired 29 October 2024)

Experienced banking and finance executive with over 35 years' experience across retail banking, commercial banking, payments, wealth management, project management,

accounting and audit. Bachelor of Economics and an Executive MBA. Experienced Director with over 20 years' experience. Until 29 October 2024, Ms Elliott was the Board Governance & Remuneration Committee Chair, and an Audit & Sustainability Committee member. Ms Elliott retired from the Board on 29 October 2024.

Each Director holds one member share in the Bank.

## Company Secretary

### David Fehlberg

BEc(Acc), LIB, MBA, GAICD

Mr Fehlberg has more than 25 years' experience working in Australia and internationally, in governance, legal and risk roles.

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the year ended 30 June 2025 and the number of meetings attended by each Director.

Director	Directors' Meetings		Audit & Sustainability Committee Meetings		Risk Committee Meetings		Board Governance & Remuneration Committee Meetings	
	A	B	A	B	A	B	A	B
<b>Member elected Directors</b>								
T Hunt	8	8	*	*	9	9	5	5
G Humphreys**	8	8	** 5	** 5	** 9	** 5	**5	**4
M Paul	8	8	5	5	9	8	*	*
<b>Board appointed Directors</b>								
L Clarke	8	8	5	4	3	3	5	5
K Properjohn +	5	5	3	3	6	6	4	4
J Elliott ++	3	3	2	1	*	*	1	1
<b>Chief Executive Officer (executive / Managing Director)</b>								
A Hadley***	8	8	*	*	*	*	*	*

**A** - Number of meetings held during the time the Director held office or was a member of the Committee during the year.

**B** - Number of meetings attended.

+ - Ms Properjohn was appointed as a Director on 29 October 2024.

++ - Ms Elliott ceased to be a Director on 29 October 2024.

\* Not a member of the relevant Committee.

\*\* Mr Humphreys, as the Board Chair is also an ex officio member of the Audit & Sustainability Committee, Risk Committee and Board Governance & Remuneration Committee

\*\*\* During the year Mr Hadley was an attendee at meetings of the Audit & Sustainability Committee, Risk Committee and Board Governance & Remuneration Committee.

The Nominations Committee also met once during the year, chaired by Mr Humphreys.

# Report of the Directors

## Composition and Meetings of the Board

The Board's composition, its meetings and conduct are determined in accordance with the Bank's Constitution, and the following:

- the Board must be comprised of at least five directors, being:
  - at least three member elected directors;
  - any board appointed directors, provided that at all times the number of member elected directors shall exceed the number of board appointed directors; and
  - if the Board so determines, the Chief Executive Officer;
- the Board comprises of members with an appropriate range of expertise, skills and qualifications; and
- each Board member maintains their own skills relevant to the business of the Bank.

## Director Induction Program

The Directors have established a comprehensive induction program for newly elected or appointed Directors. The program assists new Directors to gain an understanding of the Group's operations and the financial and governance environment. The Directors also participate in further education to ensure that, in accordance with both strategic and regulatory business, they are capable of discharging the responsibilities of their office.

## Directors' Remuneration

Board members are remunerated as per Division 17 of the Constitution. The total remuneration for the Board is determined by the members at the Annual General Meeting and divided amongst the Directors in such a manner as the Board determines and in line with market.

## Audit & Sustainability Committee

The Board has established the Audit & Sustainability Committee to assist in the execution of its responsibilities. This Committee was previously known as the Audit Committee; and its remit has recently been expanded to include sustainability. The Committee comprises at least three Board members. This Committee has written terms of reference, which outline its role and responsibilities to enable it to assist the Board in relation to:

- the reliability and integrity of financial information for inclusion in public financial statements;
- the review of audit plans to ensure they cover material risks and financial reporting requirements;
- the review and endorsement of sustainability strategies, and monitoring progress towards sustainability goals and targets;
- the review of sustainability reporting and disclosures for accuracy and transparency to ensure compliance with regulatory requirements;

- the independence, effectiveness and adequacy of the external and internal auditors; and
- the appointment and removal of external and internal auditors.

The Committee reports to the full Board after each Committee meeting.

## Risk Committee

The Board has established the Risk Committee to assist in the execution of its responsibilities. The Committee comprises at least three Board members. This Committee has written terms of reference, which outline its role and responsibilities to enable it to assist the Board in relation to the establishment, monitoring, oversight and maintenance of the Bank's risk management framework. The Committee also monitors and oversees regulatory matters and operational, credit, market, capital and liquidity risk.

The Committee reports to the full Board after each Committee meeting.

## Board Governance & Remuneration Committee

The Board has established the Board Governance & Remuneration Committee to assist it in the execution of its responsibilities. The Committee comprises at least three Board members. This Committee has written terms of reference, which outline its roles and responsibilities to enable it to assist the Board in relation to:

- maintaining compliance with the requirements of the prudential standards;
- providing informed feedback to the Board on its performance;
- establish a framework to assist the Board with the assessment of the performance of each Director and the Chief Executive Officer; and
- remuneration related practices and policies.

An appraisal of the Board's performance, and of that of its Committees and Directors, is conducted annually, with an independent consultant engaged to facilitate the process at least every third year. The Chair of the Board through the Board Governance & Remuneration Committee is responsible for the annual assessment methodology of the Board's performance and that of each individual Board member, supporting ongoing alignment with the requirements of the prudential standards.

The Committee reports to the full Board after each Committee meeting.



# Report of the Directors

## Nominations Committee

The Board has established a Nominations Committee to conduct assessments of the Fit and Proper status, and of the skills, experience and competency of the Group's Directors who renominate by rotation and of any other person nominating as a candidate for election as Director. The Committee has written terms of reference, which outlines its roles and responsibilities. The Committee comprises a Chair and at least two other members. None of the Nominations Committee members are employees of the Bank.

## Group Risk Management

The purpose of Group risk management, which includes all subsidiaries of the Bank, is to ensure that appropriate strategies and processes are developed to manage and mitigate risks to the organisation.

The risk management systems are maintained with the aim of achieving the following goals:

- clearly defined risk appetite;
- identify, analyse and manage risk;
- through risk records provide a clear picture of the risk profile of the Group; and
- provide relevant information to management and the Board for decision making.

All business managers are responsible for risk management in their day-to-day activities and use the risk management framework which assists in appropriately balancing both risk and reward components.

## Ethical Standards

Board members are required to act in accordance with the Constitution, any Board approved Code of Conduct and Conflict of Interest and Transactions with Directors and their Related Parties Policy.

Any Board member who has a material personal interest in any matter that relates to the affairs of the Bank must disclose that interest under section 191 of the *Corporations Act 2001 (Cth)* and that Board member may not be present at a Board meeting considering that matter, or vote on that matter, unless permitted by section 195 of the *Corporations Act 2001 (Cth)*.

## Review of Operations

The Group delivered a robust financial result for the year ended 30 June 2025 in a challenging operating environment. Inflation, living costs and interest rates remained elevated for much of the year albeit much improved from the prior year. Competition in retail and business banking remained intense in a moderate growth environment and ongoing requirements

to invest in technology, customer protection, risk management and compliance remain key industry themes to address both customer and regulatory expectations.

The Group has navigated this environment carefully with a view to support our customers and deliver financial performance outcomes that protect long-term member value, resilience and sustainability. In that context, we are pleased to report in these financial statements:

- Above market growth in loans and advances (7.5%) and customer deposits (10%) as our products, value propositions and service offerings continue to attract an increased share of the market in both retail and business banking segments.
- An increase in profitability with Group profit after tax increasing to \$28.2m (17%) attributable to the benefits of balance sheet growth, prudent net interest margin management and cost management discipline.
- A resilient and stable balance sheet with our total regulatory capital ratio ending the year at 14.83% and our Minimum Liquidity Holdings (MLH) regulatory liquidity ratio ending the year at 14.6%.
- Strong credit risk outcomes with our loan impairment provisions levels remaining relatively consistent with the prior year at 0.08% of gross loans and advances. This reflects our strong credit practices and diligence in helping our members to navigate their way through the difficult environment.
- Ongoing investment in the business to deliver improved outcomes for customers, advance our strategic priorities and support future business performance as set out in the 2025 Annual Report.

## Likely development and results of operations

There are no likely developments that would be expected to have a material impact on the operations of the Group as at the date of this report.

Looking forward the environment remains uncertain and subject to change. The Directors consider that these financial statements and the capital, liquidity and credit profile of the Group demonstrate that it is well positioned to navigate the forward environment and remain profitable, liquid and well capitalised over the coming year.

## Significant Changes

There were no significant changes in operations during the period.

# Report of the Directors

## Principal Activities

The principal activities of the Group and the Bank were the provision of financial and associated services to members. There was no significant change in these activities during the year.

## Events Subsequent to the End of the Financial Year

There were no material subsequent events identified.

## Environmental Regulation

The Group is subject to environmental regulation in respect of its property developments. All developments have been undertaken in compliance with the necessary planning and environmental regulations.

## Insurance of Officers

During the year, a premium was paid in respect of a contract insuring officers of the Bank against liability. The officers of the Bank include Directors, Executive Officers, Company secretary and employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under the insurance contract and the nature of liabilities it covers is prohibited by a confidentiality clause in the contract.

## Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001(Cth)* is set out on page 47.

## Rounding of Amounts

The Bank is a company of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars or in certain cases to the nearest dollar.

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



**Gary Humphreys**  
Director



**Monish Paul**  
Director

Date: 26 August 2025  
PERTH WA



# Concise Financial Report



## Statements of Profit or Loss

Year Ended 30 June 2025	Notes	Group		Bank	
		2025	2024	2025	2024
		\$000	\$000	\$000	\$000
Interest revenue	5	<b>492,714</b>	444,204	<b>562,038</b>	519,454
Interest expense	5	<b>301,066</b>	272,320	<b>377,851</b>	356,496
<b>Net interest income</b>		<b>191,648</b>	171,884	<b>184,187</b>	162,958
Non-interest revenue	6	<b>15,717</b>	14,579	<b>22,839</b>	24,724
Other income		<b>192</b>	1,131	<b>121</b>	603
<b>Total non-interest revenue and other income</b>		<b>15,909</b>	15,710	<b>22,960</b>	25,327
<b>Total income</b>		<b>207,557</b>	187,594	<b>207,147</b>	188,285
Credit impairment charge/(reversal)		<b>1,890</b>	180	<b>1,890</b>	180
Loss on sale of financial assets held at amortised cost		-	81	-	80
Other expenses	7	<b>165,423</b>	152,160	<b>165,599</b>	152,960
<b>Total expenditure</b>		<b>167,313</b>	152,420	<b>167,489</b>	153,220
<b>Profit before income tax</b>		<b>40,244</b>	35,174	<b>39,657</b>	35,065
Income tax expense		<b>12,020</b>	10,799	<b>11,635</b>	10,275
<b>Profit after income tax</b>		<b>28,224</b>	24,375	<b>28,023</b>	24,790
(Profit)/loss attributable to non-controlling interests		<b>43</b>	(151)	-	-
<b>Profit attributable to members</b>		<b>28,267</b>	24,224	<b>28,023</b>	24,790

The above Statements of Profit or Loss should be read in conjunction with the accompanying notes.



## Statements of Other Comprehensive Income

Year Ended 30 June 2024	Notes	Group		Bank	
		2025	2024	2025	2024
		\$000	\$000	\$000	\$000
<b>Profit for the year from operations</b>		<b>28,224</b>	24,375	<b>28,023</b>	24,790
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Changes in the fair value of cash flow hedges		<b>(3,056)</b>	(10,008)	<b>(3,056)</b>	(10,008)
Income tax (expense)/benefit relating to these items		<b>916</b>	3,003	<b>916</b>	3,003
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of land and buildings		<b>1,107</b>	-	<b>1,016</b>	-
Income tax (expense)/benefit relating to these items		<b>(345)</b>	-	<b>(317)</b>	-
Changes in the fair value of equity investments held at FVOCI		<b>1,207</b>	(67)	<b>1,206</b>	-
Income tax (expense)/benefit relating to these items		<b>(362)</b>	20	<b>(362)</b>	-
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(533)</b>	(7,053)	<b>(597)</b>	(7,005)
<b>Total comprehensive income for the period</b>		<b>27,692</b>	17,322	<b>27,426</b>	17,785
Total comprehensive income/(loss) for the year is attributable to:					
Members of the Bank		<b>27,735</b>	17,171	<b>27,426</b>	17,785
Non-controlling interests		<b>(43)</b>	151	-	-
		<b>27,692</b>	17,322	<b>27,426</b>	17,785

The above Statements of Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Statements of Financial Position

As at 30 June 2025

	Group		Bank	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
<b>Assets</b>				
Cash and cash equivalents	188,989	255,582	120,368	183,238
Receivables due from other financial institutions	1,215,178	1,225,536	1,215,178	1,225,536
Financial assets held at FVOCI <sup>(i)</sup>	9,514	10,380	9,514	10,380
Other assets	20,477	10,359	19,832	10,401
Other financial assets held at FVPL <sup>(ii)</sup>	16	64	20,496	20,498
Loans and advances	7,884,032	7,335,898	7,884,032	7,335,898
Derivative financial instruments	402	6,837	398	6,753
Due from controlled entities	-	-	43,863	28,749
Property and equipment	20,379	23,234	18,522	21,437
Right-of-use assets	20,103	25,282	20,103	25,282
Investments in controlled entities	-	-	2,122	2,625
Intangible assets	27,188	30,087	27,188	30,087
Deferred tax assets	4,104	2,258	4,926	2,871
<b>Total assets</b>	<b>9,390,382</b>	<b>8,925,517</b>	<b>9,386,541</b>	<b>8,903,755</b>
<b>Liabilities</b>				
Deposits	7,663,713	7,000,311	7,663,713	7,000,937
Other payables	23,535	30,640	22,686	29,299
Provisions	10,720	9,602	10,720	9,602
Current tax liabilities	2,309	2,172	2,307	2,144
Lease liabilities	25,327	30,919	25,327	30,919
Derivative financial instruments	2,077	4,050	2,077	4,050
Borrowings	1,048,379	1,258,926	490,803	488,051
Due to controlled entities	-	-	554,352	749,588
<b>Total liabilities</b>	<b>8,776,060</b>	<b>8,336,620</b>	<b>8,771,985</b>	<b>8,314,590</b>
<b>Net assets</b>	<b>614,322</b>	<b>588,897</b>	<b>614,556</b>	<b>589,165</b>
<b>Members' funds</b>				
Reserves	225,443	225,955	227,234	227,810
Retained earnings	164,540	138,138	162,983	136,702
Contributed equity	150,405	150,719	150,405	150,719
Issued capital	73,934	73,934	73,934	73,934
Non-controlling interests	-	151	-	-
<b>Total members' funds</b>	<b>614,322</b>	<b>588,897</b>	<b>614,556</b>	<b>589,165</b>

(i) Financial assets held at FVOCI: Financial assets held at fair value through other comprehensive income

(ii) Other financial assets held at FVPL: Other financial assets held at fair value through profit or loss

The above Statements of Financial Position should be read in conjunction with the accompanying notes.



# Statements of Changes in Equity

Year Ended 30 June 2025

	Group						
	Attributable to Members of Police & Nurses Limited					Non-controlling interests	Total Equity
	Reserves	Contributed equity	Issued Capital	Retained earnings	Total		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Total members' funds (equity) as at 1 July 2023</b>	<b>232,987</b>	<b>150,719</b>	<b>73,940</b>	<b>119,188</b>	<b>576,834</b>	<b>699</b>	<b>577,533</b>
Profit/(loss) for the year	-	-	-	24,224	24,224	151	<b>24,375</b>
Other comprehensive income/(loss)	(7,053)	-	-	-	(7,053)	-	<b>(7,053)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(7,053)</b>	<b>-</b>	<b>-</b>	<b>24,224</b>	<b>17,171</b>	<b>151</b>	<b>17,322</b>
Capital note issuance costs	-	-	(6)	-	(6)	-	<b>(6)</b>
Dividends provided for or paid	-	-	-	(5,252)	(5,252)	(635)	<b>(5,887)</b>
Transfer to other comprehensive income	-	-	-	-	-	-	-
Amount transferred to share capital reserve	22	-	-	(22)	-	(64)	<b>(64)</b>
<b>Transactions with owners in their capacity as owners</b>	<b>22</b>	<b>-</b>	<b>(6)</b>	<b>(5,274)</b>	<b>(5,258)</b>	<b>(699)</b>	<b>(5,957)</b>
<b>Total members' funds (equity) as at 30 June 2024</b>	<b>225,955</b>	<b>150,719</b>	<b>73,934</b>	<b>138,138</b>	<b>588,746</b>	<b>151</b>	<b>588,897</b>
Opening adjustment	-	-	-	(178)	(178)	-	<b>(178)</b>
<b>Total members' funds (equity) as at 1 July 2024</b>	<b>225,955</b>	<b>150,719</b>	<b>73,934</b>	<b>137,960</b>	<b>588,569</b>	<b>151</b>	<b>588,719</b>
(Loss)/Profit for the year	-	-	-	28,267	28,268	(43)	<b>28,225</b>
Other comprehensive income/(loss)	(533)	-	-	-	(533)	-	<b>(533)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(533)</b>	<b>-</b>	<b>-</b>	<b>28,267</b>	<b>27,735</b>	<b>(43)</b>	<b>27,692</b>
Opening adjustment	-	(314)	-	-	(314)	-	<b>(314)</b>
Dividends provided for or paid	-	-	-	(5,265)	(5,265)	-	<b>(5,265)</b>
Transfer (to)/from Other Comprehensive Income	-	-	-	3,599	3,599	-	<b>3,599</b>
Amount transferred to share capital reserve	20	-	-	(20)	-	(108)	<b>(108)</b>
<b>Transactions with owners in their capacity as owners</b>	<b>20</b>	<b>(314)</b>	<b>-</b>	<b>(1,687)</b>	<b>(1,980)</b>	<b>(108)</b>	<b>(2,088)</b>
<b>Total members' funds (equity) as at 30 June 2025</b>	<b>225,443</b>	<b>150,405</b>	<b>73,934</b>	<b>164,541</b>	<b>614,323</b>	<b>-</b>	<b>614,323</b>

Year Ended 30 June 2025

	Bank				
	Reserves	Contributed equity	Issued Capital	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
	<b>Total members' funds (equity) as at 1 July 2023</b>	<b>234,794</b>	<b>150,719</b>	<b>73,940</b>	<b>117,186</b>
Profit/(loss) for the year	-	-	-	24,790	<b>24,790</b>
Other comprehensive income/(loss)	(7,005)	-	-	-	<b>(7,005)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(7,005)</b>	<b>-</b>	<b>-</b>	<b>24,790</b>	<b>17,784</b>
Capital note issuance costs	-	-	(6)	-	<b>(6)</b>
Dividends provided for or paid	-	-	-	(5,252)	<b>(5,252)</b>
Amount transferred to share capital reserve	22	-	-	(22)	<b>(0)</b>
<b>Transactions with owners in their capacity as owners</b>	<b>22</b>	<b>-</b>	<b>(6)</b>	<b>(5,274)</b>	<b>(5,258)</b>
<b>Total members' funds (equity) as at 30 June 2024</b>	<b>227,810</b>	<b>150,719</b>	<b>73,934</b>	<b>136,702</b>	<b>589,165</b>
Opening adjustment	-	(314)	-	(54)	<b>(368)</b>
<b>Total members' funds (equity) as at 1 July 2024</b>	<b>227,810</b>	<b>150,405</b>	<b>73,934</b>	<b>136,648</b>	<b>588,797</b>
Profit/(loss) for the year	-	-	-	28,023	<b>28,023</b>
Other comprehensive income/(loss)	(597)	-	-	-	<b>(597)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(597)</b>	<b>-</b>	<b>-</b>	<b>28,023</b>	<b>27,426</b>
Dividends provided for or paid	-	-	-	(5,265)	<b>(5,265)</b>
Transfer (to)/from Other Comprehensive Income	-	-	-	3,599	<b>3,599</b>
Amount transferred to share capital reserve	21	-	-	(21)	-
<b>Transactions with owners in their capacity as owners</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>(1,687)</b>	<b>(1,666)</b>
<b>Total members' funds (equity) as at 30 June 2025</b>	<b>227,234</b>	<b>150,405</b>	<b>73,934</b>	<b>162,983</b>	<b>614,556</b>

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

# Statements of Cash Flows

Year Ended 30 June 2025

	Group		Bank	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>				
Interest received from loans	429,932	379,275	429,932	379,275
Bad debts recovered	133	205	133	205
Interest received from investments	62,782	64,929	132,106	140,179
Commissions and other income received	14,890	16,374	22,089	23,505
Borrowing costs - members	(245,850)	(224,441)	(245,850)	(224,479)
Net movement in interest rate swaps	-	(5)	(80)	(449)
Borrowing costs - financial institutions and SPVs	(55,216)	(47,879)	(132,000)	(132,017)
Interest paid	(1,611)	(1,327)	(1,611)	(1,327)
Payments to employees and suppliers	(143,605)	(118,118)	(142,491)	(116,890)
Income taxes paid	(14,289)	(8,464)	(14,159)	(8,401)
<b>Net cash inflow/(outflow) from operating activities before changes in operating assets and liabilities</b>	<b>47,166</b>	<b>60,549</b>	<b>48,069</b>	<b>59,601</b>
<b>(Increase)/decrease in operating assets</b>				
Net (increase)/decrease in balance of loans and other receivables	(559,714)	(659,182)	(559,717)	(659,181)
Net (increase)/decrease in receivables due from other financial institutions	10,321	(92,271)	10,321	(92,271)
<b>Increase/(decrease) in operating liabilities</b>				
Net increase in balance of deposits	663,422	616,114	662,797	614,878
Net increase/(decrease) in borrowings from other financial institutions	(210,546)	49,219	2,752	(65,942)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(49,351)</b>	<b>(25,571)</b>	<b>164,222</b>	<b>(142,915)</b>
<b>Cash flows from investing activities</b>				
Dividends received	533	489	1,075	2,665
Proceeds from sale of property and equipment	581	213	540	213
Payments for property and equipment	(2,103)	(6,927)	(2,103)	(6,927)
Payments for intangible assets	(4,285)	(10,316)	(4,285)	(10,316)
(Loans to)/repayments from controlled entities	-	-	(210,350)	103,574
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(5,274)</b>	<b>(16,541)</b>	<b>(215,123)</b>	<b>89,209</b>
<b>Cash flows from financing activities</b>				
Principal element of lease payments	(6,683)	(6,283)	(6,684)	(6,283)
Member shares issued	156	186	156	186
Member shares redeemed	(176)	(209)	(176)	(209)
Proceeds from capital note net of issue costs	-	(6)	-	(6)
Securitisation notes (purchased)/sold	-	-	-	26,768
Dividends paid to Capital Note Holders	(5,265)	(5,251)	(5,265)	(5,251)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(11,968)</b>	<b>(11,563)</b>	<b>(11,969)</b>	<b>15,205</b>
Net increase/ (decrease) in cash and cash equivalents held	(66,593)	(53,675)	(62,870)	(38,501)
Cash and cash equivalents at the beginning of the year	255,582	309,257	183,238	221,739
<b>Cash and cash equivalents at the end of the year</b>	<b>188,989</b>	<b>255,582</b>	<b>120,368</b>	<b>183,238</b>

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.



# Notes to the Financial Statements

## Year Ended 30 June 2025

This concise financial report relates to both Police & Nurses Limited as an individual Entity (“the Bank”) and the entities it controlled (“PNL Group” or “the Group”) at the end of, or during, the year ended 30 June 2025. The parent company of the Group is the Bank.

The accounting policies have been consistently applied to all years presented.

The Bank is a company of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the concise financial report. Amounts in the concise financial report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## 1 PRESENTATION CURRENCY

The presentation currency used in this concise financial report is Australian Dollars.

## 2 DIVIDENDS

Dividends during the period relate to fully franked discretionary distributions on the Capital Note and are recognised directly in retained earnings. The Capital Note issuance in May 2022 was \$75m at \$10,000 per note.

## 3 COMPARATIVE INFORMATION

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

## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 INCOME STATEMENT

The Group delivered a strong financial result in for the year ended 30 June 2025 in a challenging environment with net profit after tax for the Group increasing to \$28.2m representing a 16.7% increase from the prior year (\$24.2m). Key contributors to this performance included:

- Growth in net interest income of \$20m (11.5%) relative to the prior year attributable to strong balance sheet growth and prudent management of our net interest margin. This was partially offset by some unwinding of the temporary benefits in the prior year related to the rapid increases in the RBA official cash rate and the Group also experienced higher funding costs associated with increased competition for retail deposits.
- Low impairment expenses with the Group’s loan impairment provisions remaining relatively consistent with the prior year (0.08% of gross loans and advances), our write-off experience remaining low (0.01% of gross loans and advances) and delinquency levels remaining benign.
- Disciplined expense management with total other expenditure increasing by \$14.9m (9.8%) relative to the prior year, which is primarily due to inflation and increased technology costs associated with our ongoing investment in the business.

### 4.2 BALANCE SHEET

At 30 June 2025, the Group’s total assets reached \$9.4b, representing an increase of 5% relative to the prior year. The primary driver of this increase was growth in our loans portfolios. Net loans and advances increased by \$548m (+7.5%) to \$7.9b at 30 June 2025 as the Group continued its focus on growing the business sustainably.

At 30 June 2025, the Group’s total liabilities reached \$8.8b, representing an increase of 5% relative to the prior year. The primary driver of this increase was growth in deposits which form the primary source of funding for the Group. Customer deposits increased by \$663m (+9.5%) to \$7.7b at 30 June 2025. The Group continued to grow its member base, support existing members in growing their savings and also manage its liquidity at prudent levels in line with regulatory limits and its internal risk appetite.

Total equity of the consolidated Group as at 30 June 2025 was \$614m, which includes the payment of the Capital Note dividends during the period.

At 30 June 2025 the regulatory capital adequacy ratio was 14.83% and increased from prior year. The Group is well capitalised and has sufficient capital to support its strategic, growth and risk objectives in the period ahead.

### 4.3 CASHFLOW STATEMENT

Total cash and cash equivalents as at 30 June 2025 were \$189m. The components of the movement in cash and cash equivalents is outlined in the Statement of Cash Flows.

Receivables from other financial institutions, which comprise highly liquid investment securities used for liquidity management purposes, totalled \$1.2b at 30 June 2025.

The regulatory liquidity ratio of the Group was 14.62% as at 30 June 2025, well above the minimum prudential requirement and internal targets. The strong and stable liquidity position provides an excellent foundation for long-term financial sustainability.

The components of the movement in cash are outlined in the Statement of Cash Flows.

## Notes to the Financial Statements

Year Ended 30 June 2025	2025 \$000	2024 \$000	2025 \$000	2024 \$000
<b>5 OPERATING PROFIT</b>				
<b>Interest revenue and interest expense</b>				
<b>Interest income</b>				
Deposits with other banks/ADIs <sup>(i)</sup>	62,782	64,929	132,106	140,179
Loans and advances <sup>(ii)</sup>	429,932	379,275	429,932	379,275
	<b>492,714</b>	444,204	<b>562,038</b>	519,454
<b>Interest expense</b>				
Members' deposits <sup>(ii)(iii)</sup>	245,850	224,441	245,850	224,479
Borrowings from other banks/ADIs including wholesale deposits <sup>(i)</sup>	55,216	47,879	132,001	132,017
	<b>301,066</b>	272,320	<b>377,851</b>	356,496
<b>Net interest income</b>	<b>191,648</b>	171,884	<b>184,187</b>	162,958

The fee income and expenses associated with loan origination have been recognised as part of net interest income.

- (i) Authorised Deposit-Taking Institutions
- (ii) Interest accruing on mortgage offset accounts is presented on a net basis within interest revenue, according to the Group's revenue recognition policy.
- (iii) In this note, Members' deposits exclude wholesale deposits.

	Group		Bank	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
<b>6 NON-INTEREST REVENUE</b>				
Loan fee revenue	2,953	2,661	2,953	2,661
Financial services fees	4,954	4,713	4,954	4,709
Securitisation servicing fees	-	-	6,580	7,973
Insurance commissions	3,241	2,907	3,241	2,907
Other commissions	4,035	3,809	4,035	3,809
Dividend revenue	533	489	1,075	2,665
	<b>15,717</b>	14,579	<b>22,839</b>	24,724



# Notes to the Financial Statements

## Year Ended 30 June 2025

	Group		Bank	
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
<b>7 OTHER EXPENSES</b>				
Impairment of non financial assets	-	-	551	1,179
Finance costs	1,611	1,327	1,611	1,327
Depreciation and amortisation	18,352	16,147	18,321	16,116
Fees and commissions	21,626	19,644	21,333	19,376
Employee benefits expense	84,496	77,512	84,496	77,512
Information technology costs	18,878	16,693	18,878	16,693
Marketing costs	6,163	6,580	6,163	6,580
Other general and administration costs	14,358	14,139	14,307	14,060
Net (gain)/loss on disposal or revaluation loss of property, plant and equipment	(60)	117	(60)	117
	<b>165,423</b>	152,160	<b>165,599</b>	152,960

## 8 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED AND OTHER DEVELOPMENTS

At the date of authorisation of these concise financial statements, several new but not yet effective standards, amendments to existing standards and interpretations have been published by the AASB, IASB or IFRIC. None of these Standards or amendments to existing Standards or any interpretations have been adopted early by the Group.

### (i) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) which sets out requirements for the presentation and disclosure of information in general purpose financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. The transition provisions of IFRS 18 require retrospective application. The AASB issued the Australian equivalent of the standard in June 2024. The Group is continuing to assess the full impact of adopting IFRS 18.

### (ii) Other issued new standards

Other new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements."

## 9 MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

# Directors' Declaration

Year Ended 30 June 2025

The Directors of Police & Nurses Limited declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2025 complies with Accounting Standard AASB 1039 Concise Financial Reports.

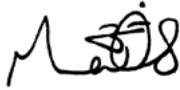
The concise financial report is an extract from the full financial report for the year ended 30 June 2025. The financial statements included in the concise financial report have been derived from and are consistent with the full financial report of Police & Nurses Limited for the year ended 30 June 2025.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report and auditor's report, which is available on request free of charge.

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



**Gary Humphreys**  
Director



**Monish Paul**  
Director

Date: 26 August 2025  
Perth WA



## Independent Auditor's Report

### To the Members of Police & Nurses Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Police & Nurses Limited ("the Bank") and its controlled entities ("the Group"), which comprises the Group and the Bank's statements of financial position as at 30 June 2025, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group and the Bank are in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group and the Bank's financial position as at 30 June 2025 and of their performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Bank in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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### Information other than the financial report and auditor's report thereon

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors' for the financial report

The Directors are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the Directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/media/apzlw0y/ar3\\_2024.pdf](https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Claire Scott  
Partner – Audit & Assurance

Sydney, 26 August 2025

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Grant Thornton Audit Pty Ltd



## Auditor's Independence Declaration

### To the Directors of Police & Nurses Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Police & Nurses Limited and its controlled entities for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Claire Scott  
Partner – Audit & Assurance

Sydney, 26 August 2025

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**Police & Nurses Limited**

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