





We share a belief with our customers that money can be used to create a world where people and the planet thrive.

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Acknowledgement of Country

At Bank Australia we respectfully acknowledge the Traditional Owners of all the lands on which we live and work, and we pay our respects to elders past and present. We recognise their continued connection to the land, waters and culture and we acknowledge sovereignty has never been ceded. Our head office is located on the land of the Wurundjeri people of the Kulin Nation.

Welcome

This report demonstrates how we have worked to achieve the best possible outcomes for our customers and remained true to our purpose during the 2025 financial year.

We report on the material issues and activities that matter most to our customers, our employees, and other key stakeholders.

By reading this report, we hope you'll get a clear picture of our performance and impact for the period 1 July 2024 to 30 June 2025. You'll find information and stories about:

- how we supported our customers and employees to thrive
- how we created positive impact for our communities
- our contribution towards a healthier planet
- our governance and financial performance.

This reporting period focuses on Bank Australia prior to its merger with Qudos Bank. In future years we will have one report to cover the whole entity. Many of the data points included in this report will change as a result of our merger.

If you have any thoughts or queries on this report that you'd like to share, please email us on mail@bankaust.com.au or call us on 132 888 (+61 3 9854 4666).

2025 in numbers



Message from Steve, our Chair, and Damien, our Managing Director

Welcome to our 2025 Impact Report. On behalf of the Bank Australia board and our whole team, thank you for helping shape the future of our customer-owned bank.

Our impact report is how we share an overview of the positive impact we've created on behalf of our customers over the past financial year. It's been a year of significant achievements, and we're excited about the journey we are on, not just to build a bigger bank, but a better bank – for you and for the future.

We hope you enjoy reading the report and learning more about the ways we are delivering on our purpose to inspire and empower our customers to use their money to create a world where people and the planet thrive.

Building the Bank Australia community and celebrating award wins

We grew our customer base by 2%, with more than 14,000 customers joining the bank, taking our total customers to 196,160. Attracting customers from our socially aware target market is important to us and we continue to see our strong brand resonate in the market. Our customer base is now made up of 51.7% of customers from this target market and we hope to see this grow as part of our merger with Qudos Bank.

We were pleased to see customers nominate us for the Mozo People's Choice Awards resulting in 5 award wins across categories including outstanding customer satisfaction and highly trusted. Money Magazine also named us as Customer-Owned Institution of the Year 2024 and Bank of the Year for Customer Service 2024.

Creating positive impact for people and the planet

We focus our impact efforts on the areas that matter to our customers. These include climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing. We do this through our lending, impact fund and advocacy activity. Some of our positive impact for people and the planet this year included:

- growing our impact assets to 22.8% of our total assets, above our target of 20% by 2025
- continuing to incentivise and support our customers on their home electrification journeys and changing our Clean Energy Home Loan criteria to require customers to go all-electric
- supporting the Yoorrook Justice Commission's 'Walk for Truth' initiative to mark the closure of Australia's first formal truth-telling process
- increasing our nature-related loans for conservation projects and to First Nations Traditional Owner Groups to buy back Country through our impact lending
- providing 11 organisations with grants of a total of \$200,000 towards their community projects through our community customer grants program.

Successful customer vote for Qudos Bank merger

One of the biggest achievements of the year was securing customer support for our merger with Qudos Bank. After announcing our merger plans last year, it was fantastic to see our customers engage in the voting process and support the merger, with 91% of votes cast in favour.

Coming together with Qudos Bank will make us one of the largest customer-owned banks in the country – supporting approximately 300,000 customers with over \$18 billion in assets and almost 900 employees.

Our merger is built on a foundation of shared values, and an enduring commitment to people and planet. As one merged bank, we're creating a stronger, more sustainable bank that puts customers at the centre of everything we do.

In November 2024 we also announced our intent to acquire Australian Unity's banking business. The evolving banking market is becoming increasingly difficult for smaller banks, like Australian Unity Bank, to operate and remain competitive. Our size, scale and aligned values make us well positioned as a natural home to continue supporting Australian Unity Bank customers on their banking journey for the long term. Both banks have been working closely together to ensure a seamless transition for customers in late 2025.

It's been a significant effort to get to this point, and we'd like to thank our executive team and all employees for their tireless work behind the scenes to make this happen. You can read more about our Qudos Bank merger and Australian Unity Bank acquisition from page 22.

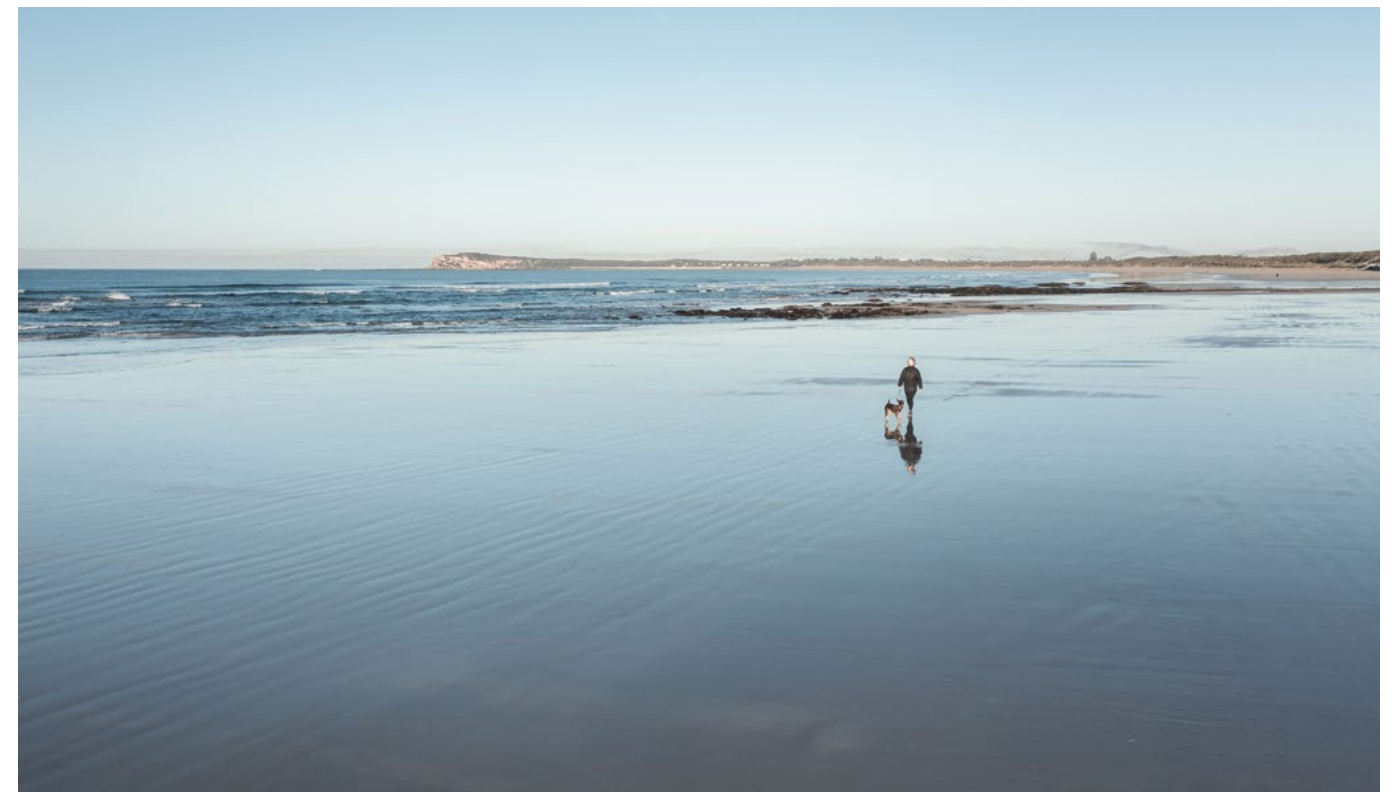
Financial performance

This year we achieved strong financial results despite ongoing challenging operating conditions.

We continued to see the cost-of-living impact our customers, however as inflation eased, the second half of the year provided some rate relief for mortgage customers with the Reserve Bank of Australia (RBA) delivering the first rate cut in 4 years in February 2025 and a second in May.

We had strong asset growth of \$581 million (an increase of 5%), taking total assets to \$12.3 billion, slightly above budget. We also achieved home loans and deposits growth, at 6.5% and 6.6% respectively, both below budget targets.

Our net profit after tax was \$36.8 million, primarily driven by both our revenue and asset growth. This is up from \$26.8 million last year. Our core operating costs were below budget and less than 2024 due to lower expenses and a number of projects being deferred.





We did however make significant investments in merger related activity in preparation of the 1 July 2025 merger with Qudos Bank which means our operating costs overall were higher than budgeted. You can read more detail on [page 20](#).

We were pleased to return our contribution to our impact fund to 4% of net profit after tax and a total of \$1.5 million. This comes after we made the decision to contribute 2% of net profit after tax last year due to the challenging economic environment.

Our focus for the year ahead following our merger is on consolidating systems, harmonising our products and defining our pricing strategy to deliver greater value for customers. We are pleased to implement several reduced fees and charges for customers starting from 1 July 2025.

Our detailed risk management approach and well-funded balance sheet positions us well to deliver on our goals for the future.

Protecting our customers from fraud and scams

Fraud and scams continue to become more sophisticated as fraudsters deploy new tactics with the use of artificial intelligence and cryptocurrency. We take our role protecting customers and their accounts seriously. This year we focused on implementing new measures to combat scams and enhancing our customer education program. Through our communications to customers we aim to keep them informed and alert to the latest trends and types of scams so they can spot when there's a potential threat. We've also invested strongly in fraud detection and prevention technology, including artificial intelligence alongside our fraud bureau partner Cuscal, in an effort to stay ahead of financial criminals.

Updates to our board and executive team

This year there were changes to our board. We farewelled Melissa Bastian and David Wakeley, who finished their terms in November 2024. We welcomed Simon O'Connor who joined the board as a member-elected Director in November 2024. Helen Gluer also chose to retire from the board in June 2025 ahead of our merger with Qudos Bank. Melissa, David and Helen all provided valuable insights and strategic guidance during their years on our board, and we thank them for the role they played in overseeing Bank Australia.

We also said goodbye to 2 of our executives as the merger took effect on 1 July 2025. They are John Yardley, Deputy CEO, with an impressive 23-year tenure and Claire Varro, CFO with 6 years' service. We thank them both for their immense contributions and the important roles they have played to shape the bank's strong success to this point.

Moving forward, our new Bank Australia Limited board and executive team comprises leaders from both Bank Australia and Qudos Bank, bringing a strong mix of corporate knowledge, skills and experience. We'd like to extend a warm welcome to our new Bank Australia Limited Chair from 1 July 2025, Jennifer Dalitz who has been a Qudos Bank Director since 2019.

Steve Ferguson,
Chair

Damien Walsh,
Managing Director

A milestone year ahead

1 July 2025 is an exciting milestone in the story of our bank, as Bank Australia and Qudos Bank come together for the first day of operations as one legal entity. We're incredibly proud to begin this journey with our people, customers and in the communities in which we operate. It will be a rewarding and busy year ahead as we focus on the integration of the 2 banks, continuing to deliver value for our customers and creating a strong team culture.

Some of our priorities include:

- ensuring a smooth integration following the Qudos Bank merger and the acquisition of Australian Unity banking customers
- delivering on our transformation roadmap to support the digital experience for customers and our employees
- engaging with our customers and expanding our impact commitments to reflect our larger member base
- advancing climate action with our customers and partners and preparing for new climate disclosure rules
- growing our impact assets and exploring new impact lending opportunities
- implementing new security and scam prevention technologies to keep customers safe
- continuing to comply with all regulatory requirements.

Thank you for your support. We're grateful to have you with us as we continue to build a bank that puts its customers, planet and purpose first.

Jennifer Dalitz,
Chair

Damien Walsh,
Managing Director

1. Our reporting approach



Our annual Impact Report

Our 2025 Impact Report provides an overview of our business activities and our economic, social and environmental impact for the financial year 2025 (1 July 2024 – 30 June 2025). The report documents progress and challenges, and highlights key achievements as the bank continues its journey to inspire and empower our customers to use their money to create a world where people and the planet thrive.

As a customer-owned bank, our primary audience is our customers, our employees, members of the community where we operate and external stakeholders, including our impact fund partners, investors, key business partners, government representatives, regulators, peers and other organisations in our sector.

In Australia, climate-related disclosures have now been mandated through changes to the Corporations Act 2001. Bank Australia Limited needs to complete its first disclosure under these new rules for the financial year 2026 (1 July 2025 – 30 June 2026). To strengthen our capability to meet the new climate standards and demonstrate leadership, [Appendix 7](#) of this report aligns with some components of the Australian Sustainability Reporting Standards (ASRS) developed by the Australian Accounting Standards Board (AASB). This report also aligns with components of the Global Reporting Initiative (GRI). A detailed list of the GRI-aligned disclosures in this report is in [Appendix 10](#).

The report is about Bank Australia Limited and its subsidiary, Buloke Funding Trust No.1. Bank Australia holds equity investment in Cuscal Limited (4.84% holding). Cuscal Limited provides payment services to Bank Australia and other financial institutions.

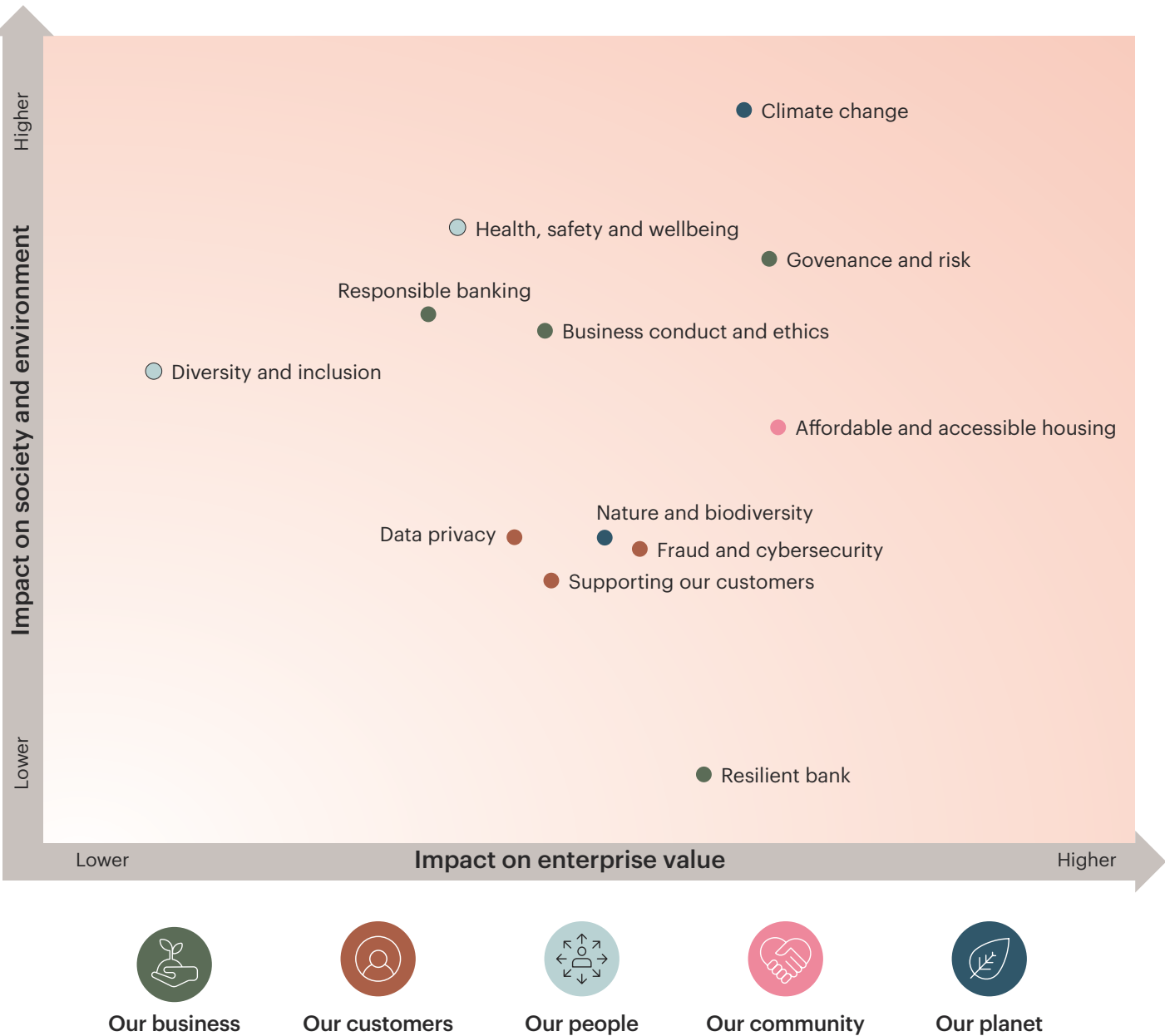


Our materiality process

Bank Australia runs materiality assessments every year to make sure our annual impact report includes the issues that matter the most to our business, our customers and other key stakeholders. These are the issues that can positively or negatively affect economic, environmental and social value for our customers, other stakeholders, society at large and the bank.

This year we used a double materiality approach to identify our most significant impacts on society and the environment, and the issues that have an impact on our business and our ability to create value in the short, medium and long term. Our double materiality approach includes 3 steps: identification of topics; analysis, evaluation and prioritisation of topics; and review, validation and disclosure of topics. Details on how each material topic is addressed in this report are provided in [Appendix 1](#).

Using this process, we identified the following material topics:



Assurance

Every year we engage an independent auditor to review our impact report as part of our commitment to transparency. Involving an independent third party also improves confidence for our board, leadership team, employees, customers and readers over the integrity of the disclosed information.

EY has performed limited assurance over our scope 1, 2 and 3 emissions, including selected financed emissions (scope 3 from the mortgage and commercial real-estate portfolio), our climate governance disclosures and a selection of 6 other non-financial disclosures in the impact report. Limited assurance is a type of assurance engagement and is common practice used in sustainability reporting. A copy of EY's independent limited assurance report is in [Appendix 9](#).

Reporting suite

We produce a suite of reports to provide a transparent and meaningful disclosure to our key stakeholders across a range of topics.

- [Annual impact reports](#)
- [Annual financial reports](#)
- [Modern slavery statements](#)
- [Tax transparency reports](#)
- [Workplace Gender Equality Agency reports](#)

2. Our business



Here's how it works

How we're set up

Bank Australia Limited (ACN 087 651 607) is a 100% customer-owned bank with each customer owning one share in the bank.

We're a mutually-owned Authorised Deposit-taking Institution (ADI) and an unlisted public company.

How we operate

We are governed by a Board of Directors who are all based in Australia.

Our day-to-day operations are led by an executive team and carried out by our 610 employees.

We serve more than 196,000 customers, on whose behalf we manage \$12.3 billion in assets (at 30 June 2025).

We are primarily a retail bank, with a growing commercial impact lending portfolio.

Our [responsible banking policy](#) guides how we invest our customers' money and how we support social and environmental issues.

What we do

We accept deposits from and lend money to customers to help them achieve their goals.

We offer depositors fair and competitive interest rates on their savings, and through our responsible banking policy we are clear on what we do and don't fund.

We lend our borrowers money to buy homes and cars, to make renovations, and for a range of other purposes. We currently have \$9.4 billion in home loans that have helped thousands of customers buy their own homes or investment properties.

Our impact asset portfolio includes \$2.8 billion in assets that create positive impact for people and the planet.

What customer-owned banking means

Australian customer-owned or mutual banks evolved from the credit union movement and are guided by the [International Cooperative Principles](#). Customer-owned banks exist to benefit their customers, not to deliver profits to external investors.

As bank owners, our customers share in the prosperity that we create. We create value for our customers through the impact we make, competitive rates and fees, and service improvements. We retain most of the profit we make as capital to ensure the bank remains strong and use a portion to create positive social and environmental impact through the Bank Australia impact fund.

As an owner of the bank, each customer has an equal vote in the governance of their bank (see [page 97](#)), including electing Directors, approving total Director remuneration and changes to the Bank Australia Constitution.

We listen to our customers through a range of mechanisms, such as the Annual General Meeting, complaints and compliments, social media, customer research and involvement in our communications and campaigns.



Our strategy, purpose and values

Bank Australia is guided by our winning aspiration to be Australia's leading purpose-driven bank. Our aspiration is anchored in our purpose which is to inspire and empower our customers to use their money to create a world where people and the planet thrive.

To achieve our winning aspiration:

- we need to be of sufficient size and scale to make a difference
- we will continue to focus on creating positive impact for our people and planet.

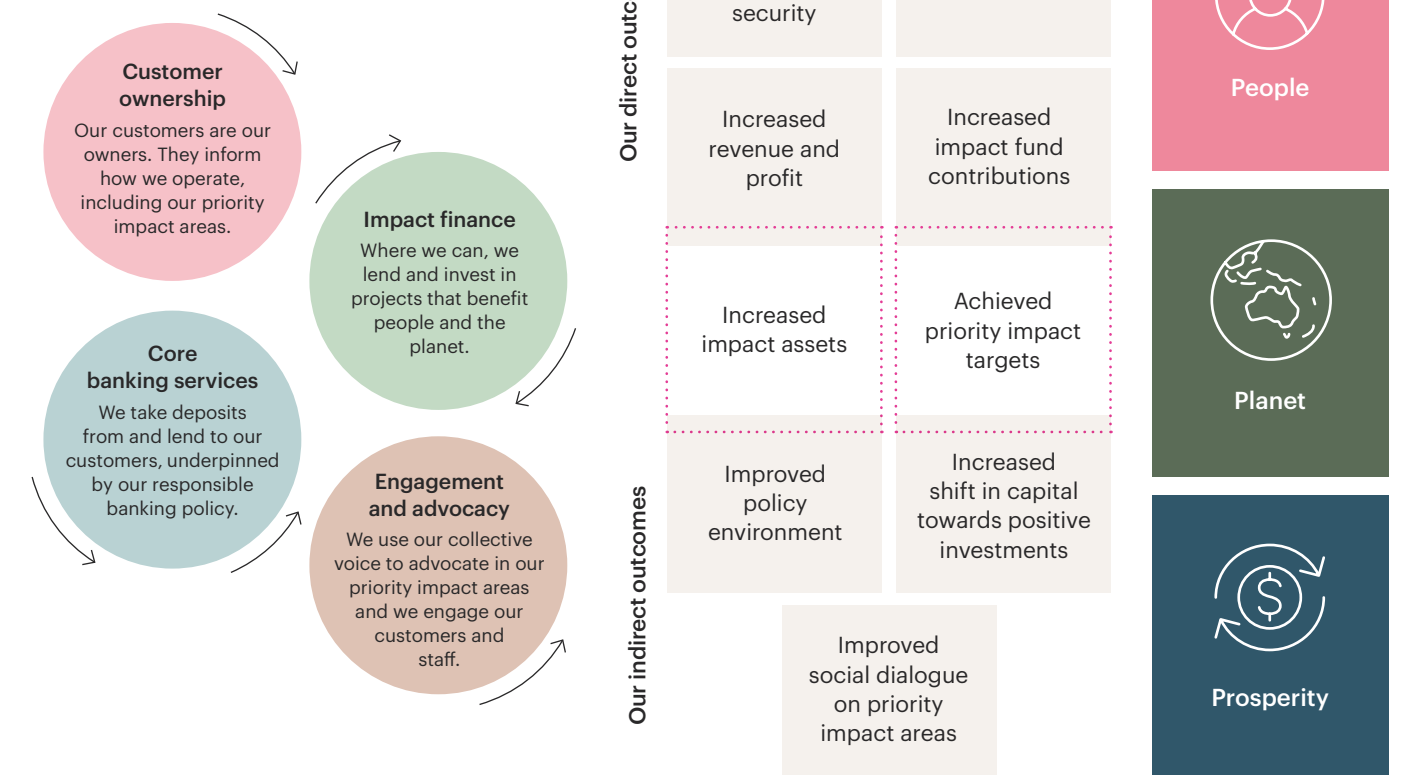
To further support our winning aspiration, we have developed a theory of change to emphasise what it means for Bank Australia to be purpose driven. This theory of change framework outlines the impacts we aim to achieve and how we will achieve them.

Purpose statement

To inspire and empower our customers to use their money to create a world where people and the planet thrive

Priority impact areas

Climate action, nature and biodiversity, First Nations Recognition and Respect, affordable and accessible housing



Our strategy

We believe that banking can be a force for good, and there is a significant and growing opportunity for us to champion responsible, values-based banking.

As a purpose-led bank, we are focused on a target market of socially aware people and values-aligned organisations. We also serve and support customers that fall outside our target market who largely represent existing longstanding customers, along with those that join for specific product needs, pricing, location, and other personal connections to the bank.

We engage with our customers primarily through our digital channels (app and internet banking) which are supported by our network of specialised employees across our branches and contact centre, and third-party brokers.

Our products and services are designed to address the banking needs of our customers across all life stages and for all life events. We provide a simple product and service range, with competitive pricing and seek to embed impact into our products and services to support our customers to use their money to create a world where people and the planet thrive.

Our strategy is anchored in 4 key, interconnected themes that guide our decision-making:



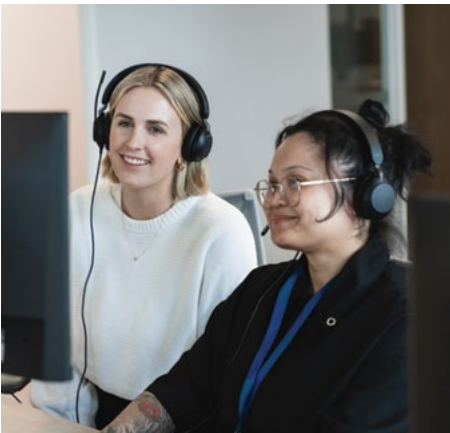
Impact

We seek to have a positive impact in the areas that our customers care about and avoid negative impact. We do this via our impact strategies across climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing. We seek to avoid lending to industries that harm people and the planet, in line with our responsible banking policy.



Customer centricity

Our customers are at the core of everything we do, and we exist to serve them. As a customer-owned bank, we must ensure that all our decisions are made with our customers front of mind. We are focused on continuing to deliver an exceptional customer experience.



Enabling technology

Our primary customer acquisition and service channels are digital-first, with specialised support through phone and branch channels. Our digital transformation is key to our winning strategy.



Resilience

To be able to deliver on our purpose, we have strong commercial foundations and organisational resilience. We are operating in an increasingly volatile environment and must ensure we are able to grow and thrive. We cannot deliver on our purpose or winning aspiration without being certain that we can continue to be commercially sustainable and resilient.

Values

We live up to our values that have been developed in partnership with customers and employees.

Honesty and Integrity

Care and Empathy

Belonging and Community

Future and Generational Thinking

Authenticity and Transparency

Our goals and key performance indicators

Measuring our progress

To achieve our purpose and winning aspiration, we need measures of success that support the strategic choices we make. These measures focus on accountability for advancing strategic thinking, providing feedback, adjusting our strategic choices if and when needed, and ensuring alignment of action and decision-making. The table below outlines our progress this year. Our goals for 2026 are being reviewed as part of our merger with Qudos Bank.

Measures	Key performance indicator	2025 target	2025 actual	Status
Customer	Customer satisfaction	>85%	91.3%	Achieved
	% new customers from target market	>50%	54.4%	Achieved
Impact	Greenhouse gas emissions – % reduction in emissions intensity of residential mortgages (measure in tCO ₂ e/m ² from a 2021 base year)	-33%	-18%	Not achieved
	Impact assets as a % of total assets	20%	22.8%	Achieved
People	Employee engagement	Top quartile	Below top quartile	Not achieved
	Employee turnover (continuing)	Range 10-15%	16.8%	Not achieved
Risk	Evidence of a strong risk culture and compliance with all material aspects of RAS	Achieved	Achieved	Achieved
	Meets all legal, regulatory and prudential requirements	Achieved	Achieved	Achieved
Finance	Cost to income ratio (CTI) – year forecast ¹	≤75%	Achieved	Achieved
	Achieve key budget growth and sustainability metrics:			
	• Lending	Achieved	Not achieved	Not achieved
	• Deposits	Achieved	Not achieved	Not achieved
	• Capital ratio	Achieved	Achieved	Achieved
	• Net interest margin	Achieved	Not achieved	Not achieved
	• Profit	Achieved	Achieved	Achieved

Achieved Not achieved

1 Excludes merger costs.

Our 2025 financials



1 Excludes merger costs.

Our financial performance

This year we achieved strong financial results while we increased activity related to our merger with Qudos Bank. Total asset growth for 2025 was 5%, taking total assets to more than \$12.3 billion.

Emerging from the challenging conditions faced across the banking sector in 2024, we achieved good financial results this year with our net profit after tax at \$36.8 million, slightly above budget and an increase from \$26.8 million in 2024. This was driven by both our asset growth, improved net interest margin, and one-off proceeds from the sale of Data Action.

We continued to see cost of living and interest rate movements impact our customers. As inflation eased, the second half of the year provided some rate relief for mortgage customers with the Reserve Bank of Australia (RBA) delivering the first rate cut in 4 years in February 2025 and a second in May.

This year we welcomed 14,606 new customers to our bank, taking our total customers to 196,160. Pleasingly, our new customers continue to be socially aware, with 54.4% of our new customers this year from this target market.

We continue to see strong competition for customer home loans and deposits among banks as they look to attract new customers. Growth in home loans was 6.5%, below a budget of 7%, and growth in deposits was at 6.6%, below a budget of 8%. Our customer-owned reserves grew to \$778 million, up from \$712 million in 2024.

Activity related to our proposed merger with Qudos Bank was a significant contributing factor to our overall operating expenses this year. Core operating expenses were reported at \$161 million, below a budget of \$165 million due to lower expenses across the board and a number of projects being deferred. However, our total operating expenses were higher as a result of merger-related costs of \$11.6 million.

Our role as a shareholder in related service providers, Cuscal and Data Action, and the one-off sales taking place this year also contributed to our total revenue growth. In May 2025 Data Action announced its acquisition by Vencora, with a full sale of Bank Australia’s shares. In November 2024 we sold 50% of our shares in Cuscal upon its initial public offering (IPO) and retained the remaining 50% of our holding.

We contributed \$1.5 million to our impact fund which goes towards projects, partnerships and programs that support people and the planet, including managing our conservation reserve. We were pleased to return our contribution to our impact fund to 4% of net profit after tax, after last year’s 2% of net profit after tax contribution due to the challenging economic environment. You can read more about our impact fund on [page 65](#).

For the year ahead, we expect to see continued growth following our successful merger with Qudos Bank on 1 July 2025 and our acquisition of Australian Unity Bank in November 2025, delivering greater value to our customers and increasing our ability to invest in further service and technology improvements for our customers. We are implementing several reduced fees and charges for customers starting from 1 July 2025. Our detailed risk management approach and well-funded balance sheet positions us to deliver on our goals for the future.

For more information on our financial performance, please refer to our 2025 Financial Report using the QR code below.



In 2025 we achieved good financial results

\$36.8 million
net profit after tax.



14,606
new customers joined our bank in 2025.



Our customer owners’ funds grew to

\$778 million
up from \$712 million in 2024.



Merger and acquisition activity

A new chapter begins: Bank Australia and Qudos Bank

This year was an important moment in the journey of our bank, with the successful merger between Bank Australia and Qudos Bank. As of 1 July 2025, we officially commence operations as a single entity – Bank Australia Limited – and become one of the largest customer-owned banks in in the country.

This merger brings together approximately 300,000 customers, over \$18 billion in assets, and almost 900 employees. The merger was guided by a shared commitment to people, planet and purpose, creating a stronger and more sustainable bank that puts customers at the centre of everything we do.



Customer engagement

Following approval from our regulator the Australian Prudential Regulation Authority (APRA), we hosted a series of customer information sessions across the country to ensure customers had all the information they needed to vote on the merger.

The sessions were a great success, with valuable customer feedback directly shaping our merger planning and communications. This ensured members felt informed, heard, and confident about the future of their bank.

Customer vote

As a customer-owned bank, we ask our members to vote on major decisions that impact their bank because decisions like a merger need to be made together.

We're especially proud of the result of the customer vote, with 91% of votes cast supporting the merger. This result was well above the 75% needed and showed a significant level of trust and support from customers on the expected benefits of the merger.

What the merger means for our customers

As a combined organisation, the merger means greater value to our customers, including:

- greater access: expanded branch presence across New South Wales, Victoria, Queensland, and Australian Capital Territory, including 15 shared locations with self-service kiosks or joint employee presence
- reduced fees: streamlined and lower fees across a range of products and services
- increased impact: enhanced ability to invest in the areas our customers care about most including climate action, community initiatives, and responsible banking
- future-focused banking: greater investment in digital services and infrastructure.

Throughout the merger process we've been committed to ensuring customers understand what our future together means, and we'll continue to keep customers up to date on the work we're doing to bring our 2 banks together.

Announcing the acquisition of Australian Unity bank

In late 2024 we announced our intent to acquire the customer-owned banking business of Australian Unity, one of Australia’s largest member-owned companies.

Under the agreement, Bank Australia will acquire Australian Unity banking customers and their existing loans, credit cards and deposit accounts, which at 30 June 2024 sat at approximately 25,000 customers, \$1.4 billion in loans and credit, and \$1.6 billion in deposits.

Our size, scale and values alignment made us a natural fit to continue supporting Australian Unity Bank’s customers and provide them with long-term sustainability.

Both banks have been working closely with APRA to finalise the regulatory application and approval and there has been strong collaboration between the banks to ensure it’s a smooth transition for customers joining Bank Australia in late 2025.

Governance and risk management

Good corporate governance and sound risk management practices are a fundamental part of our culture and our business. We are a mutual entity in accordance with section 51M of the Corporations Act 2001, a public unlisted company limited by shares, an APRA-regulated authorised deposit-taking institution and governed by a Board of Directors.

The board is accountable to our customers who own Bank Australia. Customers elect the majority of non-executive Directors to the board and vote on issues at our Annual General Meeting. Additional information about our governance structure, aspects of our corporate governance framework and risk management practices are provided in [Appendix 2](#).

Risk management is a critical element of our corporate governance. Risks arising from our operations are monitored and managed through our risk management framework. Our risk management framework enables the board, executive team and our people to consider risk in decision making supporting the achievement of our goals and the delivery of our strategy.

The Board of Directors has overall responsibility for establishing and overseeing our risk management framework and has a Risk Committee, which provides an objective oversight of the implementation and ongoing operations of the risk management framework. The risk management framework is underpinned by our risk management policy, the risk appetite statement and risk management strategy.

The Risk Committee monitors risk performance by using a series of key risk indicators (KRIs) that establish risk tolerance levels across each risk category (opposite). KRIs nearing or breaching tolerance levels are reported to the Risk Committee by management who provide context and remediation plans to ensure KRIs, and associated risk are managed by our governance structure.



Strategic risk category	Strategic risk	Credit risk	Financial risk	Governance risk	Operational risk
Risk event category	• Reputation • Purpose • Business planning • Sustainable growth • Climate	• Large or concentration exposures • Loan default • Commercial loan default • Liquid investment default	• Liquidity • Capital • Market	• Corporate governance • Regulation & legislation • Risk management • Culture	• Cyber • Business disruption • Physical asset damage • Processing, execution & delivery • Products, services & disclosure • Project management • Employment practices & workplace safety • Data • Financial governance • Financial crime

Information about our risk management framework, material risks and risk governance structure are provided in our [2025 Financial Report](#), section ‘16. Risk Management’.

3. Our customers



Caring for our customers

Our customers are at the core of everything we do. As we’re owned by our customers, and not investors, we’re able to focus on serving their needs and creating positive impact on their behalf.

Driving a strong customer experience

This year we made several improvements to our contact centre, with technology uplifts that provide our employees with the tools and programs they need to best serve our customers.

Our customer-facing teams are using the Genesys Cloud platform, launched in July 2024 and are now using the latest functionality to better understand and meet our customers’ needs when they call.

We also updated our automated phone system with educational messages to assist customers to self-serve, such as notifying our team of their travel plans using our digital app. In August we also launched a new complex enquiries team with contact centre employees trained to have more complex conversations with customers, including fraud and scams, business banking, international payments and other specialised requests.

We significantly improved our average time to answer calls, down to 2 minutes 9 seconds from 6 minutes 1 second for the prior year. We have built employee capability and optimised our operating environment, improving our service performance.

The average time taken to respond to customers via email also improved considerably, down to 1 day, from 2.5 days in the prior year. This is a great result while our digital channels, including email, continue to rise in popularity.

We hit a key milestone in our digital transformation program with the launch of our new loan origination system. The system uses digital automation and provides a more efficient and streamlined process for customers applying for a loan.

We’ve also seen good results from our new digital customer onboarding technology launched last year, which uses a full biometric check to prevent potential identity fraud. Continuously staying ahead of trends and having strong technology is key to providing a secure customer verification process.

As a customer-owned bank, our team consistently works hard to be available for our customers when they need us. We remained focused on ensuring we continue to deliver an exceptional customer experience as we merge with Qudos Bank.

Case study

Turning a vision into reality: Shaun's sustainable home journey with the Victorian Homebuyer Fund

When Shaun, a Bank Australia customer and sustainable buildings officer, first walked into his Brunswick West apartment in Melbourne's north, he didn't just see grey carpet and tired curtains, he saw potential.

Thanks to the support of the Victorian Homebuyer Fund (VHF), Shaun was able to purchase a 1-bedroom apartment and give it a sustainable refresh. The VHF, a shared equity scheme backed by the Victorian Government, allowed Shaun to buy his home with a smaller deposit and no Lenders Mortgage Insurance, as the Victorian Government contributes to the additional equity that homeowners buy back over time. This financial breathing room allowed Shaun to focus on creating an energy-efficient, comfortable home.

"The VHF made buying a home more accessible. It took the edge off having to have a larger deposit than I might have needed and gave me the freedom to spend a bit of the excess money I had on the apartment itself," said Shaun.

Despite having only minor DIY experience, Shaun embraced the challenge of renovating his new apartment. He watched tutorials, borrowed tools from the local tool library, and called in professionals for the important things, like plumbing and electrical work. With a bit of help from friends, he managed to insulate the apartment, install block-out and timber venetian blinds, replace and re-tile the shower, replace the old electric oven and cooktop with a compact induction model, lay down cork flooring, and even build his own kitchen with a reclaimed timber benchtop. For Shaun, the opportunity to live his values in a sustainable home made every challenge worthwhile.

Bank Australia has proudly helped over 1,551 customers purchase a home with the VHF since it launched in 2021. By participating in shared equity schemes like the VHF, we are making an important contribution to the accessibility of home ownership for low- and middle-income earners.



Customer satisfaction

In 2025 we continued to achieve a strong customer satisfaction score with an increase to 91.3% from 88.2% last year. This was the highest level since 2018. Retention rates, indicating a customers' intent to continue banking with Bank Australia, were also strong with a mean score of 8.71 (up from 8.52 in 2024). Overall, 45% of our customers said they would recommend us to their family or friends, which stayed the same as the previous year.

Through Product Review, the consumer-led online platform, we gain insight into our customers' experiences, and in 2025 our product review score has remained strong at 4.6 out of 5. This score is among the best performing financial institutions actively reviewed on the site.

Customer satisfaction

2025	91%
2024	88%
2023	89%
2022	88%
2021	87%

Award wins this year

Bank Australia won 5 awards at this year's Mozo People's Choice Awards. These awards recognise companies with the highest customer satisfaction levels, best services, and a range of other qualities and are voted by customers. We were awarded for outstanding customer satisfaction, excellent customer service, being highly trusted, our mobile banking experience and most recommended.

We also celebrated other award wins including from Money Magazine, which named us Customer-Owned Institution of the Year 2024 and Bank of the Year for Customer Service 2024. Canstar also recognised us for providing Outstanding Value for Investment Home Loans.

We ranked highly again on the Forbes World's Best Banks 2025 list for Australia. This list is based on how customers rate banks for trust, fees, customer service, digital tools, and financial advice.

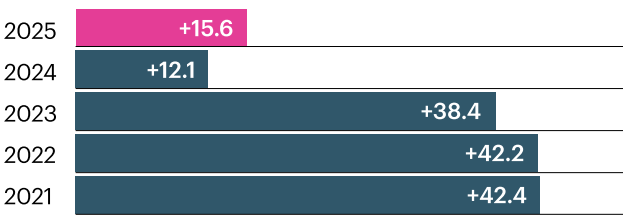
Our contact centre was recognised by the Australian Customer Experience Professionals Association in their quarterly awards, ranking #2 in customer experience and #3 in call wait times among competitors in the Australian banking industry.

Fostering the Bank Australia community

This year our customer base grew to 196,160 customers. Through our communications and advocacy, we raised awareness about our approach to ethical banking and responsible investment. This has helped us continue to attract customers from our socially aware target market, with 54.4% of new customers from this target market. 51.7% of our total customer base is now from our target market.

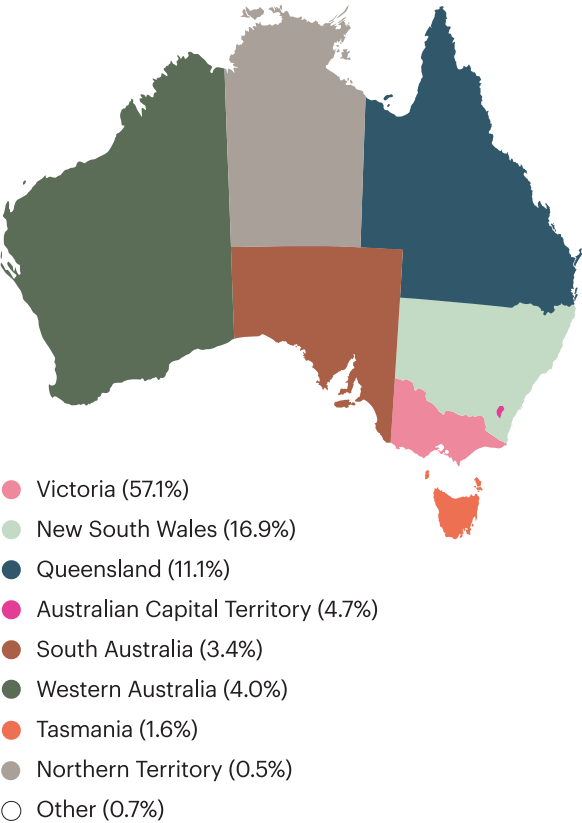
Our Net Promoter Score (NPS) result is slightly up at +15.6 in 2025, from +12 in 2024. This score indicates the likelihood of our customers recommending us to their friends and family, currently 45% of customers said they intend to recommend Bank Australia to others. Roy Morgan's March 2025 NPS benchmarks show the average score for the major banks was -11.7. Customer intention to keep their home loan with us increased from a mean of 7.76 to 7.99.

Net Promoter Score



The average age of our customers stayed the same at 49, but we saw the average age of new customers go from 42 to 38. Younger generations are seeking out purpose-driven businesses that align with their personal values and we know having the right product and digital banking offering is important to meet the needs of prospective customers in these demographics.

Customer locations, 2025

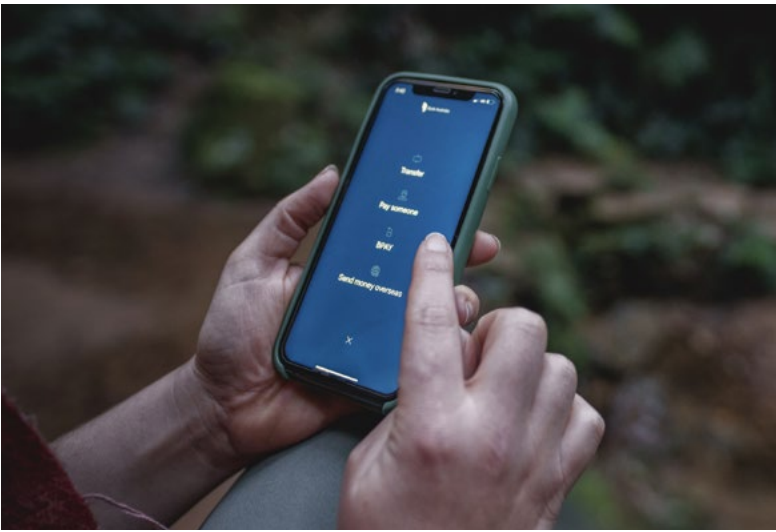


Providing fraud and scam support in an ever-changing environment

The threat of scams and fraud remains a serious challenge, with scammers evolving their tactics using sophisticated methods such as convincing fake websites, impersonating people and businesses, and targeting people through online communities. Protecting our customers is our priority and we continue to invest in people and technology to help mitigate fraud and scams.

This year we expanded our customer protection team to strengthen our ability to provide one-on-one support to customers affected by scams, looking at our fraud and scams monitoring, prevention, education, and communication activity. We see scam education content as a key tactic to helping our customers detect and avoid fraud and scams. We also act quickly to alert our customers about new scams through our key channels such as internet banking, app notifications, emails, web alerts, and social media.

This year there were 881 reported scam cases (up from 567 in 2024). The increase in reported scam cases is largely due to social media scams (Facebook Marketplace), after only being categorised as a scam type in the second half of 2024. As these scams were not previously captured or reported, their inclusion has caused a spike in the number of overall reported scams. Card fraud incidents reduced to 2,704, (down from 3,634 in 2024) reflecting enhanced monitoring



measures implemented by our Fraud Bureau Service partner Cuscal. Digital fraud cases remained consistent, with 747 (compared to 733 in 2024). We saw a significant drop in identity takeovers thanks to the implementation of our stronger customer verification process. While the overall total value of money lost from scams and fraud decreased year-on-year, we continue to prioritise how we can further protect our customers.

We are a member of the Scam Safe Accord created in 2023 and led by the Australian Banking Association (ABA) and the Customer Owned Banking Association (COBA). The Scam Safe Accord has 6 priority initiatives that make banking safer for Australian consumers and puts added pressure on scammers. The initiatives include technology to confirm the validity of payees before money is released, increased warnings and deliberate delays for higher risk payments, and strengthened intelligence and data sharing across the sector.

- Additional ways we are helping customers avoid becoming victims of scams and fraud include:
- fraud and scam warning pop-up messages in internet banking and mobile app before a transaction, prompting customers to double-check payment details when transferring funds
 - sharing monthly updates across our channels, including the mobile app, internet banking, social media and eStatements about different types of scams
 - quickly detecting and responding to new scams and fraud to help keep our customers safe.

Next year we plan to:

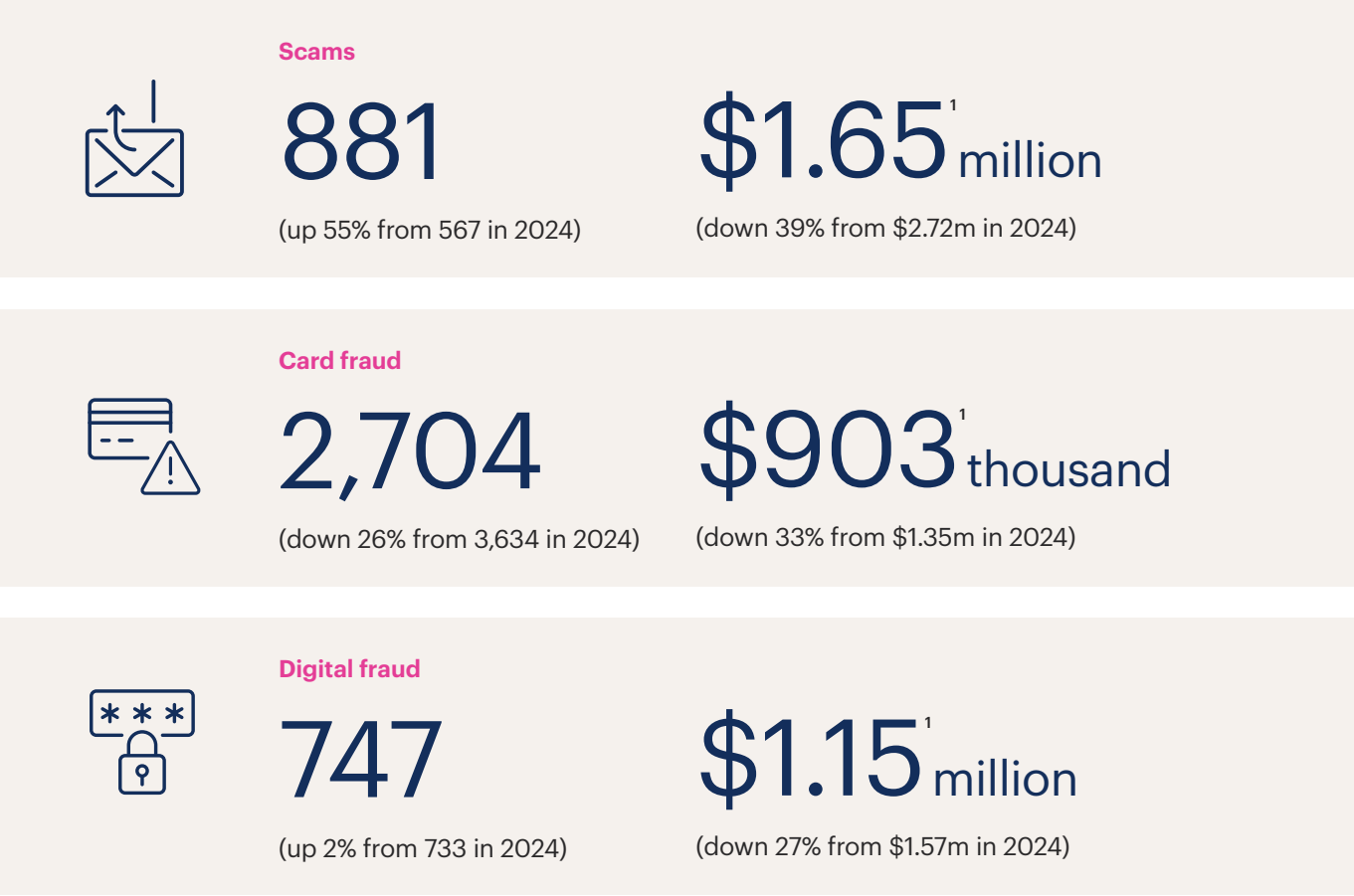
- introduce payment holds on high-risk transactions, allowing time for review and helping prevent potential financial losses
- expand the use of fraud monitoring tools across more systems to strengthen scam detection and response by spotting unusual activity or non-human interactions
- continue our proactive fraud awareness communications through targeted education for customers and employees
- adhere to ABA's Scam Safe Accord requirements to continuously improve safety measures for customers, including the roll out of Confirmation of Payee to give customers greater confidence when sending money
- align with the Australian Treasury's new Scam Protection Framework as requirements and timeframes become clearer.

Our customers’ data privacy

We are committed to protecting the personal information and data of our customers, including financial information, by keeping this data secure and confidential. Our customers trust us to comply with the provisions relating to privacy and to the collection, use, disclosure, and storage of their information.

We uphold the requirements of the Credit Reporting Privacy Code, Banking Code of Practice, Customer Owned Banking Code of Practice, Privacy Act 1998, and the Australian Privacy Principles (APPs) when we collect, hold, and manage personal information. Along with meeting these requirements, the APPs require banks to have a clearly expressed and up-to-date Privacy Policy about our management of personal information, which includes developing several policies and notifications to confirm our customers’ information is kept confidential.

We will continue to inform, alert, and educate our customers about the ongoing risks of data privacy and protection and ensure our customers understand the aspects of fraudulent activity.



1 The value is the reported loss, in some cases the bank is able to recover some of the value.

Case study

Protecting customers from online scams



Scams are becoming more sophisticated and harder to spot. We’re committed to protecting our customers and supporting them if things do go wrong.

Over the past year, we’ve expanded our customer protection team to better detect scams and provide compassionate support to affected customers. We also provided ongoing training to our frontline teams to help them spot when customers might be involved in a scam.

One incident involved a customer who joined a Facebook group dedicated to a well-known American singer. The group looked real, filled with posts and updates about the artist. But it was actually a scam. The group’s admin contacted the customer, claiming they had been selected for a private online meet-and-greet, and could attend only if they transferred a large sum of money via PayPal.

Our team were alerted when the transaction was attempted. Acting quickly, our customer protection team reached out directly to the customer. The customer shared that they felt quite isolated and truly believed the offer was real and exciting.

“Stopping the transaction is important, but it’s only one part of the response to emotional scams like this. It’s about listening, understanding, and helping people feel safe again,” said customer protection team member Yvette. Thanks to the team’s quick action, the scam was stopped in time and the customer avoided any financial loss.

Another recent case involved a customer who made 2 card payments to what they believed was a real cryptocurrency investment platform. The site looked professional and showed what appeared to be growing returns. The customer had been introduced to the opportunity online and was guided by “support people” who helped them navigate the platform. But when they tried to withdraw their funds, they were told the money had been “seized” by the Australian Securities and Investment Commission (ASIC) and they needed to pay more to release it.

Sensing something was wrong, the customer contacted our team before making the payment. From the details provided we quickly confirmed it was a scam and advised them not to send any more money. “If someone promises guaranteed returns or asks you to pay more to access your investment, it’s almost certainly a scam,” said Yvette. “Real investments don’t require constant top-ups to unlock your own money.”

“Someone asking for money is a big red flag. The number one thing I tell customers is: don’t transfer money to someone you haven’t met in person.”

Bank Australia is committed to monitoring for scams and educating customers on how to protect themselves and stay safe from scammers.

Delivering fair and competitive rates and fees for customers

As a customer-owned bank, we don't prioritise profit for its own sake. Instead, the profit we make protects the long term financial sustainability of our bank and enables us to be a force for good. We extend this approach to our pricing and always aim to ensure our banking products are competitive in the market.

Our focus this year has been on helping our customers affected by cost of living challenges, particularly borrowers moving from fixed rate to variable rate home loans. We passed on 2 interest rate decreases in full in February and June, and also helped customers to save by providing competitive savings and term deposit rates.

We made fee changes on 1 July 2024, which included the removal of the monthly \$5 fee for Everyday Access accounts. As part of our merger with Qudos Bank, we will further reduce a number of fees and charges effective from 1 July 2025, which will make sure our customers are better off overall.



We're committed to offering responsible products

Our customers expect to be supported by everyday banking products with features and financial outcomes that contribute to a more sustainable future for people and the planet.

This is the reason we:



- offer a Parental Pause to provide parents with the option to pause their home loan repayments for 3 months and an Eco Pause to give customers the option to redirect funds for environmental home upgrades with our home loans
- offer a Clean Energy Home Loan
- offer reduced rates on loans for customers purchasing electric vehicles



- invest money into impact assets and other loans in a responsible way.



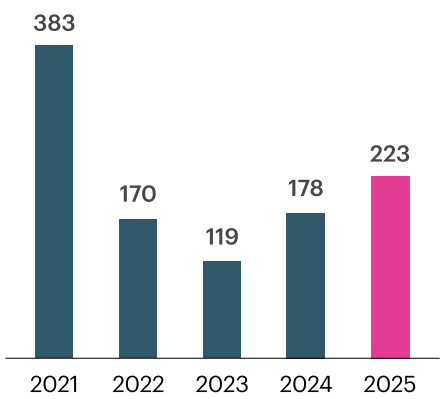
Helping customers facing financial hardship

Supporting customers experiencing financial difficulty is one of our top priorities. Our responsible lending aims to prevent situations where customers might find themselves under financial stress. We understand that circumstances can change and are always prepared to support our customers in times of need.

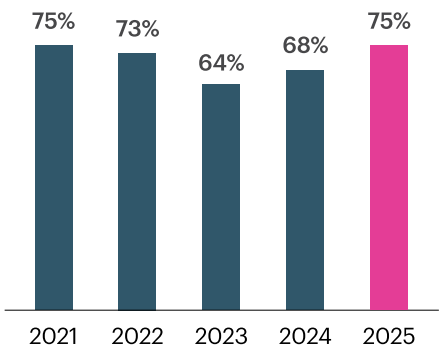
We provided financial hardship assistance for customers with 223 loan accounts, up from the previous year's 178¹ accounts. Our assistance included options such as loan repayment pauses, temporary adjusted repayment amounts or loan restructure variations.

Common situations that impacted our customers' financial wellbeing this year ranged from economic pressures, including cost of living and employment rates, and unforeseen circumstances, such as life and medical events, natural disasters, relationships and separations. The assistance we provided during these times included reduced repayments, loan term extensions and arrears capitalisation.

Loans granted financial hardship assistance¹



Customer satisfaction with overall financial situation²



¹ In line with our 2025 methodology, we have included the number of loan restructure variations to the previous years' totals.

² Bank Australia worked with research agency Forethought to measure customer satisfaction with overall financial situation.



We provided additional support and referrals to support agencies for customers impacted by natural disasters, such as flooding, bushfires, and cyclones across the country to help make sure they were able to continue accessing their banking services if displaced.

We adhere to ASIC's best practice approach, which includes regular training to help our team to recognise signs of hardship and respond appropriately by providing customers with assistance, recommending appropriate services and products, and connections to third party resources via our referral program with Uniting Vic. Tas. The customer support and recovery team assisted customers with 23 loan restructures for \$7.4 million in loans this year, the same as in 2024.¹ In 2025, loan arrears greater than 30 days increased to 0.5% of all loans (from 0.3% in 2024).

This year we focused on reviewing and improving our end-to-end hardship management process. As a part of this change, some manual tasks are now automated through our customer relationship management (CRM)

program, including developing new script templates, adding 'trigger warning' messages to customer communications, and creating a new approval process for assessing hardships to make turn arounds faster.

Bank Australia signed up to Respect & Protect this year, a program urging businesses to update their terms and conditions to support customers who may experience financial abuse, a form of domestic violence that affects 1 in 6 Australian women. We support customers experiencing possible financial or domestic abuse with a range of services including specialised teams with the right training and a dedicated external referral support partner.

Our focus for 2026 is bringing together a streamlined approach to customer hardship with Qudos Bank to ensure all customers are offered and can receive the support they might need. We will continue to look at ways to personalise communications as well as providing specialised training for our team.

Listening to our customers

As a customer-owned bank, upholding an accessible and efficient complaints process that allows our customers to be heard is crucial. By listening to and addressing our customers' concerns, we're able to improve our offering and provide value to customers.

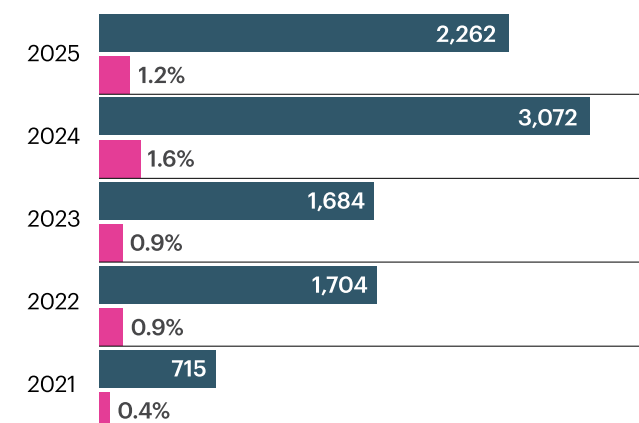
Our team is focused on improving how we manage and resolve issues in a manner that is fair, timely, and flexible. Any updates made to our approach are always closely aligned to ASIC guidelines on dispute resolution.

We recorded 2,262 complaints this year, notably down from 3,072 in 2024. Some of the top themes included customer service errors and communication issues, delays and declines for loan applications, and resolution issues surrounding account blocks placed by the Fraud Bureau Service (FBS). Customers also cited confusion on communications about account restrictions placed by the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) and account restrictions as a key complaint theme.

Our total customer complaints as a percentage of total customers were at 1.2%, a decrease from 1.6% in 2024. The resolution timeframe for complaints was consistent with 2024, at 94% of complaints being resolved in 21 days. Strengthening processes also meant that the number of complaints dealt with by our frontline employees that were escalated to the Australian Financial Complaints Authority (AFCA) reduced from 112 to 102. These made up a slightly higher percentage of total complaints, at 4.5%, up from 4% in 2024 when our total complaints were higher. Key trends for these complaints included scams, fraud, and account closures being raised.



Customer complaints



- Customer complaints
- Customer complaints as a share of total customers

Next year our key focus areas are on continuing to improve our complaints handling process, including bringing together the Bank Australia and Qudos Bank complaints processes to ensure we are providing the best support possible, upskilling our frontline teams with additional training and new resources to understand, and minimising customer complaints and escalations.

¹ In line with our 2025 methodology we have included the number of 'accounts' rather than 'customers' as the previous years total.



Customers choosing digital banking options

Digital channel usage and changes in branch transaction volumes

Customers continue to increasingly opt for digital banking services as their preferred way of banking. This includes the use of our app, internet banking, digital wallet, and PayID. Over 60% of our customers used our digital banking services via their smartphone this financial year.

We prioritise evolving our digital banking offering to provide the services that customers want and expect from us. To complement this, we pride ourselves on having a strong customer service offering and know it's important to our customers to have the option to receive support or resolve issues by speaking with our team over the phone.

In May we informed customers in the Latrobe Valley region of our decision to remove the external Bank Australia ATMs in Moe and Traralgon due to declining customer usage. We continue to provide customers visiting the Moe or Traralgon branch with access to internal ATMs available during branch opening hours and fee-free access to ATMs operated by the 4 major banks.

While digital banking usage grows, we know our branch network is important to customers in the communities we operate in. As part of our merger with Qudos Bank, we're pleased to offer our customers access to 15 branches and expanded access to Bank@Post services, including cash withdrawals, through Australia Post outlets from 1 July 2025.

Customers using our mobile app

64%

(126,369, up 2% from 118,755 in 2024)

Customers using digital wallet

35%

(68,677, up 2% from 63,874 in 2024)

Customers using PayID

30%

(59,217, up 2% from 53,804 in 2024)

ATM withdrawals

857,610

(down <0.5% from 860,947 in 2024)

In branch transactions¹

81,000

(down 22% from 103,375 in 2024)

¹ Teller transactions only

Case study

Making our home loan application process easier for customers

Buying a new home is an exciting life experience, however applying for a home loan can be a daunting process. To make the application process smoother and faster for our customers, we rolled out a new loan origination system for home loans in August 2024.

The new system connects with the many external systems that the bank uses to process loan applications. That was not possible with our previous loan origination system. This helps remove many manual steps that slowed our ability to process our customers’ loans.

Martyn from our lending team called the update to our loan origination system a key milestone in our digital transformation program. “Thanks to the partnership with developer Cloudcase, we’ve improved the loan application process for customers through a tailored digital experience. It’s now easier to apply, easier to get a loan, and easier to connect with our Bank Australia team,” he said.

“As a customer-owned bank, we put our customers at the centre of everything we do. With this new system, loans are being processed faster and funded faster, many in under 3 days. We’ve received great feedback from both customers and our lending team.”

The new system also means our lending team can handle more applications, thanks to automation and fewer manual touchpoints.

Looking ahead, we’re expanding the loan origination system to our personal lending and credit card products, with the rollout scheduled for early in the new financial year.



Responsible banking

Helping to advance accessible housing

We have a long history of supporting and lending to projects designed to increase access to good quality and affordable housing for more Australians, including low- to middle-income earners and marginalised communities.

This year we continued to participate in initiatives to increase access to housing for low- to middle-income earners such as Housing Australia’s Home Guarantee Scheme, which includes the First Home Guarantee, and the Victorian Homebuyer Fund.

We continue to address inequities in the housing sector through our partnership with Indigenous Business Australia (IBA) by supporting First Nations households with finance for their homes and in building financial independence.

We lend into the Specialist Disability Accommodation (SDA) commercial sector in Australia by assisting with expanding the supply of SDA homes for those with a disability. For individuals wishing to purchase an SDA-approved home, we consider SDA funding received through the National Disability Insurance Scheme (NDIS) as income when we assess their eligibility for a home loan. This reduces barriers to home ownership for people with disability and contributes to a more just and inclusive society.

Case study

Karen's all-electric, solar powered home with a Clean Energy Home Loan



Karen is building an all-electric, energy efficient home for her family just outside Canberra on Ngarigo Country, with the property design achieving an impressive NatHERS rating of 8.8-stars. Motivated by rising energy costs and the desire for energy independence, she made the decision to go all-electric with solar power and battery storage. With self-generated energy in sight and getting Bank Australia's Clean Energy Home Loan, Karen said:

"I will have no energy bills for the life of the house, the upfront investment has future-proofed our family."

Karen designed the home to be north facing, with eaves that let in natural light and warmth during winter while blocking the harsh summer sun maximising passive solar benefits. "Orientation is everything," she said, "facing the living areas north and making sure the summer sun is blocked out goes a long way."

The home is also fully insulated for year-round comfort and energy efficiency.

Looking ahead, Karen is optimistic about the future of sustainable housing in Australia. "Passively designed houses are becoming more accepted in Australia, and anything that uses less energy is a good thing. We usually insulate the walls, ceiling, and floor of our homes, but often overlook the windows and doors. To properly seal a home, we need to insulate everything, including those parts.

When the whole house is sealed, it becomes much more energy efficient."

In December 2024 we updated our Clean Energy Home Loan criteria to require homes be all-electric, an important step toward our goal of reaching net zero emissions by 2035. At the same time, the Clean Energy Finance Corporation (CEFC) committed an additional \$65 million to support Bank Australia's green lending program. With over 85% of our total emissions coming from our home loan portfolio for the 2025 financial year, this change helps us to support customers like Karen while contributing towards our climate action goals.

In 2025 we offered customers 2 reduced interest rate Clean Energy Home Loan options: 'New Build' for newly built, all-electric homes with a NatHERS rating of 7.5-stars or higher and rooftop solar; or 'Renovate' for customers who have made eligible upgrades to an existing, all-electric home.*

Karen is one of many Bank Australia customers choosing to build or upgrade their homes to be all-electric and more energy efficient, making them more sustainable for both people and the planet. When asked why she chose Bank Australia, Karen shared, "I love the integrity of Bank Australia, their values align with mine."

* Due to strong demand for our Clean Energy Home Loan Renovate product for existing homes, we paused new applications from 28 March 2025.

Promoting sustainable housing

A total of 797 green homes across Australia have been financed through our Clean Energy Home Loan products since the program started in 2020.

We understand that buying a sustainable home or making eco-friendly upgrades can be challenging when it comes to sourcing the right information or some of the upfront costs associated with it. We continue to champion higher standards across the housing market.

In December 2024 we updated our Clean Energy Home Loan product criteria to be all-electric, with specific requirements for both new builds and existing home renovations to receive a reduced rate.

We are able to do this thanks to the support of the Clean Energy Finance Corporation (CEFC) who committed an additional \$65 million to support our green lending program, building on the initial investment of \$120 million since 2020.

Reducing emissions from the homes we finance is key to achieving our goal of net zero emissions by 2035, and we remain committed to helping our customers decarbonise their homes. With over 85% of our total emissions coming from our home loan portfolio, we will continue to be focused on supporting our customers to buy, build, or renovate energy efficient homes. This will play a big role in meeting our ambitious climate action goals and assisting customers through the energy transition.



Impact finance

Many of our customers join our bank because they want to know that their money is being used in a way that aligns with their values. That means knowing the funds in Bank Australia transaction and savings accounts or term deposits, or the interest they pay on loan products, are not being used to fund things that don't align with their values.

We aim to continue growing impact finance assets through 3 key channels: our **retail impact lending** primarily serving individual customers; our **commercial impact lending** supporting business clients; and our **treasury team**, managing a portfolio of sustainability bonds.

What we do

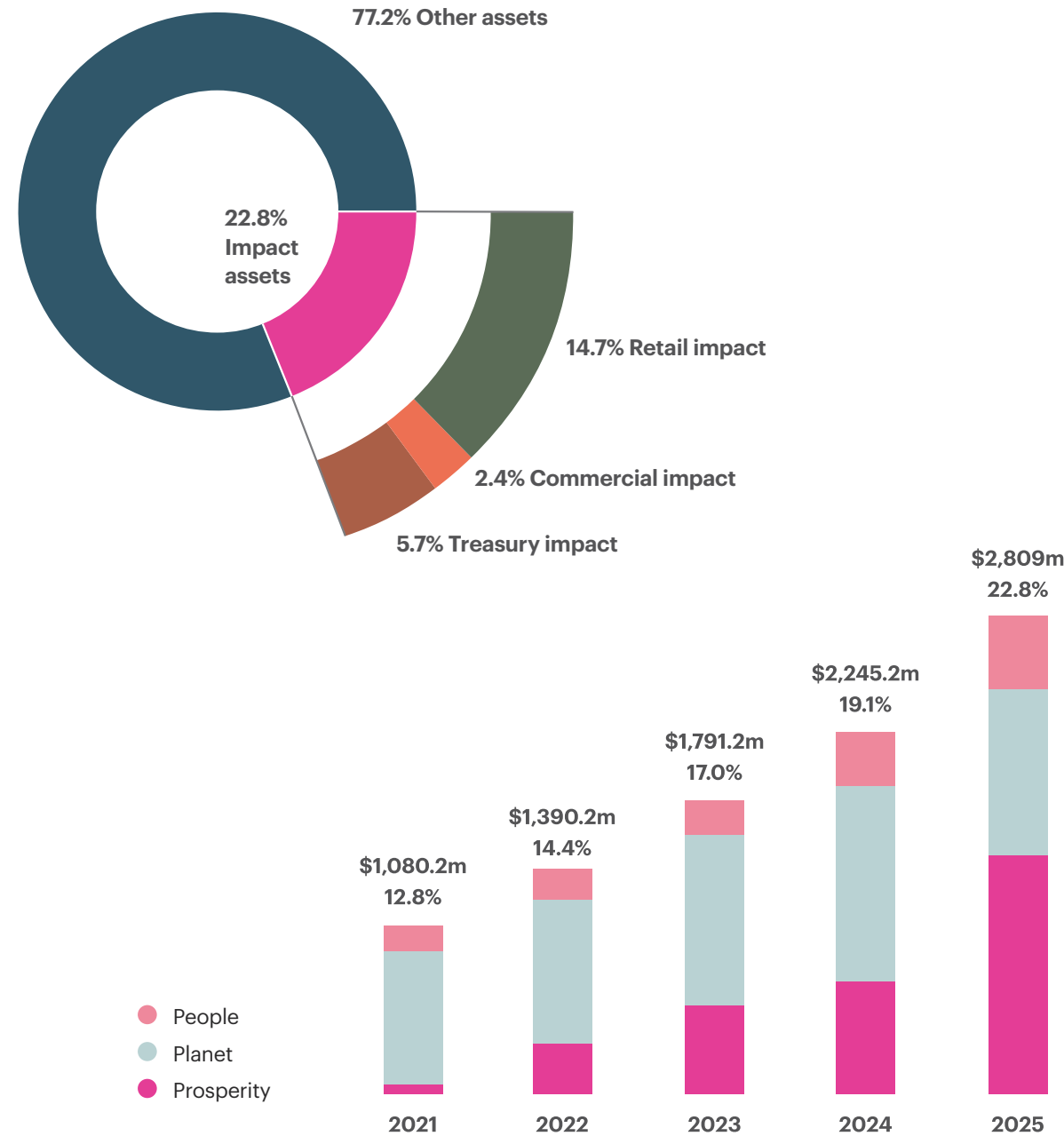
We are primarily a retail bank, with a small commercial lending portfolio, as well as an investment portfolio we use to manage our liquidity. Our responsible banking policy outlines the things we do and don't lend to or invest in. We do not lend to harmful industries like fossil fuels, live animal exports, intensive animal farming, tobacco, arms, and gambling.

We do lend to everyday customers, clean energy transition and conservation, disability and community housing, as well as purpose-driven organisations.

Our responsible banking policy guides all our lending, with an assessment procedure to ensure we screen out any potential loans that don't comply with sectors excluded under our policy.

Our impact asset portfolio is a subset of our total assets and includes retail impact loans, commercial impact loans and impact treasury (green and sustainable) bonds. In 2025 our impact asset portfolio represents 22.8% of our total assets.

This year our total impact assets grew to \$2.8 billion. This is an increase of \$564 million (25%) since 2024, and \$1.7 billion (169%) since 2021. We were the first Australian member of the Global Alliance for Banking on Values (GABV) in 2012 and use the GABV Scorecard as the basis for classifying our impact assets using the 'triple bottom line' approach: people, planet, and prosperity.



More information about our impact finance can be found in [Appendix 6: Our lending and investments](#).

Examples of our impact asset portfolio include:



People

Specialist Disability Accommodation loans

We finance Specialist Disability Accommodation (SDA) developments through commercial loans and provide pathways to home ownership for people with disability through individual home loans.

Community housing loans

We finance community and affordable housing developments for people who can't access the private rental market.



Planet

Loans for green homes and new green developments

We fund developers that build sustainable properties and provide reduced rate home loans to customers with eligible green homes that are built or renovated to a high standard of sustainability.

Green and sustainable investments

We invest in bonds and other investments to manage our liquidity. Wherever we can we work hard to ensure these investments are consistent with our values and we are an investor in green and sustainability bonds.



Prosperity

Loans under affordable mortgage programs

We lend to customers under shared equity schemes that help lower- and middle-income households access home ownership.

Not-for-profit loans

We lend to not-for-profit organisations to help fund the important work they do and provide credit card facilities and working capital.

Our impact asset portfolio targets

We set ambitious goals for growing our impact asset portfolio, achieving one and falling short of the other.

1. 20% impact assets of total assets by June 2025

In 2020 we set an ambitious goal: to double the contribution of our impact asset portfolio of total bank assets from just over 10% to 20% by 2025.

We're proud to share that we not only met this target, but we have exceeded it, with our impact asset portfolio representing 22.8% (\$2.8 billion) of total bank assets in June 2025.

This milestone reflects 5 years of dedicated effort, during which we actively sought out and supported programs and projects aligned with our impact objectives.

We achieved some strong outcomes including:

- Clean Energy Home Loan (retail) – portfolio expanded to a total of \$390 million, with a 78% increase (\$171 million) in 2025.
- Victorian Homebuyer Fund (retail) – portfolio expanded to a total of \$571 million, with a 30% increase (\$133 million) in 2025.
- First Home Loan Deposit Scheme (retail) – portfolio expanded to a total of \$393 million, with a 35% increase (\$101 million) in 2025.
- Individual Specialist Disability Accommodation (retail) – portfolio expanded to a total of \$8.1 million, with 29% growth (\$ 1.8 million) in 2025.
- Indigenous Business Australia (retail) – portfolio expanded to a total of \$7.8 million, driven with 33% growth (\$1.9 million) in 2025.
- Community Housing (commercial) – portfolio expanded to a total of \$102.8 million, with 13% growth (\$11.9 million) in 2025.

2. Financing \$1.5 billion of clean energy transition and conservation by 2025

As part of our climate action strategy launch in 2022, we outlined our ambition for scaling support for regenerative products and services that deliver positive climate outcomes. We set a target to fund \$1.5 billion in clean energy transition and conservation initiatives by 2025.

While we've made meaningful progress and delivered strong results, we fell short of our \$1.5 billion goal – reaching \$1.26 billion in funding. We shared in our 2024 Impact Report that we were off track on this target. Since then, we managed to grow our funding of green homes significantly by refreshing our Clean Energy Home Loan. While we managed to grow it by \$171 million in 2025, this wasn't enough to reach the target. In 2026 we will update our impact asset performance targets to ensure they remain ambitious, focused and aligned with our strategy. This includes updating our definitions of impact assets to ensure we stay aligned with best practice.

Our sustainability bond program

In addition to directing customer deposits to lending for the impact areas our customers care about, we also have a sustainability bond program which issues debt to wholesale investors. We have \$540 million in sustainability bonds on issue, which we match against impact assets that meet criteria demonstrating a clear link to high-quality outcomes for people and the planet. The funds raised by issuing these bonds allows us to lend even more into these impact areas.

Case study

Helping Bidyadanga Aboriginal Community in Western Australia to acquire freehold property

This year we supported Bidyadanga Aboriginal Community La Grange Inc (BACGLI) in acquiring a 300-hectare property through our impact lending.

This was accompanied by a grant from the Indigenous Land and Sea Corporation (ILSC). This acquisition returns ownership of the land back to a First Nations-run organisation in the Bidyadanga Community, one of the largest Aboriginal communities in Western Australia and home to the Karajarri (Traditional Owners), Juwaliny, Mangala, Nyangumarta, and Yulparija language groups.

With support from Bank Australia and ILSC, BACGLI has acquired Shamrock Gardens, an established horticulture enterprise located in the Kimberley region growing seedless watermelon, rockmelon, pumpkin, and sweet potato creating employment and business opportunities for the local community.

The business is a joint venture between BACGLI and the previous owner, Angus Galwey, with lease income going back to the Bidyadanga Aboriginal Community. This purchase is a rare chance for land to be returned to a First Nations-run organisation, bringing long term economic benefits, career opportunities, and community development for Bidyadanga residents.

“The acquisition of Shamrock Gardens represents an opportunity to provide employment, training and career pathways that can be transferred to variety of industries on a property located near the community. In the long term it will provide economic benefits that will come back to Bidyadanga Community to support our residents,” said Tania Baxter, Bidyadanga Aboriginal Community Chief Executive Officer.



Partnering with Bank Australia has helped the Bidyadanga Aboriginal Community towards self-determination and a strong future, forming a solid relationship to deliver impactful results.

“We’re very pleased to make a meaningful contribution to supporting their important work for the future of the community. We want to continue to grow culturally appropriate and accessible impact lending and it’s a key focus area in our First Nations Recognition and Respect strategy,” said Rafe, a First Nations man, and Bank Australia’s Manager Reconciliation Strategy.

Working with trusted partners

Our broker network

Broker engagement is an important part of our growth as customers continue to seek advice from brokers when taking out a home loan. We work closely with our broker partners so they understand our values and are equipped to recommend products and services that best suit their clients’ needs.

This year we expanded our network to around 3,316 active brokers, up from 2,325 in 2024. This included adding PLAN, FAST, and Choice aggregation companies. Collectively, brokers generated \$1.4 billion in new home loans, down from \$1.7 billion in 2024, which makes up 57% of the total loan value originated in 2025. The reduction in loan value was due to the implementation of our new loan origination system in October and no campaigns held in the lead up to this key update.

We apply one common commission structure across all products. Our commission payments are 0.6% plus GST (upfront commission) and 0.15% plus GST (trail commission) for brokers who are part of an aggregator, and 0.5% plus GST (upfront commission) and 0.15% plus GST (trail commission) for brokers holding their own Australian Credit License (ACL) granted by ASIC and a direct relationship with the bank.

Upfront commission payments are based on the settled value of the loan, less offset and redraw balance, and trail commission payments are assessed on the closing balance of the loan, less offset balance, each month. Trail commissions are paid for the duration of the loan.





Our insurance partners

This year we continued to support our customers by providing products to meet their general insurance needs through our relationships with Allianz Insurance and Honey Insurance. This includes homeowner, landlords, renters, and car insurance options.

Under our agreements, we receive commissions and other payments on insurance policies sold, which are outlined in our Financial Services Guide.

Code of Practice

Banking Code of Practice

Bank Australia is a member of the Australian Banking Association (ABA), which represents the Australian banking industry. As a member of the ABA, we subscribe to the Banking Code of Practice.

The ABA code sets out a range of ethical and customer focused standards and behaviours that protect and serve individual and small businesses customers, and their guarantors as defined by the code.

These are underpinned by 4 core principles:

- trust and confidence
- integrity
- service
- transparency and accountability.

Customer Owned Banking Code of Practice

Bank Australia is a member of the Customer Owned Banking Association (COBA). Australia's customer-owned banks, credit unions and mutual building societies provide banking and other financial services to 5 million Australians and are highly regulated, safe and secure financial institutions with total assets of more than \$179 billion.

We adhere to the Customer Owned Banking Code of Practice, a set of ethical standards for customer-owned banks, credit unions and mutual building societies which focus on customer benefits, community involvement, fairer fees, and quality service.



4. Our people



Engaging our people

As we grow, attracting and retaining employees who align with our purpose, values, and culture is essential to effectively meet the evolving needs of our customers and stakeholders.

We conduct an annual employee engagement survey to measure overall levels of engagement. 86% of our employees completed the survey in October 2024. Our overall engagement score was 56%, a decrease of 10 points compared to the previous year. The executive team and senior leaders care about engagement and are working hard to understand and improve employee experience to build engagement.

Our results showed many positive employee experiences and opportunities for improvement. Employees stated the following areas as our top performing employee experiences; cybersecurity, risk culture, and our people managers. Key opportunities for improvement include decision making, digital enablement, and enabling infrastructure. We know technology is a pivotal part of delivering a strong employee and customer experience and we've had positive feedback on the Microsoft 365 roll-out that we've delivered since the survey.

Our executive team and senior leaders have worked together on action plans to respond to the issues raised in the survey so we can continue to build a positive and engaging workplace. In the team debrief sessions we ran, we also reflected with employees on their personal actions to improve their engagement. Taking the time to listen to and understand feedback on the findings has been a priority and we facilitated 74 team debriefs to better understand engagement drivers.

Based on our survey provider Mercer's engagement model, our employee engagement score is 8 points below their Australia Diversified Financial Services Index which is 64%.



We were recognised as an Employer of Choice in the 2024 Australian Business Awards for the seventh year in a row. The awards recognise employers across a range of industries who have strong performance in key areas such as organisational culture, training and development, and health and safety.

Growth and development of our people

We invested in building capabilities across our organisation to ensure we have the right mix of talent so we can deliver on our strategy and ambition.

The size of our team was consistent with the previous year, with 610 people (613 in 2024), or 570 full-time equivalent employees.

Our recruitment activity focused on helping us effectively deliver business critical functions including branches, contact centre, lending, finance, and IT.

We offer flexible working arrangements to support our employees to balance their personal and professional lives. Approximately 8.4% of our employees work part-time. We also have a hybrid work policy which promotes the flexibility to work from our offices for a minimum of 3 common days, subject to business requirements.

In 2025 our employee turnover (continuing) was 16.8%, down from 17.5% in 2024.

Additional information about our people is provided in [Appendix 4](#).

Our leadership capability framework

Our framework highlights 6 core leadership capabilities that we believe are crucial to our future success. The aim of the framework is to arm our people with helpful information and training to become the best leader they can at different stages of their development.

One way we do this is through our leadership coaching circles, where we had 8 employees participate in the program, taking the total to 104 participants to-date. We also ran a Leadership Masterclass series for 215 people, these included sessions such as leading through change to prepare people managers for our merger with Qudos Bank. These programs provide a series of small group sessions to enable leaders to connect, learn and develop together with others they might not normally have the chance to work with. 57 people attended programs at the Australian Institute of Management.

Learning and development

Investing in our people is essential for our success as a purpose-driven bank. All new starters complete an initial suite of business-critical compliance training, and we run a quarterly refresher program so employees can better balance keeping up to date with the demands of their day-to-day roles. This helped us achieve a 99.5% completion rate across all compliance modules throughout the business this year. Our compliance training includes but is not limited to cybersecurity, anti-money laundering, counter-terrorism financing, protecting vulnerable customers, disability awareness and inclusion, modern slavery, and social media guidelines.

Employees also completed 778 optional courses on Boost, our self-paced online learning platform. Content ranged from foundational communication skills to professional and leadership development and continues to be available to all our people.

This year we also delivered:

- New Starter induction training to 49 participants
- Indigenous Cultural Awareness for another 217 employees, with 87% of our people now having completed the training
- Introduction to Co-operatives and Mutuals for 21 people
- Respect@Work program attended by 111 people
- Unconscious Bias for Hiring Managers Program attended by 25 people
- People Experiencing Vulnerability workshops attended by 171 people.

We also continued our Reviving Resilience Program for 55 people leader participants.

Key priorities for the year ahead include:

- equipping our people leaders to support their integrated teams and build an aligned culture
- continued deployment of Indigenous Cultural Awareness training
- roll-out of Respect@Work and Unconscious Bias training for our people leaders.

Case study

Leadership Masterclasses to equip our leaders to manage teams through change

We know that everyone experiences change differently in the workplace. As we prepared for our merger with Qudos Bank, we focused on supporting our people leaders to guide their teams through this transition.

We delivered a series of Leadership Masterclasses focused on leading through change. These sessions gave employees the chance to upskill or refresh their skills in this area. A total of 215 people leaders from our branches and offices took part in the sessions.

The masterclasses were designed to help people leaders support their teams through change with confidence and care. Each session created space for reflection, connection, and learning about how leadership plays an important role in Bank Australia’s success. The 3 sessions explored leading remote and merged teams and developing leadership mindsets to navigate complexity and change.

Kylie, a supervisor from our general enquiries team said, “The masterclass came at the perfect time, as we step into a period of big change across the bank. It gave me space to reflect on what my team needs from me right now, clarity, calm, and a sense that we’re in it together.

One of the most valuable takeaways was shifting my mindset around complexity. Instead of rushing to fix or control it, I’m learning to lead through it by staying curious, creating space for reflection, and focusing on what really matters.”



“It reminded me that my role isn’t to have all the answers, but to support my team with direction, context, and care. I left the session feeling more grounded and better equipped to help my team navigate what’s ahead. It’s a powerful reminder that how we show up especially during change really matters.”

As we move forward with the merger with Qudos Bank, we will continue to offer tailored learning opportunities and programs to support our employees through the merger and other changes.



Fostering an inclusive culture

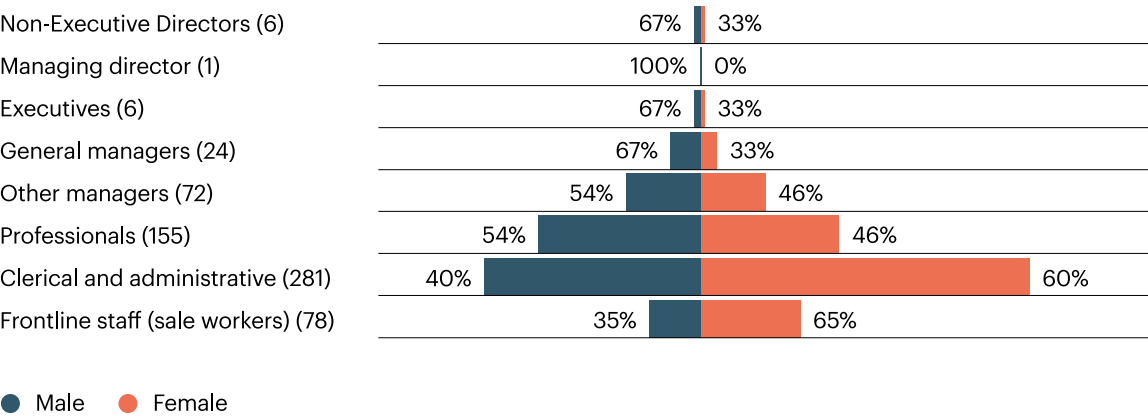
A workplace culture that promotes equality, diversity, and inclusion is critical for our continued growth and success. It is important that our workforce represents the varied cultures and life experiences of our customers, as well as wider society, and for our employees to champion our efforts to be a more diverse, inclusive, and accessible bank.

Our policies, processes, and systems help to foster an inclusive workplace that starts from the hiring process. We have statements included in job postings and recruitment panels with gender balance and recruitment training requirements. Our employee-led GLOW Network and social clubs promote a diverse and inclusive work environment, through education and awareness of LGBTQIA+ matters so that all employees can bring their whole selves to work.

Gender equality in our team

In 2025 we continued to employ more female employees (330, or 54%) than male employees (280, or 46%). This is in comparison to 55% and 45% for females and males respectively in 2024.

Employee gender split, by role classification, 2025 (as at 31 March 2025)



We’re committed to pay equity across our workforce and do not discriminate based on gender, background or identity. Each year we assess for potential gender gaps in remuneration. This assessment accounts for factors including performance, skill set and experience, tenure at the bank and differences in roles.

We also submitted an annual report to the Workplace Gender Equality Agency (WGEA) in accordance with the requirements of the Workplace Gender Equality Act 2012. We are committed to continuing to improve our gender pay gap results by ensuring pay equity across our work force, and not discriminating based on gender, background, or identity.

More information about our employees can be found in Appendix 4 on [page 104](#).

Salary packages, by gender, 2025

Role classification	Female salary package (average)	Male salary package (average)
Frontline and support staff	\$89,344	\$88,229
Middle management	\$174,817	\$175,008
Senior management	\$361,274	\$361,314

- Notes:
- includes superannuation
 - frontline and support staff are all those employed at grade 1 and 2 (including trainees)
 - middle management are all those employed at grades 3 and 4
 - senior management are all those employed at grades 5 and 6
 - consistent with previous years, Senior management excludes the Managing Director
 - average base salary has been converted to FTE for part-time staff
 - the differences between the average FTE salaries for females and males is attributable to a number of reasons relating to individual choices including years of service at the bank, level of experience and complexity of roles.

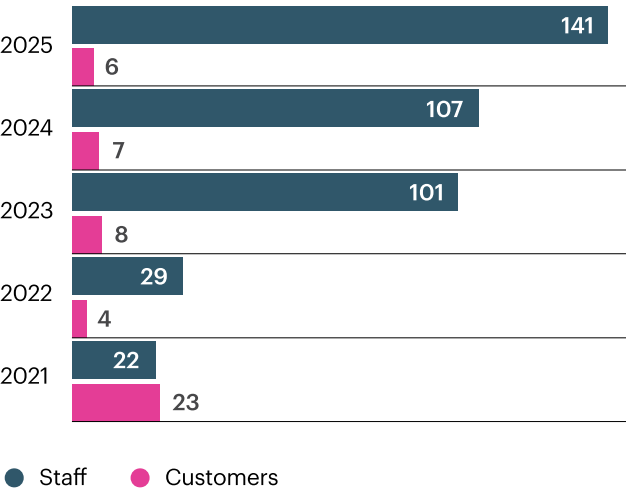
Health and safety

At Bank Australia we are committed to maintaining both safe workplaces and work practices. We have a comprehensive health, safety and wellbeing policy to support all employees.

Manager-specific versions of workplace health and safety, and anti-bullying, harassment and discrimination training were completed by 145 employees. These provide targeted learning sessions to improve employee skills and knowledge and increase our ability to provide leadership in these areas.

We had 141 reported incidents of which 113 were without injury and 28 were with an injury. An additional 6 incidents affecting customers were reported of which 3 sustained minor injuries. Providing a safe environment for our employees and customers is one of our highest priorities and we take incidents of any nature very seriously. We have a proactive risk management framework in place to assist us with early intervention strategies, such as responding to hazards as soon as managers and the health safety and wellbeing team are notified and where possible, before an injury occurs.

Number of hazards, incidents and injuries



Volunteer leave

We offer one day of paid volunteer leave for our employees, giving them the opportunity to support their community.

This year employees used 50 days of volunteer leave to help partner organisations such as First Australians Capital, Backpacks 4 Vic Kids, and Neuroblastoma Australia. Employees also assisted event organisers on the day at Treaty Day Out in Morwell hosted by the First Peoples’ Assembly of Victoria.



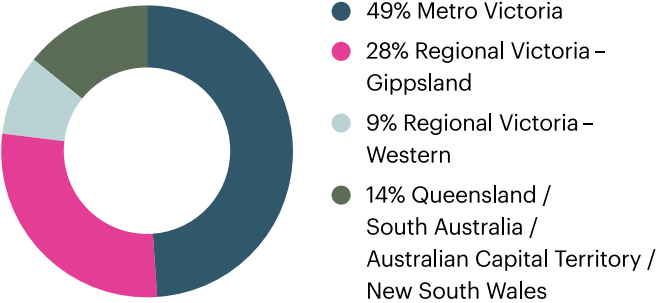
Traineeships and internships aligned to our values

We continued our financial services traineeship program, offering places for people including refugees and people seeking asylum, and people living with disability. This year we had 3 trainees join our team which provides individuals with entry level employment opportunities and equips them with skills and qualifications (Certificate III in Financial Services) to seek permanent employment. Each year the bank advertises these traineeships in Melbourne, the Latrobe Valley, and Bendigo.

Creating regional employment opportunities

We’re proud to provide employment opportunities in regional Victoria. More than a third (37%) of our employees work from regional Victoria, this includes our contact centre and processing centres in the Latrobe Valley, our branches and Bendigo office. We have a long history in the Latrobe Valley, with over a quarter of our workforce (28%) working in the region.

Staff by location, 2025



This year:



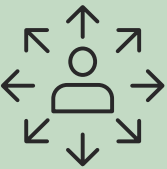
145

of our employees completed manager-specific versions of workplace health and safety, and anti-bullying, harassment and discrimination training.



37%

of our employees work from regional Victoria.



3

trainees joined our financial services traineeship program offering places for people including refugees and people seeking asylum, and people living with disability.



Business conduct and ethics

Our approach to remuneration

We pay our people fairly for the work they do, and we don't pay bonuses or sales-based commissions to any of our employees, including executives.

We want our people to focus on acting in the best interest of our customers. This is why we don't provide financial incentives to drive sales. Instead, we pay our employees fair salaries that reflect their position, qualifications, experience and overall performance. We continue our policy of not paying any sales-based commissions or bonuses to our executives or any other employees. We do make small discretionary recognition payments to frontline employees which recognises their contributions to providing our customers with high quality service.

We continue to see the benefits of our policy of not paying bonuses and commissions. Offering bonuses to drive sales increases the risk of unethical behaviour that may negatively impact customers.

We benchmark remuneration for the Managing Director position against independent market data. The ratio of our Managing Director's wage to the median wage at the bank in 2025 was 10.8:1. In 2024 the ratio was 11.1:1. We believe this is low compared with the ratio of other private sector businesses and reflects our approach to responsible remuneration management.

We maintained our employee superannuation contribution rate of 13% to ensure we keep ahead of the default rate (11.5%).

Financial Accountability Regime

The Financial Accountability Regime (FAR) imposes a strengthened responsibility and accountability framework for entities in the banking, insurance and superannuation industries and their directors and senior executives. The FAR is designed to improve the risk and governance cultures of Australia's financial institutions.

We have continued to meet our obligations under the FAR.

Case study

Volunteering to support First Nations enterprises through First Australians Capital

Our employees are encouraged to use their paid volunteer leave to support the community in meaningful ways. One opportunity we offered this year was through a partnership with First Australians Capital (FAC) and the Australian Business Volunteers program. FAC provides funding, resources, and guidance to First Nations enterprises and businesses to support how they grow and shape strong financial futures.

In September 2024 a team of 10 employees joined a 5-day immersion program with FAC, designed to strengthen the organisation's capabilities, skills and accelerate its growth and success. This program included developing tailored training and action plans in areas like research, benchmarking, and case study development to foster new opportunities for learning and development across the organisation.

"I was honoured to attend 3 of the 5 days and was absolutely blown away by everyone's passion, knowledge, professional skills, and willingness to learn. For me, this was a fantastic opportunity to step into something I have never done before. Coming in with an open mind and my usual 'go with the flow' attitude, I was able to contribute my ideas, build on my own skills, and network with people both internally and externally," said Steph, from the learning and development team.



This program was coordinated by our impact management team.

"Volunteer support like this acts as a powerful accelerator for FAC's mission. As a smaller financial organisation, we don't have access to the same scale of resources as larger institutions. Being able to draw on the knowledge, tools, and time of experienced professionals helps us bridge that gap. It enables us to deliver better outcomes for our clients, strengthen internal capabilities, and innovate in ways that might otherwise be out of reach. It also fosters a sense of confidence and momentum that's hard to quantify but deeply felt across the team," said Mi-Lin Finnie, Managing Director Partnerships at FAC.

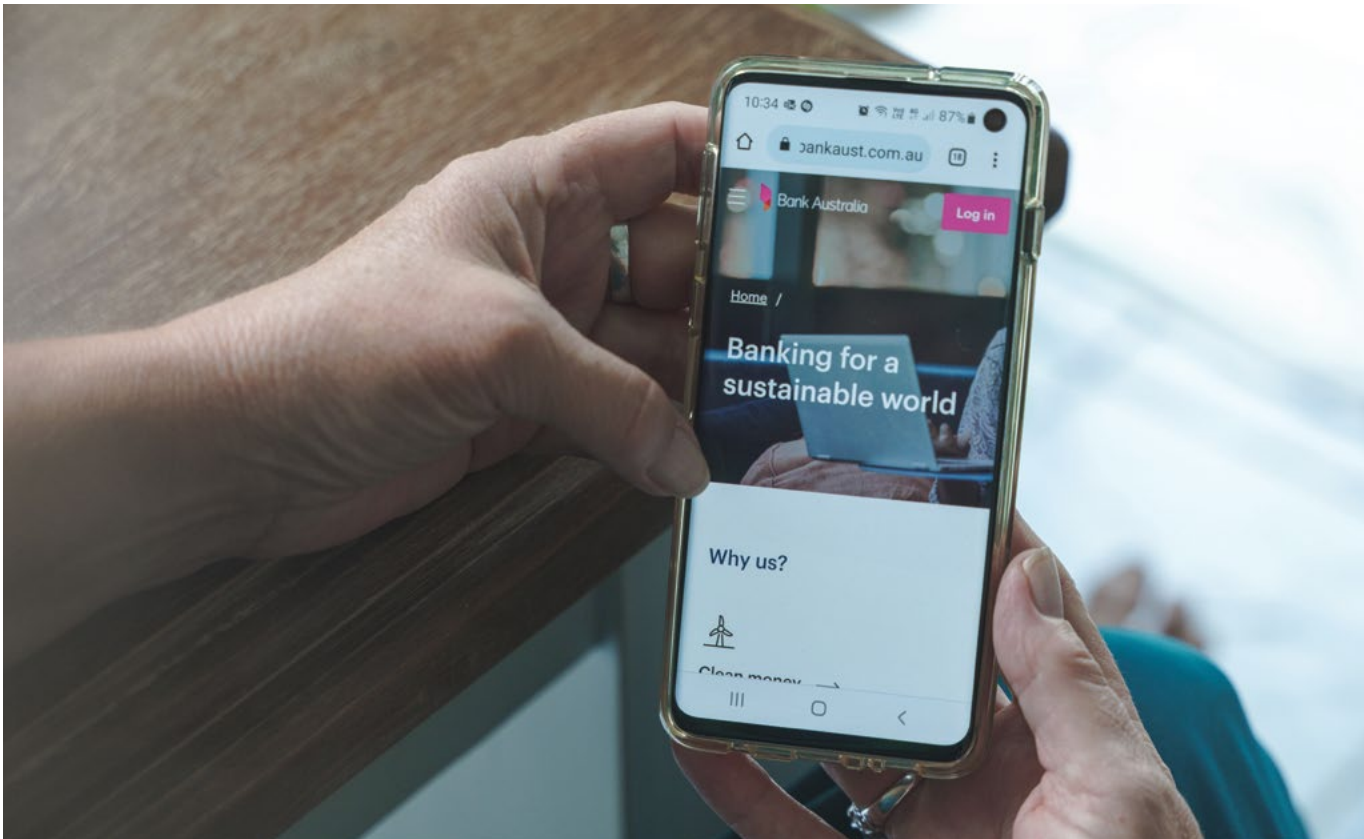
Looking ahead, we will continue to find meaningful volunteering opportunities for our employees, reflecting our commitment to living our values through action.

Delivering on our transformation roadmap

In 2025 we focused on progressing our transformation agenda and delivering key projects in our roadmap. This helps to further build our in-house technology capabilities, fosters a culture of continuous improvement for our employees, and delivers a better customer experience.

A key project milestone was the roll out of Microsoft 365 for all employees, enhancing collaboration and productivity, providing an uplift in our technology to the latest security benchmarks and setting the foundations for future digital development with the Microsoft suite.

We also progressed our marketing automation project, upgrading to Dynamics Customer Insights which enables faster, more effective campaign and customer journey creation for our team with streamlined integration with our customer relationship management (CRM) system. We're able to send more personalised and relevant messages to customers using a new data platform that brings together information from different sources. Our customer-facing teams also get better insights from real-time data and dashboards, helping us improve how we communicate with customers to provide clearer, consistent support.



We ran 2 pilot projects using artificial intelligence (AI) this year. One pilot helped our frontline employees more quickly and accurately answer complex customer questions, while the other supported our contact centre consultants during calls, including summarising conversations and handling admin tasks that are normally done manually.

These pilots were very positive, helping our team focus more on the individual customer and improving their overall experience. We're taking a careful and responsible approach to AI, making sure we have the right governance, policies, risk management and ethical safeguards in place ensuring our use of AI supports our customers, our people and our values.

Alongside these projects, the technology teams have played an important role in supporting the bank to prepare for the merger with Qudos Bank on 1 July 2025 and ensuring a smooth customer data migration for the Australian Unity Bank acquisition taking place in late 2025.

Our priority for the year ahead is integrating our technology platforms with Qudos Bank and onboarding Australia Unity customers by December. We'll focus on enhancing our employee and customer experience with the upgrades to the marketing automation platform, our mobile app, internet banking, and implementing new security and scam prevention technologies. Strong governance, effective risk management, and a commitment to building our implementation capability is what underpins our transformation efforts.

5. Our community



Our impact fund

As a customer-owned bank, we ask our customers to tell us which issues they want to see us act upon.

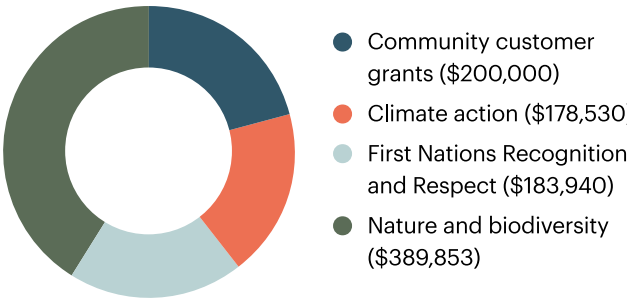
Our impact fund supports projects that create a positive impact for people and the planet. We commit up to 4% of our annual after tax profits to our impact fund. We prioritise projects and initiatives across our 4 impact areas of climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing.

This year we were glad to return our impact fund contribution to 4% of net profit after tax, contributing \$1.5 million to the fund. This comes after we made the decision to contribute 2% of net profit after tax last year at a total of \$0.5 million, due to the challenging economic environment.

Our impact fund supports not-for-profit partners, social enterprises, community customer grantees, and our conservation reserve on Wotjobaluk Country (western Victoria). You can find a full list of our social and environmental impact focus areas and grant recipients in Appendix 5 on [page 106](#).

The below chart outlines our impact fund total spend by impact category during 2025.

Impact fund projects by funding category, 2025



Our conservation reserve

The Bank Australia conservation reserve is our largest impact fund project, and in 2025 we invested \$318,945 in the project, which spans 2,117 hectares across 4 properties in total. On the conservation reserve we work with partners Greening Australia, Trust for Nature, and Traditional Owners the Wotjobaluk Nations represented by the Barengi Gadjin Land Council (BGLC). You can read more about the work taking place to protect nature and biodiversity on the conservation reserve on [page 86](#).

Impact fund partnerships

In 2025 we provided funding for several partners and programs that align with our impact priorities. These include:

- our 3-year partnership with Seed Mob, Australia's first Indigenous-led youth climate justice network
- Yoorrook Justice Commission, the first formal truth telling body, on their powerful 'Walk for Truth' journey from Portland to Parliament
- Environment Victoria, a leading environmental advocacy group helping create awareness and action through research and reports on both the financial and climate benefits to getting off gas at home
- RACE for 2030, the industry-led cooperative research centre for energy and carbon transition, and their new research project led by RMIT to drive energy upgrades in private rental homes.

Community customer grants

Our community customer grants provide funding for projects and initiatives led by organisations that bank with us. In 2025 we provided \$200,000 in funding to 11 community customer organisations, social enterprises, and small businesses. Our grant program has provided over \$2.2 million in funding to 160 projects since it began in 2016.

As always, we were highly impressed by the quality of applications we received, and the social and environmental challenges our customers are taking action on. To make sure we have a diverse range of perspectives and expertise in the application review process, we involve customers, employees, and a member of the Bank Australia board on the committee for selecting grant recipients.

We also conducted a survey with previous community customer grants program recipients to better understand the impact of our support and how we are contributing to positive change within local communities. Respondents were asked to reflect on how the funding has helped them achieve their goals, the visibility and credibility gained through the partnership, and the overall experience of working with us. Key findings include:

- 83% indicated that the funding made a positive difference by enabling them to improve services and increase the number of beneficiaries
- 100% said our support enabled them to make a positive change in attitude or behaviour
- 33% of respondents noted our funding allowed their organisations to expand their work to new locations and employ more people or take on more volunteers.



In 2025 we invested
\$318,945
in our conservation reserve project.



Our customer community grants program has provided over
\$2.2 million
in funding to 160 projects since it began in 2016.



During the year Bank Australia maintained supply contracts with
27
B Corp accredited businesses.

Case study

Fitted for Work is helping open doors for women seeking employment

Since 2005, Fitted for Work based in Melbourne has been dedicated to helping women, non-binary, and gender-diverse jobseekers overcome employment barriers. They have supported over 47,000 people, including migrants, refugees, and ex-prisoners to find meaningful employment.

Fitted for Work received a Bank Australia community customer grant in 2024, which supports not-for-profits, social enterprises, and businesses that share our values with grants up to \$20,000. After receiving a grant in 2017, Fitted for Work applied again in 2024 to meet growing demand. This new grant will help support 50 jobseekers to join their programs and find meaningful employment.

Originally an outfitting service, Fitted for Work has evolved into a comprehensive job-readiness hub. Their sister social enterprise, The Conscious Closet, helps fund their purpose. The journey begins with a one-on-one consultation about the client’s job history, goals, and interests, followed by referrals to the right services, either in-person at their Melbourne office or online across Australia.

“On the surface, a lot of people think we’re just about helping women find jobs,” said Fitted for Work’s Managing Director, Donna. “But actually, it’s about gender equality. It’s about ensuring that women have financial independence and security, so they can have agency in their own lives. We know that when we help one woman find a job, it doesn’t end with her, she brings that independence and security to her family and to society as a whole. It’s really beautiful to see.”



Fitted for Work’s services include confidence-building workshops, resume crafting, and interview skills development. They also offer mentoring programs for up to 12 months after securing employment, knowing that problems don’t end once someone gets a job. Fitted for Work appreciates Bank Australia’s commitment to engagement and advocacy. “What we love most about banking with Bank Australia is that it’s a bank that gives a voice to Australians, and a voice to women,” said Donna.

Bank Australia’s community customer grant program continues to support organisations that make a positive impact on people and the planet.

Walking together towards First Nations justice, reconciliation and self-determination

Last year we launched our First Nations Recognition and Respect strategy, building on our journey of reconciliation since our first Reconciliation Action Plan (RAP) in 2010.

First Nations reconciliation, and genuine recognition and respect for First Nations people, is a fundamental responsibility for Bank Australia. This commitment is reflected in our First Nations Recognition and Respect strategy and impact initiatives aimed at building relationships, partnerships, and trust with First Nations communities.

We know our customers care about First Nations reconciliation and we're pleased to share the steps being made towards how we invest, partner, and advocate for meaningful and sustainable change. Now over one year into implementing our strategy, we acknowledge the milestones, relationships, and learnings made so far, but also what's next on the journey.

Our strategy sets out our vision to 2030 for walking together towards First Nations justice, reconciliation, and self-determination. It has a focus on 3 core action areas: recognition and respect through building deep and ongoing relationships, providing accessible and culturally appropriate impact lending, and increasing our procurement from First Nations businesses.

Relationships and partnerships

We've been focusing on strengthening our relationships and building trust with First Nations-led organisations and communities through our key support areas, including our impact fund and impact lending, and procurement strategies. At the heart of this work and our strategy is the importance of truth-telling and how we recognise the historic and ongoing impacts colonisation has had on Australia.

- we supported the Yoorrook Justice Commission's (Yoorrook) 'Walk for Truth' from Portland to Parliament House with an impact fund grant. As Victoria's first formal truth-telling body (Yoorrook meaning "truth"

in the Wamba Wamba language), Yoorrook is an integral part of truth-telling efforts for First Nations communities. The powerful 'Walk for Truth' initiative spanning 500km over 3 weeks invited Victorians, including participation from Bank Australia's employees, to walk together toward truth, celebrate the strength and resistance of First Nations people, and be proud to have the oldest living culture in the world

- we supported the First Peoples' Assembly of Victoria's Treaty Day Out event for a third year in a row, held in Morwell on Gunaikurnai Country. The event provided an opportunity for our local Latrobe Valley employees to volunteer on the day
- we've had a long term partnership with Seed Mob since 2022, Australia's first Indigenous youth climate network, helping them deliver training and development for young First Nations leaders and leading advocacy campaigns
- we started a new impact fund grant partnership with Victorian Aboriginal News (VAN), the fully independent publisher advocating for truth, voice and treaty. Founded by Editor Uncle Charles Pakana, an Aboriginal man of Tasmanian descent, the grant will help VAN extend the reach of the stories of Aboriginal and Torres Strait Islander people and affairs from across Victoria
- our annual community customer grants program has helped us provide support for empowering 2 First Nations-led organisations: Nalderun Education Aboriginal Corporation's youth leadership program supporting Aboriginal and Torres Strait Islander school kids across Djaara Country, and Woor-Dungin who connect First Nations organisations with philanthropy and service providers so they can reach their self-determined goals.

Lending

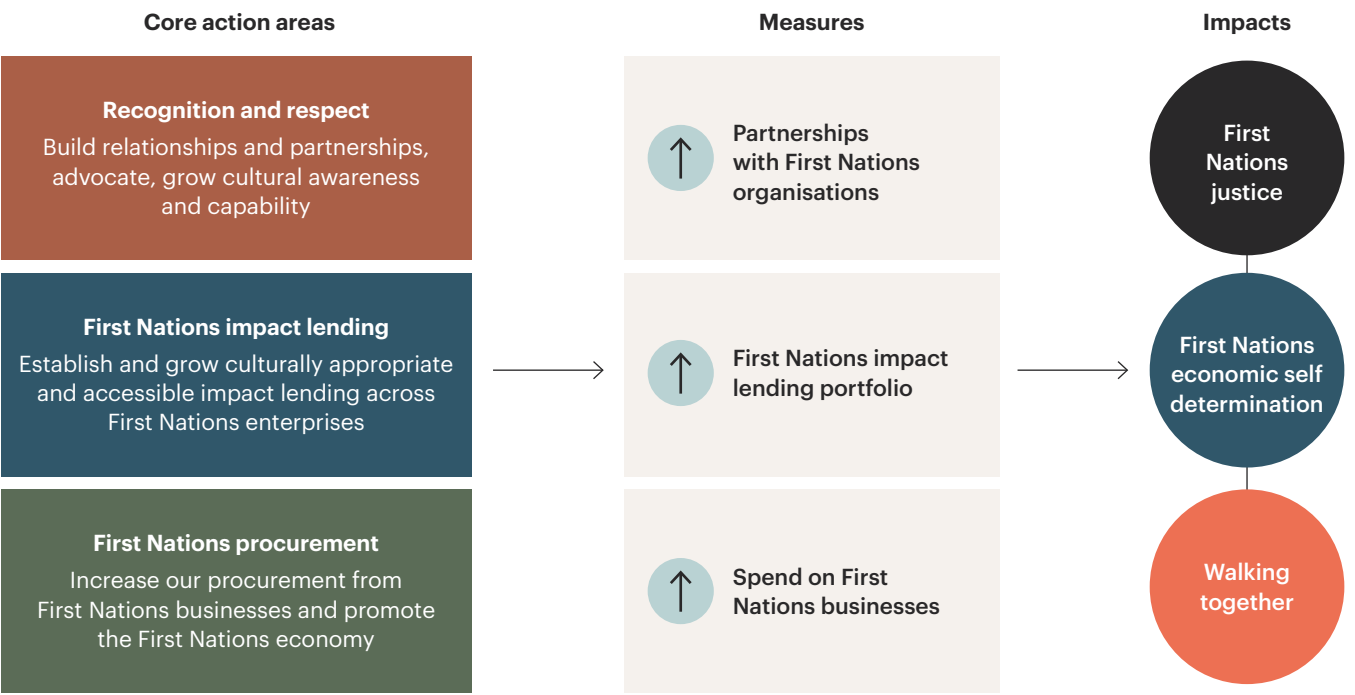
Through our impact lending we've explored a number of opportunities with First Nations organisations to provide loans for activity such as buying back culturally significant land from private owners or governments to be returned to Indigenous communities. One example is our impact loan to Bidyadanga Aboriginal Community La Grange Inc. (BACGLI), the largest remote Aboriginal community in Western Australia, you can read more on [page 48](#).

Procurement

We partnered with Supply Nation-certified, Muru Office Supplies, to provide office supplies to all our locations, marking a significant step towards our procurement practices with First Nations-led businesses. In 2025 a total of 10 First Nations suppliers were engaged, contributing to a combined spend of \$111,000. Of these, 4 suppliers were certified through Supply Nation, accounting for \$64,000 while the remaining 6 suppliers accounted for \$47,000.

A core component of our strategy aims to turn our lens inwards, through our procurement from First Nations-owned businesses, ongoing employee training by Indigenous Cultural Connections, and dedicated leave for volunteering with our First Nations partners and grant recipients.

While we acknowledge our progress in the first year of implementing our strategy, we are equally excited to look onto next year and the areas we can continue to improve on. A priority is establishing our First Nations Leadership Group consisting of First Nations members, giving voice to First Nations people on our 2030 vision. We look forward to extending our impact to more First Nations communities through our lending and strengthening both existing relationships and new partnerships.





Case study

Environment Victoria report: Backing electrification at home

Research shows that to reach net zero across the economy, Australia needs to electrify homes at scale as more than 5 million homes are still connected to gas, and household energy use accounts for over 10% of national emissions.¹

We're helping to enable this shift through research, advocacy and community engagement on the potential financial and climate benefits of getting off gas at home. Many households can already make the switch using readily available technologies like energy-efficient split system heating and cooling, induction cooktops, and hot water heat pumps.

We supported Environment Victoria through our impact fund for their report *How We Electrify – Easy cost-saving options to replace gas heating*. Environment Victoria is an independent charity with over 200,000 supporters and 40 grassroots member groups. They campaign to solve the climate crisis and build a thriving, sustainable society that protects and values nature.

These findings helped shape the Victorian Government's draft Building Electrification regulations, released in December 2024, which proposed phasing out gas hot water and heating in homes. The report received widespread media attention, with coverage on Channel 10, The Age, The Guardian, and national radio stations like Triple M. On social media, posts about the report were viewed over 2 million times.

By clearly laying out the steps, costs, and benefits of getting off gas through updating to electric appliances, the report empowers households to take action, resulting in lower energy bills, healthier homes, and fewer emissions.

¹ Data is from the study *Getting off gas: the case for all-electric homes in Australia*, Grattan Institute, 2023

Strengthening our supply chain

Being a responsible bank means having visibility over our supply chain and making sure our procurement approach supports ethical businesses.

We are continually improving our supply chain through regular monitoring of existing partners and proactive procurement of new partners that align with our values and purpose.

To audit our suppliers, we use a scoring matrix that assesses a range of factors when we procure a service or product. This includes whether the supplier has a certification, such as being a B Corporation or a registered charity, what their ownership structure is and how they operate.

Certified B Corps and First Nations-led businesses are an important part of our supply chain. This year we purchased from 10 First Nations-led businesses and suppliers, slightly less than in 2024. This sourcing is made possible through our membership with Supply Nation, Australia's leading directory of verified First Nations-led and owned businesses, who have helped us bring on new suppliers such as Muru Office Supplies. We also procure supplies through other First Nations organisations (not Supply Nation certified).

Building relationships in the B Corp community

As a certified B Corp, we are dedicated to partnering with other certified and values-aligned businesses within the B Corp community. We have maintained and strengthened our ongoing relationships and supply contracts with a total of 27 B Corp accredited businesses this year, up from 23 in 2024. This year we started a new partnership with B Corp-certified Textile Recycles Australia (TRA) to recycle old Bank Australia branch uniforms to prevent these fabrics from ending up in landfill.



Looking forward, we are focused on actively seeking and growing the number of new opportunities for partnering with First Nations-led and B Corp certified businesses and services.

Modern slavery risk and reporting

In alignment with the Modern Slavery Act 2018, we have now submitted 5 Modern Slavery Statements, each detailing the steps taken to identify, assess and mitigate risks such as forced labour, human trafficking, and child labour. We regularly assess high-risk suppliers by identifying 5 key areas of risk: stationery, information technology equipment, uniforms, cleaning, and furniture. We also evaluate the effectiveness of our actions and continuously improve our approach to managing modern slavery risks. This work is embedded in our governance and reflects our values as a customer-owned bank focused on positive impact.

Case study

Change begins with me: inTouch's approach to fostering safer communities



For over 35 years, inTouch Multicultural Centre Against Family Violence has provided culturally appropriate support for migrant and refugee women impacted by family violence in Victoria.

Guided by their mission to address the problem of family violence and foster healthy relationships within migrant and refugee families, inTouch's work spans prevention and early intervention to crisis response and migration support. As a community customer grant recipient in 2019 and 2024, inTouch continues to lead innovation in the community services sector.

Their 2024 grant supported a pilot project called 'Change Begins with Me', a series of in-language and in-culture workshops designed to support migrant and refugee men who have used violence in their family environment. The program helped them to start on a journey toward positive behavioural change. Through self-reflection and self-awareness, participants explored how their actions affect others and began building the foundations for lasting change. The project provided a critical and constructive avenue for holding men accountable, with reflection at the core of the process to make women safer.

inTouch's Recoveries and Support Services Manager, Manjula Karunathilake, said, "Working with men is a critical part of the success of any family violence work, as sustained change cannot be made just by working with women.

There is a growing awareness within the community services sector of the limitations of current strategies and the need to develop more effective and diverse interventions to address family violence and its impact. Particularly by focusing on how we work with men. With Bank Australia's support, we have piloted a different approach that harnesses men's cultural strengths and reflective practice to benefit the wellbeing of their families and wider communities."

We have also supported inTouch's recovery program for migrant and refugee women who have experienced family violence. The program helped participants to build social connections, confidence, and access to support services, laying the groundwork for long-term healing and empowerment.

Together, these 2 grants have helped enable inTouch to deepen their impact on the communities they serve, share evidence and learnings with the broader sector, and continue driving structural and systemic change to address family violence.

"We share many of the same values with Bank Australia and consider the bank a true ally in our work," said Manjula. Since its launch in 2016, Bank Australia's community customer grant program has provided over \$2.2 million in funding to 160 projects across Australia.

The company we keep

As a purpose-driven and responsible bank, who we choose to partner with, the organisations we join as members and the certifications we seek are integral to maintaining and building trust in our brand. We partner with organisations that share our values and help us to raise awareness of social and environmental issues so we can work together towards shared goals.



The first Australian member of the Global Alliance for Banking on Values (GABV), an international network of financial institutions that use the business of banking to create social and environmental good.



The Customer Owned Banking Association (COBA) is the industry association for Australia's customer-owned banking institutions.



The Australian Banking Association (ABA)'s mission is to support member banks to build a strong, stable and trusted banking system, to grow the Australian economy and build the financial well-being of all Australians.



The Business Council of Co-operatives and Mutuals (BCCM) is Australia's only peak body for co-operatives and mutuals across all industries.



A certified B Corporation since 2020, joining a community of over 9,500 global organisations committed to having a positive impact on the world.



Validated 2030 science-based emissions reduction by the Science Based Targets initiative (SBTi), a global climate organisation that enables companies to play their part in combating the climate crisis.

RE100

A member of the RE100, a global corporate renewable energy initiative led by the Climate Group in partnership with Carbon Disclosure Project (CDP) that brings together influential companies committed to 100% renewable power.

6. Our planet



Climate action

Climate change is one of the biggest challenges we face as a society and taking action on climate is a top priority for our customers.

This year, we’ve worked hard to deliver on our climate action strategy, including implementing actions from our roadmap to reach net zero by 2035 and launching our Electrify Your Home program to support customers to electrify and improve the energy efficiency of their homes (see case study on page 79).

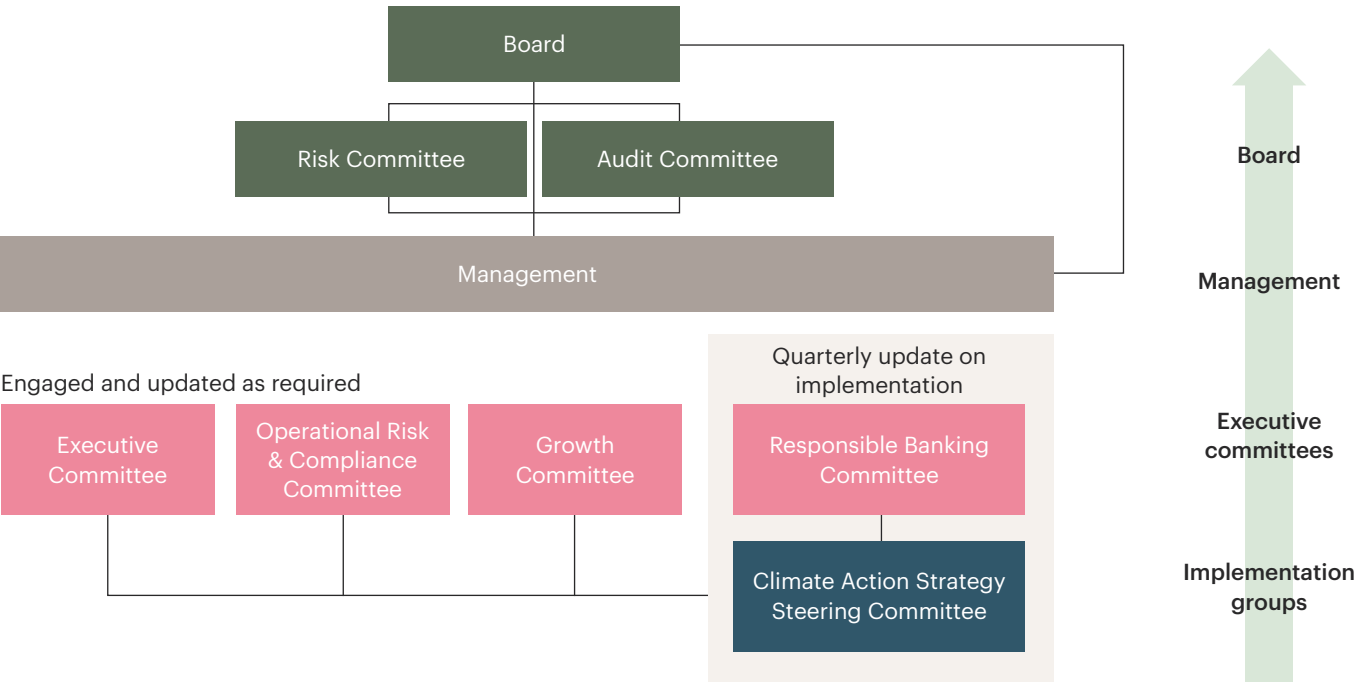
This section provides a summary of our climate action activities and performance in 2025, informed by the newly introduced Australian Sustainability Reporting Standards climate-related disclosure standards (AASB S2) developed by the Australian Accounting Standards Board (AASB). As a Group 1 entity, we are required to disclose under AASB S2 from the next reporting period (1 July 2025 – 30 June 2026).

To reinforce our public commitments to climate action and prepare for mandatory disclosure, this year we have further aligned our disclosure to AASB S2 including sections on governance, strategy, risk management, metrics, and targets. Details of our climate activities and performance is provided in Appendix 7: Climate action.

Governance

Our board has oversight of our climate change work, including approving our climate action strategy that encompasses our approach to climate-related risks and opportunities. The climate governance diagram below shows responsibilities at both board and management level. Additional information on our approach to climate governance is described on page 112.

Governance of climate-related risk and opportunities

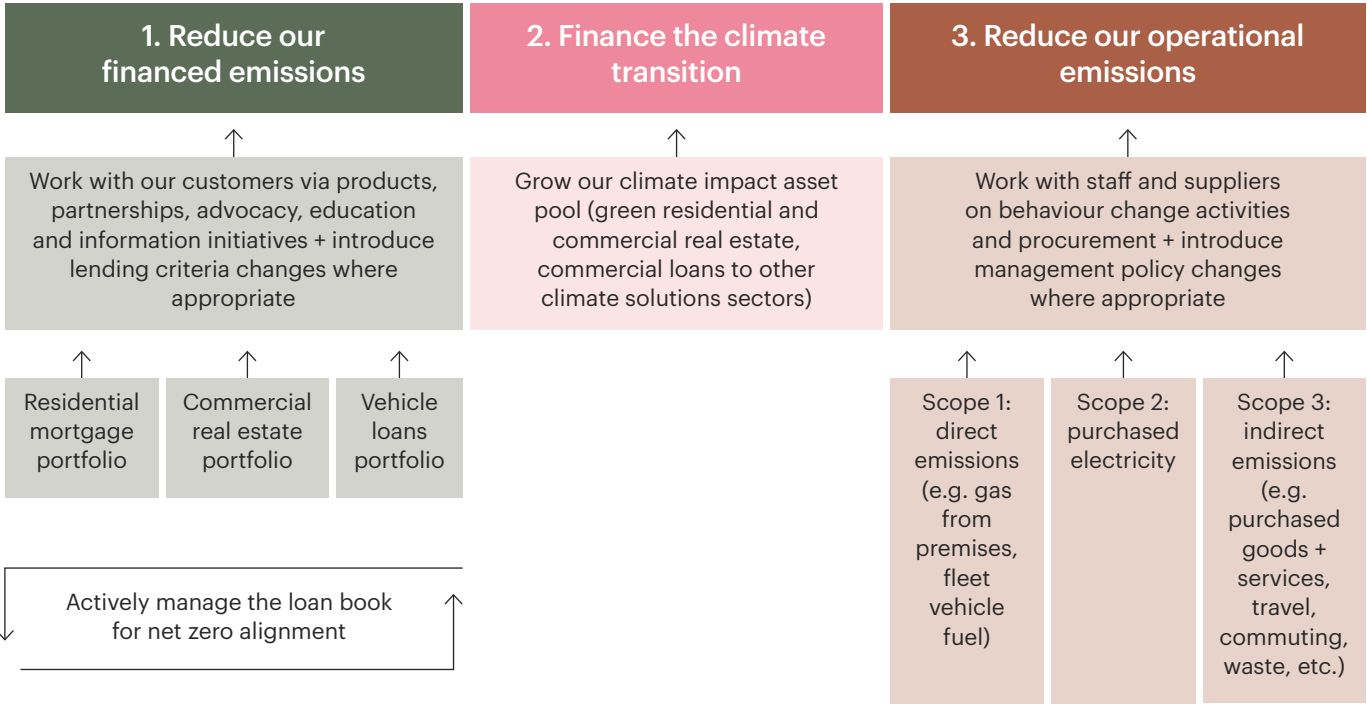


Strategy

As a customer-owned bank our strategy is focused on serving socially aware people and values-aligned organisations. We provide banking products that are purpose-driven and generate a positive impact on people, planet, and prosperity. We regularly ask our customers what issues are most important to them, and they consistently tell us that climate change is their number one priority.

Our customers want us to respond to climate change in a way that is regenerative and supports communities with a just transition. We have a history of having ambitious positions on climate change and our [climate action strategy](#), published in 2022, sets out our work across the key pillars of decarbonisation, customer action, climate justice, regenerative finance, protecting nature and climate risk. In our climate action strategy, reducing emissions is an essential foundation. Details of our progress against our climate action strategy are available in Appendix 7: Climate action on [page 115](#).

Our 2035 net zero target is the headline commitment in our climate action strategy. Our net zero roadmap sets out our pathway to getting there with initiatives across 3 key areas: reducing our financed emissions, financing the climate transition, and reducing our operational emissions. Over the coming year and following our merger with Qudos Bank, we will evolve our net zero roadmap into a broader climate-related transition plan aligned to AASB S2.



Key strategy pillars

Decarbonisation

- We will achieve net zero operations and portfolio by 2035
- We will have a validated 2030 science-based emissions reduction target
- We will explore directly investing in projects that draw down emissions

Customer action

- We offer support and products to assist our customers to better understand and reduce their emissions

Regenerative products and services

- We will be financing \$1.5 billion of clean energy transition and conservation by 2025

Protection of nature

- We are a leading voice on corporate conservation innovation to draw down carbon from the atmosphere, while protecting and preparing our conservation reserve for a warmer climate

Climate justice

- We are actively supporting the economy in the Latrobe Valley as it transitions from fossil fuels
- We are seeking guidance and leadership from First Nations voices on climate action

Climate risk

- We will assess, disclose and manage the risk posed to our business by a changing climate



As part of our merger with Qudos Bank, we are developing an updated version to our climate action strategy and will continue to have a target of net zero by 2035. To support our path to net zero, we set an interim target for 2030, which is validated by the Science Based Targets initiative (SBTi). This target will need to be reviewed and reset in light of the merger with Qudos Bank on 1 July 2025. A major event like a merger means we have to reset our baselines and calculate new target pathways. We will still aim for targets that are using 1.5 degree-aligned trajectories, which is currently considered best practice for ambitious targets.

The climate action strategy included an ambition to reach \$1.5 billion of clean energy transition and conservation financing by 2025. Unfortunately, we didn't meet this target, reaching \$1.26 billion at the end of 2025. We achieved some strong growth in 2025 including \$170 million of growth in our green home loan portfolio and \$65 million growth in our green bond investments. We continue our ambition to increase our net zero-aligned assets and will keep working hard to make progress.

Case study

Empowering customers to electrify their homes

Following a pilot last year with BOOM! Power we were pleased to expand the Electrify Your Home program and make it available for Bank Australia customers in Victoria, New South Wales, Queensland, Tasmania, the ACT and greater Adelaide.

Our partnership with BOOM! Power gives customers access to the free and easy-to-use digital Electrify Your Home tool. The tool takes into account household energy bills to estimate cost savings and emissions reductions from replacing gas appliances with efficient electric ones, connects customers with a range of trusted installers in their local area, and provides options for Bank Australia financing.

So far, we've had more than 1,500 customers use the Electrify Your Home tool. We continue to see hot water heat pumps being a popular upgrade among our customers and this year we've seen a keen interest in induction cooktops. To help showcase the benefits of induction cooking, we collaborated with customer Simon Toohey, former MasterChef contestant and host of SBS's plant-based cooking show Freshly Picked. Simon visited our Collingwood head office for a live cooking demonstration and shared recipes and tips for induction cooking with our team.

As well as providing access to BOOM! Power, we continue to support and inspire households through our [Electrify Your Home website hub](#), which offers practical guidance, resources, tips, and answers to frequently asked questions to assist with the electrification journey.

We continued to partner with Renew, a not-for-profit organisation promoting sustainable living at the household level, by supporting their Sustainable House Day event and broader community engagement program. Sustainable



House Day gives people the opportunity to visit homes across Australia, speak with homeowners, and learn about sustainable building and renovation practices. It features online webinars with expert advice on topics like home electrification and budget-friendly upgrades. To enhance the impact of the Sustainable House Day event, we supported Renew's community engagement program to enable a groundswell of grassroots electrification and retrofit activity among community groups, climate organisations, local councils, and businesses.

This work is all part of Bank Australia's net zero roadmap, in support of our ambitious goal of net zero emissions by 2035.

Looking ahead, we hope to expand the reach of our Electrify Your Home program, including working on ways to support customers in apartments.

Risk management

Our climate risks and opportunities management approach aims to ensure we understand and address the climate risks and opportunities relevant to our operations and strategy. Climate risk is included in our enterprise risk appetite statement and we are working to build a more detailed understanding of the risks facing our bank and our customers.

Given our largest share of lending is to residential mortgages, a strong focus to date has been on better understanding the climate-related physical risks that may impact customers, and how these may influence credit risk. Additional information about our climate risks and opportunities management approach is provided on [page 115](#) in Appendix 7: Climate action.



Metrics and targets

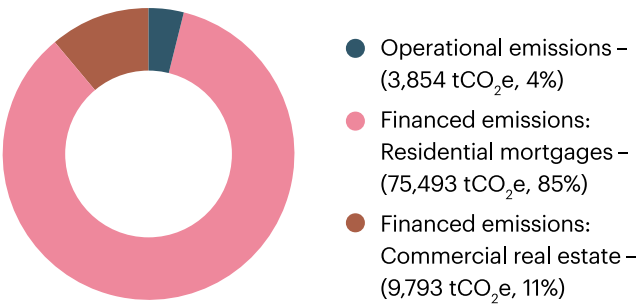
We track our progress on climate action by measuring against our 2030 validated SBTi targets and 2035 net zero target. This includes metrics for carbon emissions, renewable electricity and percentage of corporate bonds invested covered by SBTi targets.

Overview of our emissions

We measure both financed emissions (associated with our lending activities) and operational emissions (associated with running our business). Financed emissions represent 96% of our total 2025 emissions. From that, our largest source of financed emissions is from the energy use of the homes we fund with residential mortgages, representing 85% of total emissions.

In 2025 operational emissions represent 4% of total emissions. While this is a small portion of our total emissions, we will work to reduce these sources in line with our net zero by 2035 and science-based targets commitments.

Financed and operational emissions, 2025



87.8%

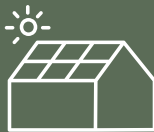
of our customers list climate action as their highest concern in our 2023 customer values research study.



We saw our Clean Energy Home Loan portfolio grow by

78%

these homes are more energy efficient than a standard Bank Australia-funded home.



We run on

100%

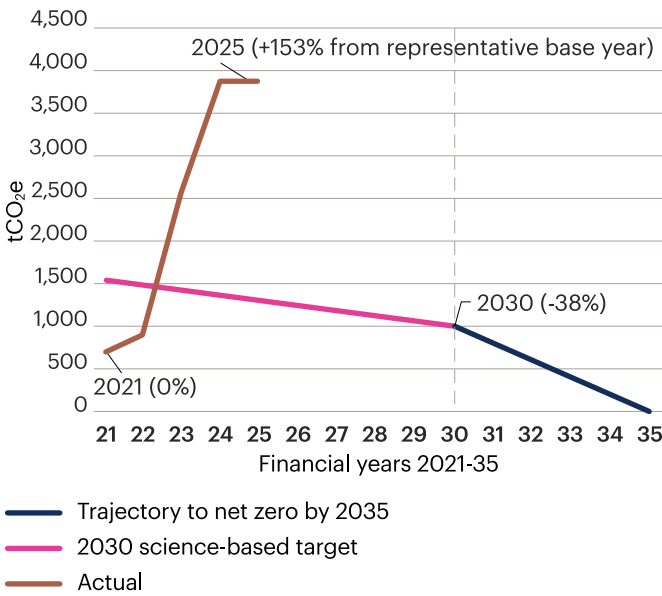
renewable electricity.

The figures below show our emissions, as well as our emissions reduction targets for operational, residential mortgage and commercial real estate emissions. We detail our plan to re-baseline and set new targets following the merger with Qudos Bank, and provide further information on the measurement approach, inputs and assumptions used to calculate emissions in [Appendix 7](#).

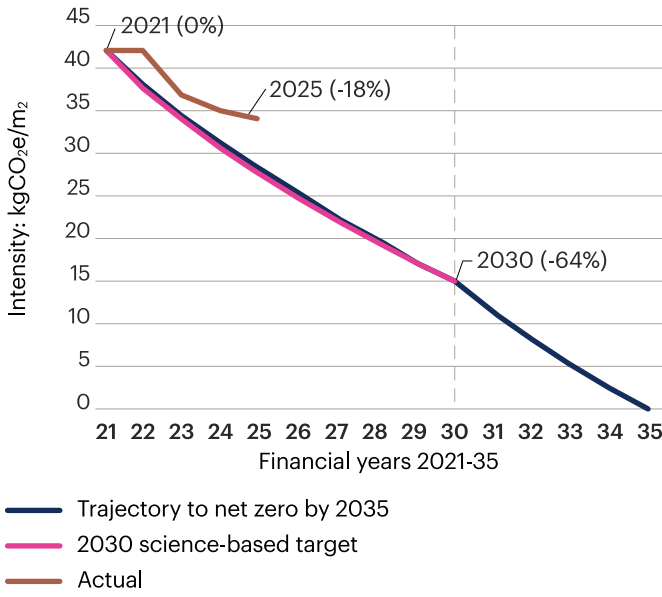
The types of operational emissions we measure have expanded since we set our science-based emissions reduction target using a 2021 base year. We are currently on track for operational scope 1 and 2 emissions reductions, but off track for operational scope 3 emissions reductions (categories 1-14). Our operational scope 3 emissions are the largest share of our operational emissions, which means that overall we are behind on our operational emissions reduction goals.

Our residential mortgage emissions science-based target aims to reduce emissions per square metre of floor area that we fund – by 2030, we’re aiming for a 64% reduction compared to a 2021 baseline. We saw emissions reduce in 2025 (-18% compared to the 2021 baseline) but not by as much as our ideal trajectory to 2030 (-33% compared to the 2021 baseline). One of the biggest challenges we have in tracking emissions is our ability to measure them. For most of the loans in our portfolio (except our Clean Energy Home Loans), we are using market-average data, which includes survey data from the Australian Energy Regulator that only gets produced every few years. This method lets us see the reductions from more renewables in the grid, but it makes it difficult to track other changes in homes. In addition to continuing to try to support customers to reduce their emissions, we’ll also be working in 2026 to try to improve our data.

Operational greenhouse gas emissions reduction target (absolute emissions)

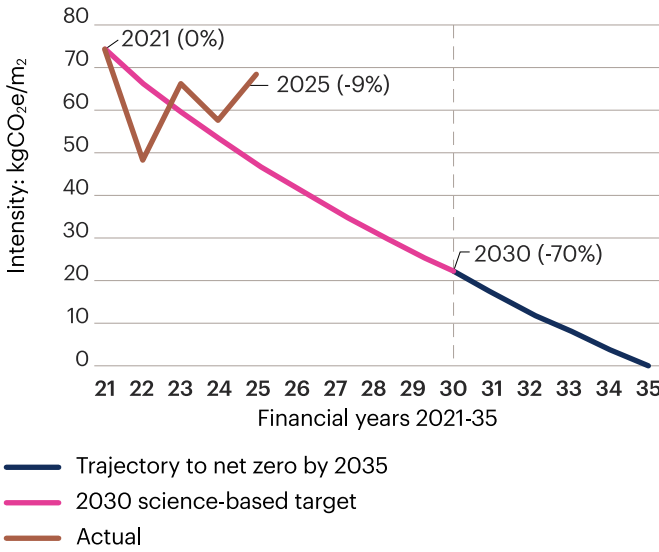


Residential mortgage greenhouse gas emissions reduction target (reduction per m²)



Our commercial real estate emissions science-based target aims to reduce emissions per square meter of floor area we fund – by 2030, we’re aiming for a 70% reduction compared to a 2021 baseline. In 2025, emissions increased – they’re now at a 9% reduction from the 2021 baseline. This change was mostly driven by several new loans that were funded. Because our commercial real estate portfolio is small, we have seen larger ups and downs since 2021 influenced by changes in a small number of loans. We are also using average data for commercial loans, and we will be reviewing our methods in 2026.

Commercial real estate greenhouse gas emissions reduction target (reduction per m²)



Our nature and biodiversity strategy

Taking action for nature and biodiversity is a key impact area for us. This year we progressed our bank wide nature and biodiversity strategy.

Nature underpins life and biodiversity and is one of our strongest natural defenses against climate change. The condition of nature can also be adversely affected by climate change, reducing the essential ecosystems we depend on. We know our commitment to delivering our nature and biodiversity strategy is important to our customers.

This year our strategy has been focused on the ongoing management of the [Bank Australia conservation reserve](#) and providing support towards our key impact partnerships through lending and community customer grants; 2 areas that demonstrate our commitment to a nature positive future.

Working towards a 2030 where nature is protected and recovering is important to our customers. As a customer-owned bank, we demonstrate leadership and engagement through our products, services and core impact initiatives. We have been scoping out where our upstream, direct, and downstream impacts and dependencies on nature exist using the Taskforce on Nature-related Financial Disclosures (TNFD) framework as a guide. We've included our second disclosure using this framework in Appendix 8: Nature and biodiversity on [page 142](#).

For the next 3 years, we have enlisted Trust for Nature to take on the role of land manager of our conservation reserve. Our nature and biodiversity strategy will continue to focus on working towards greater outcomes that result in more nature being protected and restored, and an economy transitioned to being nature positive through the ongoing stewardship of our reserve.



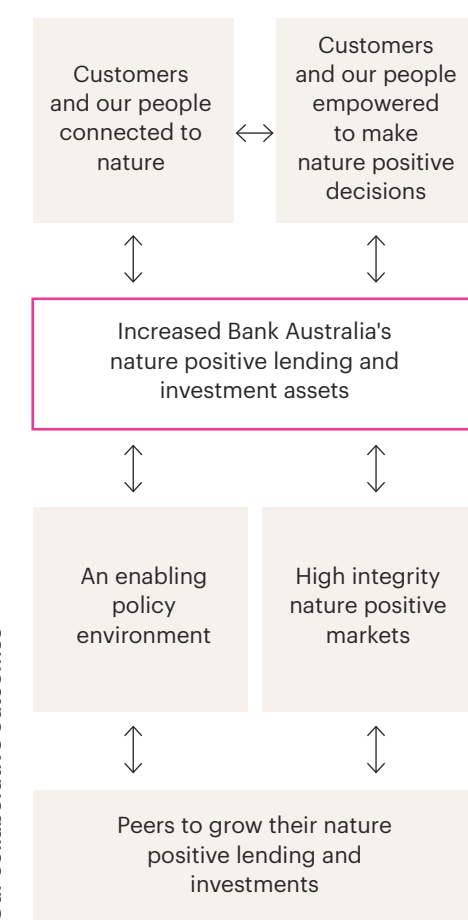
Our theory of change for nature and biodiversity

Core action areas

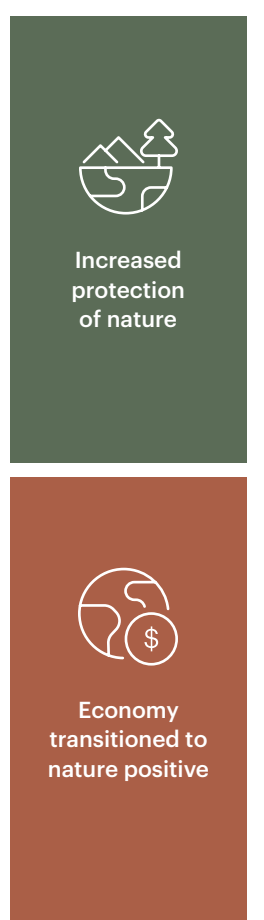
Awareness and engagement, leadership,
and products and services



Outcomes



Impacts





Caring for a conservation reserve

We are the first bank in Australia to have a conservation reserve, which spans 2,117 hectares in western Victoria.

The work on our conservation reserve demonstrates our commitment to addressing our customers' priorities of climate action and nature and biodiversity. This year we partnered with Greening Australia, Trust for Nature, and the Barengi Gadjin Land Council (BGLC) to protect and manage the biodiversity and cultural values of the 4 sites (Salvana, Minimay, Booropki, and Ozenkadanook) on our conservation reserve. The BGLC represent the Traditional Owners and Custodians of the reserve, the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia, and Jupagulk peoples of the Wotjobaluk Nations.

Helping native species flourish

An integral part of our work on the conservation reserve is our on-the-ground ecological monitoring, providing us with a deeper understanding of the land and potential solutions that will benefit communities, economies, and the value of nature. This year we held 2 employee tours to our conservation reserve, taking more than 35 employees out to the reserve visiting Minimay, Salvana, and Ozenkadanook properties.

Our key role on the conservation reserve is the stewardship of the land, including the protection of native plants and animals, along with reducing the negative impacts of invasive plant and animal species.

While signs of regeneration are present, some of the invasive weeds on the reserve are very persistent and difficult to eradicate, such as the South African weed orchid (*Disa bracteata*). During the October 2024 employee trip to our Minimay property, our team were equipped with weeding tools to assist with digging out these orchid bulbs.

At the May 2025 employee trip to the Ozenkadanook property, we were welcomed to Country by Ben Muir, from the Barengi Gadjin Land Council (BGLC) and joined by Trust for Nature's southwest team, who spoke to us about the importance of private land conservation. Our team were led on a walk and tasked with capturing any species and wildlife they encountered along the way by using the iNaturalist science app, designed to generate useful data for science and conservation.

The importance of fire resilience

To reduce the risk of bushfires to our conservation reserve, we undertake fire risk reduction work in partnership with the BGLC, the Country Fire Authority (CFA), and West Wimmera Shire Council. Protecting the large old trees with hollows from being burnt and enhancing healthy understory is an important part of our work.

In January 2025 wildfires initiated by lightning strikes started in the Little Desert National Park and surrounds. One lightning strike started a wildfire near the northeast corner of the Minimay property in the Mortat Bushland Reserve. Another series of lightning strikes within the Little Desert National Park led to a wildfire that traversed across the park towards the Little Desert Nature Lodge, where we have stayed on many of our employee trips to the reserve properties. Our friends and managers of the lodge managed to escape, however the much-loved lodge structure did not survive the full force of the wildfire.

After the fires we inspected our conservation reserve properties for damage and there was minimal damage. We worked with our partners and the Victorian State Government to enhance wildlife refuge and prevention through methods such as firebreak slashing on the properties.

Supporting our conservation partners

This year we increased our nature-aligned impact lending, providing loans to purchase and protect a variety of natural landscapes. Reducing our impact on nature through our lending and investment opportunities can help us learn what may be possible. As we develop our nature positive products and services, we can collaboratively take steps towards improvements for nature.

Nature awareness and engagement

Having a voice on the impact companies can have on the protection and stewardship of conservation reserves is an important component of our nature and biodiversity strategy. By advocating for change that will support a nature positive economy, we can share what we've learned and are able to have influence on our sector and on what other landholders in Australia can do.

This past year we worked to increase our ongoing participation in the broader discussion around protecting Australia's nature and biodiversity, with a focus on influencing our sector and driving change.

In September we again supported the annual Wimmera biodiversity seminar in Goroke, located near our conservation reserve. The field trip for participants included a visit to our Minimay property hosted by landscape architect and TV personality Costa Georgiadis.

We participated in global and local conferences throughout the year to share insights on Bank Australia's nature positive approach, including the Global Nature Positive Summit, Sydney Climate Action Week, and Small Giants Academy's Wisdom and Action Forum. We are also proud to have supported the Australian Landholder Conservation Alliance private land forum in September.



Case study

Our customers and their views on nature engagement

Our nature engagement survey conducted in January 2025 showed that our customers are concerned about the protection and recovery of nature and biodiversity. This is one reason why we're committed to doing our part towards a nature positive economy.

We engaged the Melbourne Biodiversity Institute (MBI) to conduct a survey of more than 2,500¹ of our customers on their levels of awareness, concerns, and the amount of control they feel they can have towards issues impacting nature.

The nature engagement survey results showed us that our customers are concerned about nature and biodiversity, and as a customer-owned bank, it's vital that we take action on these issues our customers care about. Our survey showed us that:

Our customers feel connected to nature

- showing very high levels of awareness of nature issues, particularly surrounding pollution (91%), global warming (79%), and species extinction (72%)
- rating higher levels of connection to nature than the general public. For example, 96% of customers report enjoying spending time in nature, compared to 85% of the general public
- 96% of customers said nature helps them deal with stress, compared to 75% of the general public
- 83% of customers feel that they are a part of nature, compared to 63% of the general public.

Our customers are concerned about nature

- only 29% of Bank Australia customers believe the state of Australia's environment is 'good' or 'very good', compared to 65% of the general public
- customers are concerned about nature issues, with more than 75% selecting 'moderately' or 'extremely' concerned about the issues shown in the survey
- despite high levels of concern about nature issues, more than 50% of customers said they feel like they had no control over nature issues such as land clearing.

Our customers support action on nature

- the majority of customers are already acting to protect nature or are willing to in the future. With 64% of customers regularly making an effort to reduce water usage at home, 66% avoiding or minimising the use of harmful chemicals and 62% of customers regularly prioritising buying locally grown produce
- 84% of customers support Bank Australia introducing more nature policies.

Through our work regenerating and protecting our conservation reserve since 2008, we've seen that nature repair takes time. That's why it's critical to protect what we have now and secure healthy ecosystems for the future.

Our nature and biodiversity strategy sets out our goals and how we'll take action to increase engagement with nature and show leadership in the transition to a nature positive economy. Taking action together is one way that our customers can make a difference for nature and improve their sense of control on these issues.

¹ MBI worked with the Bank Australia communications team to facilitate customer participation. Invitations were sent to all customers who accept email marketing materials and a representative sample was reached based on MBI's demographic measurements.

Appendices

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Appendix 1:
Materiality assessment

The table below provides details of how each material topic identified during the materiality assessment is addressed in this report, relevant information related to these topics, and location of these disclosures in the Impact Report.

Climate change	
Implementing our climate action strategy, including our target to reach net zero emissions by 2035, alongside our other goals of climate justice and developing climate positive products and services.	Relevant information / metric <u>Operational and financed emissions scope 1, 2 & 3</u> <u>Climate action strategy</u> Section / page Our planet / Our climate action Page 75 → Appendix 7: Climate action Page 112 →
Governance and risk management	
Governance structures and leadership that set clear expectations related to our purpose and strategy, and behave in line with our values.	Relevant information / metric <u>Evidence of a strong risk culture and compliance with all material aspects of the risk appetite statements (RAS)</u> <u>Meets all legal, regulatory and prudential requirements</u>
Managing events that disrupt our business and taking a prudent approach to risk management and compliance.	Section / page Our business / Measuring our progress Page 18 → Our business / Governance and risk management Page 24 → Appendix 2: How we're governed Page 97 → Financial Report / Risk management section →

Affordable and accessible housing	
Investing in affordable and accessible housing (e.g. community housing, Victorian Homebuyer Fund).	Relevant information / metric <u>Impact assets as a % of total assets</u> <u>Responsible banking policy</u> Section / page Our business / Measuring our progress Page 18 → Our customers / Helping to advance accessible housing Page 41 → Our customers / Impact finance Page 44 → Appendix 6: Our lending and investments Page 108 →
Health, safety and wellbeing	
Creating a workplace with fair employment practices and a safe and healthy environment that promotes staff wellbeing.	Relevant information / metric <u>Workplace health and safety (WHS) incidents and injuries affecting staff</u> <u>WHS hazards, incidents and injuries affecting customers</u> <u>Days lost to injury</u> Section / page Our people / Health and safety section Page 58 → Appendix 4: Our people and culture Page 104 →
Business conduct and ethics	
Operating ethically and transparently, showing accountability and being a purpose-driven organisation for the wellbeing of our customers and employees.	Relevant information / metric <u>Banking Code of Practice and Customer Owned Banking Code of Practice</u> <u>Responsible banking policy</u> Section / page Our customers / Code of Practice Page 51 → Our people / Business conduct and ethics Page 60 →

Responsible banking		
Using the business of banking to create a positive impact through the people, businesses and projects that we lend to and invest in.	 Relevant information / metric Impact assets as a % of total assets Responsible banking policy	
	 Section / page	
	Our business / Here's how it works	Page 13 →
	Our customers / Impact finance	Page 44 →
	Appendix 6: Our lending and investments	Page 108 →

Fraud and cybersecurity		
Preventing fraud and cybersecurity events through investments in technology, monitoring, building staff capability, increasing customer awareness and providing customer support when needed.	 Relevant information / metric Scam cases Card fraud incidents Digital fraud cases	
	 Section / page	
	Our customers / Providing fraud and scam support	Page 31 →

Nature and biodiversity		
Implementing our nature and biodiversity strategy, including managing our conservation reserve to protect biodiversity and regenerate nature. Developing nature positive products and services.	 Relevant information / metric Nature and biodiversity strategy Impact assets as a % of total assets Responsible banking policy	
	 Section / page	
	Our customers / Impact finance	Page 44 →
	Our community / Impact fund	Page 65 →
	Our Planet / Our nature and biodiversity strategy	Page 84 →
	Appendix 8: Nature and biodiversity	Page 142 →

Data privacy		
Protecting and keeping customers’ personal information, including financial information, secure.	 Relevant information / metric Banking Code of Practice and Customer Owned Banking Code of Practice	
	 Section / page	
	Our customers / Our customers’ data privacy	Page 32 →

Products with a purpose		
Offering products that do good for the planet and people (e.g. Clean Energy Home Loan for green homes and upgrades and low emissions car loans).	 Relevant information / metric Impact assets as a % of total assets Responsible banking policy	
	 Section / page	
	Our business / Here's how it works	Page 13 →
	Our strategy, purpose and values	Page 15 →
	Our customers / Impact finance	Page 44 →
	Appendix 6: Our lending and investments	Page 108 →

Resilient bank		
A financially resilient bank with strong governance and leadership, which is true to its purpose and invests in the capability and wellbeing of its staff.	 Relevant information / metric	
	Total assets	
	Loan growth	
	Deposit growth	
	Net profit after tax	
	Customer owned reserves	
	Cost as a percentage of income	
	Capital adequacy ratio	
	Total liquidity	
	Loans 30 days or more in arrears	
	 Section / page	
	Our 2025 financials	Page 19 →
	Appendix 2: How we're governed	Page 97 →
	2025 Financial Report	→

Diversity and inclusion		
Creating an environment that is inclusive and supportive of different groups of individuals, including people of different races, ethnicities, religions, abilities, genders and sexual orientations.	Relevant information / metric	
	Gender equality in our team	
	Gender pay gap in remuneration	
	First Nations Recognition and Respect strategy	
	Section / page	
	Our people / Gender equality in our team	Page 57 →
	Our Community / Walking together towards First Nations justice, reconciliation and self-determination	Page 68 →
	Appendix 4: Our people and culture	Page 104 →

Appendix 2: How we're governed

Good corporate governance and sound risk management practices are a fundamental part of the culture and business of the bank. The key aspects of our corporate governance framework and risk management practices are set out below. This appendix describes the governance of Bank Australia prior to its merger with Qudos Bank on 1 July 2025. In future years, we will report on the governance of the whole merged entity.

We are a mutual entity in accordance with section 51M of the Corporations Act 2001, a public unlisted company limited by shares, an APRA-regulated authorised deposit taking institution and governed by a Board of Directors. The board is accountable to our customers who own Bank Australia. Customers elect the majority of non-executive Directors to the board and vote on issues at our Annual General Meeting.

The board is responsible for the governance of Bank Australia and ensuring that our bank establishes and implements risk management frameworks and processes with the ultimate objective of creating a sound risk culture.

The board:

- establishes corporate objectives
- develops, with management, the corporate culture, strategy and policy
- appoints the Managing Director and evaluates their performance
- provides oversight for Bank Australia’s operations and ensures they align with our values
- ensures the appropriate control frameworks are in place, including the capital structure
- accepts responsibility for compliance with APRA prudential standards, the *Australian Corporations Act* and other regulatory and legislative requirements
- approves the budget
- sets risk appetite.

The board:

- generally meets 8 times a year, plus the Annual General Meeting and annual board planning (2 days usually)

- has established committees, which meet as follows: Risk (6 times per year), Audit (4 times per year), Governance and Remuneration (4 times per year), Nominations (once per year)
- has limited Directors’ tenure (via Bank Australia’s Constitution) to 12 years. The average tenure of non-executive Directors at the end of this financial year was 4.6 years
- is comprised of 7 Directors, including the Managing Director, post the 2024 AGM up to June 30 2025. 4 Directors were independent, non-executive member appointed Directors, 1 was independent, non-executive board appointed Director and 1 was a non-executive, board appointed Director who was non-independent (Marcus Thompson previously consulted to the bank). Managing Director Damien Walsh is an executive member of the board.

Every 3 years of service, each member appointed Director will be eligible for reappointment if they qualify and would like to stand for the position again. This appointment occurs through a member vote at the Annual General Meeting.

Members can vote for or against reappointment of specific Directors and can vote for alternate candidates if other candidates have nominated and pass a due diligence process, which includes a fit & proper assessment to enable them to stand for election. The board may also reappoint board-appointed Directors at its discretion, as long as there remains a majority of member-appointed Directors.

Each candidate for the position of Director is expected to have the following mandatory competencies:

- a comprehensive understanding of the roles and responsibilities of a Director, including the regulations required in the financial sector
- the ability to understand retail banking risks, including risk identification and monitoring of risk mitigation
- has experience in an organisation (or organisations) of comparable scale and complexity to Bank Australia

- a commitment to mutuality values, sustainability and responsible banking principles, including the ability to be seen as a role model for the Company’s brand through the demonstration of their actions and behaviours
- the ability to evaluate, form conclusions and apply good judgement
- the ability to understand the Company’s strategy
- the capacity and willingness to undertake continuous professional development and learning to acquire and update skills and knowledge relevant to the role of Director of the Company
- good financial literacy
- an understanding of their obligations as an Accountable Person under the Financial Accountability Regime (FAR), namely to:
 - act with honesty and integrity, and with due skill, care and diligence
 - deal with APRA in an open, constructive and co-operative way
 - take reasonable steps in conducting those responsibilities to prevent matters from arising that would adversely affect the prudential standing or prudential reputation of the Company
 - take reasonable steps to prevent matters arising that would result in a material contravention by the accountable entity of any of the laws specified under s21(d) of the FAR act.

The board has the discretion to determine other mandatory or desirable criteria to meet the skill requirements of the board.

For the 2024 Director election process candidates were required to have the following additional competencies required to meet a desired skills mix on the board:

- Corporate governance and merger & acquisition experience.

All nominees for Director meet with the Nominations Committee, including existing Directors, prior to standing for election or being appointed and must demonstrate the mandatory competencies. The board, led by the Chair, regularly considers the skills represented by the Directors to ensure that the mix of skills remains appropriate to achieve Bank Australia’s objectives. The board consists of Directors with a broad range of experience, expertise and diversity in background and gender. The board is subject to an annual review of its performance to ensure that it continuously identifies opportunities for development.

The board may seek advice from external experts in areas where the current members of the board recognise they would benefit from specific expertise.

For further information about Board of Director accountability please refer to our website.

Remuneration

For information about our approach to remuneration including our policy, collective remuneration and base remuneration, professional development expectations and our remuneration report refer to the [2025 Financial Report](#) (section 6. Remuneration).

Avoidance of conflicts of interest

In addition to their standing notices, Directors must declare any specific conflicts of interest arising from the business of a particular meeting.

Chair

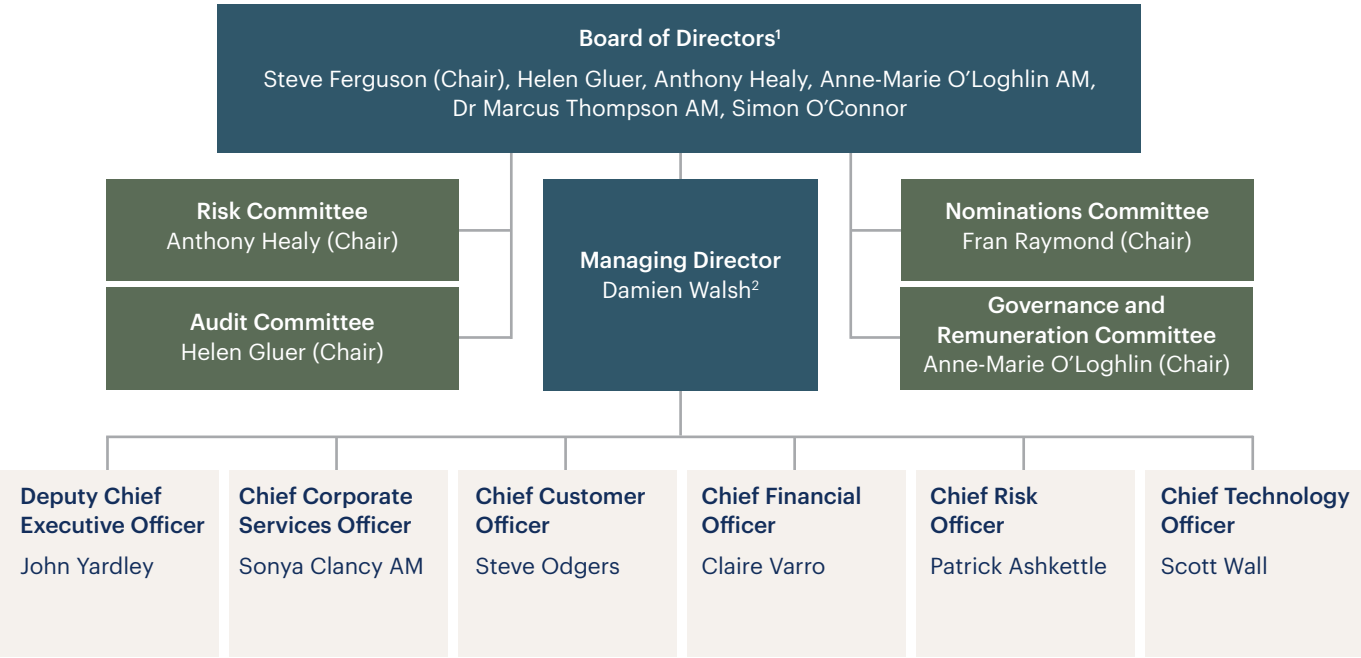
The Chair, an independent non-executive Director, is responsible for the efficient conduct of the board’s meetings, setting the agenda, facilitating the work of the board at its meetings and ensuring that the procedures and standards of the board are observed.

Managing Director

The Managing Director is charged with Bank Australia’s day-to-day leadership and management, supported by a senior management team that oversees Bank Australia’s operations. Together, the Managing Director and the senior management team are responsible for embedding culture and sustainability principles within the business and delivering strategy and leadership, product development, risk management, commercial oversight, stakeholder engagement, community partnerships, and communications.

Our 2025 Financial Report includes a profile of each of our Directors.

Our Board and Executive team (as at June 30 2025)



1 as at June 30 2025. Melissa Bastian fulfilled her full term on the Board of Directors in November 2024, David Wakeley ceased to be a Director in November 2024, following the conclusion of the 2024 election process.

2 Managing Director Damien Walsh is an Executive member of the Board.

The board committees are:

- **Risk Committee:** oversees the implementation and ongoing operation of the risk management framework, risk identification and control and ensures the bank meets its prudential and statutory requirements in relation to the risk management framework. It fulfils Bank Australia's obligations under Prudential Standard CPS 510 – Governance requiring a Board Risk Committee with specific responsibilities. The Risk Committee meets 6 times per year
- **Audit Committee:** helps the board fulfil its corporate governance responsibilities relating to the oversight of Bank Australia's reporting obligations, audit function, internal control and compliance framework, and promoting an ethical culture of compliance throughout the organisation. It fulfils Bank Australia's obligations under Prudential Standard CPS 510 – Governance requiring a Board Audit Committee with specific responsibilities. The Audit Committee meets 4 times per year
- **Governance and Remuneration Committee:** Bank Australia has a strong and effective governance framework for fulfilling Bank Australia's remuneration responsibilities and constitutional matters, and advises the board on related matters. It fulfils Bank Australia's obligations under Prudential Standard CPS 510 – Governance requiring a Board Remuneration Committee with specific responsibilities. The Governance and Remuneration Committee meets 4 times per year
- **Nominations Committee:** responsible for determining the appropriateness of candidates for Director elections and appointments. It oversees nominations submitted from eligible customers and interviews nominees to assess their fitness and propriety to be and act as a Director. The Nominations Committee consists of 2 independent members plus the Chair of the Board. (If the Chair of the Board is standing for election, the Chair of the Governance and Remuneration Committee acts as the third member of the Nominations Committee.) The Nominations Committee is formed annually and meets as needed.

External auditor

Ernst and Young (EY) have been appointed to conduct an audit of the financial report and to report to members in accordance with the requirements set out in the Corporations Act for the year under review. The audit report is provided at the end of the [financial report](#).

A representative from EY attended last year's Annual General Meeting to answer any questions from members on the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted in the preparation of the financial statements and EY's independence in relation to the conduct of the audit of the bank's financial statements. A representative from EY will attend this year's Annual General Meeting to fulfil a similar role. EY also performs non-financial assurance procedures over selected performance metrics disclosed in the Impact Report. Refer to [Appendix 9](#) for further information.

Internal audit

Bank Australia's internal audit function provides independent, objective assurance and consulting services to Bank Australia's operations. PwC was appointed to carry out this function for Bank Australia from January 2023. PwC assesses whether Bank Australia's framework of risk management, control and governance processes are adequate and functioning in a manner that supports various aims, including:

- the appropriate identification, reporting and management of risks
- the accuracy, reliability and relevance of financial, managerial and operating information
- compliance of employees' actions with policies, standards, procedures, and applicable laws and regulations.

Compliance

Bank Australia has a well-developed and implemented compliance framework supported by dedicated compliance managers. The focus of this function is to ensure ongoing compliance with all laws and regulatory requirements with particular attention to industry specific requirements.

How we're regulated

Bank Australia is committed to maintaining high standards of corporate governance, and while not a listed company, actively applies a governance framework that reflects the majority of the Australian Stock Exchange Corporate Governance Principles and Recommendations.

Bank Australia is regulated by the Australian Prudential Regulation Authority (APRA). This independent statutory authority supervises institutions across banking, insurance and superannuation, and is accountable to the Australian Parliament. According to regulatory requirements, we must manage a diversified liquidity portfolio consisting of securities issued by government and a number of authorised deposit-taking institutions (ADIs), including the 4 major banks and regional banks.

This portfolio includes fixed term deposits, negotiated certificates of deposits, bank bills, bonds, covered bonds, mortgage-backed securities and floating rate notes, and is required by APRA for liquidity purposes. Bank Australia is also regulated by ASIC, which has responsibility for regulation under the *Corporations Act 2001*. ASIC is Australia's corporate, markets and financial services regulator. The bank is a Mutual Entity under Section 51M of the Corporations Act 2001.

Bank Australia is also subject to oversight by various state, territory and Commonwealth regulators across its operations and workforce including the Department of Health, the Australian Taxation Office, the Fair Work Ombudsman, the Workplace Gender Equality Agency, the Australian Transaction Reports and Analysis Centre, the Office of the Australian Information Commissioner and several work-health and safety regulators.

Transparency in our share holdings

Bank Australia held shares in related companies. During the year Bank Australia was a shareholder in 2 major service suppliers:

- Cuscal – a provider of payment and transactional banking services
- Data Action – a supplier of core banking and data network facilities.

In May 2025 Data Action announced its acquisition by Vencora, with a full sale of Bank Australia's shares. In November 2024 we sold 50% of our shares in Cuscal upon its initial public offering (IPO) and retained the remaining 50% of our holding.

Appendix 3:
Our customer profile

This appendix contains information about our customer numbers and demographics. All data is reported as at 30 June unless otherwise stated.

Customer numbers and demographics, 2021 – 2025

	2025	2024	2023	2022	2021
Number of customers					
Total customers	196,160	192,261	186,863	184,288	176,210
New customers	14,606	17,381	16,630	21,490	27,691
Customers acquired through merger	–	681 ¹	–	–	–
Customers who left the bank ²	10,707	11,983	14,055	13,412	11,918
Net customer growth	3,899	5,398	2,575	8,078	15,773
Customer retention rate ³	95%	93%	92%	92%	93%
Customer locations					
Victoria	57.1%	57.8%	58.1%	58.9%	60.4%
New South Wales	16.9%	16.8%	16.4%	16.2%	15.5%
Queensland	11.1%	11.0%	10.6%	10.5%	10.2%
Australian Capital Territory	4.7%	4.7%	4.6%	4.5%	4.4%
South Australia	3.4%	3.3%	3.2%	3.0%	2.7%
Western Australia	4.0%	3.8%	3.2%	2.9%	2.7%
Tasmania	1.6%	1.6%	1.5%	1.4%	1.3%
Northern Territory	0.5%	0.5%	0.5%	0.4%	0.4%
Other	0.7%	0.5%	2.0%	2.1%	2.4%
Customer age					
Average age of customers (years)	49	49	49	48	49
Average age of new customers (years)	38	42	38	36	35

Notes on our customer numbers and demographics

- 1 Customers from Lithuanian Co-Operative Credit Society ‘Talka’ Limited to Bank Australia in April 2024 and were active on 30 June.
- 2 This includes customers who choose to leave, including to consolidate their banking providers, and those who are exited due to fraudulent activity or poor behaviour including aggression towards our staff members, and account dormancy for an extended period.
- 3 Does not include customers who joined and left in the same financial year.

Customer profile, 2021 – 2025

	2025	2024	2023	2022	2021
Customer satisfaction					
Customer satisfaction ¹	91%	88%	89%	88%	87%
Net Promoter Score ¹	+15.6	+12.1	+38.4	+42.2	+42.4
Customer complaints ²	2,262	3,072	1,684	1,704	715
Customer complaints as a share of total customers	1.2%	1.6%	0.9%	0.9%	0.4%
Financial wellbeing					
Customer satisfaction with/ overall financial situation	75%	68%	64%	73%	75%
Hardship					
Loans granted financial hardship assistance ³	223	178	119	170	383
Serving our customers					
Average time taken to answer calls in our contact centre	2 minutes 9 seconds	6 minutes 1 second	5 minutes 19 seconds	9 minutes 24 seconds	3 minutes 28 seconds

Notes on our customer profile

- 1 We again worked with research agency Forethought to measure customer satisfaction late in the financial year. A representative sample of 1,222 customers were asked how satisfied they are with Bank Australia on a 10-point scale. Scores of 6+ (satisfied or extremely satisfied) are used to calculate overall satisfaction. Forethought also surveyed these 1,222 customers to determine the Net Promoter Score (NPS), which is the likelihood that customers will recommend us to others. Our NPS score this year has improved however we will continue to focus on customer feedback and improving their experience.
- 2 Our approach to responding to customer complaints is discussed on page 37. 94% of complaints were resolved within 21 days.
- 3 The increase in the number of loans granted financial hardship assistance was due to the current economic environment. The main factors leading to customers seeking such support were unemployment, underemployment, and medical-related circumstances. Our approach is discussed on page 35 in line with our 2025 methodology we have included the number of loan restructure variations to the previous years totals.

Appendix 4: Our people and culture

This appendix contains information about our people and our culture activities in 2025. All data is reported as at 30 June unless otherwise stated. For further information about our gender data please refer to Workplace Gender Equality Agency (WGEA) reporting on the WGEA website wgea.gov.au.

Our workforce summary, 2021 – 2025

	2025	2024	2023	2022	2021
Total staff ^{1,2}	610	613	591	527	456
Female	330	340	346	319	290
Male	280	273	244	207	166
Non-specific ³	0	0	1	1	–
Full-time equivalents (FTEs) ⁴	570	575	542	487	417
Employee turnover rate ⁵ (continuing)	16.8%	17.5%	13.9%	23.1%	15.6%
Absentee rate ⁶	3.8%	3.7%	3.6%	3.5%	2.4%
Workplace health and safety hazards, incidents and injuries affecting staff ⁷	141	107	101	29	22
Health and safety hazards, incidents and injuries affecting customers ⁷	6	7	8	4	23
Days lost to injury ⁸	69	20	154	109	11
Number of staff who took paid parental leave ⁹	31	35	40	30	26
Staff engagement survey score ¹⁰	56%	66%	70%	72%	75%

Notes on people and culture summary figures

- 1 Total staff figure includes employees on parental leave, extended sick leave, casual, fixed term contracts, and trainees. Excludes Board Directors.
- 2 Most staff worked full time (85.3%) followed by those who worked part time (8.4%), those on a contract (5.3%), trainees (0.5%) and casual staff (0.7%). These figures are broadly similar to those reported in 2024.
- 3 Genders other than female and male were not reported prior to 2022.
- 4 This excludes staff on parental leave, extended leave and Board Directors. Over the year, we have invested in additional FTE to continue to effectively deliver increasing risk and compliance requirements and business critical functions including Lending, Finance, IT, Transformation & Risk.
- 5 Voluntary separations of permanent staff only. Does not include redundancies. 2023 and 2024 data has been restated to align with the key risk indicator for employee turnover (continuing).
- 6 This is an annualised rate and includes staff on extended sick leave and unpaid sick leave. Pandemic leave was also included for 2021. A new methodology was introduced in 2023 resulting in the 2022 figure being restated (was previously reported as 2.8%).

- 7 The increase in numbers is multifactorial and includes an increase in staff numbers and an increased focus on health and safety in the workplace and reporting in the business, particularly on psychosocial incidents on sites where aggressive customer interactions have impacted staff and many staff previously accepted this as ‘part of the job’. There were 141 hazards, workplace health and safety incidents and injuries affecting staff recorded. This was made up of 107 hazards, (57 of which were psychosocial), 6 near misses and 28 injuries 11 of which were psychosocial in nature and the remaining related to factors such as slips, trips, falls, minor cuts.

There were 6 customer incidents reported, including 3 minor injuries, 2 near misses and 1 hazard.
- 8 The increase in days lost to injury in 2025 compared to 2024 is due to longer recovery periods for injuries sustained.
- 9 Our parental leave figure refers to leave that is taken and paid by Bank Australia. In November 2021, Bank Australia increased paid parental leave for all eligible employees to 14 weeks, regardless of primary/secondary carer status.
- 10 Staff engagement is measured by surveying staff with a non-compulsory survey (86% participated in November 2024). The 56% result was lower than Kincentric’s Australian Diversified Financial Services benchmark which was 64%. The survey had 75 questions across 22 dimensions.

Employee gender split by type of employment, 2025¹

Employee type	Gender	FTE	% of total
Full-time staff	Female	242	48%
	Male	259	52%
	Non-binary	0	0%
Part-time staff	Female	31.1	95%
	Male	1.6	5%
	Non-binary	0	0%
Trainees	Female	2	67%
	Male	1	33%
	Non-binary	0	0%
Contract staff (full-time)	Female	13	46%
	Male	15	54%
	Non-binary	0	0%
Contract staff (part-time)	Female	2.2	100%
	Male	0	0%
	Non-binary	0%	0%
Casual staff (head count)*	Female	3*	75%
	Male	1*	25%
	Non-binary	0*	0%
Casual staff (FTE)	Total	3.6	100%

1 Note: These figures do not include Non-Executive (Board) Directors.

Role classification

We classify roles across the bank based on the WGEA classification of roles: frontline staff (this includes sales workers), clerical/administrative staff, professionals, other managers, senior managers, general managers and executives. The WGEA data presented on this page is accurate, as of 31 March 2025. To align to our WGEA reporting we have included all levels of the workforce in the Staff by role classification and Employee gender split by role classification charts. All other data excludes Non-Executive Directors.

Staff, by role classification, 2025 (as at 31 March 2025)

Role	Number	% of total
Non-Executive Directors	6	1%
Managing Director	1	<1%
Executives	6	1%
General managers	24	4%
Other managers	72	12%
Professionals	155	25%
Clerical and administrative	281	45%
Frontline staff	78	13%
Total	623 ²	

2 Percentage calculated based on headcount within each role category.

Appendix 5:
Bank Australia impact fund

This appendix contains information about our impact fund activities as at 30 June 2025 unless otherwise stated.

Funding summary, 2021 – 2025 (\$m)¹

	2025	2024	2023	2022	2021
Opening balance of the impact fund as at 1 July	\$1.3m	\$1.8m	\$1.9m	\$1.6m	\$0.6m
Funding allocated to Bank Australia impact fund (up to 4% after tax profits)	\$1.5m	\$0.5m	\$2.1m	\$1.4m	\$1.6m
Spend from Bank Australia impact fund	\$1.0m	\$1.1m	\$2.3m	\$1.0m	\$0.6m
Balance of Bank Australia impact fund as of 30 June	\$1.8m	\$1.3m	\$1.8m	\$1.9m	\$1.6m

1 Totals may vary due to rounding.

Bank Australia impact fund projects, 2025

Impact area	Organisation	Program	Amount
Major grants and partnerships			
Climate action	Environment Victoria	How we Electrify program	\$100,000
Climate action	RACE for 2030	Driving energy upgrades in private rental homes	\$15,000
Climate action	Renew Australia	Sustainable House Day	\$50,000
First Nations Recognition and Respect	Victorian Aboriginal News	Operations funding	\$20,000
First Nations Recognition and Respect	Yoorrook Justice Commission – Auspiced by First Peoples Assembly	The Walk for Truth	\$75,000
First Nations Recognition and Respect	DJAARA (Dja Dja Wurrung Clans Aboriginal Corporation)	Galk-galk Dhelkunya Forest Gardening Strategy 2022-34	\$75,000
Nature and biodiversity	Greening Australia/ Trust for Nature	Bank Australia conservation reserve	\$318,945

Impact area	Organisation	Program	Amount
Community customer grants			
Disability inclusion	National Ethnic Disability Alliance Inc.	Let’s talk about why we don’t talk about disability	\$20,000 ²
Family violence	Glen Eira Adult Learning Centre	EmpowerHer: Building Safer and Stronger Futures for Migrant Women	\$13,600 ²
Family violence	Project Respect Incorporated	Art & Wellbeing for Women and Gender Diverse People with Experience in the Sex Industry	\$10,400 ²
First Nations Recognition and Respect	Central Tablelands and Blue Mountains Community Legal Centre	Yindyamarra Justice Project	\$20,000 ²
First Nations Recognition and Respect	Karul Projects	Mighty Mob: Emerging First Nations Artist Development	\$20,000 ²
First Nations Recognition and Respect	The Returning Indigenous Corporation	Indigenous Mother Care Program	\$20,000 ²
Just and fair economy	Mycelia Renewables Ltd	Expanding Mycelia Energy Collective services	\$20,000 ²
Just and fair economy	Open Table	Open Pantry	\$20,000 ²
Nature and biodiversity	Australian Network for Plant Conservation Inc.	Flora Discovery Project: Empowering conservation groups to survey Queensland’s threatened flora	\$16,000 ²
Refugees and people seeking asylum	Kensington Neighbourhood House	Kensington Neighbourhood Help Hub	\$20,000 ²
Refugees and people seeking asylum	SisterWorks Inc.	EmpowerHer Pathways: Training and Employment for Women from Refugee, Asylum Seeker and Migrant Backgrounds	\$20,000 ²
Other			
Nature and biodiversity	Australian Land Conservation Alliance	Private Land Conservation Forum	\$20,000
Nature and biodiversity	Country Fire Authority	Donations to the 6 Fire Brigades local to Bank Australia conservation reserve	\$15,000 ²
Nature and biodiversity	Wimmera Catchment Management Authority	Biodiversity Forum	\$7,500
FY2025 GST			\$55,884
Total spend from impact fund			\$952,323

2 GST was not applicable to this grant or donation.

Appendix 6: Our lending and investments

This appendix contains information on our lending and investment activities for 2025 with particular focus on our impact assets as at 30 June 2025 unless otherwise stated. For full reporting of our balance sheet, see our [2025 Financial Report](#).

Impact assets (\$m) by channel

Assets	2025	2024	2023	2022	2021
Total impact assets	\$2,809	\$2,245	\$1,791	\$1,390	\$1,080
Total assets ¹	\$12,333	\$11,747	\$10,524	\$9,672	\$8,466
Impact asset ratio ²	22.8%	19.1%	17.0%	14.4%	12.8%
Retail impact lending	\$1,811	\$1,405	\$1,162	\$883	\$575
Total retail lending ³	\$9,381	\$8,884	\$7,773	\$7,063	\$5,915
Retail impact lending ratio ²	19.3%	15.8%	14.9%	12.5%	9.7%
Commercial impact lending	\$298	\$254	\$180	\$141	\$181
Total commercial lending ³	\$472	\$451	\$370	\$409	\$500
Commercial impact lending ratio ²	63.2%	56.4%	48.7%	34.5%	36.2%
Treasury impact investments	\$701	\$586	\$450	\$366	\$324
Total treasury investments ³	\$2,043	\$2,045	\$1,935	\$1,866	\$1,798
Treasury impact investments ratio ²	34.3%	28.7%	23.2%	19.6%	18.0%

1 Total assets includes tax assets and does not include tax liabilities. In the Financial Statements tax assets and liabilites are netted off and shown as either a net asset or liability.

2 This is the proportion of total assets that are impact assets.

3 The breakdown of assets provided are a subset of total assets and will not agree to total assets above.

Impact assets (\$m) by triple bottom line

Impact assets	2025	2024	2023	2022	2021
People					
Total balance	\$429	\$342	\$214	\$187	\$176
% of impact assets	15.3%	15.3%	11.9%	13.5%	16.3%
% of total assets	3.5%	2.9%	2.0%	1.9%	2.1%

Impact assets	2025	2024	2023	2022	2021
Planet					
Total balance	\$1,399	\$1,156	\$1,022	\$855	\$785
% of impact assets	49.8%	51.5%	57.1%	61.5%	72.7%
% of total assets	11.3%	9.8%	9.7%	8.8%	9.3%
Prosperity					
Total balance	\$981	\$746	\$555	\$348	\$119
% of impact assets	34.9%	33.2%	31.0%	25.0%	11.0%
% of total assets	8.0%	6.4%	5.3%	3.6%	1.4%

Some of the impact finance portfolio highlights achieved through our retail and commercial lending are listed below.

Impact lending highlights by triple bottom line

	Rationale	Portfolio value (\$m)	Highlights of the loans in our portfolio as at 30 June 2025
Disability housing	We are committed to reducing barriers to home ownership and increasing access to appropriate homes for people with disability. We provide loans for the purpose of building, operating or funding Specialist Disability Accommodation (SDA) operated by a provider registered with the National Disability Insurance Agency (NDIA). We also offer SDA home loans for individual customers through our retail lending and are one of few banks in Australia that considers SDA funding through the NDIS as income to service a mortgage.	\$90.4	Supported the build or acquisition of 280+ specialist homes for people with disability.
Community housing	Housing affordability in Australia continues to decrease, leaving people in need of safe and high-quality accommodation. We provide loans to community housing providers that build, acquire or operate social and affordable housing for people who can't access the private rental market.	\$102.9	Supported community housing providers to build, acquire or operate 700+ homes for people in need living in QLD, SA and VIC.

	Rationale	Portfolio value (\$m)	Highlights of the loans in our portfolio as at 30 June 2025
Commercial property	We lend to for-purpose community and business customers to build, acquire or operate commercial property that helps them deliver meaningful impact for people.	\$55.4	Supported 10 organisations working to support people across: education, disability services, families and marginalised groups, health, and social inclusion.
Purpose led	We lend to for-purpose community and business customers, or charities registered by the Australian Charities and Not for Profits Commission.	\$8.0	Supported 80+ organisations providing vital services and advocacy in areas such as: conservation, education, disability support, welfare services and social inclusion.
Planet			
Green homes	Homes in Australia are not generally built to high standards of energy efficiency. By providing an incentive to customers to build or buy green homes, or make ambitious green upgrades to their homes, this lending contributes to the rate of improvement in energy efficiency. This lending includes our Clean Energy Home Loan product and loans for other energy efficient homes.	\$408.4	Provided loans to 744 customers to build, buy or renovate green homes. 678 properties are on our Clean Energy Home Loan product, and their homes have: • 8-star average NatHERS rating • 2200kW+ of total solar PV capacity across 300+ systems installed • 820kWh+ of total battery storage capacity across 75 systems installed • 630+ energy efficiency upgrades, including: hot water heat pumps, air conditioning systems, energy usage monitors, thermal windows, insulation upgrades, induction cooktops, ceiling fans, EV chargers and pool pumps.
Green residential property	We provide commercial loans to build, renovate or operate residential buildings to make them sustainable, improve resource efficiency or adopt environmentally sound technologies.	\$41.6	Supported organisations to purchase land, build or acquire green residential properties with high energy efficiency ratings.
Conservation reserve-backed construction loans	For construction loans, we protect an equivalent amount of land on our conservation reserve as the property is being constructed to help offset the environmental impact of land clearing. Homes constructed on large lots of land such as hobby farms are counted according to the amount of land occupied by the dwelling.	\$396.4	We protected 166,163m ² of land on our conservation reserve to balance out the impact of construction loans funded in 2025

	Rationale	Portfolio value (\$m)	Highlights of the loans in our portfolio as at 30 June 2025
Prosperity			
Affordable mortgage programs	We provide residential mortgages to customers as part of government sponsored and administered affordable housing programs. These include shared equity and land rent schemes where the borrowers meet certain maximum income qualifying criteria.	\$973.4	Provided loans to 2400+ customers eligible for government sponsored and administered affordable housing programs to buy their own home. This includes 12 First Nations customers.
Indigenous Business Australia mortgage program	We are a member of Indigenous Business Australia's (IBA's) banking panel. We support IBA customers on their home ownership journeys.	\$7.8	Provided loans to 22 Aboriginal and Torres Strait Islander households.

Lending portfolio and responsible banking policy screening

Our commercial lending portfolio is subject to screening under our responsible banking policy. For details of the sectors to which we lend, please refer to [Financial Report 2025](#), note 16.

We hold money in liquid investments to ensure we have access to a sufficient amount of money to meet our customers’ needs, as well as to meet the requirements of our regulator, the Australian Prudential Regulation Authority. These investments include bonds from other banks, governments and other organisations. Where possible, we invest in green, social or sustainability bonds from these issuers. For other bonds from these issuers, it is not possible to determine the exact purpose of every dollar invested.

Loans to excluded sectors

We originated no new loans to excluded sectors in 2025.

We have 2 older loan accounts that are classified as horse or dog racing that pre-date our current responsible banking policy. The balance on these accounts is less than \$2,000 as at 30 June 2025.

Appendix 7:
Climate action

Bank Australia makes disclosures on climate each year, including in this appendix. In 2025, our approach was informed by the Australian Sustainability Reporting Standards climate-related disclosure standards (AASB S2) developed by the Australian Accounting Standards Board.

Governance structure

The board is responsible for approving all public commitments that Bank Australia makes, including the climate action strategy and other climate-related commitments. The board is responsible for oversight of sustainability-related risks and opportunities, including climate-related risks and opportunities. The Audit Committee, a sub-committee of the board, is engaged on climate and approval of climate disclosures. The Risk Committee, a sub-committee of the board, is responsible for setting and approving climate risk in the bank’s risk appetite statement. The executive Responsible Banking Committee provides managerial oversight for the Managing Director and ensures progress of implementation of the climate action strategy into relevant functions. The Climate Action Strategy Steering Committee was established in 2022 and guides the implementation of the climate action strategy. Its main purpose is to facilitate information sharing on the work happening on the climate action strategy, identify opportunities for collaboration relevant to the climate action strategy and maintain visibility over the progress of the climate action strategy. The Climate Action Strategy Steering Committee is chaired by the Head of Impact Management with executive sponsorship from the Chief Corporate Services Officer and participation from heads of department.

Board members’ and executives’ climate capabilities

In 2025, Bank Australia’s board and executive team continued to strengthen their climate-related capabilities through participation in global forums, conferences and study tours. In March 2025, Managing Director Damien Walsh attended the Global Alliance for Banking on Values (GABV) annual meeting in Uganda, joining a global network of leaders committed to advancing sustainable finance and ethical banking practices. The event convened executives from values-based banks across different continents to share insights, foster collaboration and explore innovative approaches to climate adaptation, social equity, technological resilience and financial inclusion.

In October and November 2024, 2 Bank Australia Directors, the Chief Customer Officer, and Head of Corporate Affairs, and the then Qudos Bank Chair and Chief Marketing Officer participated in a North America study tour. The delegation engaged with leading financial institutions in the United States and Canada. The study tour offered valuable opportunities to explore best practices in values-based banking, climate governance and community investment. Through site visits and strategic dialogues with institutions such as Verity Credit Union (US), Amalgamated Bank (US), EastRise Credit Union (US) and Vancity (Canada), the study tour group deepened its understanding of emerging trends in climate strategy and governance, climate financing, impact lending, community investment, financial wellbeing and portfolio decarbonisation. These experiences will inform future strategic initiatives and reinforce our leadership position in responsible finance both locally and globally.

The table below provides details of our climate governance structure.

Board of Directors Bank Australia’s Board Delegations of Authority states that all public commitments that Bank Australia makes are to be approved by the board. This includes Bank Australia’s climate action strategy and related commitments.
Audit Committee The board’s Audit Committee is engaged regularly on climate and the approval of climate disclosures, including approval of the annual impact report and respective assurance.
Risk Committee The board’s Risk Committee is responsible for setting and approving Bank Australia’s risk appetite, including on climate risk.
Management The board delegates responsibility for implementation of the climate action strategy to management, including the Managing Director and the executive team. This includes the Chief Corporate Services Officer who has been delegated responsibility for developing and implementing Bank Australia’s sustainability initiatives and engaging with and coordinating key stakeholders around Bank Australia’s climate action strategy.
Executive Responsible Banking Committee Our executive Responsible Banking Committee is chaired by Bank Australia’s Chief Corporate Services Officer and includes all members of Bank Australia’s executive. It meets every quarter and receives a report on the implementation of the climate action strategy at each meeting. Other executive and board committees receive reporting on climate when it is relevant to their respective areas.
Climate Action Strategy Steering Committee Our Climate Action Strategy Steering Committee was established in June 2022 to bring together senior leaders who have operational responsibility for implementation of the climate action strategy. It is chaired by the Head of Impact Management with executive sponsorship from the Chief Corporate Services Officer and participation from heads of department across areas including impact, risk, finance, chief of staff, product, lending, credit, risk, operations, corporate affairs and marketing.
Key roles These include Head of Impact Management, the Manager Climate Action Strategy, the Manager Impact Integrity, the Manager Reconciliation Strategy and the Manager Nature and Biodiversity. Our approach to climate seeks integration of our impact strategies as part of the solution to address climate challenges.

The table below demonstrates when climate-related risks and opportunities topics were presented and discussed with the Board of Directors, the Risk Committee, the Audit Committee and the Responsible Banking Committee in 2025.

	July 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
Board		✓	✓		✓					✓	✓	
Risk Committee		✓										
Audit Committee			✓			✓				✓		
Responsible Banking Committee	✓			✓			✓			✓		

Strategy

As a customer-owned bank with a purpose of inspiring and empowering our customers to use their money to create a world where people and the planet thrive, the importance of taking action on climate change is embedded into our bank-wide strategy. Our climate action strategy sets out how we put that purpose into practice. Key initiatives are embedded into operational strategies including our product strategy and our impact lending strategy.

The table below sets out progress in 2025 against the 2022 version of our climate action strategy. Next year, we’ll report progress against our updated climate action strategy that covers the bank following our merger with Qudos Bank.

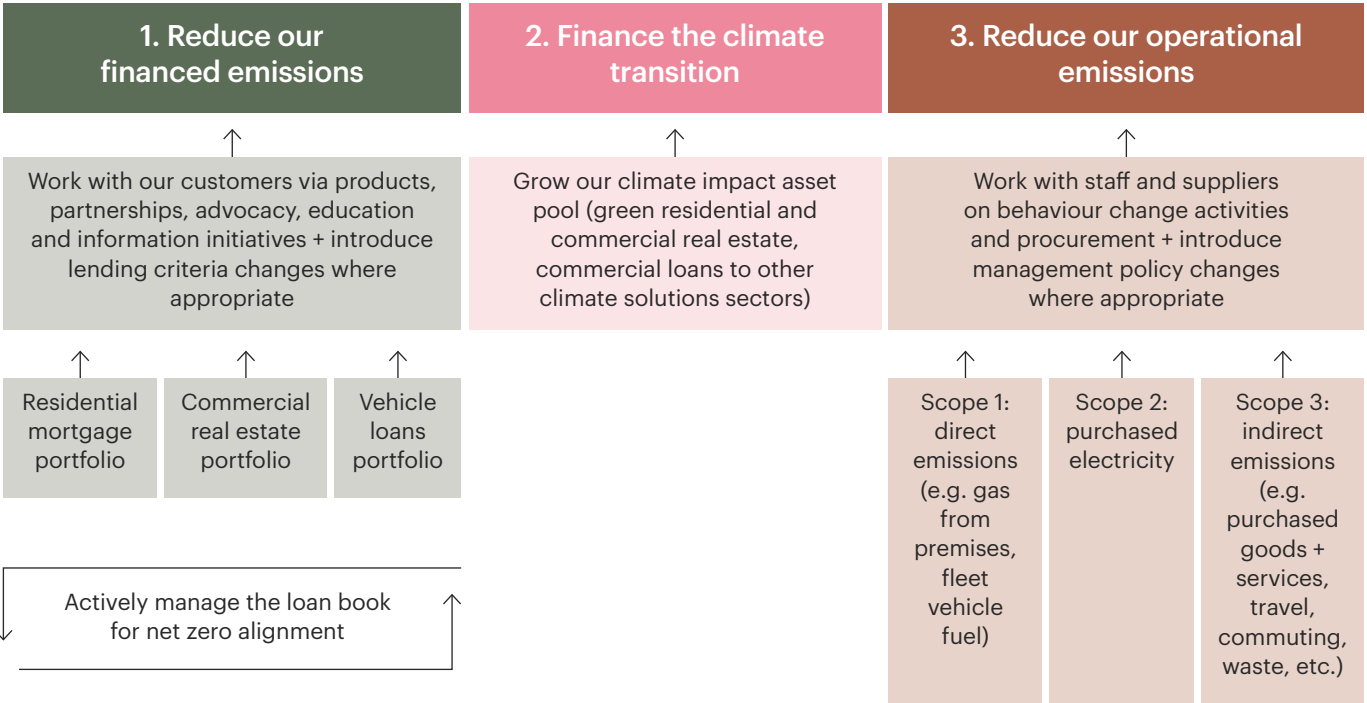
Climate action strategy ambition	Risks and opportunities	Climate action strategy progress in 2025
Decarbonisation		
We will achieve net zero operations and portfolio by 2035	Reducing emissions is a core part of our climate action strategy. The largest share of our emissions come from our mortgage portfolio. As the grid decarbonises and more homes continue to install solar, the biggest challenge we face is helping customers who own the homes we fund to move to all-electric. Given our strong presence in Victoria, a gas-heavy state, we are placing a strong focus on supporting households to switch from gas to electric appliances.	In 2025, we continued to implement actions from our net zero roadmap (see page 76). We focused on ways to support customers to reduce emissions in the homes we fund. This included launching our Electrify Your Home program and partnership with BOOM! Power (see case study on page 79) and refreshing our Clean Energy Home Loan with new support from the Clean Energy Finance Corporation under the Household Energy Upgrades Fund. We also supported a range of work to deliver systemic enablers for household electrification, including Environment Victoria’s gas free Victoria program with an impact fund grant to deliver a report and engagement program, <i>How We Electrify – Easy cost-saving options to replace gas heating</i> (see case study on page 70), Renew’s Sustainable House Day event and a new community engagement program on home retrofits (see case study on page 79), and the RACE for 2030 project, <i>Driving energy upgrades in private rental homes</i>. In our operations, we continued to run on 100% renewable electricity. We’re working on a business needs assessment to support the transition of our current hybrid fleet vehicles to all-electric at the end of their natural tenure with the bank; this transition has been slower than we initially anticipated as our vehicles are still within their natural tenure. As part of relocating our Melbourne CBD branch, we undertook work to more accurately measure the emissions associated with site fit out and to develop a sustainability guide for future site fit out activity. We report on our emissions from page 120.
We will have a validated 2030 science-based emissions reduction target	We know that it’s important to have interim targets on the way to net zero to make sure we’re on the right track. That’s why we’re using the leading global standard for setting near-term emissions reduction targets from the SBTi to work out where we need to get to by 2030 to be aligned with a 1.5 degree scenario.	In 2025, we continued working towards our 2030 SBTi targets as a key point on our path towards net zero. Our progress against our science-based targets is shown on page 81 .

Climate action strategy ambition	Risks and opportunities	Climate action strategy progress in 2025
Decarbonisation continued		
We will explore directly investing in projects that draw down emissions	Reducing emissions as much as we can needs to be our top priority. We do expect there to be a limited role for high-integrity offsets in future. That's why we wanted to explore whether we could combine our expertise regenerating land on our conservation reserve with creating our own carbon offset projects.	In 2024, we sought external advice on the tax and accounting implications of directly investing in projects to draw down emissions. In 2025, we paused further work on this given current budget constraints for pursuing a project and as we further develop our approach to planning our future offset requirements.
Customer action		
We offer support and products to assist our customers to better understand and reduce their emissions	Our customers tell us that action on climate is their top priority, so we're planning to scale up ways to offer support and products to help our customers take collective action.	As described above, we launched our Electrify Your Home program, which included making digital energy assessment tool BOOM! Power available to more of our customers, and refreshing our Clean Energy Home Loan with new support from the Clean Energy Finance Corporation under the Household Energy Upgrades Fund. Due to high demand, the Clean Energy Home Loan Renovate product was paused in March 2025.
Regenerative products and services		
We will be financing \$1.5 billion of clean energy transition and conservation by 2025	As a bank, funding regenerative products and services is an important part of our contribution to climate action. Currently, we fund: • Clean Energy Home Loans, and other green homes with a NatHERS rating of 7.5-stars or higher* • residential mortgages where we funded construction and are protecting an equivalent amount of land on our conservation reserve (includes homes that meet Climate Bonds Initiative criteria for Australia) • loans for low-emissions vehicles • loans for solar installations and energy efficiency upgrades • loans for developing new green residential property • loans for conservation projects • investments in green bonds. <i>*The Clean Energy Home Loan product criteria changed this year from a minimum of 7 stars or higher (plus all-electric) for new builds to a minimum of 7.5 stars or higher, due to the introduction of the National Construction Code's updated minimum 7-star rating for new builds.</i>	Unfortunately, we did not achieve our target of \$1.5 billion. As at 30 June 2025, we were financing \$1.26 million of clean energy transition and conservation, which is an increase of 20.9% on 2024. We shared in our 2024 Impact Report that we were off track on this target. Since then, we achieved some strong growth in 2025 including \$170 million of growth in our green home loan portfolio and \$65 million of growth in our green bond investments, but that wasn't enough to reach the full target. We continue to have an ambition to increase our net zero-aligned assets and will continue working hard to make progress.

Climate action strategy ambition	Risks and opportunities	Climate action strategy progress in 2025
Protection of nature		
We are a leading voice on corporate conservation innovation to draw down carbon from the atmosphere, while protecting and preparing our conservation reserve for a warmer climate	Private land conservation is an important path forward to permanently protecting nature. We've been protecting land on our conservation reserve since 2008, and we want to share what we've learned to help show that this is something other landholders in Australia can do too.	In 2024, we launched our bank-wide nature and biodiversity strategy, which covers our conservation reserve and our plans across awareness and engagement, leadership and nature positive products and services. See page 84 for more information on our nature and biodiversity strategy including progress made in 2025.
Climate justice		
We are actively supporting the economy in the Latrobe Valley as it transitions from fossil fuels	We've got a long history in the Latrobe Valley and we're proud to have a continuing presence in the community. One of the larger credit unions that merged into what is Bank Australia today was Enterprise Credit Union, the credit union for employees of Victoria's former State Electricity Commission. A quarter of our staff are based in the Latrobe Valley and we're committed to continuing to support the community through the energy transition.	In addition to our commitment as an employer in the region, we continued engaging with initiatives focused on the energy transition in the Latrobe Valley. This included sponsoring the Gippsland New Energy Conference for the third year running.
We are seeking guidance and leadership from First Nations voices on climate action	We know and recognise that First Nations voices can lead the way on climate action. We began our own Reconciliation Action Plan journey in 2010, becoming the first customer-owned bank to develop a RAP. We still have a way to go but we're committed to the work we know we need to do. On our conservation reserve, we're continuing to engage with Barengi Gadjin Land Council.	Since 2022 we've partnered with Seed Mob, Australia's first Indigenous youth climate network who are leading solutions and striving for a safer, healthier and more just future for all. In 2024, we launched our First Nations Recognition and Respect strategy – more information on this is on page 68 , including progress made in 2025.
Climate risk		
We will assess, disclose, and manage the risk posed to our business by a changing climate	The impacts of climate change are already happening. We need to continue to analyse the risks climate change poses to our business as a bank and lender, including impacts to our customers. Following the framework of AASB S2, we're looking at physical risk, like damages to homes we finance, transition risk, like changes in the economy as we transition away from fossil fuels, and liability risk, like failure to take appropriate action.	In 2025, we reviewed our climate risk register and prepared to disclose our approach to climate risk management in line with AASB S2 from 2026. More information on our approach to climate risk is included on page 119 .

Net zero roadmap

To support the achievement of our 2035 net zero commitment we have developed an internal net zero roadmap. The roadmap identifies the key initiatives that are required to reduce our financed and operational emissions. Over the coming year we will work on evolving our net zero roadmap into a broader climate-related transition plan covering the merged entity with Qudos Bank, aligned to AASB S2. Key elements of the net zero roadmap include:



Further developing our approach to climate-related opportunities and risks, assessing financial effects and climate scenario analysis

In 2025 we have further developed our climate strategy work in alignment with AASB S2. This has included sharpening our view of our climate-related opportunities and risks based on our business model and value chain, over the time horizons of the short term (1-3 years), medium term (4-10 years) and long term (11-30 years). This builds on the work undertaken in developing our 2022 climate action strategy and 2024 net zero roadmap.

We have worked on an approach to assessing the potential financial effects of these risks and opportunities, and have developed and commenced assessing against 2 scenarios in line with AASB S2.

We will continue to build on this work over 2026 to inform the development of our climate-related transition plan and disclosure against AASB S2.

Risk management

Climate risk is captured in Bank Australia’s risk appetite statement, which is part of the risk management framework and subject to board oversight. Our Head of Operational Risk coordinates a review and updates how the risk is captured in our risk register as needed. The Board’s Risk Committee oversees the implementation and ongoing operation of the risk management framework, monitors risk identification, assessment and control methodologies, and ensures that requirements in relation to the risk management framework are met.

We know we need to continue to refine and strengthen our management of climate-related risks. In 2023 we completed a physical climate risk assessment of collateral held for residential mortgages and found there to be a low risk based on the portfolio as at

30 June 2023. In 2024 we completed a detailed bank-wide climate-related risk assessment with representatives across the business. The assessment included the development of a climate-related risk register containing a long list of potential risks across Bank Australia’s business model and value chain. This register was reviewed in 2025 by the Head of Impact Management. In 2025, we included a climate scenario as part of our annual Internal Capital Adequacy Assessment Process, the process that monitors and stress tests our capital levels.

Our overall climate action strategy is strongly focused on climate-related opportunities as described above in the strategy section.

Climate-related metrics

Greenhouse gas emissions

In 2025, our total absolute gross emissions were 92,213.4 tonnes of carbon dioxide equivalent (tCO₂e), 89,139.4 tCO₂e excluding motor vehicle loans which are not included in our near term SBTi target. This included 53.1 tCO₂e Scope 1 and 512.2 tCO₂e Scope 2 (location based). We also measure Scope 2 market-based emissions as part of our 100% renewable electricity commitment, which were 0 tCO₂e. Our Scope 3 operational (category 1-14) emissions were 3,801.0 tCO₂e, and Scope 3 financed (category 15) emissions were 85,285.3 tCO₂e (excluding motor vehicle loans). Financed emissions associated with our lending activities represent 96% of our total 2025 emissions. Energy use from the homes we fund continues to be our largest source of emissions, making up 85% of our overall total.

The following tables summarise Bank Australia’s emissions inventory over time and provides progress tracking year on year (YoY) and against the 2021 base year.

	Unit	2025	2024 ¹	2023	2022	Absolute change YoY	% change YoY	2021 (base year) ²	% change from base year
Scope 1	tCO ₂ e	53.1	85.9	78.3	66.9	-32.8	-38%	151.8	-65%
Scope 2 (market based)	tCO ₂ e	0.0	0.0	0.0	0.0	0.0	0%	–	0%
Scope 2 (location based)	tCO ₂ e	512.2	531.9	681.6	693.7	-19.7	-4%	714.8	-28%
Scope 3 (category 1-14)	tCO ₂ e	3,801.0	3,787.8	2,540.4	858.1	13.2	0%	1,369.0	178%
Scope 3 (category 15) ³	tCO ₂ e	85,285.3	80,165.1	77,367.7	79,085.8	5,120.2	6%	80,300.0	6%
TOTAL ⁴	tCO ₂ e	89,139.4	87,062.3	83,178.4	83,447.8	2,077.0	2%	87,290.9	2%

1 2024 figures vary from our 2024 Impact Report as they were recalculated after its publication, on the basis of updated emissions calculation tools released by Climate Active in October 2024.

2 2021 base year calculated by [Point Advisory](#) as a ‘representative base year’. It considered pre-pandemic levels of operational emissions from Bank Australia and estimated 2021 levels that align with pre-pandemic behaviours, e.g. commuting to work and travelling for work.

3 This excludes motor vehicle loans, which are not included in our near term SBTi target.

4 This total includes market-based emissions for electricity. We use the market-based method for our offsetting under the Climate Active program, which includes a subset of these emissions.

Approach

We use the operational control approach to set our organisational boundary. One subsidiary (Buloke Funding Trust No. 1, ABN 56 626 624 981) is also included within this certification as it was active during 2025. Our emissions inventory covers Bank Australia Limited and this subsidiary, as the subsidiary is located on the same premises and does not have separate operations to the consolidated entity.

Operational emissions

The following tables summarise Bank Australia’s operational emissions inventory over time and provide progress tracking against the 2021 base year. Note, our 2021 representative base year varies from our 2021 actual emissions inventory.

Operational emissions have decreased 0.5% YoY, and increased 153% from the base year, primarily due to the inclusion of new emissions categories from 2024 onwards. Material changes are primarily in scope 3, where employee commute and business travel have decreased by 18% and 34% YoY, due to a reduction in car travel and reduced number of international flights respectively. Other YoY changes driven by calculation method and technical updates are noted below.

Scope 1 and 2 emissions

	Unit	2025	2024 ¹	2023	2022	2021	Absolute change YoY	% change YoY	2021 (base year) ²	% change from base year	Notes
Scope 1	tCO ₂ e	53.1	85.9	78.4	66.9	72.5	-32.8	-38%	151.8	-65%	
Mobile combustion (including company-owned or leased vehicles)	tCO ₂ e	47.2	62.7	56.6	23.3	24.7	-15.5	-25%	95.4	-50%	Salary packaged vehicles now accounted for in Scope 3, category 6: business travel.
Stationary combustion	tCO ₂ e	5.9	23.2	21.8	43.6	47.8	-17.3	-75%	56.5	-90%	Data quality issue in 2025, supplier reporting inconsistent.
Scope 2	tCO ₂ e	0.0	0.0	0.0	0.0	0.0	0.0	0%	–	0%	
% of renewable electricity ³	%	100%	100%	100%	100%	100%	–	–	–	–	
Electricity consumption	MWh	608.5	694.3	886.8	789.3	794.9	-85.8	-12%	–	–	
Electricity emissions (market based)	tCO ₂ e	0.0	0.0	0.0	0.0	0.0	0.0	0%	–	–	
Electricity emissions (location based)	tCO ₂ e	512.2	531.9	681.6	693.7	806.6	-19.7	-4%	714.8	-28%	
Electricity intensity per net leased area ¹	MWh/m ²	88.0	89.0	–	–	–	-1.0	-1%	–	–	

1 2024 figures vary from our 2024 Impact Report as they were recalculated after its publication, on the basis of updated emissions calculation tools released by Climate Active in October 2024.

2 2021 base year calculated by [Point Advisory](#) as a ‘representative base year’. It considered pre-pandemic levels of operational emissions from Bank Australia and estimated 2021 levels that align with pre-pandemic behaviours, e.g. commuting to work and travelling for work.

3 Based on market-based methods under the operational control method for our 100% renewable electricity commitment, see renewable electricity certificates section for details.

4 First included in 2024.

Renewable electricity certificates

Our operations continue to run on 100% renewable electricity. Our electricity consumption is in line with our Scope 2 electricity consumption reported for our carbon neutral claim under Climate Active (using the operational control method to define our organisational boundary). Our 100% renewable electricity is achieved through:

- direct consumption from on-site renewable electricity generation owned by Bank Australia, namely solar panels at our Bendigo and Moe premises

- direct procurement from a grid-connected generator through the purchase of large-scale generation certificates (LGCs) directly from the generator at Crowlands Wind Farm through a 10-year power purchase agreement (PPA) with renewable energy developer Pacific Hydro as part of the Melbourne Renewable Energy Project

- unbundled energy attribute certificates, voluntary purchase of LGCs from our electricity retailers.

Total operational electricity consumption for 2025 is shown below.

Electricity source	MWh	Share of total 2025 consumption
Behind the meter consumption of electricity generated	72	11%
LGCs purchased and retired (including PPAs) ¹	329	48%
GreenPower	156	23%
Jurisdictional renewables (LGCs retired) ²	14	2%
Jurisdictional renewables (Large Scale Renewable Energy Target) (applied to ACT grid electricity)	3	0%
Large Scale Renewable Energy Target (applied to grid electricity only) ³	108	16%
Total renewable electricity consumption	681	100%

1 Serial number of large-scale generation certificates (LGCs) retired voluntarily: 36720 - 36899, 5487 - 5640.

2 As per Climate Active guidelines, jurisdictional renewables refer to states and territories that have renewable energy targets over and above the Large-Scale Renewable Energy Target requirement. In 2025, this refers to our ACT electricity consumption.

3 All electricity retailers are required to retire LGCs to meet the federal renewable energy target in line with the renewable power percentage set by the Clean Energy Regulator. In 2025, the renewable power percentage was 18.2%.

Scope 3 (category 1-14)

GHG Protocol category	Unit	2025	2024 ¹	2023	2022	2021	Absolute change YoY	% change YoY	2021 (base year) ²	% change from base year	Notes
Category 1: Purchased goods and services (includes professional services, ICT services and equipment, site fit out and key suppliers)	tCO ₂ e	2,691.2	2,317.3	1,431.1	256.6	137.8	373.9	16%	83.6	3,119%	Increased coverage of emissions from material vendors, improved calculation methodology for site fit outs, emissions factors updated by Climate Active
Category 2: Capital goods ³	tCO ₂ e	98.4	–	–	–	–	–	–	–	–	Capital goods previously accounted for in category 1 moved to category 2
Category 3: Fuel and energy related activities	tCO ₂ e	0.0	1.8	0.2	3.4	3.8	-1.8	-100%	3.9	-100%	Data quality issue in 2025, supplier reporting inconsistent.
Category 4: Upstream transportation and distribution ⁴	tCO ₂ e	3.3	–	–	–	–	–	–	–	–	Postage, courier and freight previously accounted for in category 1, now moved to category 4, emissions factors updated by Climate Active
Category 5: Waste generated in operations	tCO ₂ e	9.2	9.7	6.6	39.9	27.2	-0.5	-5%	63.4	-85%	
Category 6: Business travel (includes air travel, employee-owned car travel, taxi and rideshare, and hotel accommodation)	tCO ₂ e	301.7	455.5	561.3	97.7	47.2	-153.7	-34%	414.9	-27%	Emissions factors updated by Climate Active to reflect lower per passenger emissions post-COVID

GHG Protocol category	Unit	2025	2024 ¹	2023	2022	2021	Absolute change YoY	% change YoY	2021 (base year) ²	% change from base year	Notes
Category 7: Employee commuting (includes modes of transport and work from home)	tCO ₂ e	602.1	734.6	535.6	446.7	392.7	-132.5	-18%	773.1	-22%	Emission factors source updated by Climate Active
Category 8: Upstream leased assets	tCO ₂ e	84.7	174.9	5.6	13.8	18.2	-90.2	-52%	30.1	182%	
Category 13: Downstream leased assets ⁴	tCO ₂ e	10.2	94.0	–	–	–	-83.7	-89%	–	–	
Scope 3 subtotal	tCO₂e	3,801.0	3,787.8	2,540.4	858.1	627.0	13.1	0%	1,369.0	178%	
TOTAL (Operational)	tCO₂e	3,854.1	3,873.7	2,618.8	925.0	699.5	-19.6	-1%	1,520.8	153%	

1 2024 figures vary from our 2024 Impact Report as they were recalculated after its publication, on the basis of updated emissions calculation tools released by Climate Active in October 2024.

2 2021 base year calculated by Point Advisory as a ‘representative base year’. It considered pre-pandemic levels of operational emissions from Bank Australia and estimated 2021 levels that align with pre-pandemic behaviours, e.g. commuting to work and travelling for work.

3 First included in 2025.

4 First included in 2024.

Financed emissions

Residential mortgages and commercial real estate

The following tables summarise Bank Australia’s financed emissions inventory over time and provides progress tracking against the 2021 base year.

Financed emissions reduced in intensity YoY, but the pace of reduction is off track from our ideal trajectory. Commercial lending emissions have increased due to higher emissions securities associated with loans originated in 2025.

Absolute emissions

	Unit	Emissions source	2025	2024	2023	2022 ¹	2021 (base year)	Absolute change YoY	% change YoY	% change from base year
Residential mortgages (including Clean Energy Home Loan products)	tCO ₂ e	Gas	22,851.2	22,454.0	21,133.9	–	–	–	–	–
	tCO ₂ e	Electricity	52,641.6	52,139.4	50,820.9	–	–	–	–	–
	tCO₂e	Total²	75,492.8	74,593.4	71,954.8	77,131	75,570	899.3	1%	-0.1%
Commercial lending	tCO ₂ e	Gas	1,516.3	1,012.2	881.4	–	–	–	–	–
	tCO ₂ e	Electricity	7,765.7	4,269.0	4,249.3	–	–	–	–	–
	tCO₂e	Total	9,792.5	5,571.7³	5,412.9³	1,954.7	4,729.9	4,220.9	76%	107%

1 Residential mortgages gas and electricity information first included in 2023.

2 Emissions do not include under construction residential lending.

3 Includes a 5.5% uplift to account for the instances where apartment blocks are listed as one collateral item rather than individual units. This is applied to the category total.

Emissions intensity

	Unit	2025	2024	2023	2022	2021 (base year)	Absolute change YoY	% change YoY	% change from base year
Residential mortgages (including Clean Energy Home Loan products)	kg CO ₂ e/m ²	34.4 ¹	35.1 ¹	37.2 ¹	42.2	42.1	-0.7	-2%	-18%
Commercial lending	kg CO ₂ e/m ²	67.7	57.9	66.5	48.4	74.3	9.8	17%	-9%

1 Emissions do not include under construction residential lending.

Motor vehicle loans

Emissions associated with motor vehicle loans are not included in our current 2030 science-based target; however, we measure them for offsetting associated with the now phased out offset feature of the car loan product. They also form part of our net zero by 2035 commitment.

The following table summarises emissions over time associated with motor vehicle loans. In 2025, this only applies to loans originated under the now phased out feature of the car loan product (which was active until 28 February 2025). Since then, we have ceased car loans for new fossil fuel vehicles and will review our emissions calculation methodology in 2026.

Absolute	Unit	2025 ¹	2024	2023	2022	2021
Motor vehicle loans total	tCO ₂ e	3,074.0	3,023.5	3,192.0	3,437.0	5,470.0

1 Only includes loans originated until 28 February 2025.

Offsetting emissions from operational emissions and motor vehicle loans

The following offsets were retired for emissions associated with our operations.

Project description	Type of offset units	Registry	Date retired	Serial number	Vintage	Eligible quantity (tCO ₂ e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total offsets retired for this reporting period (%)
Patches Flat Environmental Plantings Project	KACCU	ANREU	30/6/2025	9,026,006, 786 - 9,026,006,825	2024-25	40	–	–	40	1%
Banyula Australia Project	KACCU	ANREU	30/6/2025	9,029,025,290 - 9,029,025,534	2024-25	245	–	–	245	6%
Wind bundle project in Maharashtra by Sispara	VCU	VCS	6/9/2024	8457-21916385-21923775-VCS-VCU-997-VER-IN-1-1660-01012019-31102019-0	2019	7,391	2,946	865	3,580	93%
Total offsets retired for this reporting period										3,865
Total offsets retired and banked for future reporting periods										865

The following offsets were retired for emissions associated with the now phased-out feature of our car loan product:

Project description	Type of offset	Registry	Date retired	Serial number	Vintage	Eligible quantity (tCO ₂ e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total offsets retired for this reporting period (%)
Watchbox conservation project, Victoria Stapled to Inner Mongolia Ximeng Zheligentu Wind Farm Phase I Project	VCU	VCS	16/9/2021	9667-116255186-116257685-VCS-VCU-259-VER-CN-1-849-01012018-20072018-0	2018	2,500	2,217	0	283	9%
Wind Power Project by Ushdev International Limited in Tamil Nadu	CER	UNFCCC CDM	30/6/2025	Proj 6121 - 275,164,853 - 275,169,852	–	5,000	0	2,209	2,791	91%
Total offsets retired for this reporting period										3,074
Total offsets retired and banked for future reporting periods										2,209

Emissions calculation methodology

Calculation standard

Best practice GHG accounting standards and guidance were used to develop Bank Australia’s corporate and financed emissions inventories, including: GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol), The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Corporate Value Chain Standard) and the Technical Guidance for Calculating Scope 3 Emissions (V1.0) (GHG Protocol Technical Guidance), the Partnership for Carbon Accounting Financials (PCAF) and the Climate Active Technical Guidance Manual.

Our emissions inventory incorporates the 7 greenhouse gases listed under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC_s), perfluorocarbons (PFC_s), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Calculation boundary

Our included and quantified emissions sources are listed below:

Scope 1	
Company fleet vehicles Company facilities – gas	
Scope 2	
Electricity consumption	
Scope 3	
GHG Protocol Category	Activities
1 Purchased goods and services	Construction materials and services, ICT services equipment, office equipment and supplies, products, professional services, water, key suppliers ¹
2 Capital goods	Construction materials and services, ICT services equipment, office equipment and supplies, products
3 Fuel and energy related activities	Emissions related to transport and distribution of electricity
4 Upstream transportation and distribution	Postage, courier and freight
5 Waste generated in operations	Waste generated in offices and branches
6 Business travel	Air travel, hotel accommodation, taxi and ride-share, salary packaged vehicles and employee-owned car travel
7 Employee commuting	Employee commute (public & private transport), work from home
8 Upstream leased assets	Base building services in tenanted buildings
13 Downstream leased assets	Base building services in owned site, leased to third party
15 Investments	Residential mortgages, commercial real estate, motor vehicle loans and corporate bonds

¹ Key suppliers include our payments provider Cuscal, of which Bank Australia is a part owner. Our ownership share is used to estimate the proportion of the company's services used and emissions generated. Other key suppliers are our core banking service provider, telephony services provider and loan origination software provider.

How we calculate our emissions varies by each scope and source

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Scope 1 – Mobile combustion				
Fuel used in company-owned or leased vehicles	Mileage log	UK Department for Energy Security & Net Zero and Department for Environment Food & Rural Affairs (2025), “Greenhouse gas reporting: conversion factors 2025”, last updated 10 June 2025, gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025 .	Methodology aligned to National Greenhouse and Energy Reporting Scheme (Measurement) Determination Method (i.e., quantity of fuel consumed multiplied by the associated emission factor for each fuel type.) High data quality, low uncertainty.	None
Scope 1 – Stationary combustion				
Gas used in our owned premises	Invoices	Department of Climate Change, Energy, the Environment, and Water (2024), “National Greenhouse Accounts Factors: 2024”, dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024	Methodology aligned to National Greenhouse and Energy Reporting Scheme (Measurement) Determination Method (i.e., quantity of fuel consumed multiplied by the associated emission factor for each fuel type.) High data quality, low uncertainty.	None
Scope 2 – Purchased electricity				
Electricity consumption	Invoices, outgoings	Climate Active electricity calculator v10	Both market-based and location-based methods disclosed. High data quality and low uncertainty due to complete invoice sets	None

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Scope 3 – Category 1: Purchased goods and services				
Goods and services purchased and used in operations	General ledger data, invoices, life cycle analysis of construction associated goods	Professional services & ICT services and equipment: IELab, provided by FootprintLab. Scope 3 GHG emissions intensities (kgCO ₂ e/\$ purchaser’s price), using 2023 emissions and economic data, and supplier specific factors for some items	Items calculated using activity data (water, key suppliers), bespoke emissions factors (postage and some professional services) or life cycle analysis (construction materials, office furniture) have high data quality and low uncertainty.	Included bespoke reporting, life cycle analysis and supplier specific spend based factors for some key suppliers
		Construction materials and services: AusLCI published processes, v1.42, CN assumption, released May 2023, auslci.com.au/index.php/EmissionFactors	Items calculated using spend based data (professional services, ICT services and equipment, products) have moderate data quality and high uncertainty. Where available, supplier specific spend based factors were used.	
		Office equipment and supplies: IELab, provided by FootprintLab. Scope 3 GHG emissions intensities (kgCO ₂ e/\$ purchaser’s price), using 2023 emissions and economic data. Water: AusLCI published processes, v1.45, CN assumption, released June 2025, auslci.com.au/index.php/EmissionFactors		
Scope 3 – Category 2: Capital goods				
Capital goods purchased to provide value over time	General ledger data	IELab, provided by FootprintLab. Scope 3 GHG emissions intensities (kgCO ₂ e/\$ purchaser’s price), using 2023 emissions and economic data.	Items calculated using life cycle analysis (construction materials, office furniture) have high data quality and low uncertainty. Items calculated using spend based data (professional services, ICT services and equipment, products) have moderate data quality and high uncertainty.	Included bespoke reporting, life cycle analysis and supplier specific spend based factors for some key suppliers.

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Scope 3 – Category 3: Fuel and energy related activities				
Electricity distribution	Invoices	Climate Active electricity calculator v10	Both market-based and location-based methods disclosed. High data quality and low uncertainty due to complete invoice sets	None
Scope 3 – Category 4: Upstream transportation and distribution				
Transport of freight and postage	Invoices	Postal and courier services: IELab, provided by FootprintLab. Scope 3 GHG emissions intensities (kgCO ₂ e/\$ purchaser's price), using 2023 emissions and economic data. Postage, courier and freight: Adapted from EPA Victoria (2021), “Greenhouse (GHG) inventory and management plan,” publication 2039, epa.vic.gov.au/about-epa/publications/2039-greenhouse-gas--inventory-and-management-plan	Items are calculated using bespoke emissions factors and complete invoice sets, thus have high data quality and low uncertainty.	None
Scope 3 – Category 5: Waste generated in operations				
Waste generated	Building management report	Department of Climate Change, Energy, the Environment, and Water (2024), “National Greenhouse Accounts Factors: 2024”, dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024	Items are calculated using real weighted waste measurement from head office and an FTE factor is applied to estimate waste production for the whole organisation. High data quality but moderate uncertainty.	None

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Scope 3 – Category 6: Business travel				
Transport and accommodation of employees for business-related activities in vehicles not owned or operated	Supplier provided data, general ledger data	Accommodation: IELab, provided by FootprintLab. Scope 3 GHG emissions intensities (kgCO ₂ e/\$ purchaser's price), using 2023 emissions and economic data. Cornell Hotel Sustainability Benchmarking Index 2024, Rooms Footprint Per Occupied Room (M1), median, greenview.sg/services/chsb-index/ Air travel: UK Department for Energy Security & Net Zero and Department for Environment Food & Rural Affairs (2025), “Greenhouse gas reporting: conversion factors 2025”, last updated 10 June 2025, gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025 Land travel: UK Department for Energy Security & Net Zero and Department for Environment Food & Rural Affairs (2025), “Greenhouse gas reporting: conversion factors 2025”, last updated 10 June 2025, gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025	Items calculated using activity data (majority of hotel accommodation and air travel, some land travel) have high data quality and low uncertainty. Items calculated using spend based data (some hotel accommodation and majority land travel) have moderate data quality and high uncertainty.	None

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Scope 3 – Category 7: Employee commuting				
Transport of employees between home and work sites in vehicles not owned or operated	Staff survey	UK Department for Energy Security & Net Zero and Department for Environment Food & Rural Affairs (2025), “Greenhouse gas reporting: conversion factors 2025”, last updated 10 June 2025, gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025 Climate Active activity calculator v10 and Climate Active work from home calculator v4.1	Items are calculated using real staff responses on travel and work from home behaviours, and an FTE factor is applied to estimate travel and work from home for the whole organisation. High data quality but moderate uncertainty.	None
Scope 3 – Category 8: Upstream leased assets				
Base building gas and electricity consumption at leased sites	Building energy use estimates	Canberra site: QIC Sustainability Report -Scope 1 & 2 intensity (kg CO ₂ e/m ²) emissions factor for 2024 multiplied by proportion of site leased. qic.com/News-and-Insights/2024-QIC-Sustainability-Reports All other sites: Department of Climate Change, Energy, the Environment, and Water (2024), “National Greenhouse Accounts Factors: 2024”, dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024 Climate Active electricity calculator v10	Items calculated using floor space (m ²) and emissions factor for QIC. Moderate data quality and moderate uncertainty. Items calculated using floor space (m ²) and building energy ratings used to estimate consumption where available for base building energy consumption. Low data quality and high uncertainty.	Updated method to use NABERs reverse calculator for sites with NABERs ratings, updated square meter data for each site.
Scope 3 – Category 13: Downstream leased assets				
Base building gas and electricity consumption at owned site, leased to third party	Building energy use estimates	Climate Active electricity calculator v10	Items calculated using floor space (m ²) and building energy ratings used to estimate consumption where available for base building energy consumption. Low data quality and high uncertainty.	Updated square meter data for site.

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Scope 3 – Category 15: Investments				
Residential mortgages	Total number of collateral associated with one or more home loan accounts categorised by state Estimated natural gas consumption (MJ) and estimated electricity consumption (kWh) using Australian Energy Regulator (AER) 2021 data – assumed for a 3 person household Assumed average floor area for all residential dwellings (between 1992-2018) Max combined loan to value ratio (LVR) of all home loans associated with the collateral	Department of Climate Change, Energy, the Environment, and Water (2024), “National Greenhouse Accounts Factors: 2024”, dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024	Aligned with Partnership for Carbon Accounting Financials (PCAF) methodology and validated SBTi target set. Current methodology aligns to a score of 5 under PCAF’s data quality scoring table. tCO₂e/m² calculated using property collateral associated with relevant loan type. Total number of collateral by jurisdiction (state and territory) and account type (commercial or home loan), multiplied by the average floor space and energy consumption for each jurisdiction. Collateral associated with a ‘under construction’ loan are excluded. Emissions are assumed to occur upon completion of construction. Subset of loans, Clean Energy Home Loans (CEHLs) calculated with emissions abatement estimations using a mix of NatHERS energy ratings and energy savings from upgrades, along with assumed energy splits and state-based emissions factors. The data and methodology used to calculate the GHG emissions for CEHLs aligns to a mixed score of 3- 5 under PCAF’s data quality scoring table.	Updated energy splits to account for all-electric CEHLS.

Activity	Data source	Emissions factor source	Methodology, data quality and uncertainty	Changes to methodology in current reporting period
Commercial real estate	Total number of collateral associated with one or more commercial loan accounts categorised by state Average commercial building energy consumption by property type (retail, commercial office) using AER 2021 data Average residential building energy consumption by property type using AER 2021 data. This is aligned to residential mortgage methodology Max combined loan to value ratio (LVR)	Department of Climate Change, Energy, the Environment, and Water (2024), “National Greenhouse Accounts Factors: 2024”, dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024	Aligned with Partnership for Carbon Accounting Financials (PCAF) methodology and validated SBTi target set. Current methodology aligns to a score of 5 under PCAF’s data quality scoring table. tCO₂e/m² calculated using property collateral associated with relevant loan type.	None
Motor vehicle loans	Total number of car loans Calculated percentage of year the loan is active (%) Assumed percentage split between fuel type (Petrol, diesel & LPG) Assumed annual distance travelled	Department of Climate Change, Energy, the Environment, and Water (2024), “National Greenhouse Accounts Factors: 2024”, dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024	This methodology was originally developed to support offsetting associated with motor vehicle loans (product ceased in 2025). Emissions are not apportioned to the loan to value ratio. This methodology is currently not aligned with the PCAF guidance. High data quality and high uncertainty due to methodological reliance on averages and assumed fuel split.	This methodology is only applied for motor vehicle loans originated until 28 February 2025, after which the lending policy changed to cease lending for new fossil fuel vehicles. Any loans originated after 28 February 2025 are excluded from measurement.

Calculation improvements

We are continuing to improve our methodology, data capture and data quality. We will focus on the most strategic emissions sources, with a strong focus on residential mortgages, and balance our ambitions for improved data quality with market expectations and data availability.

Climate-related targets

Our net zero by 2035 commitment is the overarching climate target we measure progress against. Underpinning this target are our 2030 science-based emissions reduction targets, validated by the SBTi in line with limiting global warming to 1.5 degrees above pre-industrial levels. The sections below provide detail on and track our progress towards these targets.

Our reduction targets are set using a representative 2021 base year and cover 82% of our lending and investment activities as at 2021. The base year considers pre-pandemic levels of operational emissions from Bank Australia and estimated 2021 levels that align with pre-pandemic behaviours, for example, commuting to work.

We review our targets regularly and consider any material changes to our business and the assumptions used to model our baseline, targets, and emissions reduction pathways. As noted in our 2024 report, we need to re-baseline our operational emissions targets based on the addition of new sources which increased the inventory size by more than 10%.

Our merger with Qudos Bank from 1 July 2025 will also trigger re-baselining for our 2026 inventory. Considering these expected changes, we plan to revisit our baseline and interim climate targets using 2026 as a new base year. We will also assess our approach to using carbon offsets and their role in achieving a net zero state.

Progress against 2035 net zero target

Our net zero by 2035 target applies to all operational and financed emissions. Based on emerging guidance, we have developed an internal, working definition in our net zero roadmap, which includes a limited role for high integrity offsets to address residual emissions. In 2025, our financed emissions intensities decreased for residential mortgages by 18% and for commercial lending by 9% compared to our 2021 base year. Our operational emissions increased by 153% compared to our 2021 representative base year. See [page 115](#) for commentary on progress in 2025.

Progress against 2030 SBTi interim targets

Reduce residential mortgage emissions by 64% per square metre	
Metric	Percentage (%) of tCO ₂ e/m ² reduced
Objective	Mitigation of financed emissions
Method	Derived using a sectoral decarbonisation approach (SDA)
Scope	Applies to funded residential mortgages (scope 3 category 15)
Period	2021-2030
Base period	2021 representative base year
Milestones and interim targets	N/A
Target type	Intensity
Carbon credits	We do expect there to be a limited role for offsets in future. However, we do not currently offset financed emissions.
Alignment with jurisdictional commitment	Aligned with criteria established by the SBTi and the level of decarbonisation required to meet the upper range of ambition of the Paris Agreement (1.5 degree pathway).
Validation	This target has been validated by the SBTi
Review process	This target is subject to our base year and target recalculation policy. Targets are to be reviewed at a minimum, and if necessary, recalculated, and revalidated, every 5 years. Further to this minimum 5-year review, emissions reduction targets should be recalculated if there are significant data errors or significant changes to the inventory (at a threshold of 5% or more of the annual inventory total). Recalculation can also be triggered by the issuance of new target setting guidance applicable to financial institutions.
Metrics for monitoring progress	tCO ₂ e/m ²
Revision	Any revision to the target will be disclosed and explained in our annual report. No revisions have been made to the target in the current period.
Progress achieved during and status at year end	18% decrease in emissions intensity from base year.

Reduce commercial real estate emissions by 70% per square metre	
Metric	Percentage (%) of tCO ₂ e/m ² reduced
Objective	Mitigation of financed emissions
Method	Derived using a sectoral decarbonisation approach (SDA)
Scope	Applies to funded commercial real estate (scope 3 category 15)
Period	2021-2030
Base period	2021 representative base year
Milestones and interim targets	N/A
Target type	Intensity
Carbon credits	We do expect there to be a limited role for offsets in future. However, we do not currently offset financed emissions.
Alignment with jurisdictional commitment	Aligned with criteria established by the SBTi and the level of decarbonisation required to meet the upper range of ambition of the Paris Agreement (1.5 degree pathway).
Validation	This target has been validated by the SBTi
Review process	This target is subject to our base year and target recalculation policy. Targets are to be at a minimum reviewed, and if necessary, recalculated, and revalidated, every 5 years. Further to this minimum 5-year review, emissions reduction targets should be recalculated if there are significant data errors or significant changes to the inventory (at a threshold of 5% or more of the annual inventory total). Recalculation can also be triggered by the issuance of new target setting guidance applicable to financial institutions.
Metrics for monitoring progress	tCO ₂ e/m ²
Revision	Any revision to the target will be disclosed and explained in our annual report. No revisions have been made to the target in the current period.
Progress achieved during and status at year end	9% decrease in emissions intensity from base year.

Reduce absolute scope 1 and 2 GHG emissions 42%, including continuing to annually source 100% renewable electricity	
Metric	Percentage (%) of tCO ₂ e reduced
	Percentage (%) of renewable electricity in operations
Objective	Mitigation of operational emissions
Method	Absolute contraction approach
Scope	Applies to operational emissions (scope 1 and 2)
Period	2021-2030
Base period	2021 representative base year
Milestones and interim targets	N/A
Target type	Absolute
Carbon credits	We currently offset our scope 1 emissions via the federal government’s Climate Active carbon neutral program (see section 2.4.3). Our scope 2 emissions are calculated using the market-based method, and we purchase LGCs to reach 100% renewable electricity.
Alignment with jurisdictional commitment	Aligned with criteria established by the SBTi and the level of decarbonisation required to meet the upper range of ambition of the Paris Agreement (1.5-degree pathway).
Validation	This target has have been validated by the SBTi
Review process	This target is subject to our base year and target recalculation policy. Targets are to be at a minimum reviewed, and if necessary, recalculated, and revalidated, every 5 years. Further to this minimum 5-year review, emissions reduction targets should be recalculated if there are significant data errors or significant changes to the inventory (at a threshold of 5% or more of the annual inventory total). Recalculation can also be triggered by the issuance of new target setting guidance applicable to financial institutions.
Metrics for monitoring progress	tCO₂e % renewable electricity
Revision	Any revision to the target will be disclosed and explained in our annual report. No revisions have been made to the target in the current period.
Progress achieved during and status at year end	Scope 1: 65% decrease in emissions from base year Scope 2: 100% renewable electricity maintained

Reduce absolute scope 3 GHG emissions from categories 1-14 by 42%	
Metric	Percentage (%) of tCO ₂ e reduced
Objective	Mitigation of operational emissions
Method	Absolute contraction approach
Scope	Applies to operational emissions (scope 3 category 1-14)
Period	2021-2030
Base period	2021 representative base year
Milestones and interim targets	N/A
Target type	Absolute
Carbon credits	We currently offset our scope 3 (category 1-14) emissions via the federal government's Climate Active carbon neutral program (see page 126).
Alignment with jurisdictional commitment	Aligned with criteria established by the SBTi and the level of decarbonisation required to meet the upper range of ambition of the Paris Agreement (1.5 degree pathway).
Validation	This target has been validated by the SBTi
Review process	This target is subject to our base year and target recalculation policy. Targets are to be at a minimum reviewed, and if necessary, recalculated, and revalidated, every 5 years. Further to this minimum 5-year review, emissions reduction targets should be recalculated if there are significant data errors or significant changes to the inventory (at a threshold of 5% or more of the annual inventory total). Recalculation can also be triggered by the issuance of new target setting guidance applicable to financial institutions.
Metrics for monitoring progress	tCO ₂ e
Revision	Any revision to the target will be disclosed and explained in our annual report. No revisions have been made to the target in the current period.
Progress achieved during and status at year end	Scope 3: 153% increase in emissions from base year.

To have 48% of corporate bond portfolio by invested value setting SBTi validated targets	
Metric	Percentage (%) of corporate bond invested value setting SBTi validated targets
Objective	Mitigation of financed emissions
Method	Portfolio coverage
Scope	Applies to corporate bond investments (scope 3 category 15)
Period	2021-2030
Base period	2021 representative base year
Milestones and interim targets	21% of its corporate bond portfolio by invested value setting SBTi validated targets by 2025
Target type	Coverage
Carbon credits	We do expect there to be a limited role for offsets in future. However, we do not currently offset financed emissions.
Alignment with jurisdictional commitment	Aligned with criteria established by the SBTi and the level of decarbonisation required to meet upper range of ambition of the Paris Agreement (1.5-degree pathway).
Validation	This target has been validated by the SBTi
Review process	This target is subject to our base year and target recalculation policy. Targets are to be at a minimum reviewed, and if necessary, recalculated, and revalidated, every 5 years. Further to this minimum 5-year review, emissions reduction targets should be recalculated if there are significant data errors or significant changes to the inventory (at a threshold of 5% or more of the annual inventory total). Recalculation can also be triggered by the issuance of new target setting guidance applicable to financial institutions.
Metrics for monitoring progress	Corporate bond issuer has set SBTi target
Revision	Any revision to the target will be disclosed and explained in our annual report. No revisions have been made to the target in the current period.
Progress achieved during and status at year end	As part of our liquidity portfolio, we currently hold bonds in 3 entities that have set science-based targets. This represents 24% of the total value of our corporate bond portfolio as per the SBTi methodology, which is ahead of our interim target of 21% by 2025. In 2024, 15% of the total value of corporate bond portfolio was invested in entities with science-based targets (this has been restated from none).

Continue providing corporate loans in the power sector for only renewable electricity

In 2025, we did not originate or hold any corporate loans in the power sector for non-renewable electricity.

Appendix 8:
Nature and biodiversity

This is our second disclosure using the framework of the Taskforce on Nature-related Financial Disclosures (TNFD), covering Bank Australia Limited (see [our reporting approach](#)). We’re still in the discovery phase of understanding and applying the framework and we’re pleased to share our early steps. We’ve followed the overarching structure of the TNFD, with sections below on governance, strategy, risk and impact management, and metrics and targets. The table on [page 154](#) gives an overview of our disclosures in this report against the TNFD recommendations.

This impact report uses a double materiality approach to identify issues that are important for Bank Australia to report on. In 2025, nature and biodiversity was identified as a material issue (see [Appendix 1](#) for more information about our process). As part of getting ready for new climate disclosure requirements in 2026, we’re working on a definition of materiality for climate-related risks and opportunities that aligns with AASB S2. We expect to apply a similar approach to materiality for our nature disclosures in future.

Governance

Here is Bank Australia’s governance structure for nature and biodiversity.

Board of Directors Bank Australia’s board Delegations of Authority states that all public commitments that Bank Australia makes are to be approved by the Board. This includes Bank Australia’s nature and biodiversity strategy and related commitments. The Board approves the bank’s risk management framework and risk appetite statement. Our board has oversight of implementation of our nature and biodiversity strategy, including 6-monthly progress updates. In the reporting period, it endorsed our commitment to formally becoming a TNFD Adopter, and approved our 2024 Impact Report that contained our first disclosure using the TNFD. Our Managing Director Damien Walsh attended and presented at the Global Nature Positive Summit in October 2024.
Audit Committee The board’s Audit Committee is responsible for approval of the annual impact report, including this disclosure.
Risk Committee The board’s Risk Committee has oversight our risk appetite statement, which includes tracking progress against public commitments like nature and biodiversity strategy, and management of risks to our conservation reserve properties.
Management The board delegates responsibility for sustainability, including development and implementation of the bank’s impact strategies and the conservation reserve strategy and management plan to management, including the Managing Director and Chief Corporate Services Officer.
Executive Responsible Banking Committee Our Executive Responsible Banking Committee is kept informed on the implementation of the nature and biodiversity strategy. The committee includes all members of Bank Australia’s executive. It meets every quarter and receives a report on the implementation of the nature and biodiversity strategy at each meeting.
Key roles Day-to-day work on our nature and biodiversity strategy is led by the Head of Impact Management and Manager Nature and Biodiversity. Because nature relates to our other impact priority areas, they work closely with our Manager of Reconciliation Strategy, Manager Climate Action Strategy, and Manager Impact Integrity. Our Impact Lending team leads our work to grow our nature lending in collaboration with the Manager Nature and Biodiversity.

Engagement with First Nations Peoples

We know engagement with First Nations Peoples, local communities, and other affected stakeholders is important for understanding the full scope of nature-related risks and opportunities we need to build into our overall approach. This disclosure currently includes information on our approach to engagement with First Nations Peoples, which is grounded in our First Nations Recognition and Respect strategy. This strategy outlines our vision to 2030 for walking together towards First Nations justice, reconciliation and self-determination.

Many nature-related impacts, particularly those associated with land use change, biodiversity loss, and ecosystem degradation, occur on or near Country that holds deep cultural, spiritual, and ecological significance for First Nations Peoples.

At our conservation reserve, we work in partnership with the Barengi Gadjin Land Council, who represent the Wotjobaluk Nations, in the stewardship of the reserve and thank them for their guidance and wisdom.

For our commercial lending, our impact lending team seeks out and supports loans for First Nations groups that have identified self-determination projects. Our board and our executive Responsible Banking Committee are informed about these activities as part of our regular reporting on our nature and biodiversity and First Nations Recognition and Respect strategies.

We know we have more work to do. Looking ahead, we are committed to:

- establishing stronger partnerships with First Nations organisations and Traditional Owner groups
- building internal capability to engage respectfully and effectively.

This is a long-term journey, and we are committed to listening, learning, and improving our practices.

Strategy

As a customer-owned bank with a purpose of inspiring and empowering our customers to use their money to create a world where people and the planet thrive, delivering on our bank’s purpose and our customers’ expectations is embedded in the bank’s overall strategy. Our nature and biodiversity strategy sets out how we put our purpose into practice for nature, with a focus on opportunities to increase the protection of nature and transition the economy to becoming more nature positive. We report on highlights from our nature strategy including metrics and targets from [page 149](#).

To help us understand our nature-related dependencies, impacts, risks and opportunities, we have mapped our value chain (see table below). Our value chain includes purchased goods and services, our offices and branches in our direct operations, as well as our conservation reserve, and our lending and investments. These haven’t changed significantly since our 2024 reporting period. We have refined our description of our upstream activities to better align with the categories we use for our greenhouse gas emissions reporting.

Bank Australia’s value chain

Upstream	Direct	Downstream
• Purchased goods and services – electricity, IT equipment, professional services, water, stationery, site fit-outs • Waste generated in operations • Business travel • Employee commuting • Leased assets.	• Our offices and branches • Our conservation reserve project: 2117 hectares on Wotjobaluk Country in western Victoria where we and our partners care for, protect and restore nature.	• Our lending and investments – over 90% of our lending is mortgages for homes that our customers live in and/or build – we’re aiming to grow our commercial lending with a nature focus.

This disclosure highlights our direct operations and our downstream home loans. We focus on our direct operations because they are more closely within our control, and we have established processes for collecting some data from our greenhouse gas emissions reporting. We also have existing reporting on our conservation reserve. We focus on our home lending because that is the largest share of our lending portfolio. Most of the homes we lend to are established homes, but we also lend for new constructions or renovations, which we expect to have additional impacts and dependencies.

We’re still maturing our approach to understanding nature-related dependencies, impacts, opportunities and risks over different time horizons. We expect in future to align these with what we are using for climate-related opportunities and risks, where we consider short-term is 1 to 3 years (to align with our strategic planning cycles), medium-term is 4 to 10 years (to align with our net zero greenhouse gas emissions by 2035 target), and long-term is 11 to 30 years (to align with the 30-year term on most residential mortgages).

Nature-related dependencies and impacts

To help us understand the dependencies and impacts of our direct operations and downstream value chain, we used the ENCORE sector impact and dependency tool. The tool is from Global Canopy, UNEP FI and UNEP-WCMC, which together form the ENCORE Partnership, and it sets out how the economy – sectors, subsectors and production processes – depends and impacts on nature.

In 2024 after our last impact report, the ENCORE website was updated with new data that included changes to International Standard Industrial Classification for All Economic Activities (ISIC) sections and pressure sectors. We have updated our assumed impacts for each of our material impact areas based on the latest ENCORE updates. This has led to some changes in our impact ratings – the table below shows our ratings based on this updated tool. These new codes are:

- direct operations ENCORE ISIC section: Financial and insurance activities
- loans for residential properties ENCORE ISIC section: Real estate activities – Real estate activities with owned or leased properties
- additional for new homes in greenfield areas and additional for renovations and construction are now combined in the new ENCORE version and have the ENCORE ISIC section: construction (Construction of buildings).

In our [2024 nature disclosure](#) we incorporated screening for our offices using the Science Based Targets for Nature screening tool. That tool has since been updated and is now derived from ENCORE. Nature impacts reported in this year’s report now rely on the updated ENCORE outputs.

Sectors	Our direct operations	Loans for existing residential properties	Additional for new homes in greenfield areas, renovations and construction
Volume of water use	VL	L	L
Area of freshwater use			M
Area of seabed use			M
Area of land use	L	L	L
Non GHG pollutants	VL	VL	L
Emissions of toxic pollutants to water and soil	L	L	H
Generation and release of solid waste	VL	VL	M
GHG emissions	L	VL	H
Disturbances	L	L	VH
Introduction of invasive species			L

○ Not determined ● Very low ● Low ● Medium ● High ● Very high

Below outlines a summary of the insights from the impact heat map.

Direct operations

- direct operation of our offices and branches is assessed as having low or very low impact on nature from water use, water pollution, soil pollution and moderate impacts from waste production and non-GHG pollution. This has changed from last year – recent updates to the data underpinning ENCORE have shifted the materiality ratings of our direct operational impacts from high to low or very low
- we have reclassified some land use impacts under ‘disturbances’ to recognise that there are ongoing pressures from operating existing buildings like greenhouse gas emissions, pollutants to water and disturbances from noise and light pollution.

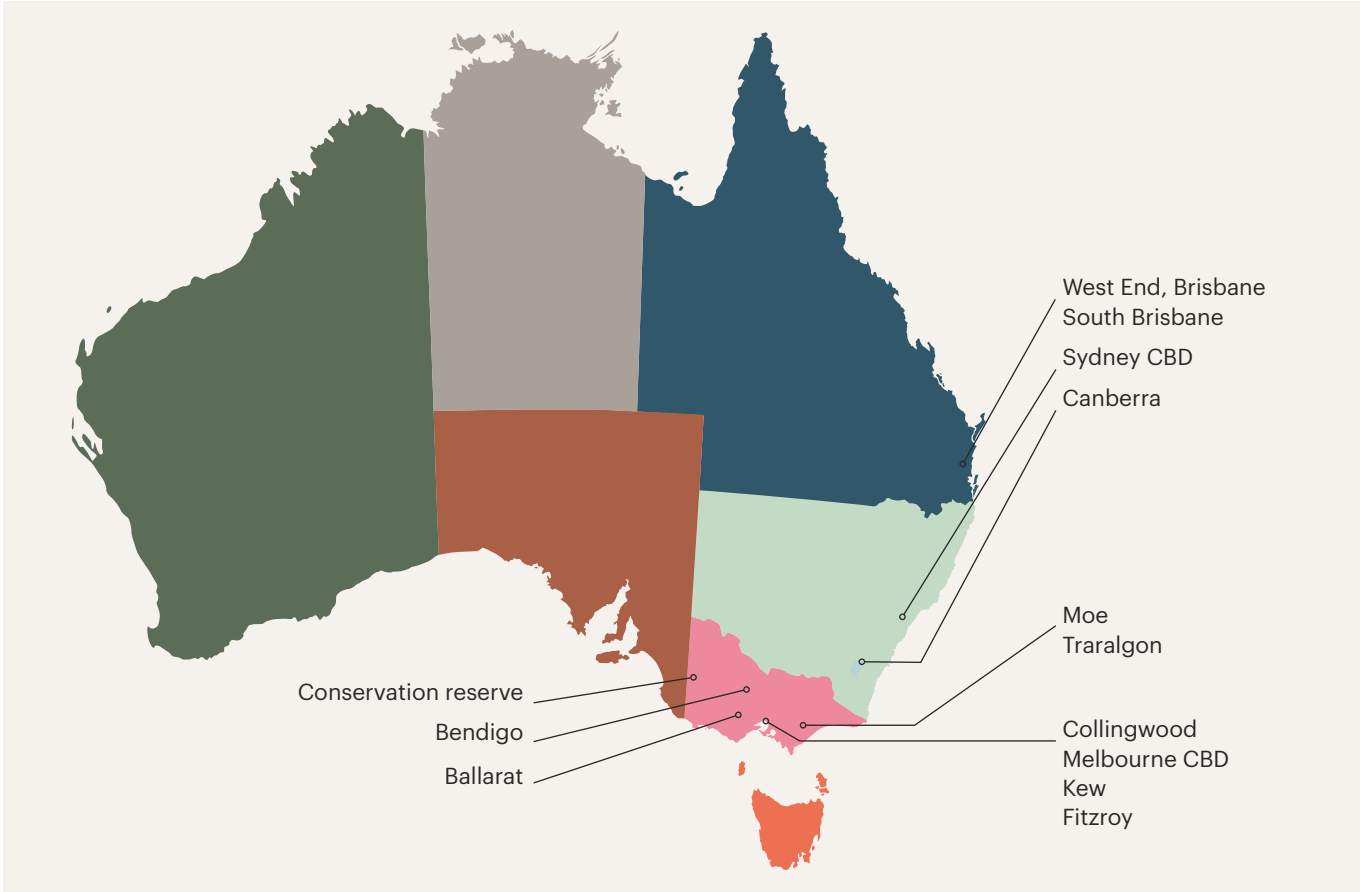
Downstream home loan portfolio

- providing loans to buy existing homes was considered the largest impact we may have on nature given its share of our overall activity as a bank. Water use, generation of solid waste and GHG emissions are the key drivers of nature impacts from people living in homes. We are investigating recent land use change that is associated with our home loan portfolio, including trying to understand what a relevant timeframe is to describe a ‘recent’ land use change
- building homes within new housing estates means converting nature to residential areas. Those impacts are largely regulated through an impact hierarchy of avoid, minimise and offset with offsetting being a predominate feature. New estates are largely dependent on ecosystem services and produce solid wastes and gaseous pollution (GHG and non-GHG). New homes, renovations and fit-outs need construction materials. The production of construction materials depends on water services and may have impacts to terrestrial, freshwater and marine ecosystems. Production of building materials also produces solid waste and GHGs and may disturb nature through light, noise and odour.

Location

Our direct operations and the majority of our home loans are situated in or around major cities or rural towns in Australia. Our office and branch locations and our conservation reserve are shown in the figure below.

Location of Bank Australia direct operations (offices, branches and conservation reserve)



Our home loan portfolio is spread around Australia. The largest shares of these loans are in Victoria (44%) and New South Wales (20%). Our [2025 Financial Report](#) includes a state-by-state breakdown of our exposures.

In 2024, we started analysing the locations of our home loan portfolio against nature and biodiversity values and influences like the presence of ecological communities, land use type, and closeness of waterways and internationally protected Ramsar wetlands. This was based on data layers under the control of State or Commonwealth government agencies e.g. ecological vegetation class geographic information system managed by the State of Victoria. This has helped us to get an initial understanding of the impacts of a distributed portfolio on nature.

Risk and impact management

In 2025, we reviewed the initial assessment of nature-related dependencies and impacts we had conducted the prior year. In particular, we incorporated changes made to the ENCORE tool we had used for our screening of impacts in our direct operations and our home loan portfolio, and made updates to our assessment where needed (see [page 142](#) in the strategy section). We still have further work to do to understand potential risks to our business arising from these impacts and the materiality of those.

Bank Australia’s overall risk management framework includes risks about delivering on our purpose, and our nature and biodiversity strategy is one of the public commitments we track as part of managing this risk. Our risk management framework also includes risks specific to our conservation reserve properties. We manage these risks through our annual work plan for the properties, which includes fire break maintenance and pest plant and animal control programs.

Metrics and targets

This year, we’re again able to disclose metrics that we have data on about our operations (water use and waste production), metrics that are identified in our nature and biodiversity strategy, and metrics and targets from our 10-year strategy for the Bank Australia conservation reserve. For information on our greenhouse gas emissions, see [page 120](#).

Waste and water

We have been recording volumes of waste and water consumed at our offices and branches over several years as part of our greenhouse gas emissions reporting. Both waste production and water consumption put pressures on the natural environment.

The table below shows the total general waste (landfill) we produce, and an estimate of landfill produced per FTE at our sites. We use weighted landfill measurements from head office and extrapolate them by FTE to calculate our total landfill generation. As we grow in size, we expect the landfill we produce may also grow.

General waste (landfill) generated¹, 2021 – 2025 (TNFD metric C2.2)

	Unit	2025	2024	2023	2022 ²	2021 ²
General waste (landfill) generated	tonnes	3.95	4.6	4.1	61.9	52.4
FTE ³		567.9	610.1	512.5	510.5	432.0
General waste (landfill) intensity	kg/FTE	6.9	7.5	7.9	121.3	121.3

1 The data in this table underpins our operational emissions (Scope 3 – Waste produced in operations) provided in [Appendix 7](#).
2 Calculations for 2021 to 2022 are based on older methodology, where a waste sample from one week of waste generation was used to estimate annual consumption.
3 This FTE figure varies from the FTE figure provided in [Appendix 4](#), as it is based on an annual average, and not figures as at 30 June 2025. In addition, staff on forms of extended leave (including parental leave) do not generate waste at our sites, and as such are excluded from the intensity metric calculations.

The table below provides a view of the total volume of water consumed at our sites, and an estimate of water consumed per FTE at our sites. Where data is unavailable, water consumption is estimated based on FTE or site averages.

Water consumed¹, 2021 – 2025 (TNFD metric C3.0)

	Unit	2025	2024	2023	2022	2021
Water consumed	m³	5,731.8	2,208.5	5,103.7	1657.5	1503.8
FTE ²		564.1	610.1	512.5	510.5	432.0
General waste (landfill) intensity	m³/FTE	10.2	3.6	10.0	3.2	3.5

1 The data in this table underpins our operational emissions (Scope 3 – Purchased goods and services) provided in [Appendix 7](#).
2 This FTE figure varies from the FTE figure provided in [Appendix 4](#), as it is based on an annual average, and not figures as at 30 Jun 2025. In addition, staff on forms of extended leave (including parental leave) do not consume water at our sites, and as such are excluded from the intensity metric calculations.

Nature and biodiversity strategy progress

Our nature and biodiversity strategy sets our impact statement and measures where we believe there are opportunities for us to have a positive impact on nature.

Our customers care about nature and biodiversity, and we are working towards a 2030 where nature is protected and recovering. As a customer-owned bank, we aim to contribute to a nature positive future through our products and services, demonstrating leadership and building awareness and engagement. Our measure of success and progress are reported below.

Action area	Measure of success	Progress in 2025
Awareness and engagement	Increased % of our people and customers connected with nature	We have started to get an understanding of our people’s and customers’ connectedness to nature by working with Melbourne Biodiversity Institute on a behaviour change model and survey to help us get a baseline for these measures. With the assistance of experts at the Melbourne Biodiversity Institute, we surveyed more than 2,500 of our customers – see case study on page 89 .
	Increased influence on positive attitudes and behaviours for nature	Our Managing Director spoke on a panel regarding Bank Australia’s nature positive approach at the inaugural Global Nature Positive Summit held on October 8-10, 2024 Our Head of Impact Management spoke at the launch of the Australian Land Conservation Alliance’s conservation finance handbook Our Manager Nature and Biodiversity presented at several conferences and seminars: • Sydney Climate Action Week in March 2025 on nature positive futures and our approach to conservation finance • Small Giants Academy on re-wilding the planet in March 2025 discussing our conservation reserve • carbon farming forum in May 2025 • GABV biodiversity group in May 2025 on our approach to the TNFD, conservation finance and the conservation reserve.

Action area	Measure of success	Progress in 2025
Leadership	Increased condition and extent of nature and biodiversity	At this early discovery phase of our TNFD scoping exercise we are relying on known data and measures. These relate to our stewardship of the conservation reserve and include the below metrics of the TNFD and our available data ¹ . Surveys occur every 5 years.
	TNFD recommended metric C1.0, total area managed, disturbed and restored.	• 2,117 hectares of land purchased for conservation
	For this report we will be using the total area of land managed for nature conservation.	• 396 hectares of habitat under restoration since 2008 including 60 hectares of Buloke Grassy Woodland vegetation community and 336 hectares of stringybark woodland to support the endangered South-eastern Red-tailed Black Cockatoo.
	TNFD recommended metric A5.0, ecosystem condition. Condition can have many proxies. For this report we will be using the total number of native plants and animals recorded on the conservation reserve.	• 251 native plants protected and supported through pest plant and animal control
		• 283 native animals protected and managed for the future by restoration and stewardship of habitat
		• 11 threatened fauna and 10 threatened flora protected on the conservation reserve.
	TNFD recommended metric A5.1, ecosystem extent. For this report we will be using the total area of uncleared remnant native vegetation.	• 1,780 hectares of protected remnant vegetation across the Minimay, Ozenkadnook, Booroopki and Salvana properties.
Nature positive products and services	Increased ratio of our nature positive assets out of total assets	In September 2024 we attended the Australian Land Conservation Alliance private land forum and spoke with many people interested in private land conservation. During this event we went live with our nature aligned lending website landing page to assist people wanting to take out a loan to purchase a bush block.
		At this early stage in the delivery of the nature and biodiversity strategy we are able to report on our commercial loans that contribute to nature protection. These are represented by loans to registered environmental charities (\$0.09 million), and commercial loans with conservation outcomes such as those for carbon sequestration projects with biodiversity co-benefits and organisation meeting their purpose of nature protection (\$3.8 million).
		Our total commercial nature affiliated assets as at 30 June 2025 were \$3.9 million.

1 Bank Australia Conservation Reserve: Monitoring Program Results FY23., and Jellinek, S., Raulings, E., Lassen, M., Gardner, J., Wong, N., Copley, F. 2017. Bank Australia Conservation Reserve Implementation Plan: Converting the Vision to Reality. Greening Australia & Trust for Nature, Melbourne, Victoria (unpublished report to Bank Australia).

2 Total varies due to rounding. The assets are a subset of our total impact finance assets (see [Appendix 6](#) for more detail) and are also included in our clean energy transition and conservation finance target. Our methods of measuring, categorising and reporting on nature and biodiversity associated assets will continue to evolve over time as we mature our approach.

Our conservation reserve

In 2025, we continued to work with our partners Greening Australia and Trust for Nature on the stewardship of the conservation reserve.

In 2017, we set out our Reimagining the Future, 10-year strategy. Each year we have reported on our progress against the 5 action areas. Where targets dates have passed, we continue to report about our progress. Our progress against our 10-year strategy in 2025 is shown in the table below.

Action area	Objectives	Progress in 2025
Wildlife and land conservation	1.1, 1.2	Preliminary results show we are on track and have improved the habitat quality of much of the 600 hectares objective through revegetation, weed control and pest animal control.
	By 2026, we will maintain or improve the quality of at least 600 hectares of our conservation reserve to support and increase the populations of up to 5 existing threatened plants and 4 existing threatened animals, which have been identified through baseline ecological monitoring.	Incidental results from property inspections by Bank Australia’s Manager Nature and Biodiversity indicate that habitat and actual presence of South-eastern Red-tailed Black Cockatoo remains on the properties with a large flock of 30 observed in May 2025. Large old Buloke and regenerating Buloke are in good health with abundant canopy and recruitment.
	1.3	In 2025 extra infill planting was undertaken at the Minimay property. Dry conditions and windstorms have resulted in only a few of the approximate 100 plants surviving.
	By 2026, we will extend and enhance the condition of existing revegetation across 200 hectares of previously degraded land in our reserve to provide habitat for at least 5 other wildlife species, which will be identified through baseline ecological monitoring.	
	1.4	In 2025, we maintained an emphasis on protecting culturally significant places on the properties with rangers from the Barengi Gadjin Land Council (BGLC) visiting Ozenkadnook and Minimay properties.
	By 2020, social and Indigenous ecological knowledge will be integrated into the management of our reserve.	

Action area	Objectives	Progress in 2025
Climate change resilience	2.1, 2.3 By 2026, the current extent of our conservation reserve system will be revegetated with native species and managed to maximise both habitat and biodiverse carbon storage.	In 2021 we purchased Salvana, an 1,100 hectare property previously managed for grazing and conservation. This purchase doubled the size of our reserve and also increased the area of degraded land that requires revegetation. Over 2022, 190 hectares of Salvana was revegetated but we still have a long way to go to completely fill all of the gaps requiring restoration. As we progress towards this goal we are taking a pragmatic approach and doing infill planting where we can, targeting pest plant control to focus on invasive weeds, and undertaking pest animal control across the properties. These efforts enhance existing habitat and maintain native vegetation in a healthy form to maximise carbon storage and sequestration.
	2.2 By 2026 our conservation reserve will provide critical habitat for up to 4 identified threatened wildlife species, based on 2050 climate models. The species will be identified through baseline ecological monitoring.	The results of the big spring monitoring program in 2023 revealed further distribution of habitat and threatened wildlife records through the reserve including Fiery Jewel butterfly, the Hooded Robin, and the South-eastern Red-tailed Black Cockatoo. There is potential that habitat for Diamond Firetail and Crested Bellbird is also expanding with the increase in our restoration and revegetation efforts.
Engaging the community	3.1 By 2020, Indigenous land management practices and stories will be implemented and celebrated within our conservation reserve.	We continued to enjoy the ecological benefits of previous and current cultural burns carried out on-site, and listened to Traditional Custodians to identify new avenues for their engagement with the land. Engagement and planning was undertaken with BGLC for the next cultural burn and will be expanded to future land stewardship options over the coming years.
	3.2 Each year we will run one project at our conservation reserve that ties in with an identified social priority of our customers other than conservation (for example, supporting people with a disability or refugee communities).	This action was not progressed in 2025.
	3.3 Each year until 2021 we will engage the local community, including children, with our conservation reserve.	In 2025, our community engagement focused on maintaining good relationships with our existing neighbours, and other local stakeholders including Parks Victoria, Bird Life Australia, The South-eastern Red-tailed Black Cockatoo Recovery Team, the Wimmera Catchment Management Agency and the Department of Energy, Environment and Climate Action.

Action area	Objectives	Progress in 2025
Demonstrating corporate environmental leadership	4.1 At least once each year Bank Australia will inform a banking industry or corporate audience about the conservation reserve, such as through a conference, presentations, visit or publication.	We sponsored the 2024 Wimmera Biodiversity Seminar in September 2024. We hosted attendees from the seminar on the Minimay property. We were delighted that the seminar host Costa Georgiadis also joined us on the reserve and explored the various wildflowers on show. Other leadership events where we presented are described on page 87 .
	4.2 By 2021 Bank Australia will have partnerships with at least 3 research institutions and/or conservation networks relating to the conservation reserve.	Research is often conducted on the reserve with multiple partners and collaborators. These partners and collaborators have included The Red-tailed Black Cockatoo Recovery Team, the Australian Acoustic Observatory, the Queensland University of Technology, Parks Victoria and the Department of Energy, Environment and Climate Action, all supported by Greening Australia and Trust for Nature.
Delivering value to Bank Australia and our customers	5.1 By 2021, 60% of Bank Australia’s customers will be aware of our conservation reserve.	In 2025, we shared stories about our conservation reserve and relevant partners through channels including social media, our website and blog, and internally with employees. Our customer values survey due for release in late 2025 will provide further information on this action area.
	5.2 Every year there will be a greater number of customers who identify our conservation reserve as being a factor in deciding to join Bank Australia.	We do not currently track this information.
	5.3 Each year 10% of our employees will have visited our conservation reserve and be able to share their stories with customers.	In 2025 37 (6%) of our employees including executives attended the conservation reserve. • 21 employees plus 2 Qudos Bank employees in October 2024 • 16 employees plus 2 Qudos Bank employees in May 2025 We had to cancel one further planned employee trip because of the wildfire impacting the Wimmera region in the 2025 summer.

TNFD disclosures included in this report

In this report, we’ve included these recommended TNFD disclosures. We’re still developing our approach to some of these. The individual sections describe which parts of each disclosure we’ve included and our plans for improvement where we have them.

TNFD recommendation		Page reference
General requirements		
1.	Application of materiality	142
2.	Scope of disclosures	142
3.	Location of nature-related issues	146
4.	Integration with other sustainability-related disclosures	142
5.	Time horizons considered	144
6.	Engagement with Indigenous Peoples, Local Communities and affected stakeholders	143
Governance		
A.	Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities	142
B.	Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	142
C.	Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	143
Strategy		
A.	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	143
D.	Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	143

TNFD recommendation		Page reference
Risk and impact management		
A.	(i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. (ii) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	147
B.	Describe the organisation’s processes for managing nature-related dependencies, impacts, risks and opportunities.	147
C.	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes.	147
Metrics and targets		
A.	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	148
B.	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	148
C.	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	148

Appendix 9: Assurance statement



Ernst & Young Services Pty Limited
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent Limited Assurance Report to the Management and Directors of Bank Australia Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Bank Australia Limited ('Bank Australia') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the year ended 30 June 2025. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed the following Subject Matter in Bank Australia's FY25 Impact Report (the 'Report'):

We reviewed a selection of material areas/performance metrics, as shown in the table below:

Performance data	Report section
Bank Australia's Scope 1, 2 and 3 emissions (excluding financed emissions)	6. Our planet, p. 82 Appendix 7, p. 120
Governance disclosures	Appendix 7, p. 112
Selected financed emissions (Scope 3 category 15 emissions from the mortgage and commercial real-estate portfolios)	Appendix 7, p. 120
We don't lend to the fossil fuel industry	3. Our customers, p. 44
We fund inclusive and community housing	3. Our customers, p. 44 Appendix 6, p. 109
Amount of funding contributed to the Bank Australia Impact Fund 2019-2025	Appendix 5, p. 107
Staff engagement score	Appendix 4, p. 104
We pause loans to support customers in hardship	3. Our customers, p. 35 Appendix 3, p. 103
Occupational health and safety hazards, incidents and injuries affecting staff	4. Our people, p. 58 Appendix 4, p. 104

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not

perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

Criteria applied by Bank Australia

In preparing the Subject Matter, Bank Australia applied the following Criteria:

- ▶ Global Reporting Initiative's ('GRI') Sustainability Reporting Standard for Materiality (GRI 101: Foundation 2021)
- ▶ National Greenhouse and Energy Reporting (Measurement) Determination 2008 as amended ('NGER Measurement Determination')
- ▶ Measurement principles of the GHG Protocol Corporate and Accounting Standard, Revised 2004 (GHG Protocol)
- ▶ PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition
- ▶ National Greenhouse Accounts ('NGA') Factors – August 2022 (NGA Factors)
- ▶ Governance in accordance with paragraphs 6 of the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures ('AASB S2')
- ▶ Bank Australia's publicly disclosed criteria

Key responsibilities

Bank Australia's responsibility

Bank Australia's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

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We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000') and the terms of reference for this engagement as agreed with Bank Australia on 31 July 2025. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ Conducted interviews with personnel to understand the business and reporting process
- ▶ Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- ▶ Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- ▶ Undertook analytical review procedures to support the reasonableness of the data
- ▶ Tested, on a sample basis, underlying source information to assess the accuracy of the data

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

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a

reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

Our report does not extend to any disclosures or assertions made by Bank Australia relating to future performance plans and/or strategies disclosed in Bank Australia's FY25 Impact Report.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Bank Australia, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst + Young

Ernst & Young
Melbourne, Australia
25/09/2025

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Appendix 10:
GRI content index

Disclosure	Description	Section	Page	Assurance
The organisation and its reporting practices				
2-1	Organisational details	Our reporting approach / Our annual impact report	9	No
2-2	Entities included in the organization's sustainability reporting	Our reporting approach / Our annual impact report	9	No
2-3	Reporting period, frequency and contact point	Our reporting approach / Our annual impact report	9	No
2-4	Restatements of information	The definitions for 'Turnover rate' and 'Loans granted financial hardship assistance' have been updated.	103, 104	No
2-5	External assurance	Appendix 9: Assurance statement	156	No
Activities and workers				
2-6	Activities, value chain and other business relationships	Our business / Here's how it works	13	No
2-7	Employees	Appendix 4: Our people and culture	104	No
2-8	Workers who are not employees	Appendix 4: Our people and culture	104	No
Governance				
2-9	Governance structure and composition	Our business / Governance and risk management	24	Yes
		Appendix 2: How we're governed	97	
		Financial report		
2-10	Nomination and selection of the highest governance body	Our Business / Governance and risk management	24	No
		Appendix 2: How we're governed	97	
		Financial report		
2-11	Chair of the highest governance body	Our Business / Governance and risk management	24	No
		Appendix 2: How we're governed	97	
		Financial report		
2-12	Role of the highest governance body in overseeing the management of impacts	Our Business / Governance and risk management	24	No
		Appendix 2: How we're governed	97	
		Financial report		
2-13	Delegation of responsibility for managing impacts	Our Business / Governance and risk management	24	No
		Appendix 2: How we're governed	97	
		Financial report		

Disclosure	Description	Section	Page	Assurance
2-14	Role of the highest governance body in sustainability reporting	Our Business / Governance and risk management	24	No
		Appendix 2: How we're governed	97	
2-15	Conflicts of interest	Appendix 2: How we're governed	97	No
		Financial report		
2-17	Collective knowledge of the highest governance body	Message from our Chair and Managing Director	4	No
		Appendix 7: Climate action	112	
2-18	Evaluation of the performance of the highest governance body	Appendix 2: How we're governed	97	No
2-19	Remuneration policies	Financial report		No
		Appendix 2: How we're governed	97	
2-20	Process to determine remuneration	Financial report		No
		Appendix 2: How we're governed	97	
		Business conduct and ethics / Our approach to remuneration	60	
Strategy, policies and practices				
2-21	Annual total compensation ratio	Business conduct and ethics / Our approach to remuneration	60	No
2-22	Statement on sustainable development strategy	Message from our Chair and Managing Director	4	No
		Our business	12	
2-23	Policy commitments	Message from our Chair and Managing Director	4	No
		Our business / Here is how it works / Our strategy, purpose and values	15	
2-24	Embedding policy commitments	Message from our Chair and Managing Director	4	No
		Our business / Our strategy, purpose and values	15	
		Appendix 2: How we're governed	97	
2-25	Processes to remediate negative impacts	Our reporting approach / Our materiality process	10	No
2-28	Membership associations	Our community / The company we keep	73	No
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Message from our Chair and Managing Director	4	No
		Our people / Engaging our people	53	
		Our customers	26	

Disclosure	Description	Section	Page	Assurance
Disclosure of material topics				
3-1	Process to determine material topics	Our reporting approach / Our materiality process	10	No
3-2	List of material topics	Our reporting approach / Our materiality process	10	No
3-3	Management of material topics	Our reporting approach / Our materiality process	10	No
Biodiversity				
101-1	Policies to halt and reverse biodiversity loss	Our planet / Our nature and biodiversity strategy	84	No
		Appendix 8: Nature and biodiversity	142	
Economic performance				
201-1	Direct economic value generated and distributed	Our financial performance	20	
		Our customers / Our impact finance	44	
		Our community / Our impact fund	65	
		Financial report		
201-2	Financial implications and other risks and opportunities due to climate change	Our planet / Climate action	75	
		Appendix 7: Climate action	112	
Emissions				
305-1	Direct (Scope 1) GHG emissions	Our planet / Climate action	75	Yes
		Appendix 7: Climate action	112	
305-2 Energy indirect (Scope 2) GHG emissions	305-2 Energy indirect (Scope 2) GHG emissions	Our planet / Climate action	75	Yes
		Appendix 7: Climate action	112	
305-3 Other indirect (Scope 3) GHG emissions	305-3 Other indirect (Scope 3) GHG emissions	Our planet / Climate action	75	Yes
		Appendix 7: Climate action	112	
305-4 GHG emissions intensity	305-4 GHG emissions intensity	Our planet / Climate action	75	No
		Appendix 7: Climate action	112	
305-5 Reduction of GHG emissions	305-5 Reduction of GHG emissions	Our planet / Climate action	75	No
		Appendix 7: Climate action	112	

Disclosure	Description	Section	Page	Assurance
Employment				
401-1 New employee hires and employee turnover	401-1 New employee hires and employee turnover	Growth and development of our people	54	No
401-3 Parental leave	401-3 Parental leave	Appendix 4: Our people and culture	104	No
Occupational health and safety				
403-9 Work-related injuries	403-9 Work-related injuries	Our people / Health and Safety	58	Yes
403-10 Work-related ill health	403-10 Work-related ill health	Our people / Health and Safety	58	No
Training and education				
404-2 Programs for upgrading employee skills and transition assistance programs	404-2 Programs for upgrading employee skills and transition assistance programs	Growth and development of our people	54	No
Diversity and equal opportunity				
405-1 Diversity of governance bodies and employees	405-1 Diversity of governance bodies and employees	Our people / Fostering an inclusive culture	56	No
405-2 Ratio of basic salary and remuneration of women to men	405-2 Ratio of basic salary and remuneration of women to men	Our people / Gender equality in our team	57	No
Local communities				
413-1 Operations with local community engagement, impact assessments, and development programs	413-1 Operations with local community engagement, impact assessments, and development programs	Our community / Our impact fund	65	No
Supplier social assessment				
414-1 New suppliers that were screened using social criteria	414-1 New suppliers that were screened using social criteria	Our community / Strengthening our supply chain	71	No

Glossary

Term	Description
Arrears	The repayment that is still outstanding after the payment due date has passed
Australian Credit Licence (ACL)	Authorisation to provide services as a credit provider in Australia. National legislation defines credit activity, including activity related to credit contracts, consumer leases, related mortgages and guarantees, and credit assistance services
Authorised deposit-taking institution (ADI)	Corporations authorised under the Banking Act 1959 (Cth), including banks, building societies and credit unions that must meet certain criteria
Australian Financial Services Licence	Authorisation to offer and provide consumers with specified financial products and services in accordance with ASIC compliance standards
Australian Prudential Regulation Authority (APRA)	An independent Commonwealth statutory authority that administers the Banking Act 1959 (Cth) and sets prudential requirements for ADIs, including monitoring their lending activities
Australian Securities and Investments Commission (ASIC)	An independent Commonwealth statutory authority that protects consumers, investors and creditors by licensing and monitoring financial services organisations and their representatives. ASIC regulates mutual ADIs as companies under the Corporations Act 2001 (Cth)
Australian Sustainability Reporting Standards	The Australian Sustainability Reporting Standards (ASRS) are a set of proposed standards developed by the Australian Accounting Standards Board to guide organisations in disclosing sustainability-related information, particularly climate-related financial risks and opportunities.
Capital adequacy ratio	The percentage of a bank's adjusted capital compared to its risk-weighted assets, as per Prudential Standard APS110
Clean Energy Home Loan	Our loan product that incentivises customers to create more sustainable homes. Customers are rewarded with a reduced rate on their mortgage for buying, building or upgrading an energy efficient home
Cuscal	An ADI regulated by APRA, which provides payment services to Australian mutual ADIs
Customer	An account holder. Customers also hold one share in Bank Australia
Cybersecurity/information security	The preservation of the confidentiality, integrity and availability of the bank's information assets including customer and financial data assets
Global Reporting Initiative (GRI) Standards	The current version of global voluntary guidelines for companies to report their sustainability performance
Hardship	Unexpected circumstances where a borrower requires financial hardship assistance from the bank which may include a repayment pause or a loan restructure
Incident (workplace health and safety related)	A workplace health and safety (WH&S) event that affects staff but does not result in physiological or psychological change. It includes when a person or process is impacted by a hazard (for example, when a person trips on a broken floor tile). It does not include near misses (for example, when a plywood sign falls from its mounting but does not hit a person). The total number of incidents includes injury numbers

Term	Description
Impact finance	Finance that is mobilised to create measurable positive social and/or environmental impact, while delivering a return on investment
Inflation	An increase in the level of prices of the goods and services that households typically buy
Liquidity	The availability of cash in the near future after taking account of financial commitments over this period
Materiality	In this report materiality is the threshold at which issues become sufficiently important that they should be reported
Mutual bank	A bank that evolved from the credit union movement and is guided by the 7 International Cooperative Principles. Customer-owned banks exist to benefit their customers, not to deliver profits to external investors
Net profit after-tax	The amount of profit achieved after tax
Percentage of loan portfolio in arrears	The percentage of delinquent loans 30 days or more in arrears to the total loan portfolio. This includes delinquent loans greater than or equal to 90 days past due that are categorised as non-performing loans
Responsible banking policy	Our Board-approved policy that sets out what we do and don't fund

Climate glossary

Term	Description
Base year	A base year is a reference point in the past with which current emissions can be compared. When an inventory base year is used as a basis for tracking progress towards a reduction target it is referred to as a target base year.
Controlling company	The entity responsible for emissions. The controlling company is established through organisational boundary setting which draws on the organisation's corporate structure.
Emissions / GHG	Emissions refer to the 7 greenhouse gases (GHG) under the Kyoto Protocol accounted for in an emissions inventory. These are expressed as tonnes of carbon dioxide equivalent (tCO ₂ e).
Emissions inventory	An annual record of emissions within an organisations organisational and operational reporting boundary.
Emission reduction target/s	A time bound future emission reduction goal expressed as a percentage calculated from the selected base year. For example, reduce scope 1 and 2 emissions 43% by 2035 from a 2020 base year.
Greenhouse Gas (GHG) Protocol	A set of global GHG accounting standards used to prepare an annual emissions inventory.
Operational boundary	Defines which emission sources in the organisational boundary to include in the inventory and how they should be categorised. All scope 1 and 2 emissions within an organisational boundary are automatically included in an operational boundary. Scope 3 emissions are subject to relevancy testing to determine sources to be included in the operational boundary.
Operational control	An emissions consolidation approach used during organisational boundary setting. An organisation accounts for 100% of emissions over which it has, or one of its subsidiaries, has operational control. Guidance on determining operational control is provided by the Australian Government Clean Energy Regulator ¹ . Bank Australia adopts an operational control approach.
Organisational boundary	Defines the 'responsibility' for emissions within a corporate structure and is established using one of 3 consolidation approaches. 1. equity share 2. financial control 3. operational control approach. Bank Australia adopts an operational control approach.
Relevancy testing	5-part test to determine the relevancy of emissions to an organisation's reporting boundary. Guidance on conducting relevancy testing is provided by the Australian Government's Climate Active program ² .
Representative base year	An adjusted annual inventory to account for impacts that may artificially inflate or deflate emissions. For example, increasing business travel emissions during 2021 to align with pre-pandemic behaviours.

Term	Description
Scope 1	Direct emissions from an organisation’s operations, including company vehicles and buildings. Scope 1 is typically produced through the combustion of fossil fuels within the organisational boundary, e.g. petrol used in fleet vehicles.
Scope 2	Indirect energy related emissions from purchased electricity, steam, heating and cooling (i.e. energy produced outside the organisation’s control boundary but used within the organisation).
Scope 3	Indirect emissions within the organisation’s value chain. Scope 3 emissions are subject to relevancy testing to determine which sources should be included in the operational boundary.
Significance threshold	Qualitative and/or quantitative criterion used to define any significant change to the data, inventory boundary, methods, or any other relevant factors.

1 Clean Energy Regulator, [Supplementary Guidance: Operational Control](#).
2 Australian Government, [Climate Active Carbon Neutral Standard for Organisations](#).

Abbreviations

Term	Description
ABA	Australian Banking Association
ACCC	Australian Competition and Consumer Commission
ACL	Australian Credit Licence
ACN	Australian Company Number
ADI	Authorised deposit-taking institution
AFCA	Australian Financial Complaints Authority
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASRS	Australian Sustainability Reporting Standards
BCCM	Business Council of Cooperatives and Mutuals
COBA	Customer Owned Banking Association
EY	Ernst and Young
GABV	Global Alliance for Banking on Values
GRI	Global Reporting Initiative
GST	Goods and services tax
TNFD	Taskforce on Nature-related Financial Disclosures

