



Woolworths
Team Bank

Annual Report

2024



Woolworths Team Bank acknowledges the Traditional Custodians of the lands on which we live and work. We pay our respects to Elders past and present.



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CHAIR REPORT



Building on a year of steady momentum as we move into a more favourable environment, I am pleased to share the progress and developments we have made over the past 12 months. Despite facing a challenging financial market with volatile interest rates and rising living costs, the focus of our strategic initiatives is always on those matters that benefit the financial well-being of our members.

Board and Team Acknowledgements

I would like to extend a special thanks to my fellow Board members and formally welcome Dale Acton and Vanessa Rowed to the Board. They bring additional operational and Marketing skills to the Board and both have strong connections with our Host organisation. Their experience and contribution to Board deliberations has been instrumental in driving our strategic initiatives forward.

I would also like to express our gratitude to Donna Myers, who is retiring after 10 years of dedicated service helping our customers at a Branch level. Donna has been an integral part of our organisation, and we all wish her well in her future endeavours.

Staff Milestones

While we bid farewell to Donna, we also recognise Savinda Pathirana's five years of service in the crucial role he plays as WTB's Finance Manager

Financial Position and Market Analysis

The volatility of the financial market has posed significant challenges to WTB and we remain very conscious of the substantial cost-of-living pressures this situation places on our members.

We operate with a strong focus on prudent financial management which is essential in maintaining a well-balanced financial position. Our proactive approach to managing expenses and capital adequacy has been crucial in mitigating risk and fostering continued resilience.

Board Focus

At the Board and committee levels, our key focus has been on addressing our regulatory commitments, implementing safeguards for robust cyber security and ensuring we have the right skills as a Board group to support our Governance and strategic objectives. The safety and security of our members' data is paramount, and we have invested significantly in enhancing our protective measures. This commitment not only safeguards our members but also strengthens our overall trust and reliability as a financial institution.

Strengths and Looking Forward

We remain acutely aware of the challenges our members are experiencing in their personal lives with rising financial pressures. Our focus on being available,

resourceful, and helpful when our people need us, and our efforts to save members money on significant monthly expenses, is a cornerstone upon which the Mutual Industry is built.

After having the privilege of serving on the board of WTB for greater than 2 decades, I will retire from the Board at the conclusion of my current term on 27th November 2024. We have been fortunate to have had great support, over many years, from our Host organisation Woolworths, from whom we have drawn many highly skilled and passionate Directors, and I thank them for their deep commitment to WTB and its members.

Financial services has always been a challenging industry but also one that presents many opportunities and we are blessed to have a very capable Board and Management team who will continue to face the challenges and peruse opportunities for the benefit of our members.

Tony Parle, Chairman

CEO REPORT



In this ever-evolving financial landscape, our mission remains clear: to help more people. In what was yet another challenging year for many members, the consistent thread this year has been our resilience and dedication to challenging the status quo. We have worked tirelessly to ensure our members can rely on us, saving them money on significant monthly expenses and being a people-first bank. I am immensely proud of how our customer service representatives and lending specialists have gone the extra mile to help many members navigate their financial journeys.

As we close the chapter on the last financial year, I am pleased to report that WTB is becoming stronger. Our continued efforts have enhanced the support we offer to our members, helping our members live life on their terms.

Special Acknowledgements

Our seasoned Board Chairman, Tony Parle, has been instrumental in steering us toward the innovative, member-centric bank our customers know and love. After 30 outstanding years with WTB, Tony is passing the baton to his

successor, who will build on the strong foundation he established. Under Tony's leadership, we have enhanced our product offerings and prioritised member engagement, ensuring our core values remain central to our operations. As we look to the future, Tony's legacy will set the standard that guides our continued growth and innovation.

Thank you also to our dedicated directors, and our hardworking team. Savinda Pathirana, our talented Finance Manager, marked five years with us this year, and I thank him for his leadership and guidance at WTB. With retirement approaching for our long-serving team member, Donna Myers, I want to acknowledge her dedication and commitment, from living our values to serving our members. Donna has made us a better organisation, and her legacy will endure. Most importantly, I want to thank our members for their loyalty and trust in WTB; this motivates us to continually improve and serve you better.

Key Focuses and Developments

Lending: In FY24, we helped our members save over \$210,000 by refinancing their home loans, with an average weekly saving of \$100 per member. By offering competitive interest rates and improving the speed of our loan approval process, we're committed to supporting our members' home loan needs with efficient and effective service.

Leadership: We continue to enhance our operational efficiencies, including reducing our

reliance on paper. Additionally, we remain dedicated to supporting education through our long-standing scholarship program and increasing our involvement in community initiatives. On the technology front, our robust security measures are designed to safeguard our members' information and ensure continued trust in our services.

Immediate Focuses and Plans

Looking ahead, we plan to enhance our digital offerings while maintaining the personalised support we are known for. We have made significant headway in this area with digitising our forms over the past year, and are committed to providing members with the ability to manage their finances digitally, while ensuring that assistance is readily available when needed.

By focusing on the needs of our members, we have become a stronger and more resilient bank. Our strategic initiatives and unwavering commitment to our members have been the catalyst for a children's account we are introducing in FY25, a significant initiative that will broaden our support for families and caregivers.

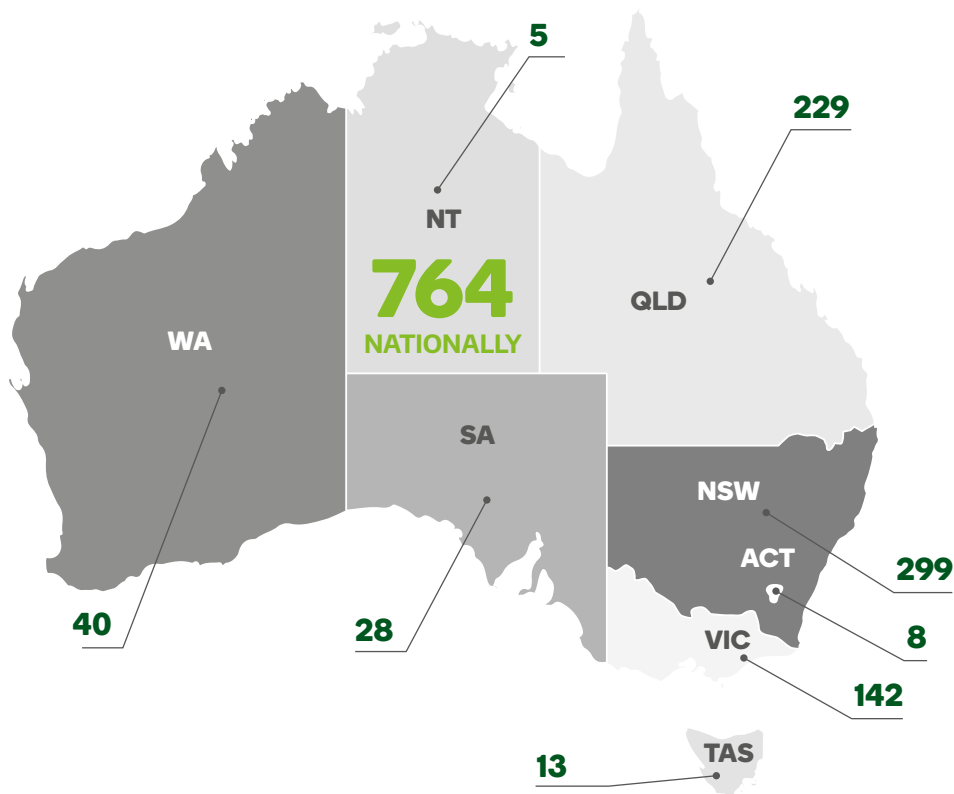
I invite you to read through this report and witness the positive impact we have made on our members' lives.

Rod Attrill, CEO

“ Our continued efforts have enhanced the support we offer to our members, helping our members live life on their terms. ”

A YEAR IN REVIEW

New Members by State



67

Home loan health
check enquiries



\$8,000

in scholarships



270

New cars financed





Number of Accounts Held



56,119

Savings and transaction accounts



1,634

Loan accounts



700

Investment accounts

Total Funds



LOANS

2024:

\$120,370



ASSETS

2024:

\$145,621



DEPOSITS

2024:

\$131,381

BRAND

Visual Identity

Recognising the need for a modern visual identity that inspires confidence in prospects and enhances the member experience, we undertook a brand refresh. With subtle but impactful improvements, we aligned our brand with the expectations of our audience, positioning ourselves as a bank they are proud to associate with. Accompanying this was the revamped website completed in October 2023. This initiative has yielded strong results, reflected in a 200% increase in member applications following the refresh.



Style Guide and Tone of Voice

To maintain consistency across our communications, we developed a new brand and messaging style guide, establishing our tone of voice for the first time. This has been pivotal in unifying our external communications and ensuring that our messaging remains cohesive.



QR Codes

After evaluating the customer experience from both prospective and existing members' perspectives, we saw an opportunity to improve engagement through the use of QR codes. Implementation across select print assets has allowed us to track offline engagement for the first time, significantly enhancing the user journey. In our most recent distribution of member statements, more than 60 members engaged by scanning the QR code for more information. Additionally, a brand awareness poster displayed in supermarkets generated 70 scans, providing valuable insights into member preferences. While these are early days, this is a monumental leap forward in our use of digital technologies, especially considering how heavily we relied on paper-based applications just five years ago.



Innovating Our Term Deposit Marketing

For the first time, we expanded our product offering beyond the Woolworths Group, extending access to contractors and affiliated community members by partnering with a financial comparison site. By showcasing our competitive term deposit rates to a broader audience - reaching approximately 17,000 visitors per month - this initiative achieved a record \$6 million in deposits, significantly contributing to interest-generating income for WTB.





BREADTH

Market Expansion

As part of our ongoing efforts to engage Woolworths Group members who had not traditionally interacted with us, we expanded our home loan health checks to new locations across New South Wales and Western Australia, with Victoria and South Australia to follow.

These sessions were aimed at ensuring team members secured the most competitive home loan rates, while also offering guidance on additional products, including transaction accounts, term deposits, and car loans. The in-person format allowed team members to ask questions and receive personalised financial advice. Notably, many employees were previously unaware of Woolworths Team Bank, and these interactions significantly enhanced brand awareness within this group.

We supported more than 70 team members from our Surry Hills (NSW) and Kewdale (WA) Support Offices, as well as the Primary Connect Distribution Centres in Kewdale (WA), Hazelmere (WA), and Minchinbury (NSW).

Nurturing Partnerships

By re-engaging non-interest income partners with collaborations and cross-promotions, we continued to strengthen WTB's position. In 12 months, non-interest income (commissions) increased 254% (\$24,777 in FY23 vs \$87,816 in FY24).

A YEAR OF GROWTH

INTERVIEW WITH

Harrison Fraser, Queensland Business Development Manager

How many stores have you visited in the last 12 months?

I visited 50 stores across Queensland this year. I live on the Gold Coast and went as far north as Townsville.

What's been the biggest highlight over the past 12 months?

Definitely the Townsville trip. It was eye-opening to see how many people didn't know about WTB, but their enthusiasm after finding out about us was the real highlight. It reminded me why our work matters. People are looking for a bank that truly cares and listens.

What are the common challenges you've been hearing from Queenslanders?

The main challenges are the same ones we're seeing across the country: high interest rates, rising property prices, and the increasing cost of living. People are also frustrated with the lack of personal touch from bigger banks, especially as more branches close and they're forced to deal with automated systems. The good news is that this plays to our strengths. WTB offers that personal care people are craving, and it's something we're really proud of.

What banking requests are you hearing most often?

People want a bank they can trust, one that doesn't feel distant. Many have expressed how much they appreciate our simple and straightforward loan process. Over the phone, I often hear, "Thank you for making it so easy". That kind of feedback really tells me we're doing something right.

What are your goals for the next 12 months?

FY24 was a fantastic year, and it's only the beginning. We've built a solid foundation and laid the groundwork for even more growth. Queensland had a huge year, increasing new memberships from 54 in FY23 to 229 in FY24, and even led Australia in new memberships for three of the 12 months! I want to keep the momentum going and make Queensland #1 for new members in FY25. I'd also like to explore more parts of the State, bringing roadshows to different regions and continuing to grow awareness of WTB.



CELEBRATING OUR SCHOLARSHIP WINNERS



Asha – Academic Scholarship

Beyond Asha McLeod's academic record, she was a gymnastics coach, a private tutor, earned the Gold Duke of Edinburgh Award, and competed at the Australian Age National Championships for Diving. Asha used her scholarship funds to commence a Bachelor of Engineering and a Bachelor of Science at UNSW, majoring in Photovoltaics/Solar Energy and Physics. She is passionate about renewable energy and aims to contribute to a sustainable future.



Ellie – Athletics Scholarship

Ellie made her first-grade debut in soccer at 16, following a lifelong passion for the sport. Unfortunately, Ellie suffered a severe arm injury requiring two surgeries and metal rods, which sidelined her for six months. Despite this setback, she was signed again by a representative team as a first-grade player. Ellie used her scholarship for additional training and mental health support to help regain her motivation, confidence, and previous form.



William – Trade Scholarship

William pursued a Certificate IV in Residential Drafting at TAFE NSW, driven by a vision to design sustainable and affordable housing, including tiny home concepts. William aims to bring innovative design to this under-invested area and used the scholarship to purchase essential software to build a professional portfolio and kickstart his career in sustainable housing.



Shriya – Art Scholarship

Shriya, a talented recent Visual Arts graduate, won a Creative Arts Excellence Award and is passionate about using art to tell stories that drive societal change and raise awareness of critical issues. Shriya used the scholarship funding to further develop her skills, continue her creative journey, and meaningfully contribute to the community through her art.



WORDS FROM OUR MEMBERS...

Brad's family budget is back on track after refinancing their home loan with WTB

“ The WTB team not only met our expectations... but they exceeded them in every way. Getting answers to questions quickly so we can make decisions, keeping us in the loop as to the progress of the application so we were fully informed, and always there to take our call - my wife and I were very impressed with that level of customer service, and it was greatly appreciated.

The team even answered questions after hours to give us peace of mind. This was tremendously helpful and somewhat comforting to know that we could move forward with a decision and not have to think about it overnight or even over the weekend.

”

Mike wasn't just looking for a better home loan rate - he wanted better service, too

“ Every conversation was positive and it seemed that nothing was a big ask. The thing that stands out for me is the fact that you can actually ring and talk to a person, no waiting in a queue, no endlessly frustrating elevator music or oft-repeated sales pitches; a real person. Email enquiries are also quickly dealt with.

I have been very impressed with Woolworths Team Bank's efficient system and organisation. Happy to recommend them to anyone looking for an alternative that treats customers as something of value.

”

Sasha loved the personalised service from our Queensland representative, Harrison

“ Hi Harrison, Gary, our daughter Everleigh, and I are just about to leave on our holiday. Just wanted to say a big thank you for all of your help with getting us through the loan application and process. We wouldn't be going on a much needed holiday if we were not able to get the loan.

I really appreciate how easy it was to get in touch with you when we had questions and when we had paperwork ready to go. You truly made it a simple and easy to understand process. Thank you so very much!

”

Lance enjoyed our simple and easy loan process

“ Thank you so much for your help and support yesterday - I really appreciate it a lot! You made the entire process very simple, clear and easy to understand.

I greatly appreciate your knowledge and how easy it was for you to answer my questions and how willing and eager you were to provide excellent customer support. It makes me feel very comfortable and not worried about applying for this loan.

”





Caitlin experienced our high standards of customer service

“ I wanted to provide you all some super positive feedback about your customer service consultant, Mason, and the broader fraud team. I was a victim of a scam and honestly I still feel incredibly silly for falling for it. The person was allegedly a friend of a friend selling Taylor Swift tickets (I should have known better).

In my initial call I was greeted by Mason who listened to my panic around what had happened and was able to escalate it to the relevant people and team. Mason was able to empathise with me in my call and support me the best he could. I don't personally bank with Woolworths Team Bank but if Mason is the type of customer service superstars you have on board, I absolutely should start considering it!

I was actually lucky enough to get Mason on my inbound call this morning to confirm the best place to send these compliments so was able to personally thank him for his assistance and service. I also wanted to thank the fraud, investigation and whoever worked on getting this person who scammed me shut down. You all played a role in the karma for him so thank you. I do feel that the song Karma by Taylor Swift fits really nicely for this situation now.

Compliments usually come far and few between but I honestly just wanted to say a massive thank you to the Woolworths Team Bank and their support during this. ”

Taylah advanced her knowledge with personalised support from Angeline

“ I just wanted to say that I am very pleased with the entire process of going through a loan with your bank... This is my first time getting a loan for myself, when I first called up I spoke to Mari-Jaine who was very polite and didn't mind me taking up her time asking questions.

Once I requested the loan information I was dealing directly with Angeline and she has been nothing but amazing and very patient through the entire time from start to finish. Helping me learn and understand things and make sure I am very comfortable with everything, very professional. I would be recommending Angeline to any work colleagues along with Woolworths Team Bank if they are to be looking at getting a loan out in future.

Outstanding customer service skills that also allowed me to feel like I've made a friend as I could easily communicate with Angeline :) ”

OUR DIRECTORS



Tony Parle
Chairman

Tony Parle is a highly qualified and experienced director of Woolworths Team Bank and has held many senior Finance roles in the Woolworths Group over a number of years. He has been a Director since 1994 and Chairman since 1999 and serves on a number of the sub-committees alongside his role as Chair of the Board.

Tony is a strong advocate of mutual banking and is passionate in promoting the substantial benefits available to team members through the bond with the Woolworths Group. This has seen extensive growth through Tony's time on the Board, and he has driven a number of key changes within the Bank, including, interstate expansion and the rebranding from WECU to Woolworths Team Bank in recent years and says the focus will always be on pursuing initiatives that make life better for our current and future members.

- Director since May 1994
- MAMI, FCPA, GAICD
- Bachelor of Business (Accounting)
- Audit Committee
- Governance & Remuneration Committee
- Risk Committee



Anthony Wilson
Deputy Chairman and Chair Board Risk Committee

Anthony Wilson is a founding partner of ABM Risk Partnership, a niche consultancy that has advised executives and boards in industries as diverse as telecommunications, veterinary, finance and financial services, insurance, state government departments, and retail. Anthony retains a strong commercial focus, especially given his broad senior executive experience in both support and operational roles. He has held senior roles in workers' compensation and public liability, claims management, insurance, human resources, procurement, mergers and acquisitions, liquor licensing, and operations and also held the roles of Chief Risk Officer and Chief Audit Executive for Woolworths. He is the author of "The Uncertainty Effect: An Introduction to Risk Management" and host of the "Mastering Risk Management" podcast.

- Director since November 2013
- MAMI, GAICD
- Master of Management
- Master of Risk Management
- Chair – Risk Committee
- Audit Committee



Bree Ashley

Chair Audit Committee

Bree Ashley has more than 20 years of commercial and financial accounting experience. Bree is currently the General Manager of Finance - BWS at Endeavour Group, prior to that she worked for Woolworths for a number of years where she led the financial, planning, and analysis team for the Food Group. She is drawn to challenging roles enabling her to partner with the business to drive financial and strategic outcomes as well as the ability to work with a diverse group of people. Bree holds a Bachelor of Commerce from Sydney University and a Diploma of Applied Finance. She is also a member of the Institute of Chartered Accountants and a graduate and member of the Australian Institute of Company Directors and has previously held roles at PwC and Downer Group.

- Director since March 2018
- MAMI, CA, GAICD
- Graduate Diploma of Applied Finance
- Bachelor of Commerce
- Audit Committee
- Risk Committee

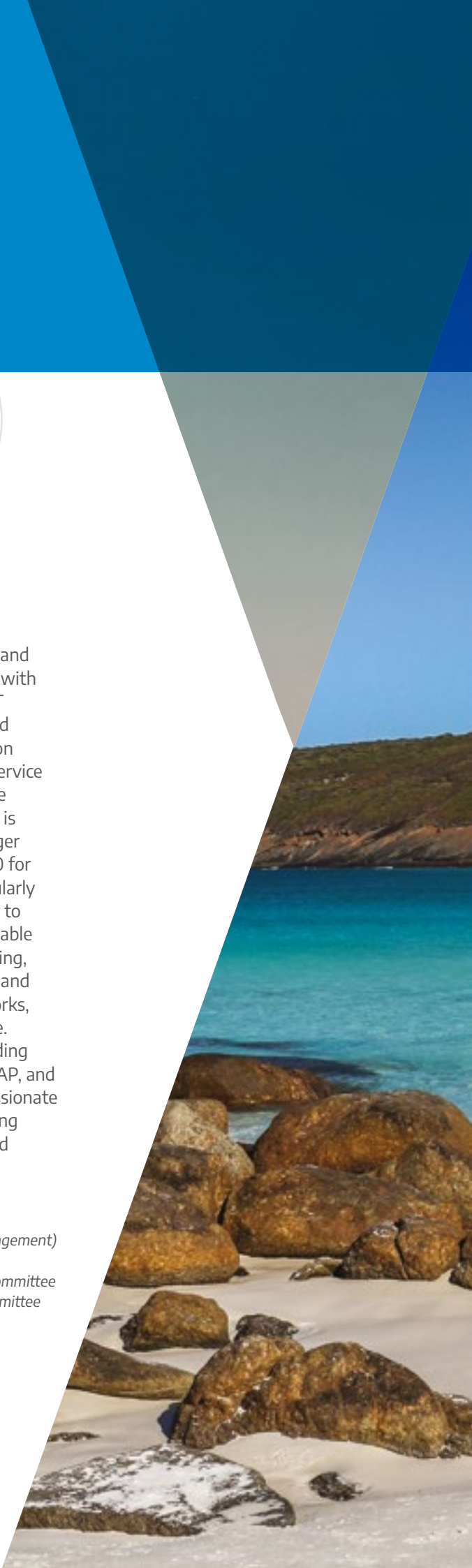


Darren Rowan

Chair Marketing and Development Committee

Darren Rowan is a strategic and visionary technology leader with over 30 years of retail and IT experience. Darren is focused on delivering next-generation technology roadmaps and service delivery plans to support the Board's vision and goals. He is currently the General Manager IT – Stores Digital and W360 for Woolworths Group. He regularly serves as a strategic advisor to the business, offering invaluable insight into 18-month planning, infrastructure consolidation and growth, enterprise frameworks, risk, compliance, and change. Darren has expertise in building store networks and ERPs, SAP, and MS Dynamics. He is also passionate about building and developing high-performance teams and future leaders.

- Director since August 2018
- GAICD
- Post Graduate Certificate (Management)
- Diploma of Management
- Governance & Remuneration Committee
- Marketing & Development Committee



OUR DIRECTORS (CONTINUED)



Pieter van der Merwe
Director

Pieter van der Merwe is the Chief Security Officer of Woolworths Group and a highly experienced technology executive specialising in Cyber Security and Technology Risk Management. Pieter prides himself in taking a practical approach to information security. He is constantly searching for ways to derive the most value out of the current investments in security processes and technologies and get the basics of security right. Pieter has experience in developing and implementing large-scale strategic security programs in numerous industries and geographies, having worked across South Africa, Africa, the Middle East, the UK, Europe, Australia, and New Zealand. With a deep understanding of the risks and challenges organisations face, Pieter is adept at responding to and managing the risks associated with a world ever more reliant on technology.

- Director since December 2021
- B.Sc (Military Sciences)
- MAICD
- Chief Security Officer for Woolworths Group
- M.Sc (Electronics) with a specialisation in Cyber Security
- Audit Committee
- Risk Committee



Ross Spencer
Director

Ross Spencer has been an integral part of the Woolworths Group for the past 16 years, taking on various roles within Operations and Support functions. Currently, Ross holds the position of Stores Enablement Director in Woolworths Supermarkets. In this role, he leads a division of our National Operations team that provides direct support to approximately 1,000 stores. Ross oversees multiple streams including capacity, trade and events, team activation, stores governance, and resilience. His expertise and leadership contribute significantly to the success of our stores. Ross led the coordinated efforts of the Woolworths Group's planning and response to the COVID-19 pandemic by leading a cross-functional team consisting of Safety, Risk, Legal, Marketing, Finance, Government Relations, and Operations teams with the purpose of providing frameworks, policy, and guidance to navigate through the pandemic effectively.

- Director since March 2022
- General Manager - Team Enablement Woolworths Supermarkets
- Diploma of Management



Carmel Pelunsky
Chair Governance and Remuneration Committee

Carmel Pelunsky is a globally experienced executive who combines consulting expertise and in-house experience. She was most recently the People Director of Talent, Capability, and Inclusion at Woolworths Group. Prior to this, Carmel was a Managing Director at YSC, a global leadership consultancy where she led the Asia Pacific region, having previously spent time in the UK. Carmel holds a master's in Consulting and Leading in Organisations from the Tavistock Clinic and Portman Trust, Applied Business Ethics, Postgraduate Diploma in Human Resource Management, and a Bachelor of Applied Psychology.

- Director since August 2023
- GAICD
- Organisational Development
- Human Resources Management Program
- International Coaching Federation (ICF) Accreditation
- Governance & Remuneration Committee



Vanessa Rowed

Director

Vanessa Rowed is the Marketing Director of BIG W and an accomplished Marketing Executive with a proven track record for delivering transformation and growth across multiple sectors including retail, QSR, financial services, telecommunications, and advertising agencies. Awarded APAC Marcomms Woman to Watch 2020, Vanessa brings a unique blend of business acumen, strategic vision, and creative leadership to the boardroom. She is best known for her ability to challenge conventional thinking and leverage data and insights to identify opportunities for growth. As a leader, Vanessa is decisive, energetic, and motivating, with a talent for building high-performing teams.

- Director since December 2023
- MBA Executive
- AGSM, UNSW Business School
- Australian Direct Marketing Association
- News Limited Awards School, BA
- Communications and Media, UNSW



Dale Acton

Director

Dale Acton is the Director of National Operations and Store Delivery for Primary Connect. His extensive knowledge and experience in Woolworths Group's retail and supply chains span more than 36 years; leading 9,000 team members across 23 Distribution Centres and overseeing the transport from our Distribution Centres to our stores.

Dale's career with Woolworths Group began in 1988 at BIG W whilst completing his university degree. Since this time, Dale has been a valued team member and leader in the store, transport, and distribution centre network of BIG W and Woolworths.

Most recently, Dale served as a committee member on the Transport and Logistics Workforce Advisory Committee (TLWAC). He joined TLWAC to share his knowledge, give back to the industry, and to influence the supply chains of the future.

Dale holds a Master of Business Administration specialising in Supply Chain and a Bachelor of Commerce.

- Director since March 2024
- Master of Business Administration
- Bachelor of Commerce
- Committee member of the Transport and Logistics Workforce Advisory Committee (TLWAC)

OUR EXECUTIVES



**Rodney
Attrill**

Chief Executive Officer

Rod Attrill is the CEO and Board Secretary of Woolworths Team Bank, with over 31 years experience working in the finance industry. He has held national leadership roles with Bank of Queensland (BOQ) and Compare the Market. Rod's experience and skills span frontline operations, customer service, lending, administration, marketing, and human resources, with key strengths in change management, strategy development, and leadership. Rod was appointed the Trustee for the Australian Mutual History Trust and volunteers as Deputy Chair of Extended Community Help Organisation (NFP).



**Josephine
McCabe**

Administration Manager

Josephine has been in banking for 38 years and is the Administration Manager at Woolworths Team Bank. She predominately looks after our Core Banking platform. Josephine is one of our longest-serving staff members, and her institutional memory and knowledge of banking make her an invaluable asset.



**Savinda
Pathirana**

Finance Manager

Savinda is an experienced Finance Manager with a demonstrated history of working in financial services and the retail industry. A CPA with a strong finance, accounting and information technology background having a Bachelor of Commerce from Deakin University and a Bachelor of Science Information Technology from Curtin University of Technology. He is a relied-on member of our team. He is also skilled in negotiation, business partnering, key account relationship building, and ERP systems.



**Rajah
Ramanathan**

Chief Risk and Compliance Officer

Rajah has a BCom (Melb) degree and is a Chartered Accountant (Australia and New Zealand) and a Fellow of the Governance Institute and Financial Services Institute of Australasia. He has been in banking for over 39 years and held several executive roles; including General Manager, Chief Operating Officer, Chief Financial Officer, Company Secretary and Chief Risk Officer within the retail banking and financial services industry. He has extensive experience in general management and administration, finance, accounting, company secretarial and corporate governance, risk management and compliance, auditing (both internal and external), financial performance and statutory reporting, strategic planning, policy and product development, project and business change management and fraud investigations. He also currently volunteers and is Board Chair of Sandybeach Centre, a NFP organisation based in Sandringham, Victoria.



DIRECTORS' REPORT

Woolworths Team Bank Limited (the Bank) is a company registered under the Corporations Act 2001. Your directors present their report on the Bank for the financial year ended 30 June 2024.

Information on Directors

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

- Tony Parle – Chairman
- Anthony Wilson – Deputy Chairman
- Bree Ashley
- Darren Rowan
- Pieter van der Merwe
- Ross Spencer
- Carmel Pelunsky
- Vanessa Rowed - Appointed 29 December 2023
- Dale Acton - Appointed 21 February 2024

The Directors retire by rotation and/or as per the Constitution's Terms of Office provisions. Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

Information on Company Secretary

The Company Secretary is Mr Rod Attrill – MBA. Mr Attrill has been company secretary since February 2020.

Directors' benefits

No Director has received or become entitled to receive during, or since the end of the financial year, a benefit because of a contract made by Woolworths Team Bank (WTB), a controlled entity, a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest, other than that disclosed in Note 20 of the financial report.

Review and results of operations

The Bank experienced an increase of 1.46% (2023: increase of 21.14%) in operating income during the year and an increase in non-interest expenses of 0.99% (2023: increase of 14.34%), resulting in an operating profit (after income tax) of \$286,535 (2023: \$338,032), representing a return on assets of 0.20% (2023: 0.23%).

Members' funds increased by 5.52% (2023: decreased by 5.36%). Reserves now stand at \$10.109 million (2023: \$9.82 million), which equates to a capital adequacy level of 18.53% (2023: 17.21%).

In the opinion of the Directors the results for the year were satisfactory. No dividend has been declared by the Directors.

Principal activities

The principal activities of Woolworths Team Bank during the year were the provision of retail financial services to members in the form of taking deposits and giving financial accommodation as prescribed by the Constitution. No significant changes in the nature of these activities occurred during the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of Woolworths Team Bank during the financial year.

Significant events after the balance date

There has been no matters or significant events since the end of the financial year which will affect the operating results of the operations and the state of affairs of the Bank for the subsequent financial year.

Likely developments and expected results

No other matter, circumstance or likely development in the operations has arisen since the end of the financial year that has significantly affected or may affect:

- The operations of Woolworths Team Bank;
- The results of those operations; or
- The state of affairs of Woolworths Team Bank

Auditor's independence

The auditors have provided the declaration of independence to the Board as prescribed by the Corporations Act 2001 as set out on page 23.

Rounding of amounts

The Bank is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest thousand dollar.

Directors' meetings

The numbers of meetings of directors (including meetings of Committees of Directors) eligible to attend during the year and the number of meetings attended by each director were as follows:

TOTAL		
Director	Eligible	Attended
Tony Parle	20	20
Anthony Wilson	20	19
Bree Ashley	17	16
Darren Rowan	16	15
Pieter van der Merwe	17	13
Carmel Pelunsky	16	15
Ross Spencer	13	9
Vanessa Rowed	6	4
Dale Acton	6	5

BOARD MEETING		
Director	Eligible	Attended
Tony Parle	10	10
Anthony Wilson	10	10
Bree Ashley	10	9
Darren Rowan	10	9
Pieter van der Merwe	10	8
Ross Spencer	10	7
Carmel Pelunsky	10	9
Vanessa Rowed	5	3
Dale Acton	5	4

BOARD AUDIT COMMITTEE MEETING		
Director	Eligible	Attended
Bree Ashley	4	4
Tony Parle	4	4
Anthony Wilson	4	3
Pieter van der Merwe	4	3



BOARD RISK COMMITTEE MEETING		
Director	Eligible	Attended
Anthony Wilson	3	3
Tony Parle	3	3
Bree Ashley	3	3
Pieter van der Merwe	3	2

BOARD MARKETING AND DEVELOPMENT COMMITTEE MEETING		
Director	Eligible	Attended
Darren Rowan	3	3
Carmel Pelunsky	3	3
Ross Spencer	3	2
Vanessa Rowed	1	1
Dale Acton	1	1

BOARD GOVERNANCE AND REMUNERATION COMMITTEE MEETING		
Director	Eligible	Attended
Carmel Pelunsky	3	3
Tony Parle	3	3
Darren Rowan	3	3
Anthony Wilson	3	3

Indemnification and insurance of directors and officers

During the year, a premium was paid in respect of a contract insuring Directors and Officers of the Bank against liability. The Officers of the Bank covered by the insurance contract include the Directors, Executive Officers, Secretary and Employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract. No insurance cover has been provided for the benefit of the Auditors of the Bank.

Signed in accordance with a resolution of the Board of Directors.



A. E. Parle
Director
30 October 2024



B Ashley
Director
30 October 2024

Directors' Declaration

The Directors of the Bank declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - comply with the Accounting Standards and the Corporations Regulations 2001; and
 - give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended as at that date.
2. The financial statements comply with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they become due and payable.
4. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



A. E. Parle
Director
30 October 2024



AUDITOR'S REPORT



Grant Thornton Audit Pty Ltd
Level 26
Grosvenor Place
225 George Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230
T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Woolworths Team Bank Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Woolworths Team Bank Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in blue ink that reads "Grant Thornton".

Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature in blue ink that reads "Tari Makanda".

T Makanda
Partner – Audit & Assurance
Sydney, 30 October 2024

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Grant Thornton Audit Pty Ltd

Level 26
Grosvenor Place
225 George Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230
T +61 2 8297 2400

Independent Auditor's Report

To the Members of Woolworths Team Bank Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Woolworths Team Bank Limited (the Bank), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

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

- a giving a true and fair view of the Bank's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Bank's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The directors of the Bank are responsible for the preparation of:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T Makanda
Partner – Audit & Assurance

Sydney, 30 October 2024

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 - \$'000	2023 - \$'000
Interest revenue	2	7,917	6,107
Interest expense	2	(3,426)	(1,842)
Net interest income	2	4,491	4,265
Fees, commission and other income	2	439	594
TOTAL NET OPERATING INCOME		4,930	4,859
Bad and doubtful debts expense / (write-backs)	2	(8)	(4)
Other expenses	2	4,509	4,461
TOTAL NON-INTEREST EXPENSE	2	4,501	4,457
Profit before income tax		429	402
Income tax expense	3	(142)	(64)
PROFIT AFTER INCOME TAX		287	338
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		287	338

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS

Cash	4	6,106	7,592
Investments at amortised cost	5	18,860	17,924
Receivables	6	156	159
Loans and advances	7	120,370	118,600
Plant and equipment	8	66	98
Other assets	10	63	28
TOTAL ASSETS		145,621	144,401

LIABILITIES

Deposits	12	131,381	124,507
Payables and other liabilities	13	2,055	1,843
Due to other financial Institutions	14	2,002	8,080
Current tax liability	11	48	125
Deferred tax liabilities	9	26	24
TOTAL LIABILITIES		135,512	134,579

NET ASSETS

MEMBERS FUNDS

Retained earnings		9,957	9,671
Capital Profits Reserve	17	152	151
TOTAL MEMBERS FUNDS		10,109	9,822

These statements should be read in conjunction with the notes to the financial statements

STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2024

	Note	2024 - \$'000	2023 - \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		7,884	6,055
Interest paid		(3,075)	(1,280)
Other non-interest income received		436	445
Bad debts recovered	2	2	2
Payments to suppliers		(4,662)	(4,053)
Income tax paid		(163)	(50)
Net (increase)/decrease in receivables from other financial institutions		(936)	6,394
Net increase in loans and advances		(1,757)	(6,904)
Net increase/(decrease) in deposits		6,874	(7,054)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	15	4,603	(6,446)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant, and equipment	8	(11)	(50)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(11)	(50)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase / (decrease) in wholesale deposits	12	(6,078)	6,044
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		(6,078)	6,044
NET DECREASE IN CASH HELD		(1,486)	(452)
Cash at beginning of year		7,592	8,044
CASH AT END OF YEAR	15	6,106	7,592

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Retained Earnings \$'000	General Reserve for Credit Losses \$'000	Capital Profits Reserve \$'000	Total \$'000
Total at 1 July 2023	9,671	-	151	9,822
Total Comprehensive Income for the year	287	-	-	287
Transfer to / from Capital Profits Reserve	(1)	-	1	-
TOTAL AT 30 JUNE 2024	9,957	-	152	10,109

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings \$'000	General Reserve for Credit Losses \$'000	Capital Profits Reserve \$'000	Total \$'000
Total at 1 July 2022	9,037	297	150	9,483
Total Comprehensive Income for the year	338	-	-	338
Transfer to / from Retained Earnings	297	(297)	-	-
Transfer to / from Capital Profits Reserve	(1)	-	1	-
TOTAL AT 30 JUNE 2023	9,671	-	151	9,822

These statements should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. STATEMENT OF ACCOUNTING POLICIES

This complete set of financial statements is prepared for Woolworths Team Bank for the year ended 30 June 2024. The report was authorised for issue on 30 October 2024 in accordance with a resolution of the Board of Directors. The Bank is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 522-550 Wellington Road, Mulgrave, Victoria 3170. The complete set of financial statements is presented in Australian dollars. The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures compliance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The Bank is a for-profit entity for the purpose of preparing the financial statements.

(A) BASIS OF MEASUREMENT

The financial statements have been prepared on an accruals basis, and are based on historical cost. The accounting policies adopted are consistent with those of the previous year unless otherwise stated.

(B) NEW STANDARDS APPLICABLE FOR THE CURRENT YEAR

Effective for the year ended 30 June 2024, the Bank has adopted the amendments to AASB 101 Presentation of Financial Statements which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

- Relates to change in accounting policy
- Has a policy which was developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or estimation
- Relates to a complex transaction and is required to explain the treatment to the users of the financial statements

Certain standards have been issued by the Australian Accounting Standards Board that are not yet effective. The Bank has considered these accounting standards and determined that their impact on the Bank and its financial statements will be immaterial.

(C) FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the financial instrument, and are measured initially at cost adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are

classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets that are recognised in profit or loss, are presented within finance costs, finance income or other financial items, except for impairment of loans and receivables which is presented within other expenses.

(I) FINANCIAL ASSETS AT AMORTISED COST

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Bank's cash and receivables fall into this category of financial instruments as well as bonds, NCDs, FRNs and term deposits.

(II) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The Bank's financial liabilities include wholesale deposits, member deposits, other payables and liabilities. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

(D) LOANS TO MEMBERS

(I) BASIS OF RECOGNITION

All loans are initially recognised at fair value, net of loan origination fees and inclusive of transaction costs incurred. Loans are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the loans using the effective interest method.

Loans to members are reported at their recoverable amount representing the aggregate amount of principal and unpaid interest owing to the Bank at balance date, less any allowance or provision against impairment for debts considered doubtful.

(II) INTEREST EARNED

Term loans – interest is calculated on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Overdraft – interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Credit cards – interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a members account on the 26th day of each month, on cash advances and purchases in excess of the payment due date. Purchases are granted up to 55 days interest free until the due date for payment.

Non-accrual loan interest – while still legally recoverable, interest is not brought to account as income where the Bank is informed that the member has deceased, or, where a loan is impaired.

(III) LOAN ORIGINATION FEES AND DISCOUNTS

Loan establishment fees and discounts are initially deferred as

part of the loan balance, and are brought to account as income over the expected life of the loan as interest revenue.

(IV) TRANSACTION COSTS

Transaction costs are expenses which are direct and incremental to the establishment of the loan. These costs are initially deferred as part of the loan balance, and are brought to account as a reduction to income over the expected life of the loan as interest revenue.

(V) FEES ON LOANS

The fees charged on loans after origination of the loan are recognised as income when the service is provided or costs are incurred.

(VI) COMMISSIONS

Revenue for commissions from servicing off balance sheet loans are recognised over time. Revenue from insurance commissions are recognised at the point of sale of the product, when the Bank has no future performance obligations.

(E) LOAN IMPAIRMENT

The Bank uses forward looking information to recognise expected credit losses - the 'expected credit loss model' (ECL). Instruments within the scope of the requirements include loans and advances and other debt-type financial assets measured at amortised cost, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Bank considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('stage 1'); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment (loans in default) at the reporting date.

MEASUREMENT OF ECL

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. The difference between the cash flows due to the bank in accordance with the contract and the cash flows that the bank expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the bank if the commitment is drawn down and the cash flows that the bank expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the bank expects to recover.

CREDIT-IMPAIRED FINANCIAL ASSETS

At each reporting date, the Bank assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a

detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the bank on terms that the bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION.

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

(F) BAD DEBTS WRITTEN OFF

(DIRECT REDUCTION IN LOAN BALANCE)

Bad debts are written off from time to time as determined by management and the Board of Directors when it is reasonable to expect that the recovery of debt is unlikely. Bad debts are written off against the provisions for impairment, if a provision for impairment had previously been recognised. If no provision had been recognised, the write offs are recognised as expenses in profit or loss.

(G) CASH AND LIQUID ASSETS

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(H) MEMBER DEPOSITS

(I) BASIS FOR MEASUREMENT

Member savings and term investments are quoted at the aggregate amount payable to depositors as at the balance date which is equivalent to amortised cost.

(II) INTEREST PAYABLE

Interest on savings is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term deposit. Interest on savings is brought to account on an accrual basis in accordance with the interest rate terms and conditions of each savings and term deposit account, as varied from time to time. The amount of the accrual is shown as part of amounts payable.

(I) DUE TO OTHER FINANCIAL INSTITUTIONS

Amounts due to other financial institutions are carried at the principal amount which is equivalent to amortised cost. Interest is charged as an expense based on the effective interest rate method.

(J) ACCOUNTS PAYABLE AND OTHER LIABILITIES

Liabilities for trade creditors and accruals are recognised when the Bank becomes a party to the contractual provisions of the liability and are measured initially at fair value.

Trade creditors and accruals are measured subsequently at amortised cost using the effective interest method.

(K) EMPLOYEE ENTITLEMENTS

Employee entitlements are not provided for on the Bank's statement of financial position. The Bank is charged a loading on salaries for employee entitlements by the host organisation, Woolworths Group Limited. Provision for employee entitlements are maintained by Woolworths Group Limited.

(L) INCOME TAX

The income tax expense shown in profit or loss is based on the profit before income tax adjusted for any non-tax deductible, or non-assessable items between accounting profit and taxable income. Deferred tax assets and liabilities are recognised using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. These differences are presently assessed at 25% (2023: 25%).

Deferred tax assets are only brought to account if it is probable that future taxable amounts will be available to utilise those temporary differences. The recognition of these benefits is based on the assumption that no adverse change will occur in income tax legislation; and the anticipation the Bank will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a income tax benefit to be obtained.

(M) ACCOUNTING ESTIMATES AND JUDGEMENTS

Management have made critical accounting estimates when applying the Bank's accounting policies with respect to the impairment provisions for loans. Note 7 elaborates further on the approach for impairment of loans. (Note 7 elaborates further on the approach for impairment of loans) and the de-recognition of loans off balance sheet under a funding facility with Bendigo and Adelaide Bank (refer to Note 22 for further details).

2. OPERATING PROFIT

NET PROFIT BEFORE TAX HAS BEEN DETERMINED AFTER:

	2024 - \$'000	2023 - \$'000
INTEREST REVENUE		
Loans and advances	6,968	5,476
Deposits with other financial institutions	949	631
	<u>7,917</u>	<u>6,107</u>
INTEREST EXPENSE		
Member deposits	3,250	1,702
Wholesale deposits	176	140
	<u>3,426</u>	<u>1,842</u>
NET INTEREST INCOME	<u>4,491</u>	<u>4,265</u>
FEES, COMMISSION AND OTHER INCOME		
Fees and commissions		
- Fee income	119	206
- Insurance commissions	130	106
- Commissions	142	122
Bad debts recovered	2	2
Other income	46	158
FEES, COMMISSION AND OTHER INCOME	<u>439</u>	<u>594</u>
NON-INTEREST EXPENSE		
Bad and doubtful debts / (write-backs)	(8)	(4)
Amortisation - Software	-	236
Depreciation - Plant and equipment	43	45
General and administration		
- Personnel costs	2,149	2,031
- insurance costs	161	154
- Assurance costs	152	128
- Information Technology costs	1,041	922
- Transaction related costs	490	454
- Other	473	491
NON-INTEREST EXPENSE	<u>4,501</u>	<u>4,457</u>
PROFIT BEFORE TAX	<u>429</u>	<u>402</u>

3. INCOME TAX

THE COMPONENTS OF TAX EXPENSE COMPRISE:

	2024 - \$'000	2023 - \$'000
Current tax	95	125
Deferred tax	2	(61)
Under provision from prior year	45	-
Aggregate income tax expense	142	64

THE PRIMA FACIE TAX ON PROFIT IS RECONCILED TO THE INCOME TAX EXPENSE AS FOLLOWS:

PRIMA FACIE TAX ON PROFIT BEFORE TAX AT 25% (2023: 25%)	107	100
TAX EFFECT OF:		
Other deductible expenses	(10)	(36)
Under provision from prior year	45	-
INCOME TAX EXPENSE ATTRIBUTABLE TO PROFIT	142	64
The income tax expense comprises of amounts set aside for current year profits		
The franking account balance at year end, adjusted for income tax payable is	2,706	2,488

4. CASH

	2024 - \$'000	2023 - \$'000
Cash on hand	137	122
Cash at banks	5,969	7,470
	6,106	7,592

5. INVESTMENTS AT AMORTISED COST

	2024 - \$'000	2023 - \$'000
Bonds	15,320	15,384
Term Deposits	1,000	-
CUSCAL Security Deposit	2,540	2,540
	18,860	17,924

Refer to Note 23 (C) for the weighted average rate interest rates of investments at amortised cost.

6. RECEIVABLES

	2024 - \$'000	2023 - \$'000
Interest receivable	135	102
Other receivables	20	57
	155	159

All receivables are due within 12 months.

7. LOANS AND ADVANCES

	Gross Carrying value 2024 \$'000	ECL Allowance 2024 \$'000	Carrying value 2024 \$'000	Gross Carrying value 2023 \$'000	ECL Allowance 2023 \$'000	Carrying value 2023 \$'000
Residential loans	111,329	-	111,329	110,297	-	110,297
Personal loans	8,218	(19)	8,199	7,538	(28)	7,510
Overdrafts and credit cards	843	(1)	842	798	(5)	793
Total	120,390	(20)	120,370	118,633	(33)	118,600

	2024 - \$'000	2023 - \$'000
A) DIRECTORS AND DIRECTOR-RELATED ENTITIES		
Loans to director-related entities	50	71
B) MATURITY ANALYSIS		
Overdrafts	171	173
Credit Card	672	625
Not longer than 3 months	4	3
Longer than 3 months and not longer than 12 months	120	180
Longer than 1 year and not longer than 5 years	4,978	4,179
Longer than 5 years	114,445	113,473
TOTAL LOANS	120,390	118,633
C) CREDIT QUALITY - SECURITY HELD AGAINST LOANS		
Secured by mortgage over real estate	111,329	110,297
Partially secured by goods mortgage	7,382	7,026
Wholly unsecured	1,679	1,310
	120,390	118,633

It is not practicable to value all collateral as at balance date due to the variety of assets and condition.
A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:

SECURITY HELD AS MORTGAGE AGAINST REAL ESTATE IS ON THE BASIS OF:

- Loan to valuation ratio of less than 80%	106,473	104,490
- Loan to valuation ratio of more than 80% but mortgage insured	4,856	5,807
	111,329	110,297

Where the loan value is less than 80% there is a margin more than 20% to cover the costs of any sale, or potential value reduction.

D) CONCENTRATION OF LOANS

Loans to members are predominantly to employees of Woolworths Group Limited and their families.

GEOGRAPHICAL CONCENTRATIONS - 2024	Housing 2024 - \$'000	Other 2024- \$'000
Victoria	48,234	2,909
New South Wales	43,597	3,954
Tasmania	1,855	155
Queensland	12,217	1,520
Western Australia	2,652	194
South Australia	2,639	193
Australian Capital Territory	-	71
Northern Territory	135	65
	111,329	9,061
GEOGRAPHICAL CONCENTRATIONS - 2023	Housing 2023 - \$'000	Other 2023 - \$'000
Victoria	51,928	2,300
New South Wales	43,443	3,612
Tasmania	2,058	153
Queensland	9,112	1,229
Western Australia	1,234	396
South Australia	2,444	415
Australian Capital Territory	78	62
Northern Territory	-	168
	110,297	8,335

(E) TRANSFERS OF FINANCIAL ASSETS – OFF BALANCE SHEET LOANS

The Bank has an off-balance sheet funding facility with Bendigo and Adelaide Bank. They are originally recognised by the Bank and sold to Bendigo and Adelaide Bank. The value of off-balance sheet loans under management is set out in Note 22.

F) PROVISION FOR IMPAIRMENT

	Stage 1 12 month ECL		Stage 2 Lifetime ECL		Stage 3 Lifetime ECL		Total		Total	
	2024	\$'000	2024	\$'000	2024	\$'000	2024	\$'000	2023	\$'000
Balance at 1 July		(11)		-		(22)		(33)		(55)
Changes in the loss allowance										
- Transfer to stage 1		(2)		-		2		-		-
- Transfer to stage 2		-		(1)		1		-		-
- Transfer to stage 3		-		-		-		-		-
- Net movement due to change in credit risk		-		-		8		8		3
- Write-offs		-		-		3		3		17
- Recoveries of amounts previously written off		-		-		2		2		2
Balance at 30 June		(13)		(1)		(6)		(20)		(33)
Gross carrying value of loans		120,363		17		9		120,390		118,633

Key assumptions in determining the provision for impairment:

The Bank has determined the likely impairment loss on loans which have not maintained the loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as industrial restructuring, job losses or economic circumstances. In identifying the impairment, the Bank is required to estimate the potential impairment using the length of time the loan in arrears and the historical losses arising in past years. Given the relatively small number of impaired loans, the circumstances may vary for each loan over time resulting in higher or lower impairment losses. An estimate is based on the period of impairment. A provision is allowed for specifically identified loans. The policy covering impaired loans and advances is set out in Note 1(E).

Measurement of ECL

The key inputs into the measurement of ECL include the following variables:

- Probability of default (pd);
- Loss given default (lgd);
- Exposure at default (ead); and
- Discounting.

These parameters are generally derived from internal analysis, management judgements and other historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are calculated based on arrears over 90 days and other loans and facilities where the likelihood of future payments is low. The definition of default is consistent with the definition of default used for internal credit risk management and regulatory reporting purposes. Instruments which are 90 days past due are generally considered to be in default.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD percentage applied considers the structure of the loan, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, Loan to Value Ratios (LVR) are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and future expectations.

Where appropriate, in calculating the ECL, future cash flows are discounted at the original effective interest rate of the exposure.

8. PLANT AND EQUIPMENT

	2024 - \$'000	2023 - \$'000
OFFICE EQUIPMENT		
At cost	53	53
Provision for depreciation	(51)	(48)
	<u>2</u>	<u>5</u>
EDP EQUIPMENT		
At cost	289	278
Provision for depreciation	(237)	(204)
	<u>52</u>	<u>75</u>
MOTOR VEHICLES		
At cost	36	36
Provision for depreciation	(25)	(18)
	<u>11</u>	<u>19</u>
TOTAL PLANT AND EQUIPMENT	<u>65</u>	<u>98</u>
TOTAL PLANT AND EQUIPMENT		
Cost	378	368
Provision for depreciation and amortisation	(313)	(270)
Total written down amount	<u>65</u>	<u>98</u>
MOVEMENT IN CARRYING AMOUNTS		
MOVEMENT IN CARRYING AMOUNTS – OFFICE EQUIPMENT		
Balance at beginning of financial year	5	8
Additions		
Depreciation expense	(3)	(3)
CARRYING AMOUNT AT END OF FINANCIAL YEAR	<u>2</u>	<u>5</u>
MOVEMENT IN CARRYING AMOUNTS – EDP EQUIPMENT		
Balance at beginning of financial year	75	60
Additions	11	50
Depreciation expense	(34)	(35)
CARRYING AMOUNT AT END OF FINANCIAL YEAR	<u>52</u>	<u>75</u>
MOVEMENT IN CARRYING AMOUNTS – MOTOR VEHICLES		
Balance at beginning of financial year	18	25
Additions		
Depreciation expense	(7)	(7)
CARRYING AMOUNT AT END OF FINANCIAL YEAR	<u>11</u>	<u>18</u>
MOVEMENT IN CARRYING AMOUNTS -TOTAL		
Balance at beginning of financial year	98	93
Additions	11	50
Depreciation expense	(44)	(45)
CARRYING AMOUNT AT END OF FINANCIAL YEAR	<u>65</u>	<u>98</u>

9. DEFERRED TAX ASSETS / (LIABILITIES)

DEFERRED TAX ASSETS / (LIABILITIES) COMPRISE TEMPORARY DIFFERENCES ATTRIBUTABLE TO:

Deferred tax assets

	2024 - \$'000	2023 - \$'000
Expected credit loss provision	5	8
Accruals	22	28
Capitalised expenses	-	-
Deferred tax liabilities		
Prepayments	12	-
Plant and equipment	5	24
Other assets	36	36
Deferred tax, net		
Deferred tax assets	28	36
Deferred tax liabilities	(52)	(60)
Deferred tax assets / (liabilities), net	(26)	(24)

10. OTHER ASSESTS

	2024 - \$'000	2023 - \$'000
Prepayments	63	28

11. CURRENT TAX LIABILITIES

	2024 - \$'000	2023 - \$'000
Current income tax payable	(48)	(125)

12. DEPOSITS

	2024 - \$'000	2023 - \$'000
Call deposits	75,093	74,667
Term deposits	56,128	49,680
Member withdrawable shares	160	160
	131,381	124,507

(A) MATURITY ANALYSIS

On call	75,093	74,667
Not longer than 3 months	30,457	23,515
Longer than 3 and not longer than 12 months	25,631	26,105
Longer than 1 and not longer than 5 years	40	60
No maturity specified	160	160
	131,381	124,507

(B) CONCENTRATION OF RISK

The Bank's deposit portfolio does not include any deposit which represents 10% or more of total liabilities.

Member deposits at balance date were received from individuals employed principally with Woolworths Group Limited.

GEOGRAPHICAL CONCENTRATIONS

Victoria	81,719	85,994
New South Wales	37,570	31,105

Tasmania	1,023	1,035
Queensland	6,735	4,647
Western Australia	1,411	777
South Australia	682	459
Australian Capital Territory	938	278
Northern Territory	1,143	52
	131,221	124,347

13. PAYABLES AND OTHER LIABILITIES

	2024 - \$'000	2023 - \$'000
Trade creditors	608	638
Accrued interest payable	1,022	671
Sundry creditors & other liabilities	425	534
	2,055	1,843

All accounts payable and other liabilities are due within 12 months.

14. DUE TO OTHER FINANCIAL INSTITUTIONS

	2024 - \$'000	2023 - \$'000
Maturity within 12 months		
Term deposits from other financial institutions and wholesale deposits	2,002	6,042
RBA Term Funding Facility	-	2,038
	2,002	8,080

15. STATEMENT OF CASH FLOWS

	2024 - \$'000	2023 - \$'000
(A) RECONCILIATION OF THE OPERATING PROFIT AFTER TAX TO THE NET CASH FLOWS FROM OPERATIONS		
Operating profit after tax	287	338
NON-CASH MOVEMENTS		
Provision for impairment	(13)	(22)
Depreciation and amortisation	43	281
Net (gain)/loss on disposal of plant and equipment	-	-
CHANGES IN ASSETS AND LIABILITIES		
Interest receivable	(33)	(52)
Trade creditors	(30)	403
Accrued interest payable	351	562
Tax receivable	(77)	76
Deferred tax liabilities	1	(61)
Prepayments	(34)	52
Deposits with other financial institutions	(936)	6,394
Loans and advances	(1,757)	(6,904)
Deposits	6,874	(7,054)
Other receivables	37	203
Sundry creditors and other liabilities	(110)	(661)
NET CASH FLOWS FROM OPERATING ACTIVITIES	4,603	(6,445)

(B) CASH FLOWS PRESENTED ON A NET BASIS

Cash flows arising from the following activities are presented on a net basis in the statement of cash flows:

- (a) Member deposits to and withdrawals from deposit accounts.
- (b) Borrowings and repayments on loans and advances.

(C) BANK OVERDRAFT FACILITY

The Bank has a bank overdraft facility available to the extent of \$400k (2023: \$400k). The facility is secured by a fixed and floating charge over the assets of the Bank.

16. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

In the normal course of business the Bank enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of members.

CREDIT RELATED COMMITMENTS

Binding commitments to extend credit are agreements to lend to a member as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

	2024 - \$'000	2023 - \$'000
Approved but undrawn loans and credit limits	932	318
Loan redraw facilities available	6,740	7,098
OTHER EXPENSE COMMITMENTS		
Not later than 1 year	464	251
later than 1 year but not 2 years	477	270
Later than 2 years but not 5 years	264	415
Greater than 5 years	-	-
	1,205	936

UNDRAWN LOAN FACILITIES

Loan facilities available to members for overdrafts and line of credit loans are as follows:

Total value of facilities approved	1,895	1,842
Less amount advanced	(843)	(797)
NET UNDRAWN VALUE	1,052	1,045

LIQUIDITY SUPPORT SCHEME

The Bank is a member of the Credit Union Financial Support Scheme Limited (CUFSS), a company limited by guarantee, established to provide financial support to member Credit Unions in the event of a liquidity or capital problem. As a member, the Bank is committed to maintaining 3.1% of total assets as deposits in its Austraclear account.

Under the terms of the Industry Support Contract (ISC), the maximum call for each participating Credit Union would be 3.1% of the participant's total assets. This amount represents the Bank's irrevocable commitment under the ISC. At balance date, there were no loans issued.

17. CAPITAL PROFITS RESERVE

	2024 - \$'000	2023 - \$'000
Capital Profits Reserve	152	151

Share redemption

The accounts represent the amount of redeemable preference shares redeemed by the Bank since 1 July 1999. The Law requires that the redemption of the shares be made out of profits. Since the value of the shares has been paid to members in accordance with the terms and conditions of the share issue, the account represents the amount of profits appropriated to the account.

18. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations, the results of these operations or state of affairs of the Bank in subsequent financial years.

19. AUDITORS' REMUNERATION

	2024 - \$	2023 - \$
Amounts received or due and receivable by the auditors of Woolworths Team Bank Limited		
Audit of the financial statements of the Bank - Grant Thornton (Includes statutory audit, APRA audit and ASIC financial services licence audit)	69,700	60,500
Taxation Services	7,800	11,000
	77,500	71,500

20. RELATED PARTY DISCLOSURES

(A) REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Key management personnel has been taken to comprise the directors and one member of the executive management team responsible for the day to day financial and operational management of the Bank.

The aggregate compensation of key management persons during the year was \$399k (2023: \$346k) comprising wages, salaries, fringe benefits received, superannuation contributions, paid annual and sick leave and bonuses

(B) LOANS TO KEY MANAGEMENT PERSONNEL

The aggregate value of loans to key management personnel amounted to \$261k (2023: \$71k). Loans to key management personnel are approved on the same terms and conditions, which are applied to members. There are no benefits or concessional terms and conditions applicable key management persons or their close family members. There are no loans, which are impaired in relation to key management persons.

(C) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Other transactions with related parties include deposits from key management personnel. The total value of savings and term deposits from key management personnel amounted to \$30k (2023: \$27k).

(D) THE FOLLOWING RELATED PARTY TRANSACTIONS OCCURRED DURING THE FINANCIAL YEAR:

(i) Transactions with other related parties

There were no transactions with related parties other than those disclosed elsewhere in this note.

(ii) Transactions with the directors of Woolworths Team Bank Limited

There were no transactions with directors at concessional interest rates.

(iii) Transactions with director-related entities

There were no transactions with director related entities at concessional interest rates.

21. OUTSOURCING ARRANGEMENTS

The Bank has arrangements with other organisations to facilitate the supply of services to members.

(a) CUSCAL Limited

CUSCAL is an Authorised Deposit Taking Institution registered under the Corporations Act 2001 and the Banking Act 1959. This organisation:

- (i) provides the licence rights to Visa Card in Australia and settlement with other institutions for ATM, Visa card and cheque transactions, direct entry transactions, as well as the production of Visa and Redicards for use by members;
- (ii) operates the computer network used to link Redicards and Visa cards operated through Reditellers and other approved ATM providers to the Bank's IT Systems.
- (iii) provides treasury and money market facilities to the Bank.

(b) Ultradata Australia Pty Ltd

Provides and maintains the application software utilised by the Bank.

(c) Experteq Limited (formerly Transaction Solutions Limited)

This service provider operates the computer facility on behalf of the Bank in conjunction with other Credit Unions. The Bank has a management contract with the company to supply computer support staff and services to meet the day to day needs of the Bank and compliance with the relevant Prudential Standards.

22. TRANSFERS OF FINANCIAL ASSETS

The Bank has established arrangements for the transfer of loan contractual benefits of interest and repayments to support ongoing liquidity facilities. These arrangements are with:

- Bendigo and Adelaide Bank (Bendigo) where the Bank has arrangements where it can transfer the contractual rights to Bendigo of pre-existing loans at market value.
- Only residential mortgage-backed securities (RMBS) that meet specified criteria, are eligible to be transferred in each of the above situations.

Bendigo and Adelaide Bank non-securitisation lending facility

As the Integris Securitisation program through Cuscal was discontinued in February 2014, the Bank as well as a number of other participating Credit Unions, as a consequence and as an alternative, entered into an APRA approved Receivables Acquisition and Servicing Agreement with the Bendigo and Adelaide Bank (Bendigo). This off-balance sheet loan funding facility is designed to cater for larger loans and/or high loan demand that on-balance sheet liquidity cannot readily address. Under this arrangement the Bank will assign mortgage secured loans to Bendigo at the book value of the loans, subject to acceptable documentation criteria with a complete absence of any securitisation vehicle and/or securitisation related matters.

The Bank will contract directly with Bendigo and will be responsible for ensuring the funding program is suitable for the organisation as well as its ongoing availability and administration.

The loans transferred qualify for de-recognition on the basis that the assignment transfers all the risks and rewards to Bendigo and there are no residual benefits to the Bank. The Bank receives a management fee to recover the costs of ongoing administration for processing of the loan repayments and the issue of statements to the members.

The determination that the Bank has substantially transferred all the risks and rewards associated with these loans requires judgement based on the terms and conditions of the funding agreement, including consideration of the extent of the Bank's continuing involvement with the transferred loans.

The amount of loans under management through this facility as at 30 June 2024 is \$13,874k (2023: \$26,159k).

23. FINANCIAL INSTRUMENTS

(A) NET FAIR VALUES

The aggregate fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows.

	TOTAL CARRYING AMOUNT AS PER STATEMENT OF FINANCIAL POSITION		AGGREGATE FAIR VALUE	
	2024 - \$'000	2023 - \$'000	2024 - \$'000	2023 - \$'000
FINANCIAL ASSETS				
Cash and liquid assets	6,106	7,592	6,106	7,592
Investments at amortised cost	18,860	17,924	17,948	16,779
Loans and advances	120,370	118,600	120,370	118,600
Receivables	155	159	155	159
Total financial assets	145,491	144,275	144,579	143,130

FINANCIAL LIABILITIES

Deposits	131,381	124,507	131,346	124,312
Term deposits from other financial institutions and wholesale borrowings	2,002	8,080	2,002	8,080
Trade creditors	1,630	1,308	1,630	1,308
Total financial liabilities	135,013	133,895	134,978	133,700

THE FOLLOWING METHODS AND ASSUMPTIONS ARE USED TO DETERMINE THE FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**RECOGNISED FINANCIAL INSTRUMENTS**

Cash and liquid assets and due from other financial institutions: The carrying amounts approximate fair value because of their short-term to maturity or are receivable on demand.

Investments: The redemption value of the investment securities at balance date approximates fair value as current variable rates reflect market interest rates and the fixed rates are assessed at market rates. These investments are intended to be held until maturity.

Trade payables and due to other financial institutions: The carrying amount approximates fair value, as they are short term in nature.

Short-term borrowings: The carrying amount approximates fair value because of their short-term to maturity.

Loan and advances: The fair values of variable rate loans receivable including impaired loans reflect the current market interest rates, are estimated at their carrying value.

Deposits: The carrying amounts approximate to the calculated discounted cash flows (based upon the deposit type and its related maturity).

Other financial liabilities: This includes interest payable and expenses payable for which the carrying amount is considered to be a reasonable estimate of net fair value.

All classes of financial assets and financial liabilities are held at amortised cost.

(B) CREDIT RISK EXPOSURES

The Bank's maximum exposures* to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

CONCENTRATIONS OF CREDIT RISK

The Bank minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of members within the specified category. All members are concentrated in Australia.

Credit risk in loans receivable is managed in the following ways:

- A risk assessment process is used for all members; and
- Credit insurance is obtained for high-risk members.

*The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

(C) INTEREST RATE RISK

The Bank's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		FIXED INTEREST RATE MATURING IN:										Non-interest bearing		Total		Weighted average effective interest rate	
			0-3 Months		4-12 Months		Over 1 to 5 years		Over 5 years									
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%		
FINANCIAL ASSETS																		
Cash and liquid assets	5,969	7,470	-	-	-	-	-	-	-	-	-	137	122	7,592	4.1	3.4		
Investments at amortised cost	-	-	9,747	8,761	4,062	-	1,048	5,161	4,002	4,002	-	-	-	17,924	3.1	2.6		
Loans and advances	120,370	118,633	-	-	-	-	-	-	-	-	-	-	-	118,633	6.1	5.6		
Receivables	-	-	103	103	-	-	-	-	-	-	-	57	57	160	N/A	N/A		
TOTAL FINANCIAL ASSETS	126,339	126,103	9,850	8,864	4,062	-	1,048	5,161	4,002	4,002	194	180	143,758	144,309	-	-		
FINANCIAL LIABILITIES																		
Deposits	75,093	74,667	30,457	23,515	25,631	26,104	40	60	-	-	155	160	131,376	124,506	2.7	2.2		
Due to other financial institutions	-	-	1,002	6,091	1,001	6,007	-	-	-	-	-	-	2,002	8,043	5.2	3.5		
Trade creditors	-	-	-	-	-	-	-	-	-	-	2,055	1,843	2,055	1,843	N/A	N/A		
TOTAL FINANCIAL LIABILITIES	75,093	74,667	31,459	29,606	26,632	32,111	40	60	-	-	2,210	2,003	135,433	134,392	-	-		

24. MATURITY PROFILE OF FINANCIAL ASSETS AND LIABILITIES

Monetary assets and liabilities have differing maturity profiles depending on the contractual term, and in the case of loans the repayment amount and frequency. The table below shows the period in which different monetary assets and liabilities held will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal outstanding will be repaid based on the remaining period to the repayment date assuming contractual repayments are maintained, and is subject to change in the event that current repayment conditions are varied. Financial assets and liabilities are at the undiscounted values (including future interest expected to be earned or paid). Accordingly these values will not agree to the statement of financial position.

2024	BOOK VALUE	UP TO 1 MONTH	1- 3 MONTHS	3-12 MONTHS	1- 5 YEARS	AFTER 5 YEARS	NO MATURITY	TOTAL CASH FLOWS
FINANCIAL ASSETS	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	6,106	-	-	-	-	-	-	6,106
Liquid Investments	18,860	3,266	-	9,291	3,806	4,840	-	21,203
Loans & advances	120,370	1,102	2,390	10,277	50,291	184,195	-	248,255
Receivables	20	-	-	-	-	-	20	20
Total financial assets	145,356	4,368	2,390	19,568	54,097	189,035	20	275,584
FINANCIAL LIABILITIES								
Due to other financial institutions	2,002	-	1,013	1,017	-	-	-	2,030
Creditors	638	-	-	-	-	-	638	638
Deposits from members – at call	75,093	75,093	-	-	-	-	160	75,253
Deposits from members – term	56,128	9,748	21,437	26,265	41	-	-	57,491
Total financial liabilities	133,861	84,841	22,450	27,282	41	0	798	135,412

2023	BOOK VALUE	UP TO 1 MONTH	1- 3 MONTHS	3-12 MONTHS	1- 5 YEARS	AFTER 5 YEARS	NO MATURITY	TOTAL CASH FLOWS
FINANCIAL ASSETS	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	7,592	-	-	-	-	-	-	7,592
Liquid Investments	17,924	2,651	-	2,167	10,458	4,840	-	20,116
Loans & advances	118,600	1,347	2,282	11,880	49,444	196,968	-	261,921
Receivables	57	-	-	-	-	-	57	57
Total financial assets	144,173	3,998	2,282	14,047	59,902	201,808	57	289,686
FINANCIAL LIABILITIES								
Due to other financial institutions	8,080	1,011	3,035	4,085	-	-	-	8,131
Creditors	638	-	-	-	-	-	638	638
Deposits from members – at call	74,828	74,667	-	-	-	-	160	74,827
Deposits from members – term	49,679	7,717	16,205	26,616	61	-	-	50,599
Total financial liabilities	133,225	83,395	19,240	30,701	61	-	798	134,195

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board has endorsed a policy of compliance and risk management to suit the risk profile of the Bank. The Bank's risk management focuses on the major areas of market risk, credit risk and operational risk. Authority flows from the Board of Directors to the Board Audit Committee and Board Risk Committee which are integral to the management of risk.

Board: This is the primary governing body. It approves the level of risk which the Bank is exposed to and the framework for reporting and mitigating those risks.

Board Audit Committee: Assists the Board by providing an objective non-executive review of the effectiveness of the Bank's financial reporting and internal controls. The Board Audit Committee receives internal audit reports on assessment and compliance with the controls.

Board Risk Committee: Assists the Board by providing an objective non-executive oversight of the implementation and operation of the Bank's risk management framework. The Board Risk Committee also considers and confirms that the significant risks are to be assessed within the internal audit plan.

Management: This group is responsible for implementing risk management policies and controls and liaising with the Board Audit Committee, Board Risk Committee and Internal Audit.

Internal Audit: Provides internal audit reports to the Board Audit Committee and has the responsibility for reviewing the operational function, testing and assessing controls. Key risk management policies encompassed in the overall risk management framework include:

- Market risk
- Liquidity
- Credit risk management
- Operations risk management including data risk management

The Bank has undertaken the following strategies to minimise the risks arising from financial instruments:

A. MARKET RISK

The objective of the Bank's market risk management is to manage and control market risk exposures in order to optimise risk and return. Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and volatilities will have an adverse effect on the Bank's financial condition or results. The Bank is not exposed to currency risk, and other price risk. Financial instruments held by the Bank are not traded. The Bank is exposed to interest rate risk arising from changes in market interest rates. Net interest rate gaps between assets and liabilities are maintained by offering variable interest rate products. Term deposits are the only fixed interest rate products the Bank offers on statement of financial position. The Bank manages its interest rate risk by the use of interest rate sensitivity analysis.

B. LIQUIDITY RISK

Liquidity risk is the risk that the Bank may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing, repayments or member withdrawal demands. It is the policy of the Board of Directors that treasury maintains adequate cash reserves and committed cash facilities so as to meet member withdrawal demands when requested.

The Bank manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows.
- Monitoring maturity profiles of financial assets and liabilities.
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities
- Monitoring the prudential liquidity ratio daily.

The Bank has a longstanding arrangement with the industry liquidity support scheme with Credit Union Financial Support Services (CUFSS) which can access industry funds to provide support to the Bank should it be necessary at short notice. The Bank is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 24 hours under the APRA Prudential Standards. The Bank policy is to apply 12% of funds as liquid assets to maintain adequate funds for meeting member withdrawal requests. The ratio is checked daily. Should the liquidity ratio fall below this level, the Management and Board are to address the matter and ensure that the liquid funds are obtained from new deposits and/or borrowing facilities available.

C. CREDIT RISK

Credit risk is the risk that members, financial institutions and other counterparties will be unable to meet their obligations to the Bank which may result in financial losses. Credit risk arises principally from the Bank's loan book and investment assets.

(I) CREDIT RISK – LOANS

The method of managing credit risk is by way of strict adherence to the credit assessment policies before a loan is approved and close monitoring of defaults in the repayment of loans thereafter on a weekly basis. The credit policy has been endorsed by the Board to ensure that loans are only made to members that are creditworthy (capable of meeting loan repayments).

The Bank has established policies over the:

- Credit assessment and approval of loans and facilities covering acceptable risk assessment, security requirements;
- Limits of acceptable exposure over the value to individual borrowers considered at high risk of default;
- Reassessing and review of the credit exposures on loans and facilities;
- Establishing appropriate provisions to recognise the impairment of loans and facilities;
- Debt recovery procedures; and
- Review of compliance with the above policies;

A regular review of compliance is conducted as part of the internal audit scope.

PAST DUE AND IMPAIRED

A financial asset is past due when the counterparty has failed to make a payment when contractually due. As an example, a member enters into a lending agreement with the Bank that requires interest and a portion of the principle to be paid every month. On the first day of the next month, if the agreed repayment amount has not been paid, the loan is past due. Past due does not mean that a counterparty will never pay, but it can trigger various actions such as renegotiation, enforcement of covenants, or legal proceedings. Once the past due exceeds 90 days the loans is regarded as impaired, unless other factors indicate the impairment should be recognised sooner.

Daily reports monitor the loan repayments to detect delays in repayments and recovery action is undertaken after 7 days. For loans

where repayments are doubtful, external consultants are engaged to conduct recovery action once the loans are over 90 days in arrears. The exposures to losses arise predominantly in the personal loans and facilities not secured by registered mortgages over real estate.

If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss, is recognised in the statement of comprehensive income.

Statement of financial position provisions are maintained at a level that management deems sufficient to absorb probable incurred losses in the Bank's loan portfolio from homogeneous portfolios of assets and individually identified loans.

BAD DEBTS

Amounts are written off when collection of the loan or advance is considered to be remote. All write offs are on a case by case basis, taking account of the exposure at the date of the write off.

For secured loans, the write off takes place on ultimate realisation of collateral value, or from claims on any lenders mortgage insurance.

COLLATERAL SECURING LOANS

A sizeable portfolio of the loan book is secured on residential property in Australia. Therefore, the Bank is exposed to risks in the reduction the Loan to Value (LVR) cover should the property market be subject to a decline.

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken.

CONCENTRATION RISK – INDIVIDUALS

Concentration risk is a measurement of the Bank's exposure to an individual counterparty (or group of related parties). If prudential limits are exceeded as a proportion of the Bank's regulatory capital (10%), a large exposure is considered to exist. No capital is required to be held against these but APRA must be informed. APRA may impose additional capital requirements if it considers the aggregate exposure to all loans over the 10% capital benchmark, to be higher than acceptable.

Concentration exposures to counterparties are closely monitored with annual reviews being prepared for all exposures over 5% of the capital base.

The Bank's policy on exposures of this size is to insist on an initial Loan to Valuation ratio (LVR) up to least 80% and bi-annual reviews of compliance with this policy are conducted.

CONCENTRATION RISK – INDUSTRY

The Bank has a concentration in retail lending for members who comprise employees and family of Woolworths Group Limited. This concentration is considered acceptable on the basis that the Bank was formed to service these members, and the employment concentration is not exclusive. Should members leave Woolworths Group Limited, the loans continue and other employment opportunities are available to the members to facilitate the repayment of the loans.

(II) CREDIT RISK – LIQUID INVESTMENTS

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Bank incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Bank.

There is a concentration of credit risk with respect to investment receivables with the placement of investments in CUSCAL. The credit policy is that investments are only made to institutions that are credit worthy. Directors have established policies that a maximum of 30% of total liabilities less capital can be invested with any one financial institution at a time, as long as they do not exceed 50% of the capital base as required by APRA prudential standard APS 221.

The risk of losses from the liquid investments undertaken is

reduced by the nature and quality of the independent rating of the investment body and the limits to concentration on one financial institution.

Under the liquidity support scheme at least 3.1% of the total assets must be invested in the Bank's Austraclear account, to allow the scheme to have adequate resources to meet its obligations if needed.

EXTERNAL CREDIT ASSESSMENT FOR INSTITUTION INVESTMENTS

The Bank uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA Prudential Standard APS 112. The credit quality assessment scale within this standard has been complied with.

D. OPERATIONAL RISK

Operational risk is the risk of loss to the Bank resulting from deficiencies in processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks. Operational risks in the Bank relate mainly to those risk arising from a number of sources including legal compliance, business continuity, data infrastructure, outsourced services failures, fraud and employee errors.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses through the implementation of controls, whilst avoiding procedures which inhibit innovation and creativity. These risks are managed through the implementation of policies and systems to monitor the likelihood of the events and minimise the impact. Systems of internal control are enhanced through:

- the segregation of duties between employee duties and functions, including approval and processing duties;
- documentation of the policies and procedures, employee job descriptions and responsibilities, to reduce the incidence of errors and inappropriate behaviour;
- implementation of the whistleblowing policies to promote a compliant culture and awareness of the duty to report exceptions by staff;
- education of members to review their account statements and report exceptions to the Bank promptly;
- effective dispute resolution procedures to respond to member complaints;
- effective insurance arrangements to reduce the impact of losses; and
- contingency plans for dealing with the loss of functionality of systems or premises or staff.

FRAUD

Fraud can arise from member card PINS, and internet passwords being compromised where not protected adequately by the member. It can also arise from other systems failures. The Bank has systems in place which are considered to be robust enough to prevent any material fraud. However, in common with all retail banks, fraud is potentially a real cost to the Bank.

IT SYSTEMS

The worst case scenario would be the failure of the Bank's core banking and IT network suppliers, to meet customer obligations and service requirements. The Bank has outsourced the IT systems management to an Independent Data Processing Centre (IDPC) which is owned by a collection of credit unions. This organisation has the experience in-house to manage any short term problems and has a contingency plan to manage any related power or systems failures. Other network suppliers are engaged on behalf of the Bank by the industry body CUSCAL to service the settlements with other financial institutions for direct entry, ATM and Visa cards, and BPAY etc.

A full disaster recovery plan is in place to cover medium to long-term problems which is considered to mitigate the risk to an extent such that there is no need for any further capital to be allocated.

E. CAPITAL MANAGEMENT

The capital levels are prescribed by APRA. Under the APRA prudential standards capital is determined in three components:

- Credit risk
- Market risk (trading Book)
- Operations risk.

The market risk component is not required as the Bank is not engaged in a trading book for financial instruments.

CAPITAL RESOURCES

Tier 1 Capital

The vast majority of Tier 1 capital comprises retained earnings.

Tier 2 Capital

Tier 2 capital consists of capital instruments that combine the features of debt and equity in that they are structured as debt instruments, but exhibit some of the loss absorption and funding flexibility features of equity. There are a number of criteria that capital instruments must meet for inclusion in Tier 2 capital resources as set down by APRA.

Tier 2 capital generally comprises:

- Available for sale reserve which arises from the revaluation of financial instruments categorised as available for sale and reflects the net gains in the fair value of those assets in the year. This is included within upper Tier 2 capital.
- A subordinated loan remitted from the Bank's ultimate parent. The principal amount has been amortised on a straight line basis over the last 5 years to maturity of the loan in accordance with the requirements of APRA Prudential Standard APS 111.

TIER 1 COMMON EQUITY	2024 \$'000	2023 \$'000
Retained earnings	10,108	9,822
Less prescribed deductions	(912)	(1,145)
NET TIER 1 COMMON EQUITY	9,196	8,677
TIER 1 ADDITIONAL EQUITY	-	-
NET TIER 1 CAPITAL	9,196	8,677
 TOTAL CAPITAL	 9,196	 8,677

The risk weights attached to each asset are based on the weights prescribed by APRA in its Prudential Standard APS 112. The general rules apply the risk weights according to the level of underlying security.

The level of capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. To manage the Bank's capital the Bank reviews the ratio monthly and monitors major movements in the asset levels. Policies have been implemented to require reporting to the Board

and the regulator if the capital ratio falls below a minimum level determined by the Bank's Internal Capital Adequacy Assessment Process (ICAAP).

Further a 2 year capital budget projection of the capital levels is maintained annually to address how strategic decisions or trends may impact on the capital level.

The capital ratio as at the end of the financial year over the past 2 years is as follows

2024	2023
18.53%	17.21%

INTERNAL CAPITAL ADEQUACY MANAGEMENT

The Bank manages its internal capital levels for both current and future activities through the Audit Committee. The outputs are reviewed by the Board in its capacity as the primary governing body. The capital required for any change in the Bank's forecasts for asset growth, or unforeseen circumstances, are assessed by the Board. The finance department then updates the forecast capital resources models and the impact upon the overall capital position of the Bank is reassessed. In relation to the operational risks, the major measurements for additional capital is strategic risk, which concerns the risk to the viability of the Bank from unexpected adverse changes in the business environment.

26. CORPORATE INFORMATION

Woolworths Team Bank Limited is a public company limited by shares, and is registered under the Corporations Act 2001.

The address of the registered office is:

522 – 550 Wellington Road, Mulgrave VIC 3170

The address of the principal place of business is:

522 – 550 Wellington Road, Mulgrave VIC 3170

27. CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Woolworths Team Bank does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. The Company has determined that it does not control any entities based on the criteria for control under AASB 10 Consolidated Financial Statements (AASB 10).





Woolworths
Team Bank

Woolworths Team Bank Limited ABN 67 087 651 803
522-550 Wellington Road, Mulgrave, VIC 3170
1 Woolworths Way, Bella Vista, NSW 2153

www.woolworthsteambank.com.au

1300 665 553