

Police & Nurses Limited

# ANNUAL REPORT 2024



# Acknowledgement of Country

P&N Group respectfully acknowledges the Traditional Custodians of the lands on which we operate and pay respects to Elders past and present.

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

P&N Group's Reconciliation Action Plan artwork is by Nani Creative's Kevin Wilson, a Wongi man with family ties to the WA Goldfields region, Leonora and South Australia, and Brenda Mau, a Torres Strait Islander, Mandubarra, Kalkadoon, Withanthei, Ngadjonii woman born on MaMu country of North Queensland. We thank Kevin and Brenda for sharing their knowledge and culture.



## Kevin's story

The artwork tells the story of our cultural heritage ties to Country and family on the western and eastern sides of Australia. The artwork speaks to my connection to Western Australia, with family across the state and a focus on the Goldfields, my great-Nan's Country. The artwork is a celebration of the diversity of Western Australia, and the variety of landscape, cultures and people.

Within the design are waterways, hills, deserts and animal tracks. These represent the communities P&N Bank services, and to where the benefits of the Reconciliation Action Plan will flow.

## Brenda's story

Elements within the artwork include banana bunches, leaves, flowers and hearts, which speak to the story of small businesses that founded BCU Bank – mainly banana farmers. The footprints and meeting place elements show the journeys across the land where we sit listening, learning and collaborating. We can walk alongside each other and recognise the contribution each person makes to their communities.

People, digging sticks, coolamon, shields, boomerangs and spears are a representation of how we connect with each other. We use these tools to listen and learn – we share stories, look after each other, and trust each other. These values are embedded from generation to generation. We respect and thank the land for what it gives us – water to drink, food to eat, shelter and healing. In taking care of the land, the land will take care of us in return.

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

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

A description of the nature of the consolidated entity's operations and its principal activities is included in the Report of the Directors on pages 27 to 31.

The financial report was authorised for issue by the Directors on 27 August 2024. The Directors have the power to amend and reissue the financial report.

#### Glossary of abbreviations and defined terms

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

Printed on recycled paper  
and 100% Carbon Neutral.



## Directory

### Directors

Gary Humphreys (Chair)  
Julie Elliott  
Andrew Hadley  
Trevor Hunt  
Louise Clarke  
Monish Paul  
Stephen Targett (retired Dec 2023)

### Chief Executive Officer

Andrew Hadley

### Company Secretary

David (Verran) Fehlberg

### Registered Office

Police & Nurses Limited  
ABN 69 087 651 876

Level 6  
556 Wellington Street  
Perth 6000  
Western Australia  
Telephone: 13 25 77  
[www.pnbank.com.au](http://www.pnbank.com.au)

### External Auditors

Grant Thornton Audit Pty Ltd  
Level 43 Central Park  
152 – 158 St Georges Terrace  
Perth 6000, Western Australia

### Internal Auditors

PricewaterhouseCoopers  
Brookfield Place  
125 St Georges Terrace  
Perth 6000, Western Australia

# Our highlights for 2023-24

## Our awards

16 awards received  
across the Group



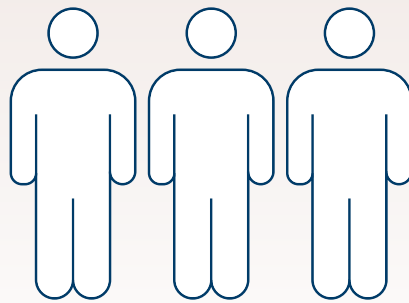
- 2024 Mozo Experts Choice Awards for our Fixed Rate and Investor Fixed home loans
- Winner in the Finder 2024 awards for two of our fixed rate home loans
- Winner in the Finder 2024 Finder Personal and Car Loan Awards for the Car Loans (Used Cars) category



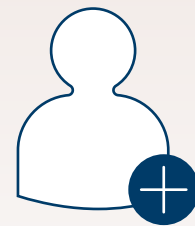
- Roy Morgan Customer Satisfaction award for Bank of the Year 2023
- Three home loans awarded gold in the 2024 RateCity Home Loan Awards
- Best Value Long Term Deposit Award at the 2024 Money Magazine Best of the Best Awards



## Our customers



**192,990**  
customers



Welcomed  
**16,362**  
new customers  
during the year  
(up 6.97% on FY23)



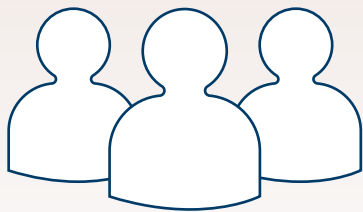
**850+**  
Business Banking  
customers  
with circa \$400m in loans  
and \$350m in deposits



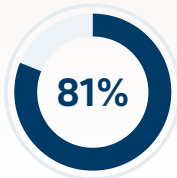
**10.59**  
million  
digital banking  
transactions  
12% year-on-year growth

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

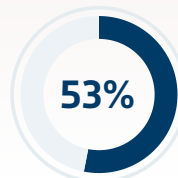
## Our people



**600**  
employees



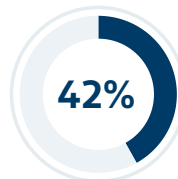
employee  
engagement



women in  
leadership



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



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

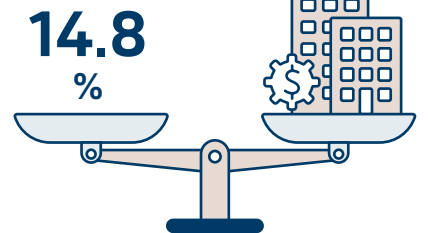
## Our social impact



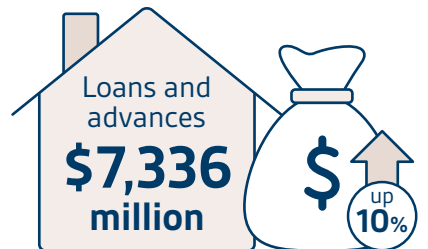
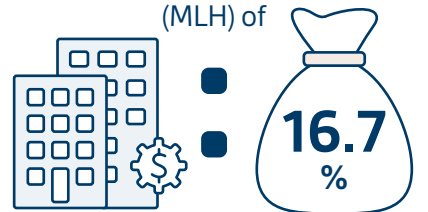
contributed  
to more than  
**160**  
community groups,  
charities and individuals in need  
through community partnerships,  
grants, donations and in-kind support

## Financial

Stable capital with a regulatory  
capital ratio of



Strong liquidity with a  
regulatory liquidity ratio  
(MLH) of



# Message from the Chair and CEO

BY GARY HUMPHREYS, CHAIR AND ANDREW HADLEY, CEO

**Against an economic backdrop which is impacting the financial wellbeing of most Australians, our Group has continued to focus on providing services, support and value where our customers need us most, while taking meaningful steps towards becoming a more sustainable organisation.**

We recognise the evolving needs and aspirations of our diverse customer base, and through our proprietary and broker channels, we have helped almost 2,000 Australians achieve their dream of purchasing a home, while also providing many other customers with hardship assistance and advice to help them get ahead and improve their financial situation.

Our strategic investments have been prioritised towards service excellence and delivering improved experiences for customers through more convenient, accessible and personalised, products, services and communications channels. We continue to invest in technology and process enhancements to help us deepen our customer relationships and provide more consistent experiences wherever customers choose to bank with us.



## **Sustainable financial performance**

Navigating the challenging economic environment, our Group balanced the provision of competitive interest rates with sustainable financial performance to protect long-term customer value.

We finished the year with a net profit after tax of \$24.2m, the result of our strong balance sheet growth, prudent margin management and cost discipline, and we're focused on opportunities to streamline and simplify our business for the benefit of customers.

Delivering above market growth in lending and deposits, both up by 10%, our product and service offerings continue to appeal to and attract an increased share of the market.

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

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

## **Ongoing consolidation of the customer-owned banking sector**

The consolidation of Australia's customer-owned banking sector continues with the announcement of another major merger between Bank Australia and Qudos Bank, following two other major customer-owned bank mergers in 2023.

In June 2024, PNL and Beyond Bank Australia (BBA) announced we had signed a Memorandum of Understanding (MoU) to explore a merger of equals to create a larger customer-owned organisation for the benefit of the customers of both organisations.

Due Diligence on the potential merger concluded in mid-September - post the adoption of our accounts in late August - and our Board determined that progressing with the merger would not be in the best interests of our members at this time. The Due Diligence process was robust, and we are confident the Board has made the right decision. Consequently, no member vote will be required on this proposed merger.

While our Group remains operationally strong and secure in its current state, growing our size and scale remains an important strategic objective. Our investment in talented, suitably qualified and capable employees, combined with the necessary investments in the likes of technology, cyber security, fraud and financial crime prevention, and compliance will only continue to increase year on year, making it more challenging to transform the business and enhance our relevance. In a highly competitive marketplace, our ability to outperform and surpass customer expectations requires us to keep growing, both organically and through mergers.

As always, we will continue to keep our members informed of any future updates and developments.

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**...we have started to consider the role that our sector might play to support the government, industry associations and not for profits to help get more Australians into secure housing.**

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## An ever-changing banking environment

The increasing uptake of digital banking saw more than 10 million transactions (up 12% year-on-year) made through our Internet Banking and mobile banking apps. While the vast majority of our customers prefer to use our digital banking offerings, we understand the value of being able to speak with a person for those more complex interactions and we remain committed to being available and giving customers the choice of how they wish to bank.

We continued to invest in technology, data and artificial intelligence, as well as comprehensive training and awareness programs for our people, to improve our cyber maturity and resilience, and their fraud and scam awareness.

In November 2023, the Group joined the Scam-Safe Accord, supported by the Customer Owned Banking Association (COBA) and Australian Banking Association (ABA). The Accord has committed the banking industry to get ahead of the mandatory codes and start delivering key improvements to safety and customer experience in combatting scams. We believe stopping scams at the source is the best outcome, as it means fewer potential scams reach Australians in the first place. We support an ecosystem approach to the mandatory industry codes that should include telco and digital platforms and look forward to continuing to work with intent to educate and keep our customers safe.

## Our social impact responsibility

This year, we have made headway with our Environmental, Social, and Governance (ESG) Strategy in the areas of diversity, inclusion, reconciliation, and climate action, launching our inaugural Reflect Reconciliation Action Plan (RAP), Gender Equity Strategy and Climate Action Plan (CAP).

Australia's ongoing housing affordability crisis is impacting all communities in which we operate. Together with COBA and Business Council of Co-operatives and Mutuals (BCCM), we have started to consider the role that our sector might play to support the government, industry associations and not for profits to help get more Australians into secure housing. Our Executive General Manager Customer Experience, Mark Smyth joined a delegation to Europe to study affordable housing models and we have identified an opportunity to undertake our own affordable housing research across our customer base as a starting point.

Following the introduction of new Respect at Work reforms, the Board and our Executive leadership team are committed to using the framework to ensure we take reasonable and proportionate measures to eliminate sex discrimination, sexual and sex-based harassment, hostile work environments and victimisation, and create a culture of respect and inclusion. Our most recent biannual employee survey included a Respect at Work dimension, and the results demonstrate that our culture of inclusion and respect is resonating well with our people.

## With thanks

As another busy year closes out, we are pleased with the performance and strategic direction of our Group.

Our dedicated Board, along with our talented leaders and employees, have again worked diligently on behalf of our customers with an eye on the present, and the future.

We extend our gratitude to our Directors, leaders, and employees for their ongoing efforts to continually enhance our customer value proposition and market position.

Last but not least, to you, our valued customers, we thank you for your trust and reaffirm our unwavering commitment to enriching your lives and your financial wellbeing.

**Gary Humphreys**  
Chair

**Andrew Hadley**  
CEO



“

We believe by providing outstanding customer service, we can support our customers to achieve the financial future they envision.

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# Our customers

**Our customers are at the heart of everything we do and to support their financial journey, we are committed to delivering more seamless and convenient banking experiences wherever people choose to bank with us.**

## **A commitment to service excellence**

We believe by providing outstanding customer service, we can support our customers to achieve the financial future they envision.

- P&N Bank was awarded the national Roy Morgan Bank of the Year for Customer Satisfaction in 2023, recognising the commitment and loyalty our people have for our customers.
- New service excellence programs were introduced to our P&N Bank and BCU Bank frontline teams, ensuring service equity and consistency across all customer touch points.
- We continued to invest in training for our people to ensure they are best placed to support our customers, in what is an increasingly complex and changing economic and banking environment.
- To help customers into their new home sooner, we accelerated our decision-making processes and reduced application barriers, resulting in 61% of simple home loan applications being approved within 24 hours.
- We invested in our virtual lending teams and technology thanks to customer requests for more flexibility and speed when it comes to personal and home loan applications and general insurance.
- Our broker partners and their clients enjoyed a simplified and streamlined experience through several process improvements and policy changes, which resulted in broker satisfaction increasing significantly in the past 12 months.
- Our Business Banking Division launched a new software platform, nCino, to manage our Business Banking loan applications, providing a more efficient process that meets our customer's needs.



Our new BCU branch design



Welcomed  
**16,362**  
new customers



Helped  
**1,924**  
customers buy  
their new home



## Navigating life's financial journey

With cost-of-living front of mind, we want to be there to support and empower our customers to make the most of their money and build a strong financial future.

- We supported home loan customers whose low multi-year fixed rate loans were coming to an end, offering a competitive variable rate through a seamless same-day renewal experience to lessen repayment shock.
- Our free mymo by P&N Bank and mymo by BCU Bank financial empowerment apps have helped some 3,000 customers track their unique spending habits, monitor their payments, and view and manage their budgets to help them get ahead.
- Through P&N Bank's partnership with Vinnies WA, we helped customers facing financial difficulty to boost their financial wellness through exclusive access to a financial coaching service.
- Our new Your Financial Wellness online financial literacy tool has assisted customers take more control of their financial situation.
- We continued to offer competitive products for customers from all walks of life, with transaction, savings and loan accounts priced to offer the greatest value to borrowers and savers.

## Where customers need us

With digital banking adoption increasing 12% year-on-year, we recognise the value of face-to-face conversations and are committed to being available where our customers choose to bank with us.

- The use of digital banking continued to grow, with over 10 million transactions made through Internet Banking and our mobile banking apps.
- Our two new websites were launched to P&N and BCU customers offering more personalised experiences, easier to find information, inclusive language, and an accessibility menu. The websites achieved Website Content Accessibility Guidelines 2.2 AA compliance, exceeding the industry benchmark.
- We invested in a new telephony platform to improve our call quality, connect customers to the right person faster and respond to enquiries in a timelier manner.
- BCU's new Ballina Branch was opened and, following devastating floods, we re-opened BCU's Toormina and Grafton branches, with these inclusive spaces offering self-service technology so our customers can bank their way. We appreciate the patience of those impacted by the closures and thank them for their ongoing support.

“

The use of digital banking continued to grow 12% year-on-year, with over 10 million transactions made through Internet Banking and our mobile banking apps.

”



- Our trading hours were expanded across our BCU Contact Centre and select branches to include Saturdays, redirecting resourcing from those branches experiencing lower foot traffic; a very popular decision with our customers.
- Our customers now have access to an additional 1,700 ATMs across Australia through our partnership with atmX by Armaguard that offers fee-free cash services to P&N and BCU customers.
- We supported cheque-using customers ahead of the Australian Government’s planned cheque phase out, transitioning them to alternative payment methods to ensure minimal impact.
- Our Business Banking extended its support to the property development and investment sectors in WA and Qld, as well as providing ongoing support to the Agribusiness and general commercial sectors in NSW.
- We have a role to play in preventing Financial Domestic Violence (FDV), as well as supporting customers experiencing FDV to help them leave abusive situations and get back on their feet. We updated our relevant Terms and Conditions to highlight zero tolerance for financial abuse, and we became a signatory to the Respect & Protect community initiative whose purpose is to disrupt financial abuse and gender bias through better product design.
- We continued to invest in scam identification training for our people and education for our customers on ways to remain vigilant, including community education sessions.
- We subscribed to the Scam-Safe Accord, alongside COBA and ABA, signalling our intent to better protect consumers and small businesses based on the principles of disruption, detection, and response.
- With the cyber threat landscape ever evolving, we have an ongoing investment in our cyber security prevention, detection and response, as well as our response capabilities.
- We continued to invest in technology, threat monitoring and analytics, training and awareness programs for our people, and implementation of compliance standards to ensure an elevated level of cyber and scam maturity and resilience.

### Keeping customers safe

Scammers are becoming more creative and scams are becoming much more sophisticated and frequent. Keeping our customer information and their money safe remains our most important priority.

- Mandatory training on financial abuse indicators was prioritised, elevating the understanding of our people on how to respond where suspected abuse is identified. This was supported by new financial abuse procedures that include responsive actions.



## P&N Bank opens two inclusive branches

In 2023, we identified there was more we could do to make banking more inclusive for more West Australians.

As part of P&N's commitment to creating an inclusive banking and financial experience for everyone and making branches, customer service channels and digital banking tools easier to access, we opened two new inclusive branches within the popular Karrinyup and Carousel shopping centres.

With 4.4 million Australians living with disability, and an estimated one in seven people identifying as neurodiverse, P&N engaged two community consultants with lived experience to advise on ways to make the branches more accessible and inclusive.

As a result, we made a range of improvements to our branch design to allow for an inclusive and accessible customer experience:

- offices with a sensory sensitive space, where lights can be dimmed and music turned down
- an accessible service desk
- in-branch self-serve banking technology
- a new safe space community wall
- bespoke reconciliation artwork on display
- iPads with kids' games.



Community consultants Clare Gibellini | Andrew Fairbairn with Angela Newland | Executive General Manager Retail Banking P&N Group

“

We're committed to helping WA not for profit groups and especially those that align with and advocate for diversity, equity and inclusion.

”



# Our social impact

As a customer-owned bank, our purpose is to enrich the lives of our customers and their communities. We are passionate about reinvesting our profits into our products and services, as well as helping the wider communities in which we operate.

## Standing up for what matters

We're committed to helping not for profit groups and especially those that align with and advocate for diversity, equity and inclusion.

We listened to what our customers value and have aligned our community support to those groups and causes which matter most.

- Our people volunteered with the Happy Boxes Project to collect essentials for distribution to First Nations women in remote communities across Australia, with 60 boxes sent to the women of Galiwin'ku, Elcho Island.
- We donated to national Aboriginal and Torres Strait Islander organisation, The Healing Foundation, on behalf of our Reconciliation Action Plan consultants and artists to show our appreciation for their support.
- Our relationship with Gumbaynggirr Giingana Freedom School grew further this year, leveraging their knowledge and advice to launch our Reconciliation Action Plan.
- We were honoured to have Aunty Gloria Mercy and the Jalay Jalay dance troupe perform at our 2023 Annual Awards Dinner and supported the dance troupe with the cost of uniforms and travel during the year.
- To show our ongoing allyship, we donated to Wear It Purple to support their commitment to the LGBTQIA+ community.
- Through an International Women's Day campaign, we raised funds for the Harding Miller Foundation that supports high potential socio-economically disadvantaged girls across Australia with high school scholarships.



Left: The Jalay Jalay dance troupe

**BCU Bank’s goal is to ensure more people and groups have the opportunity to make an impact through our community support initiatives.**

- Major partner of Orange Sky Australia, Lifeline North Coast and Australia Zoo.
- Supported 13 community and charitable organisation across Queensland and New South Wales as part of our Community Cares Program.
- Joined forces with five customer-owned banks to fund a \$90,000 scholarship program with Southern Cross University to foster business acumen, innovative thinking and entrepreneurship in the Northern Rivers over the next six years as the region continues to recover from the devastating floods.
- Hosted a community financial wellness workshop with Bellingen Youth Hub.



“

**By partnering with Orange Sky, BCU is helping to connect with some of the most vulnerable customers of our communities through genuine care, good conversation, hot showers, clean laundry, and other support services.**

”





# BCU partners with Orange Sky Australia

**BCU Bank partnered with charity Orange Sky Australia to provide practical community support for people experiencing homelessness and hardship.**

As a customer-owned bank, BCU exists to support our customers and our communities, which is a natural fit with Orange Sky's mission to provide positive connections.

The world's first free mobile laundry service for people experiencing homelessness and hardship,

Orange Sky, provides free laundry, warm showers, and conversation to vulnerable people in more than 38 locations across Australia.

The rising cost of living has been tough on many, and there are more people than ever who rely on Orange Sky's practical and social support to get by.

By partnering with Orange Sky, BCU is helping to connect with some of the most vulnerable customers of our communities through genuine care, good conversation, hot showers, clean laundry, and other support services.



**P&N Bank have always had a strong focus on making things better for our community and Western Australians, supporting a range of local charities and people in need.**

- Supported our local community through partnerships with Lifeline WA, Vinnies WA and the Manna Breakfast Program.
- Helped six WA not-for-profits striving for equity in the areas of disability and accessibility; mental health; poverty and homelessness; and domestic violence with \$60,000 of funding through our Empowerment Communities Grants.
- Assisted 90 individuals and families in financial crisis or who have basic needs that are not being met through our Empowering People Grants.
- Partnered with the Perth Wildcats team during the NBL's Indigenous round game, providing 100 young Indigenous basketball players from the Koordoornitj Institute Grassroots Basketball program with an opportunity to watch their heroes in action.
- Major sponsor of the WA Police Force Recognition of Excellence Awards.

“

**P&N Bank has assisted 90 individuals and families in financial crisis or who have basic needs that are not being met through our Empowering People Grants.**

”



# P&N partners with Vinnies WA

Providing financial education for our customers as well as the wider WA community is just one of the ways P&N are helping to remove barriers and make financial services easier to understand.

We genuinely care about the financial wellness of the WA community and were pleased to announce a new partnership with Vinnies WA to empower and support those in need.

Through the program partnership, Financial Capability Coaches are helping P&N customers review their current financial situation, set objectives, reduce stress, and develop a plan to achieve their money goals. The partnership has also enabled Vinnies WA to provide an additional part-time financial counsellor to help the WA community, as well as conduct group financial education workshops for P&N customers, that included mental health content delivered by Lifeline WA.

## Together with Vinnies we have:

- Assisted 61 P&N customers through one-on-one financial capability coaching
- 126 West Australians assisted by P&N-funded Financial Counsellor
- Held 1,921 sessions with Vinnie's Financial Capability Coach and Financial Counsellor

We are proud to provide this additional layer of support for our customers who may need help with their money, while at the same time giving Vinnies the opportunity to assist more West Australians via their financial counselling service.



Angela Newland, Executive General Manager Retail Banking P&N Group | Tiffany van Halen, a Vinnies customer | Suzanne Long, Vinnies WA Manager, Financial Counselling Services

# Our environment

**We take climate action seriously and recognise our role in meeting the expectations of our customers, communities, and regulators.**

To ensure we flourish in the years ahead without adversely impacting our environment, we have taken meaningful steps in developing our first Climate Change Action Plan which sets out 17 commitments that we aim to achieve by 2030.

This year, we commenced work on various Climate Action Plan commitments including:

- Signing the Business Council of Co-operatives and Mutuals Declaration of Climate Action alongside other mutuals and co-operatives to accelerate action towards tackling climate change. This declaration sets out how signatories will respond to the net zero transition over the coming years and take advantage of the opportunities of transitioning to a low carbon economy.
- Began our renewable energy transition with 42% of our branches and offices moving to 100% renewable energy supplied by certified GreenPower.
- Our supply chain process was further improved to include an ESG assessment and ESG credentials when selecting new suppliers.

We also:

- Recycled almost one tonne of uniforms through our partner Upparel.
- Saw an 8% increase in employee engagement in sustainability, up from 58% in FY23 to 66% in FY24.

## **Mandatory climate-related reporting**

During the year, the Australian Accounting Standards Board (AASB) released *Exposure Draft ED SR1 Australian Sustainability Reporting Standards*.

In the present form, these requirements would have the Group commence reporting for its financial year commencing on 1 July 2025. The Group acknowledges the growing importance of sustainability-related disclosures and continues to prepare to meet its future climate-related reporting obligations.

## **Operational emissions**

Our operational emissions, Scope 1 and Scope 2, are those associated with running our branches, offices and motor fleet as well as relevant Scope 3 emissions relating to the goods and services we acquire, waste generation and disposal, and the travel of our people.

Our emissions have been calculated in line with the International Greenhouse Gas Protocol and the Climate Active Carbon Neutral Standard for Organisations.

We are currently working towards calculating our financed emissions from our mortgage and investments portfolios (Scope 3, Category 15) in line with the global best practice Partnership for Carbon Accounting Financials (PCAF) Standard for financed emissions which will position us well to initiate emissions reduction targets by the end of 2026 in line with our Climate Action Plan 2024-2026.

The decrease in Scope 1 emissions can be attributed to refrigeration emissions as a consequence of more detailed data analysis in FY24 while the decrease in Scope 2 emissions was due mainly to a reduction in electricity consumption and our move to renewable energy in some locations.

While we work towards setting targets to reduce our emissions, we have made a commitment to achieve carbon neutral certification under the Climate Active Carbon Neutral Standard for our operational emissions by the end of 2025 and look forward to sharing this progress with our customers.

“

We support the goal of the Paris Agreement to limit global warming to 1.5 degrees Celsius this century and reach net zero emissions by 2050.

”



### Our operational emissions

Metric	Unit ~	FY24	FY23	FY22	FY21
Scope 1 GHG emissions*^#	tCO2-e	175	266	171	133
Scope 2 GHG emissions*^#	tCO2-e	790	1,327	1,326	2,006
Scope 3 GHG emissions^#	tCO2-e	7,223	7,723	6,979	7,770
Total emissions~#	tCO2-e	8,188	9,316	8,476	9,909

\*Our reporting boundary for Scope 1 and 2 emissions is based on the International GHG Protocol and the Climate Active Carbon Neutral Standard for organisations.

^Scope 1 emissions include all GHG emissions from sources that are within P&N Group’s control boundary, including emissions from fuel use for transportation purposes and refrigerants during the use of air conditioning equipment. Scope 2 emissions include the use of purchased electricity in our offices and branches, reported using the market-based method. Scope 3 includes emissions that occur as a result of our activities but outside the organisation’s control boundary, such as computer software and equipment, professional services, postage, courier, and freight, employee commuting, business travel and waste generation and disposal.

~ All emissions values are in tonnes of carbon dioxide equivalent (tCO2-e). Emission factors were derived from the National Greenhouse Accounts (NGA) Factors and the Climate Active database following market-based approach.

#Figures stated in this report are calculations based on best practice methodology rather than precise measurements and include estimations and assumptions.

# Our Climate Action Plan

**We acknowledge the urgency of climate change and the importance of taking meaningful action now. Our inaugural Climate Action Plan demonstrates our commitment to ensuring we are a sustainable organisation for our customers into the future.**

Our commitments extend to support our customers, as they too face climate change risks and events which may impact their ability to own, insure, and remain comfortable in their homes. Our approach to climate change acknowledges we have a part to play in addressing the environmental and social issues these communities are facing.

We look forward to continuing to understand our impact and setting reduction targets in the future. We support the goal of the Paris Agreement to limit global warming to 1.5 degrees Celsius this century and reach net zero emissions by 2050.

Our Climate Action Plan 2024-2026 is underpinned by four focus areas which represent our holistic commitment to climate action.



## Supporting Our Customers, Their Homes, and Businesses

We acknowledge our customers are facing into potential climate change risks with increased extreme weather events and we will continue to support our customers during these difficult times. We also acknowledge that we have the potential to help our customers unlock the opportunities that climate change brings to transition their homes, cars and businesses to become more sustainable.

### Our commitments:

1. Support our Business customers to understand their climate change risks and opportunities through education and partnerships and investigate how we might assist customers to transition to more sustainable practices.
2. Continue to adapt to the needs of our customers by investigating products and services that could unlock the environmental and financial benefits of upgrading their homes to renewable energy and their motor vehicles to electric vehicles.
3. Continue to support customers during disaster events such as fire, flood, and drought by offering assistance packages and streamlining the hardship process.





## Managing Climate Risk

In recent years, we have seen the risk climate change poses to our customers and their communities, as well as the impacts on our own business operations and assets from climate change events. We are making a commitment to continue to assess and understand climate change risks and how they may impact our organisation.

### Our commitments:

1. Continue to embed climate change risk assessments into our Risk Management Framework, governance processes and reporting models.
2. Understand our key climate risks and opportunities and ensure they are considered as part of our strategy setting process.
3. For the period beginning 1 July 2025, we will include Climate Related Financial Disclosures within our annual report as required by ASRS 1 General Requirements for Disclosure of Climate-related Financial Information and ASRS 2 Climate-related Financial Disclosures.



## Collaborate With Our Partners

We need to partner with experts to ensure we continue to evolve and mature and can empower others to do the same.

### Our commitments:

1. Become a signatory of the Business Council of Co-Operatives and Mutuals Climate Declaration by the end of 2024.
2. Collaborate with the Customer Owned Banking Association and other customer-owned banks to share ideas and collaborate on contemporary practice.
3. Engage with our suppliers to encourage greater transparency on emissions and agree on emissions reductions strategies.
4. Work with our insurance partners to keep across current issues and advocate for our customers' needs.



**Our inaugural Climate Action Plan demonstrates our commitment to ensuring we are a sustainable organisation for our customers into the future.**



## Operational Climate Action

To make meaningful change, we need to reduce the impact of our operations and lending activities on the environment as we transition to becoming a more sustainable organisation.

### Our commitments:

1. No lending to large-scale activities, projects and industries involved in exploration, extraction, or production of fossil fuels or in electricity generation from fossil fuels.
2. Transition our owned properties to solar power by the end of 2025.
3. Become carbon neutral certified under the Climate Active Carbon Neutral Standard for Organisations by the end of 2025.
4. Initiate Emissions Reduction Targets setting by the end of 2026 in line with the Science-Based Targets Initiative (SBTi).
5. Source 100% renewable energy for our offices and branches by the end of 2027.
6. Transition our motor fleet to hybrid, plug in hybrid and battery electric vehicles by the end of 2030.
7. Educate our passionate people on the impacts of climate change and how they can embed our commitments into our operations, their own homes, and communities to accelerate change.

# Our people



**P&N Group is committed to being an employer of choice. We believe it's important to offer our people a unique employee experience that they value, and one that also attracts the future talent we need.**

## Employer of choice

Our values are fundamental to our ways of working and we offer a collaborative and inclusive workplace where our people feel a strong sense of belonging, they are recognised, invested in, and cared for, and are part of something bigger.

- We were proud to sit within the top-quartile of organisations for employee engagement with a score of 81%, a leader amongst financial services organisations.
- In recognition of our inclusive environment, where diversity is embraced and differences celebrated, we were proud to see 90% of our people feel like they belong at work.
- We continued to support important employee-related legislative changes, such as the positive duty to eliminate sexual harassment, and the inclusion of

psychosocial risks under Work Health and Safety laws. Key initiatives included enhanced policies and training for our people on sexual harassment and psychosocial risks, the appointment of qualified Mental Health First Aiders (MHFA), and enhanced Board reporting, which have contributed to maintaining a safe and respectful environment which our governing body proactively and continually assesses.

- In line with our commitment to preventing and supporting those experiencing Family Domestic Violence (FDV), we implemented workplace policies aimed at protecting and supporting our people impacted by FDV. This included expanded warning signs and what this may look like in the workplace, updated resources for leaders, and a detailed Family and Domestic Violence Risk Assessment and Workplace Safety Plan.





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

”

## Our values:

Focus on  
customers

Improve  
and learn

Trust and  
collaborate.



Mark Smyth, Executive General Manager Customer Experience | Clark Webb, our RAP consultant | Jacqueline Ryan, Chief Business Banking Officer | Shaun Hassall, Chief Financial Officer

### A commitment to diversity, equity, and inclusion

We are committed to creating an inclusive employee experience and building a deeper understanding of current and future customers. We want to leverage the benefits and innovative gains that a diverse workforce brings and the high engagement that comes from a culture built on belonging and inclusion.

- Our focus on closing our Gender Pay Gap (GPG) continued. As at the Workplace Gender Equity Agency 2022-23 reporting period, our average total remuneration GPG was 23.4%, our median total remuneration GPG was 28.1% and our median base salary GPG was 25.3%. While falling below the average gap of the financial services industry, there is still more we can do to close the gap. Our inaugural Gender Equity Strategy will focus not only on the GPG, but also financial equity and inclusion, and communication and advocacy.
- In support of our commitment to gender equity, we benefitted from our ongoing relationship with CEOs for Gender Equity.
- We launched the Group's inaugural Reconciliation Action Plan (RAP) Reflect, marking the next phase of our reconciliation journey. Work is underway to deliver against the four pillars of our commitments and the Reflect RAP can be viewed using the QR code.



- We progressed our Australian Workplace Equality Index accreditation with support from Pride in Diversity and look forward to announcing more on this soon.

### Developing an adaptive workforce of the future

We are committed to developing our employees as we create an adaptive workforce of the future. Our learning and development program seeks to invest in, identify and nurture our people to provide a pathway to promote from within.

- Our national Emerging Leaders Program (ELP), launched in 2019, has seen 68 participants graduate, 21 promoted to leadership or acting roles, and 12 promoted to higher roles, with over 85% of graduates still employed within our organisation.
- Our new national Leadership Essentials Program continued to evolve, with all content delivered in-house. To date, 23 leaders have participated in the program with a retention rate of 96%.
- We provided work placement opportunities to four students completing their Masters of Industrial and Organisational Psychology through a new partnership with the University of Western Australia.

## Supporting our people to flourish

Our senior leadership, including executives, is made up of **36%** women

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

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

**80%** of our people feel they have work-life blend

**82%** of employees feel supported to access flexible work

**85%** of employees feel their wellbeing is a priority

**90%** of our people believe we take the health and safety of employees and customers seriously

**86%** of our people have access to the learning and development they need to do their job well

“

**We want to leverage the benefits and innovative gains that a diverse workforce brings and the high engagement that comes from a culture built on belonging and inclusion.**

”

## An award-winning culture

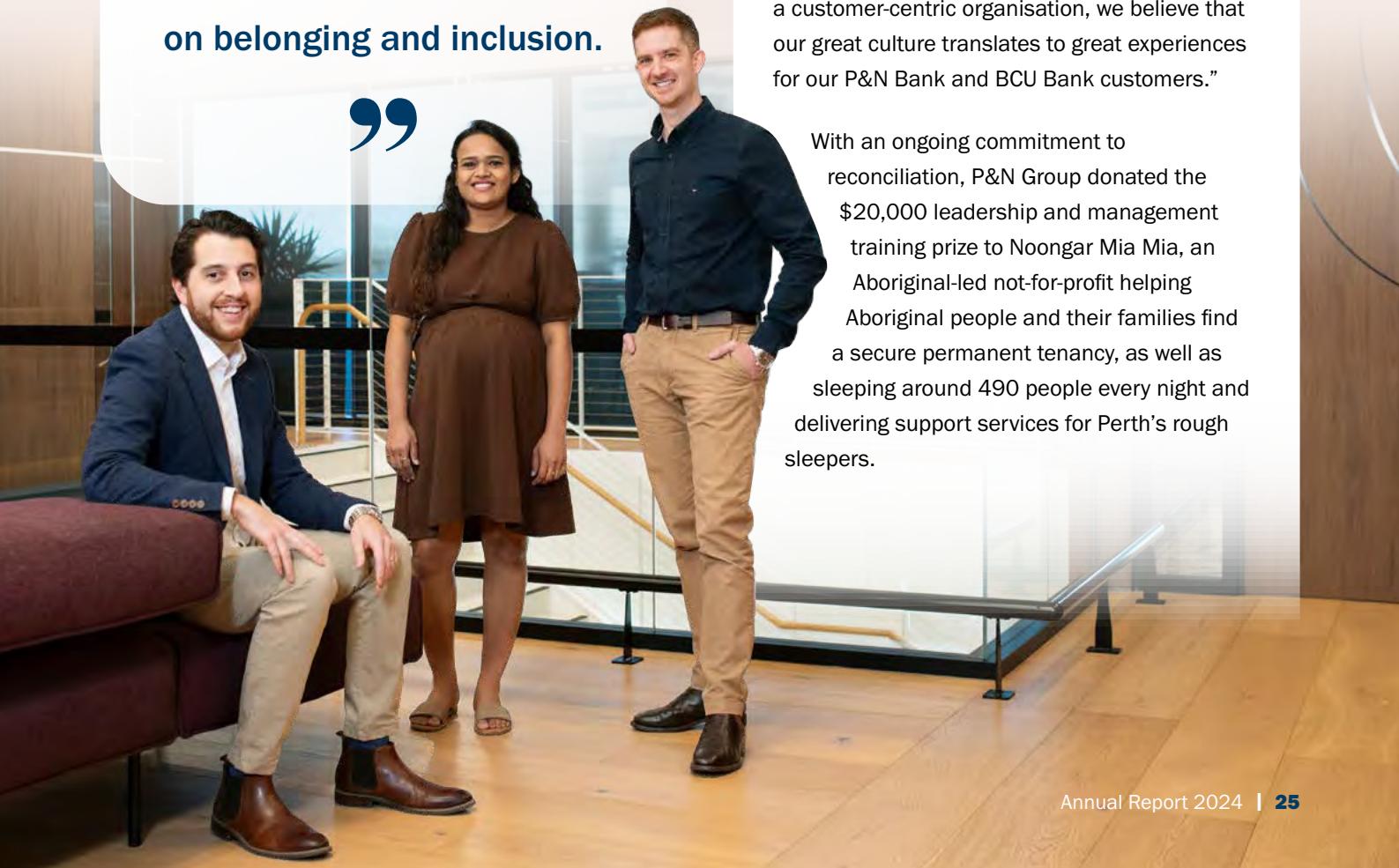
We are proud of our unique and strong culture and were honoured when P&N Group was named winner of the Gerard Daniels Human Resource Management Excellence Award in the 2023 AIM WA Pinnacle Awards for our Cultural Renovation initiative.

To strengthen our digital transformation and enable us to successfully deliver on our five-year strategic plan, in 2021 we embarked on our Cultural Renovation to create a more inclusive and productive work environment.

With an ongoing and intentional focus on co-creating and evolving our culture together with our people for the benefit of our customers, our profile as an employer of choice has grown over the past three years following the success of the Cultural Renovation.

Christine MacKenzie, our Chief People Officer, said “Our people are our best asset, driven by a shared purpose and desire to collectively build a workplace of trust and belonging for all. As such a customer-centric organisation, we believe that our great culture translates to great experiences for our P&N Bank and BCU Bank customers.”

With an ongoing commitment to reconciliation, P&N Group donated the \$20,000 leadership and management training prize to Noongar Mia Mia, an Aboriginal-led not-for-profit helping Aboriginal people and their families find a secure permanent tenancy, as well as sleeping around 490 people every night and delivering support services for Perth’s rough sleepers.



“

The opportunities you get at P&N Group to grow and develop are based on what you have delivered and how you present yourself – you don't get that everywhere.

”



## AN EMERGING LEADER: Jodie Bulman

Jodie Bulman is P&N Group's Delivery Lead and has been with us for almost 13 years, initially joining one of our P&N Bank branch teams before moving into a variety of operational roles in our project and retail teams.

“When I was given the chance to take part in P&N Group's Emerging Leaders Program, I jumped at it. I was offered my first leadership role three months into the program, so it was great to learn skills I could use on the job with a group of like-minded people, and leaders I could go to for support and mentoring.

For me to be in a role where I've been given so many opportunities based on my personal brand and real-world experience has been incredible. The opportunities you get at P&N Group to grow and develop are based on what you have delivered and how you present yourself – you don't get that everywhere.

You get to work with a diverse group of people, and everyone is treated equally. Our people are honest, transparent, and everyone is supportive and wants to see you succeed.”

# Report of the Directors

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

The concise financial report is an extract from the full financial report for the year ended 30 June 2024. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

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

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

## Your Directors present their report on the concise financial statements of the Bank and the Group for the year ended 30 June 2024

### Corporate Governance

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

### Operations of the Board of Directors

Corporate governance responsibilities of the Board include:

- contributing to, evaluating, approving and monitoring strategic direction and business objectives developed in conjunction with management;
- monitoring the Group's progress against agreed performance measures linked to business objectives and strategies, and comparing these with its peers in the marketplace;
- contributing to and enhancing the reputation and image of the Group to its members, the marketplace and the community at large;
- ensuring the required frameworks are in place including risk and capital management policies, internal controls, compliance and public reporting; and
- accepting accountability to members and responsibility to other stakeholders in the Group.

## Directors

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

### Gary HUMPHREYS

GAICD, AMP173 (Harvard) (Chair)

Full time Non-Executive Director across various sectors including banking, health, government, and retail with over 20 years' experience leading and operating large corporations as a senior executive, deputy CEO and COO. Until his appointment as Board Chair on 11 December 2023, Mr Humphreys acted as Audit Committee Chair and Risk Committee member. Since his appointment as Board Chair, Mr Humphreys has been an ex-officio member of the Audit Committee, Risk Committee and the Board Governance & Remuneration Committee – and has been the Nominations Committee Chair since 25 June 2024.

### Julie ELLIOTT

FAICD FCA FFin MBA (Exec) BEc

Experienced banking and finance executive with over 35 years' experience across retail banking, commercial banking, payments, wealth management, project management, accounting and audit. Bachelor of Economics and an Executive MBA. Experienced Director with over 20 years' experience. Board Governance and Remuneration Committee Chair and Audit Committee member.

### Andrew HADLEY

BCom GAICD SFFin

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

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

### Trevor HUNT

BBus FAICD

Experienced retail banking and financial services professional with over 30 years operating in Australia in banking and senior executive positions and over 18 years as a non-executive director across banking, superannuation, financial planning and mortgage broking. Risk Committee Chair and Board Governance and Remuneration Committee member.

### Louise CLARKE

BBus GAICD

Executive and leadership coach with over 30 years' experience in the financial services sector as a Senior Executive. Nominations Committee Chair until 25 June 2024, Risk Committee member and Board Governance and Remuneration Committee member. Member of the Audit Committee since 11 December 2023.

# Report of the Directors

## Monish PAUL

MAICD, MBA, BBus

Professional with 25 years' experience in corporate strategy, technology, regulation and public policy across a range of industries both in the public and private sectors. Audit Committee member, Audit Committee Chair since 11 December 2023, and Risk Committee member.

## Stephen TARGETT

(Chair) FAICD, MAIEx (Diploma)

(retired 11 December 2023)

Director with extensive experience running bank divisions, both globally and locally. Until 11 December 2023, Mr Targett was Board Chair and an ex-officio member of the Audit Committee, Risk Committee and the Board Governance & Remuneration Committee.

Mr Targett retired from the Board on 11 December 2023.

Each Director holds one member share in the Bank.

## Company Secretary

### David Fehlberg

BEc(Acc), LIB, MBA, GAICD

Mr Fehlberg has more than 20 years' experience working in Australia and internationally, in governance, legal and risk roles.

## Composition and Meetings of the Board

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

- the Board must be comprised of at least 5 directors, being:
  - at least three member elected directors;
  - any board appointed directors, provided that at all times the number of member elected directors shall exceed the number of board appointed directors; and
  - if the Board so determines, the Chief Executive Officer;
- the Board comprises of members with an appropriate range of expertise, skills and qualifications; and
- each Board member maintains their own skills relevant to the business of the Bank.

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the year ended 30 June 2024 and the number of meetings attended by each Director.

Director	Directors' Meetings		Audit Committee Meetings		Risk Committee Meetings		Board Governance and Remuneration Committee Meetings	
	A	B	A	B	A	B	A	B
<b>Member elected directors</b>								
T J Hunt	7	7	*	*	7	7	5	5
L A Clarke	7	7	3	3	7	7	5	5
G C Humphreys**	7	7	**2	**2	**3	**3	**	**
M Paul	7	7	5	5	7	7	*	*
<b>Board appointed directors</b>								
S C Targett***+	3	3	***	***	***	***	***	***
J A Elliott	7	7	5	5	*	*	5	5
<b>Chief Executive Officer (executive director)</b>								
A D Hadley****	7	7	*	*	*	*	*	*

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

**B** Number of meetings attended.

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\*\* Mr Humphreys, as the Board Chair from 11 December 2023, became an ex-officio member of the Audit Committee, Risk Committee and Board Governance and Remuneration Committee

\*\*\* Mr Targett, as the Board Chair until 11 December 2023, was an ex-officio member of the Audit Committee, Risk Committee and Board Governance and Remuneration Committee.

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

The Nominations Committee also met once during the year, chaired by Ms Clarke.

# Report of the Directors

## Director Induction Program

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

## Directors' Remuneration

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

## Audit Committee

The Board has established the Audit Committee to assist in the execution of its responsibilities. The Committee comprises at least 3 Board members. This Committee has written terms of reference, which outline its role and responsibilities to enable it to assist the Board in relation to:

- the reliability and integrity of financial information for inclusion in public financial statements;
- the review of audit plans to ensure they cover material risks and financial reporting requirements;
- the independence, effectiveness and adequacy of the external and internal auditors; and
- the appointment and removal of external and internal auditors.

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

## Risk Committee

The Board has established the Risk Committee to assist in the execution of its responsibilities. The Committee comprises at least 3 Board members. This Committee has written terms of reference, which outline its role and responsibilities to enable it to assist the Board in relation to the establishment, monitoring, oversight and maintenance of the Bank's risk management framework. The Committee also monitors and oversees regulatory matters and operational, credit, market, capital and liquidity risk.

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

## Board Governance and Remuneration Committee

The Board has established the Board Governance and Remuneration Committee to assist it in the execution of its responsibilities. The Committee comprises at least 3 Board

members. This Committee has written terms of reference, which outline its roles and responsibilities to enable it to assist the Board in relation to:

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

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

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

## Nominations Committee

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

## Group Risk Management

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

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

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

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

# Report of the Directors

## Ethical Standards

Board members are required to act in accordance with the Constitution, any Board approved Code of Conduct and Conflict of Interest and Transactions with Directors and their Related Parties Policy. Any Board member who has a material personal interest in any matter that relates to the affairs of the Bank must disclose that interest under section 191 of the Corporations Act 2001 (Cth) and that Board member may not be present at a Board meeting considering that matter, or vote on that matter, unless permitted by section 195 of the *Corporations Act 2001 (Cth)*.

## Review of Operations

The financial year ended 30 June 2024 was a challenging year for our industry and members. Inflation remained elevated in the first half of the year prompting a further 25 bps interest rate rise by the Reserve Bank of Australia (RBA) adding to the 400bps of increases since April 2022. While inflation has moderated in the second half of the year, the pace of moderation is slower than hoped.

Against this backdrop, cost of living pressures for all Australians and our members has remained challenging and credit growth has moderated. This has also placed pressure on the industry as costs increase with inflation and lower growth opportunity has driven increased competition for retail loans and deposits.

The Group has navigated this environment carefully with a view to support our members and improving our financial performance to protect long-term member value, resilience and sustainability. In that context, we are pleased to report an excellent performance this year with the key highlights being:

- Above market growth in loans and advances (10%) and member deposits (10%) as our products, value propositions and service offerings continue to attract an increased share of the market and grow our member base (up 5%).
- An increase in profitability with Group profit after tax increasing to \$24.2m (24%) attributable to the benefits of our strong balance sheet growth, prudent net interest margin management and cost discipline.
- Stable capital outcomes with our regulatory capital ratio ending the year at 14.8%.
- Strong credit risk outcomes with our loan impairment provisions levels remaining relatively consistent with the prior year at 0.08% of gross loans and advances. This reflects our strong credit practices and diligence in helping our members to navigate their way through the difficult environment.
- Successful implementation of several initiatives delivered through our Transformation program which continued to deliver improved outcomes for members and efficiency opportunities for the Group.
- Progressing the implementation of our ESG Strategy including the launch of our Climate Action Plan and Reconciliation Action Plan.

## Potential Merger with Beyond Bank

In June 2024, the Group and Beyond Bank Australia announced they had signed a Memorandum of Understanding (MoU) to explore a merger of equals to create a larger customer-owned organisation for the benefit of the members of both organisations.

The MoU allows both parties to investigate the member and commercial benefits that may be gained from merging the two organisations through a due diligence process. As at the date of this report, the due diligence process has commenced and, subject to the due diligence outcomes and regulatory and member approval, the target date for completion of the merger is sometime during the 2025 calendar year. For the merger to proceed, a number of regulatory approvals will be required, including from the Australian Prudential Regulatory Authority (APRA) and the Federal Treasurer. Eligible members of both organisations will also be asked to approve the merger at special general meetings in 2025.

## Likely development and results of operations

There are no likely developments that would be expected to have a material impact on the operations of the Group as at the date of this report. As detailed in the Review of Operations, the economic environment remains uncertain and will continue to impact the operating environment. However, with a sound capital position, improved financial performance and prudent approach to impairment provisions the Group expects to operate profitably during the next financial year whilst it explores the potential merger with Beyond Bank Australia.

## Significant Changes

There were no significant changes in operations during the period.

## Principal Activities

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

## Events Subsequent to the End of the Financial Year

There were no material subsequent events identified.

## Environmental Regulation

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



# Report of the Directors

## Insurance of Officers

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

## Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001(Cth) is set out on page 44.

## Rounding of Amounts

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

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



**Gary Humphreys**  
Director



**Monish Paul**  
Director

Date: 27 August 2024  
PERTH WA

# Concise Financial Report



## Statements of Profit or Loss

Year Ended 30 June 2024	Notes	Group		Bank	
		2024 \$000	2023 \$000	2024 \$000	2023 \$000
Interest revenue	5	444,204	300,781	519,454	357,545
Interest expense	5	272,320	142,265	356,496	207,284
<b>Net interest income</b>		<b>171,884</b>	158,516	<b>162,958</b>	150,261
Non-interest revenue	6	14,579	13,878	24,724	21,648
Other income		1,131	1,454	603	1,259
<b>Total non-interest revenue and other income</b>		<b>15,710</b>	15,332	<b>25,327</b>	22,907
<b>Total income</b>		<b>187,594</b>	173,848	<b>188,285</b>	173,168
Credit impairment charge/(reversal)		180	818	180	818
Loss on sale of financial assets held at amortised cost		81	-	80	-
Other expenses	7	152,160	144,975	152,960	144,547
<b>Total expenditure</b>		<b>152,420</b>	145,793	<b>153,220</b>	145,365
<b>Profit before income tax</b>		<b>35,174</b>	28,055	<b>35,065</b>	27,803
Income tax expense		10,799	8,578	10,275	8,409
<b>Profit after income tax</b>		<b>24,375</b>	19,477	<b>24,790</b>	19,394
(Profit)/loss attributable to non-controlling interests		(151)	11	-	-
<b>Profit attributable to members</b>		<b>24,224</b>	19,488	<b>24,790</b>	19,394

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

## Statements of Other Comprehensive Income

Year Ended 30 June 2024	Group		Bank	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>Profit for the year from operations</b>	<b>24,375</b>	19,477	<b>24,790</b>	19,394
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Changes in the fair value of cash flow hedges	<b>(10,008)</b>	3,599	<b>(10,008)</b>	3,599
Income tax benefit/(expense) relating to these items	<b>3,003</b>	(1,080)	<b>3,003</b>	(1,080)
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation of land and buildings	-	-	-	-
Changes in the fair value of equity investments held at FVOCI	<b>(67)</b>	(292)	-	-
Income tax benefit/(expense) relating to these items	<b>20</b>	88	-	-
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(7,053)</b>	2,315	<b>(7,005)</b>	2,519
<b>Total comprehensive income for the period</b>	<b>17,322</b>	21,792	<b>17,785</b>	21,913
Total comprehensive income/(loss) for the year is attributable to:				
Members of the Bank	<b>17,171</b>	21,803	<b>17,785</b>	21,913
Non-controlling interests	<b>151</b>	(11)	-	-
	<b>17,322</b>	21,792	<b>17,785</b>	21,913

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

# Statements of Financial Position

As at 30 June 2024	Group		Bank	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>Assets</b>				
Cash and cash equivalents	255,582	309,257	183,238	221,739
Receivables due from other financial institutions	1,225,536	1,133,288	1,225,536	1,133,288
Financial assets held at FVOCI <sup>(i)</sup>	10,380	10,447	10,380	10,380
Other assets	10,359	15,433	10,401	15,165
Current tax assets	-	1,503	-	1,497
Other financial assets held at FVPL <sup>(ii)</sup>	64	65	20,498	47,267
Loans and advances	7,335,898	6,670,693	7,335,898	6,670,693
Derivative financial instruments	6,837	18,791	6,753	18,263
Due from controlled entities	-	-	28,749	59,754
Property and equipment	23,234	22,746	21,437	20,918
Right-of-use assets	25,282	28,121	25,282	28,121
Investments in controlled entities	-	-	2,625	3,835
Intangible assets	30,087	24,163	30,087	24,163
Deferred tax assets	2,258	-	2,871	-
<b>Total assets</b>	<b>8,925,517</b>	<b>8,234,507</b>	<b>8,903,755</b>	<b>8,255,083</b>
<b>Liabilities</b>				
Members' deposits	7,000,311	6,384,785	7,000,937	6,386,648
Other payables	30,640	12,179	29,299	10,695
Provisions	9,602	9,192	9,602	9,192
Current tax liabilities	2,172	-	2,144	-
Lease liabilities	30,919	33,750	30,919	33,750
Derivative financial instruments	4,050	5,619	4,050	5,619
Borrowings	1,258,926	1,209,707	488,051	553,994
Due to controlled entities	-	-	749,588	677,019
Deferred tax liabilities	-	1,999	-	1,784
<b>Total liabilities</b>	<b>8,336,620</b>	<b>7,657,231</b>	<b>8,314,590</b>	<b>7,678,701</b>
<b>Net assets</b>	<b>588,897</b>	<b>577,276</b>	<b>589,165</b>	<b>576,382</b>
<b>Members' funds</b>				
Reserves	225,955	232,987	227,810	234,794
Retained earnings	138,138	118,878	136,702	116,929
Contributed equity	150,719	150,719	150,719	150,719
Issued capital	73,934	73,940	73,934	73,940
Non-controlling interests	151	752	-	-
<b>Total members' funds</b>	<b>588,897</b>	<b>577,276</b>	<b>589,165</b>	<b>576,382</b>

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

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

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

# Statements of Changes in Equity

Year Ended 30 June 2024

	Group						Non-controlling interests	Total equity
	Attributable to Members of Police & Nurses Limited					Total		
	Reserves	Contributed equity	Issued Capital	Retained earnings	Total			
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Total members' funds (equity) as at 1 July 2022</b>	<b>230,648</b>	<b>150,719</b>	<b>73,970</b>	<b>103,758</b>	<b>559,095</b>	<b>763</b>	<b>559,858</b>	
Profit/(loss) for the year	-	-	-	19,488	19,488	(11)	<b>19,477</b>	
Other comprehensive income/(loss)	2,315	-	-	-	2,315	-	<b>2,315</b>	
<b>Total comprehensive income/(loss) for the year</b>	<b>2,315</b>	<b>-</b>	<b>-</b>	<b>19,488</b>	<b>21,803</b>	<b>(11)</b>	<b>21,792</b>	
Capital note issuance costs	-	-	(30)	-	(30)	-	<b>(30)</b>	
Dividends provided for or paid	-	-	-	(4,344)	(4,344)	-	<b>(4,344)</b>	
Amount transferred to share capital reserve	24	-	-	(24)	-	-	-	
<b>Transactions with owners in their capacity as owners</b>	<b>24</b>	<b>-</b>	<b>(30)</b>	<b>(4,368)</b>	<b>(4,374)</b>	<b>-</b>	<b>(4,374)</b>	
<b>Total members' funds (equity) as at 30 June 2023</b>	<b>232,987</b>	<b>150,719</b>	<b>73,940</b>	<b>118,878</b>	<b>576,524</b>	<b>752</b>	<b>577,276</b>	
Opening adjustment	-	-	-	310	310	(53)	<b>257</b>	
<b>Total members' funds (equity) as at 1 July 2023</b>	<b>232,987</b>	<b>150,719</b>	<b>73,940</b>	<b>119,188</b>	<b>576,834</b>	<b>699</b>	<b>577,533</b>	
Profit/(loss) for the year	-	-	-	24,224	24,224	151	<b>24,375</b>	
Other comprehensive income/(loss)	(7,053)	-	-	-	(7,053)	-	<b>(7,053)</b>	
<b>Total comprehensive income/(loss) for the year</b>	<b>(7,053)</b>	<b>-</b>	<b>-</b>	<b>24,224</b>	<b>17,171</b>	<b>151</b>	<b>17,322</b>	
Capital note issuance costs	-	-	(6)	-	(6)	-	<b>(6)</b>	
Dividends provided for or paid	-	-	-	(5,252)	(5,252)	(635)	<b>(5,887)</b>	
Amount transferred to share capital reserve	22	-	-	(22)	-	(64)	<b>(64)</b>	
<b>Transactions with owners in their capacity as owners</b>	<b>22</b>	<b>-</b>	<b>(6)</b>	<b>(5,274)</b>	<b>(5,258)</b>	<b>(699)</b>	<b>(5,957)</b>	
<b>Total members' funds (equity) as at 30 June 2024</b>	<b>225,955</b>	<b>150,719</b>	<b>73,934</b>	<b>138,138</b>	<b>588,746</b>	<b>151</b>	<b>588,897</b>	

Year Ended 30 June 2024

	Bank				
	Reserves	Contributed equity	Issued Capital	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
<b>Total members' funds (equity) as at 1 July 2022</b>	<b>232,251</b>	<b>150,719</b>	<b>73,970</b>	<b>101,903</b>	<b>558,843</b>
Profit/(loss) for the year	-	-	-	19,394	<b>19,394</b>
Other comprehensive income/(loss)	2,519	-	-	-	<b>2,519</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>2,519</b>	<b>-</b>	<b>-</b>	<b>19,394</b>	<b>21,913</b>
Capital note issuance costs	-	-	(30)	-	<b>(30)</b>
Dividends provided for or paid	-	-	-	(4,344)	<b>(4,344)</b>
Amount transferred to share capital reserve	24	-	-	(24)	-
<b>Transactions with owners in their capacity as owners</b>	<b>24</b>	<b>-</b>	<b>(30)</b>	<b>(4,368)</b>	<b>(4,374)</b>
<b>Total members' funds (equity) as at 30 June 2023</b>	<b>234,794</b>	<b>150,719</b>	<b>73,940</b>	<b>116,929</b>	<b>576,382</b>
Opening adjustment	-	-	-	257	<b>257</b>
<b>Total members' funds (equity) as at 1 July 2023</b>	<b>234,794</b>	<b>150,719</b>	<b>73,940</b>	<b>117,186</b>	<b>576,639</b>
Profit/(loss) for the year	-	-	-	24,790	<b>24,790</b>
Other comprehensive income/(loss)	(7,005)	-	-	-	<b>(7,005)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(7,005)</b>	<b>-</b>	<b>-</b>	<b>24,790</b>	<b>17,784</b>
Capital note issuance costs	-	-	(6)	-	<b>(6)</b>
Dividends provided for or paid	-	-	-	(5,252)	<b>(5,252)</b>
Amount transferred to share capital reserve	22	-	-	(22)	-
<b>Transactions with owners in their capacity as owners</b>	<b>22</b>	<b>-</b>	<b>(6)</b>	<b>(5,274)</b>	<b>(5,258)</b>
<b>Total members' funds (equity) as at 30 June 2024</b>	<b>227,810</b>	<b>150,719</b>	<b>73,934</b>	<b>136,702</b>	<b>589,165</b>

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

# Statements of Cash Flows

Year Ended 30 June 2024

	Group		Bank	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>Cash flows from operating activities</b>				
Interest received from loans	379,275	257,960	379,275	257,960
Bad debts recovered	205	283	205	283
Interest received from investments	64,929	42,821	140,179	99,584
Commissions and other income received	16,374	14,753	23,505	21,569
Borrowing costs - members	(224,441)	(115,364)	(224,479)	(115,376)
Net movement in interest rate swaps	(5)	3	(449)	(392)
Borrowing costs - financial institutions and SPVs	(47,879)	(26,902)	(132,017)	(91,908)
Interest paid	(1,327)	(1,235)	(1,327)	(1,235)
Payments to employees and suppliers	(118,118)	(142,965)	(116,890)	(143,135)
Income taxes paid	(8,464)	(1,428)	(8,401)	(1,568)
<b>Net cash inflow from operating activities before changes in operating assets and liabilities</b>	<b>60,549</b>	<b>27,926</b>	<b>59,601</b>	<b>25,782</b>
<b>(Increase)/decrease in operating assets</b>				
Net (increase) in balance of loans and other receivables	(659,182)	(824,802)	(659,181)	(824,850)
Net (increase)/decrease in receivables due from other financial institutions	(92,271)	83,968	(92,271)	83,968
<b>(Increase)/decrease in operating liabilities</b>				
Net increase in balance of deposits	616,114	637,446	614,878	635,135
Net increase/(decrease) in borrowings from other financial institutions	49,219	240,925	(65,942)	(20,267)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(25,571)</b>	<b>165,463</b>	<b>(142,915)</b>	<b>(100,232)</b>
<b>Cash flows from investing activities</b>				
Dividends received	489	407	2,665	1,152
Proceeds from settlement of other assets	-	544	-	-
Proceeds from sale of property and equipment	213	2,135	213	2,135
Gross proceeds from sale/(payments) for financial assets held at FVOCI	-	4	-	4
Payments for property and equipment	(6,927)	(3,671)	(6,927)	(3,671)
Payments for intangible assets	(10,316)	(12,467)	(10,316)	(12,467)
(Loans to)/repayments from controlled entities	-	-	103,574	287,745
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(16,541)</b>	<b>(13,048)</b>	<b>89,209</b>	<b>274,898</b>
<b>Cash flows from financing activities</b>				
Principal element of lease payments	(6,283)	(6,658)	(6,283)	(6,658)
Member shares issued	186	166	186	166
Member shares redeemed	(209)	(190)	(209)	(190)
Capital Note issuance costs	(6)	(30)	(6)	(30)
Securitisation notes (purchased)/sold	-	-	26,768	(32,337)
Dividends paid to Capital Note Holders	(5,251)	(4,344)	(5,251)	(4,344)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(11,563)</b>	<b>(11,056)</b>	<b>15,205</b>	<b>(43,393)</b>
Net increase/(decrease) in cash and cash equivalents held	(53,675)	141,359	(38,501)	131,273
Cash and cash equivalents at the beginning of the year	309,257	167,898	221,739	90,466
<b>Cash and cash equivalents at the end of the year</b>	<b>255,582</b>	<b>309,257</b>	<b>183,238</b>	<b>221,739</b>

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

# Notes to the Concise Financial Statements

## Year Ended 30 June 2024

This concise financial report relates to both Police & Nurses Limited as an individual Entity (“the Bank”) and the entities it controlled (“PNL Group” or “the Group”) at the end of, or during, the year ended 30 June 2024. The parent company of the Group is the Bank.

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

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

## 1 PRESENTATION CURRENCY

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

## 2 DIVIDENDS

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

## 3 COMPARATIVE INFORMATION

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

## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 INCOME STATEMENT

The Group delivered a strong financial result in for the year ended 30 June 2024 in a challenging environment with net profit after tax for the Group increasing to \$24.2m representing a 24.1% increase from the prior year (\$19.5m). Key contributors to this performance included:

- Growth in net interest income of \$13.4m (8.4%) relative to the prior year attributable to strong balance sheet growth and prudent management of our net interest margin. This was partially offset by some unwinding of the temporary benefits in the prior year related to the rapid increases in the RBA official cash rate and the Group also experienced higher funding costs associated with increased competition for retail deposits.
- Low impairment expenses with the Group’s loan impairment provisions remaining relatively consistent with the prior year (0.08% of gross loans and advances), our write-off experience remaining low (0.02% of gross loans and advances) and delinquency levels remaining benign.
- Disciplined expense management with total other expenditure only increasing by \$6.6m (4.5%) relative to the prior year, which is primarily due to inflation and increased technology costs associated with our ongoing investment in the business.

### 4.2 BALANCE SHEET

At 30 June 2024, the Group’s total assets reached \$8.9b, representing an increase of 8.4% relative to the prior year. The primary driver of this increase was growth in our loan portfolios. Net loans and advances increased by \$665m (+10.0%) to \$7.3b at 30 June 2024 as the Group continued its focus on growing the business sustainably.

At 30 June 2024, the Group’s total liabilities reached \$8.3b, representing an increase of 8.4% relative to the prior year. The primary driver of this increase was growth in member deposits which form the primary source of funding for the Group. Member deposits increased by \$665m (+10.0%) to \$7.3b at 30 June 2024 as the Group continued to grow its member base, support existing members in growing their savings and also manage its liquidity at prudent levels in line with regulatory limits and its internal risk appetite.

Total equity of the consolidated Group as at 30 June 2024 was \$589.9m, which includes the payment of the Capital Note dividends during the period.

At 30 June 2024 the regulatory capital adequacy ratio was 14.8% and materially consistent with prior year. The Group is well capitalised and has sufficient capital to support its strategic, growth and risk objectives in the period ahead.

### 4.3 CASHFLOW STATEMENT

Total cash and cash equivalents as at 30 June 2024 were \$255.6m. The components of the movement in cash and cash equivalents are outlined in the Statement of Cash Flows.

Receivables from other financial institutions, which comprise highly liquid investment securities used for liquidity management purposes, totalled \$1.2b at 30 June 2024.

The regulatory liquidity ratio of the Group was 16.6% as at 30 June 2024, well above the minimum prudential requirement and internal targets. The strong and stable liquidity position provides an excellent foundation for long-term financial sustainability.

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



# Notes to the Concise Financial Statements

Year Ended 30 June 2024

	Group		Bank	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>5 NET INTEREST INCOME</b>				
<b>Interest revenue and interest expense</b>				
<b>Interest revenue</b>				
Deposits with other banks/ADIs <sup>(i)</sup>	<b>64,929</b>	42,821	<b>140,179</b>	99,585
Loans and advances <sup>(ii)</sup>	<b>379,275</b>	257,960	<b>379,275</b>	257,960
	<b>444,204</b>	300,781	<b>519,454</b>	357,545
<b>Interest expense</b>				
Members' deposits <sup>(ii)(iii)</sup>	<b>224,441</b>	115,363	<b>224,479</b>	115,376
Borrowings from other banks/ADIs including wholesale deposits <sup>(i)</sup>	<b>47,879</b>	26,902	<b>132,017</b>	91,908
	<b>272,320</b>	142,265	<b>356,496</b>	207,284
<b>Net interest income</b>	<b>171,884</b>	158,516	<b>162,958</b>	150,261

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

(i) Authorised Deposit-Taking Institutions

(ii) Interest accruing on mortgage offset accounts is presented on a net basis within interest revenue, according to the Group's revenue recognition policy.

(iii) In this note, Members' deposits exclude wholesale deposits.

## 6 NON-INTEREST REVENUE

	Group		Bank	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Loan fee revenue	<b>2,661</b>	2,925	<b>2,661</b>	2,925
Financial services fees	<b>4,713</b>	4,536	<b>4,709</b>	4,561
Securitisation servicing fees	-	-	<b>7,973</b>	7,400
Insurance commissions	<b>2,907</b>	2,577	<b>2,907</b>	2,577
Other commissions	<b>3,809</b>	3,433	<b>3,809</b>	3,433
Dividend revenue	<b>489</b>	407	<b>2,665</b>	752
	<b>14,579</b>	13,878	<b>24,724</b>	21,648

# Notes to the Concise Financial Statements

## 7 OTHER EXPENSES

	Group		Bank	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Impairment of non financial assets	-	-	<b>1,179</b>	-
Finance costs	<b>1,327</b>	1,235	<b>1,327</b>	1,235
Depreciation and amortisation	<b>16,147</b>	13,165	<b>16,116</b>	13,134
Fees and commissions	<b>19,644</b>	18,143	<b>19,376</b>	17,900
Employee benefits expense	<b>77,512</b>	74,893	<b>77,512</b>	74,893
Information technology costs	<b>16,693</b>	14,818	<b>16,693</b>	14,818
Marketing costs	<b>6,580</b>	7,299	<b>6,580</b>	7,299
Other general and administration costs	<b>14,139</b>	15,288	<b>14,060</b>	15,134
Net (gain)/loss on disposal or revaluation loss of property, plant and equipment	<b>117</b>	134	<b>117</b>	134
	<b>152,160</b>	144,975	<b>152,960</b>	144,547

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

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

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

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

### (ii) Other issued new standards

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

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

There have been no matters or circumstances that have arisen since 30 June 2024 that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Directors' Declaration

Year Ended 30 June 2024

The Directors of Police & Nurses Limited declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2024 complies with Accounting Standard AASB 1039 Concise Financial Reports.

The concise financial report is an extract from the full financial report for the year ended 30 June 2024. The financial statements included in the concise financial report have been derived from and are consistent with the full financial report of Police & Nurses Limited for the year ended 30 June 2024.

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

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



**Gary Humphreys**

Director



**Monish Paul**

Director

Date: 27 August 2024

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## Independent Auditor's Report

### To the Members of Police & Nurses Limited

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

##### Opinion

We have audited the concise financial report of Police & Nurses Limited ("the Bank") and its controlled entities, which comprises the statements of financial position as at 30 June 2024, the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended, and related notes, derived from the full financial report of Police & Nurses Ltd for the year ended 30 June 2024 and the discussion and analysis.

In our opinion, the accompanying concise financial report, including the discussion and analysis of Police & Nurses Ltd, complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

##### 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 section of our report. We are independent of the Bank in accordance with the auditor independence requirements of 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* (the Code) that are relevant to our audit of the concise 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.

##### Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the full financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the full financial report and the auditor's report thereon.

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## The Full Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the full financial report in our report dated 27 August 2024.

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

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

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

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with AASB 1039 *Concise Financial Reports* based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 27<sup>th</sup> August 2024

## Auditor's Independence Declaration

### To the Directors of Police & Nurses Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Police & Nurses Limited and its controlled entities for the year ended 30 June 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance  
Melbourne, 27 August 2024

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**Police & Nurses Limited**

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