Together for the better

MyStateLimited

Annual Report 2026

At MyState Limited we understand the importance of tailoring financial services to all stages of life.

We're always ready to serve the best interests of our customers and shareholders.

About MyState Limited

MyState Limited (MYS, MyState Group, MyState Limited Group, MyState) is the non-operating holding company of a diversified financial services group listed on the ASX, and is a provider of banking, equipment finance, trustee and wealth management services to customers across the country through our retail brands – MyState Bank, Auswide Bank, Selfco and TPT Wealth. See pages 4 and 5 for more detail.

MyState Limited

MyState Bank | Auswide Bank | Selfco A division of MyState Bank | TPT Wealth

Acknowledgement of Country

MyState Limited acknowledges Aboriginal and Torres Strait Islander Peoples and their rich culture. We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their connections to land, sea and community.

We acknowledge MyState's Aboriginal and Torres Strait Islander employees, partners and stakeholders, and pay our respects to their Elders, both past and present, for they are the knowledge-keepers who hold the memories and traditions of the oldest continuing living culture in the world.

We recognise and value the ongoing contribution of Aboriginal and Torres Strait Islander cultures to Australian life and how this enriches us and our communities. We embrace the spirit of reconciliation, working towards mutual respect, equality and a better future together.

Scan to learn more about our RAP and the artist that created our artwork, Bianca Templar.

Contents

Our purpose and values	03
Our diversified financial services	04
Our year at a glance	06
Group performance	08
Chair's review	10
Chief Executive Officer's review	12
Our strategy	14
Approach to risk	16
ESG update	18
Sustainability report	24
Board of Directors	46
Key Management Personnel	48
Directors' report	50
Remuneration report	58
Financial report	75
Shareholder information	132

Annual General Meeting

The 2026 Annual General Meeting of MyState Limited will be held on Tuesday, 20 October 2026 commencing at 10.30am (AEST) / 11.30am (AEDT) in Ballroom 2 at The Westin Brisbane, 111 Mary Street, Brisbane, QLD and online.

In accordance with the *Corporations Act 2001*, hard copies of the Notice of AGM (NoM) will not be sent to shareholders unless they have previously requested a hard copy.

Instead, the NoM and other related material, including an online meeting guide, can be viewed and downloaded from our AGM website accessible via mystatelimited.com.au.

Corporate Governance

The Board is committed to upholding the highest levels of corporate governance and subscribes to the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council in order to promote investor confidence in the Company and within the broader market. In addition, the Australian Prudential Regulation Authority (APRA) requires MyState Limited, as the non-operating holding company of a bank, to comply with the prudential obligations that apply directly to its wholly-owned subsidiary MyState Bank Limited (including the Auswide Bank brand).

To this end, the Board of MyState Limited has a governance framework whereby the appropriate Board policies, meeting the APRA prudential requirements, apply across the Group.

MyState Limited's Board-approved Corporate Governance Statement is available on the Company's website at mystatelimited.com.au.

Our purpose and values

MyState Group purpose

We have big ambitions.

We make managing your money easy and earn your trust by helping you achieve what matters most.

We invest in our people and communities, so together we can thrive.

Together for the better.

Our purpose represents the way we collaborate with each other, our customers, our shareholders and our community to deliver the very best outcomes for all.

Our purpose is lived through our rally cry – **Together for the better**.

What this means for:

Our shareholders
We deliver sustainable, profitable growth

Our community
We invest into and support our local communities

Our customers and clients
We care about what matters

Our people
We grow and achieve great things

MyState Group values

Create customer 'wow'

We act in our customers' best interests and deliver on our promises.

We build trust by being clear, caring and genuine.

We simplify our customer experience to make things easy, and deliver with heart.

We take pride in understanding what matters most.

Chase the better

We are bold in our ambition and passionate about sustainable progress.

We empower our people to identify the 'why', own their actions and adapt to change.

We have the courage to try new things, grow through learning, and celebrate success.

We improve continuously – how we think, how we work together, and our customer experience.

Collaborate to win

We care deeply – for each other, our customers, our communities and our partners.

We combine our efforts and strengths across our businesses to win together.

We take ownership and support one another to be accountable in a positive, respectful way.

We share knowledge freely to enable confident, informed decision-making.

Our diversified financial services

MyStateLimited

Banking

MyStateBank

At MyState Bank, we've believed that banking should be built around people since 1958. As a wholly-owned subsidiary of MyState Limited, we're proud of our customer-first roots and our evolution into a modern Australian bank focused on delivering simple, personal and trusted banking experiences.

MyState Bank has grown its customer base by continually striving to deliver exceptional customer experiences, keeping things simple and remaining relentlessly focused on helping our customers thrive.

AUSWIDE BANK

When Ron Hancock founded what would become Auswide Bank in 1966, his goal was clear – to offer Australians a great alternative to the big banks. Today, that mission continues. In 2025, we joined forces with MyState Bank as part of the MyState Limited Group. For 60 years, we have helped thousands of Australians achieve home ownership and financial security. We know that every experience our customers have with us matters – and we're committed to making each one count.

Financial Services

TPT Wealth

With origins dating back to 1887, TPT's trustee, wealth and commercial lending services bring together almost 140 years of experience with a forward-thinking approach. Whether it's managed funds, commercial lending or estate planning, our goal is to help every client make confident financial decisions at every stage of life. We manage close to $1 billion in funds on behalf of Australians nationwide – but it's the trust our customers place in us that we value most. Their peace of mind is our greatest measure of success.

SELFCO
A DIVISION OF MYSTATE BANK

Since 2003, Selfco has been helping Australian businesses grow by making vehicle and equipment finance simple, accessible, and tailored to their needs.

Now operating nationally as part of the MyState Limited Group, we work closely with a trusted network of accredited finance brokers and an experienced sales team across the country. Our focus is on building strong relationships, delivering reliable solutions, and ensuring every broker and customer feels supported – because their success is our success.

Our year at a glance

Our performance

Underlying net profit after tax*	$58.3m
Run-rate synergies delivered	$11.8m
Higher-returning business contribution to Group NPAT (FY25: 6%)	11.3%
Total dividend	24.5 cps

* Excludes merger related transaction and integration costs which are included in the Statutory net profit after tax of $56.2m.

Our customers

Customer Net Promoter Score	+60
Customers supported through financial hardship	431
Customer-facing employees trained to support customers requiring extra care	100%

Enhanced scam protection through confirmation of payee and transaction monitoring capabilities

Our team

Employee experience score	71%
Employee promotions	65
Internal appointments	40
Proportion of senior leadership roles held by women	53%

Our community

Contribution to community initiatives across Tasmania and Queensland	$300k

March 2026 flood recovery support delivered to the Bundaberg community

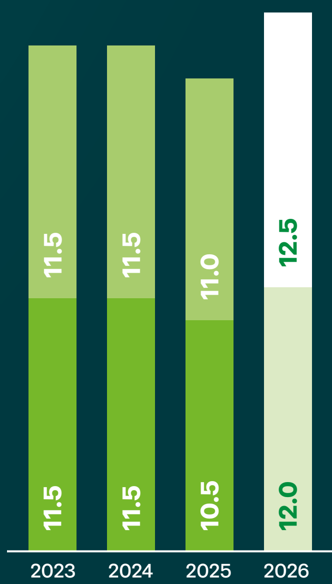
Number of community programs supported through MyState Foundation grants	12
Employee volunteering hours contributed to local communities	435

Group performance

Underlying net profit after tax ($ million)

Underlying earnings per share (cents)

Dividends – fully franked per share (cents)

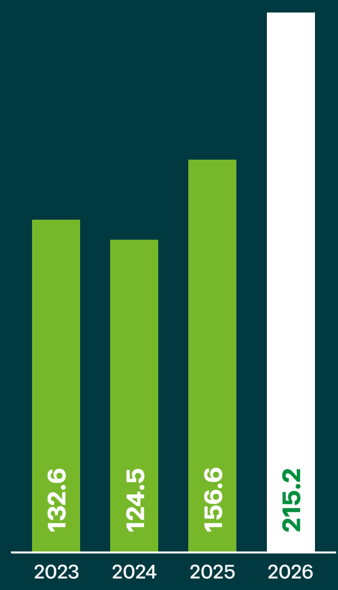


* Excludes merger related transaction and integration costs which are included in Statutory net profit after tax of $56.2m.

Underlying return on average equity (%)

Cost to income ratio (%)

Net interest income ($ million)



Chair's review

Vaughn Richtor
Chair

> "We are proud to note that MyState delivered a total shareholder return (TSR) of 14.25% for the period from 1 July 2025 to 30 June 2026

Total capital ratio **15.83%**

Dividend payout ratio **74.1%**

Dear shareholders,

Board oversight in a year of delivery

FY26 has been an important year for MyState, as the Group moved from merger completion to disciplined execution of our integration program.

The Board has remained focused on strong governance, prudent risk management and clear oversight of delivery, while supporting management in realising the strategic and financial benefits of increased scale.

Confidence in integration and performance

The Board is encouraged by the pace and quality of progress achieved during the year, which supports delivery of the Group's targeted $20–25 million in annual merger synergies.

Key milestones, including the transition to a single banking licence on 1 December 2025 and continued simplification of systems and operations, have reduced complexity and delivered early benefits. The Board continues to closely oversee integration risks as the Group moves towards its end-state operating model, including the implementation of a single core banking system.

Financial performance during the year was encouraging, with earnings momentum building as integration benefits and initial synergies began to be realised. The Board also notes the improving quality and resilience of the Group's earnings mix.

While the core home loan portfolio remains high quality and low risk, higher-returning businesses, including Selfco and TPT Wealth, increased their contribution to 11.3% of Group profit in FY26, from 6% in FY25. This diversification strengthens the sustainability of earnings over time.

Strong capital and risk settings

MyState remains well capitalised, with Common Equity Tier 1 (CET1) capital of 11.57% and total capital of 15.83%, providing flexibility to support growth and dividends. This is complemented by a strengthened funding profile and a disciplined approach to risk.

Asset quality remains sound, supported by conservative lending standards and low 90+ day arrears of 0.32%, down from 0.44% at 30 June 2025.

Shareholder returns

The Group declared fully franked dividends of 24.5 cps for FY26, representing a payout ratio of 74.1%, within the stated target range of 60–80%. We are proud to note that MyState delivered a total shareholder return (TSR) of 14.25% for the period from 1 July 2025 to 30 June 2026, compared with a return of 6.16%, including dividends, for the broader ASX 300 index over the same period. As integration progresses and synergies are realised, the Board remains focused on supporting sustainable earnings growth and delivering attractive returns for shareholders.

People, governance and stewardship

The Board acknowledges the professionalism and commitment of our people in navigating a period of significant change, while continuing to deliver for customers and shareholders.

We also recognise the importance of continued capability uplift across the organisation, strengthening execution and supporting long-term performance. The Board remains focused on strong governance, constructive regulatory engagement and maintaining a customer-first culture.

Looking ahead

MyState is now a larger, more diversified and conservatively managed financial services group. The Board believes the Group is well positioned to deliver sustainable earnings growth and attractive long-term returns for shareholders.

On behalf of the Board, I thank our shareholders for your continued confidence and support.

I would also like to acknowledge and thank Sandra Birkensleigh for her decade of service to the Auswide and MyState Boards, both as a non-executive director and Chair, and for her role in the merger process and integration efforts to date.

Vaughn Richtor
Chair

Chief Executive Officer's review

Brett Morgan
Managing Director and
Chief Executive Officer

"

Underlying net profit after tax was $58.3m, up 41.2% on the prior year and up 22.0% on a pro forma basis, with the pro forma comparison reflecting a full-year contribution from Auswide in the prior corresponding period.

Operating income growth **37.1%**

Run-rate synergies **$11.8m**

Performance, execution, and growth

A year of momentum

FY26 was a transformational year for the Group. In the first half, we made substantial progress on integration and laid the foundations for future growth. In the second half, this translated into stronger momentum in retail banking and an increased contribution from our higher-returning businesses.

The financial result reflects balance sheet growth, improved earnings mix, disciplined cost management, and the first full year of benefits from our integration efforts.

Integration results

I'm pleased to report that we have successfully completed 158 integration initiatives, delivering run-rate synergies of $11.8 million – slightly ahead of the original $10 million to $11 million FY26 target. This progress reflects the team's strong focus on disciplined execution.

In the first half, we moved to a single finance system and a single risk system. A major milestone was the move to a single banking licence on 1 December 2025, delivering immediate operational, funding and capital benefits. After considering many options, we also took the decision to transition to a single core banking system and a single retail banking brand.

In the second half, we focused on the next stage of integration execution, including progressing towards a single loan origination platform, simplifying systems, and moving to our end-state operating model and structures to support a more unified and efficient Group.

Throughout the year, we remained focused on delivering better outcomes for customers. We continued to invest in customer experience, expand our product offering and improve our digital capabilities, while maintaining the trusted service that underpins our customer relationships.

Operating performance

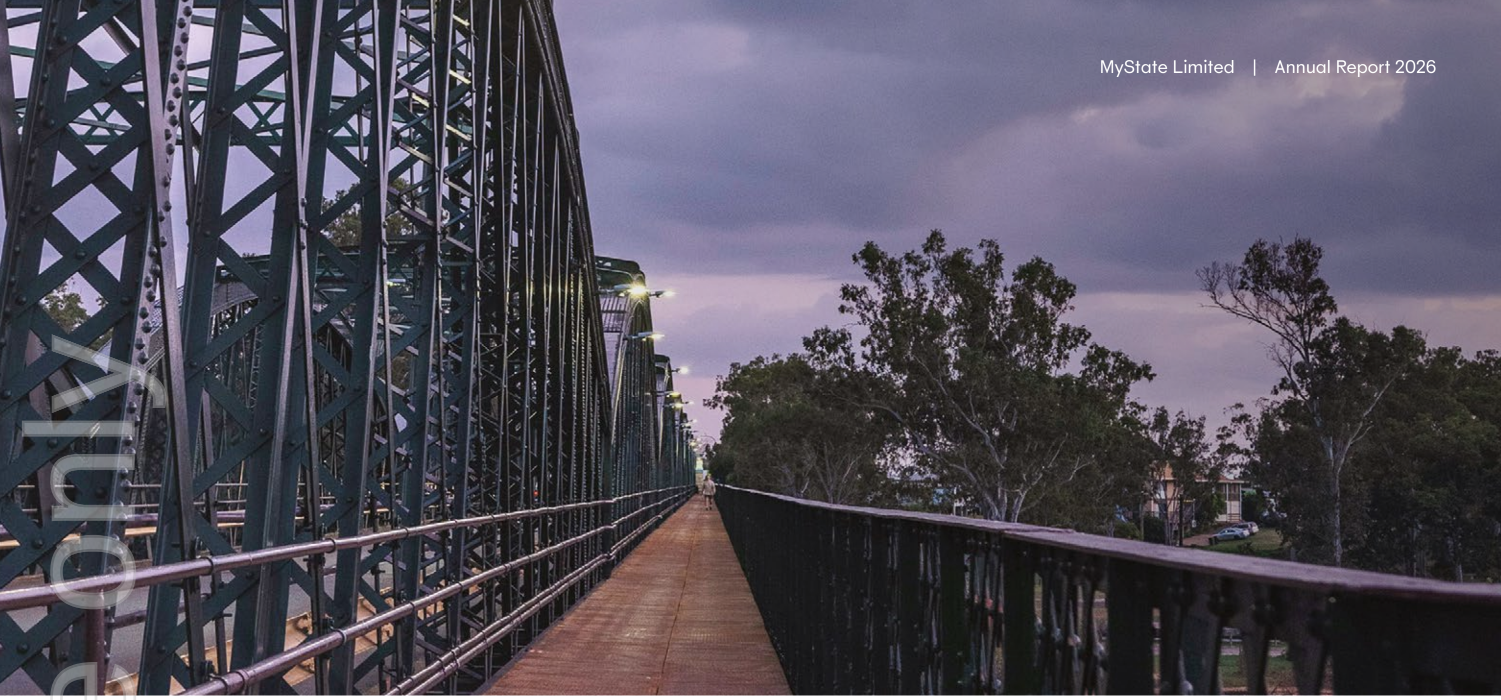
We delivered operating income growth of 37.1% and double-digit growth in earnings per share, which increased 11.7% to 34.3 cents. Underlying net profit after tax was $58.3m, up 41.2% on the prior year and up 22.0% on a pro forma basis, with the pro forma comparison reflecting a full-year contribution from Auswide in the prior corresponding period.

Cost discipline remained a key focus in an inflationary environment. Operating expenses increased by 0.8% on a pro forma basis, with realised synergies and an ongoing focus on cost control offsetting underlying inflation-related increases.

Retail banking

Following the move to a single banking licence, momentum in home lending improved, supported by stronger application volumes, higher settlements, and continued investment in distribution and customer experience. We also broadened our deposit offering through the launch of Hello Saver, a simple, no-fuss savings account, strengthening our deposit franchise and supporting funding diversification.

Concurrently, we continued to invest in the long-term sustainability of the business, including cyber security, AI-enabled capability, and enhanced fraud prevention. These initiatives reflect our focus on making it easier for customers to bank with us while continuing to build a strong and resilient retail franchise.



Selfco

Selfco, our high-margin equipment finance business, delivered solid growth and contributed $3.9m to Group net profit after tax. This performance reinforces Selfco's strategic value and our disciplined approach to scaling the business.

TPT Wealth

TPT Wealth continued to perform well, with operating income increasing 10.9% and Trustee Services funds under administration rising 17.6% to $560m, primarily driven by the growth in compensation trusts.

TPT Wealth continues to benefit the Group through revenue diversification, particularly via fee-based income.

Improved earnings mix

A key feature of the year was the improved quality and resilience of our earnings mix. Selfco's contribution continued to grow, while TPT Wealth delivered earnings growth through a new business line.

The continued growth of Selfco and TPT Wealth is reshaping the Group's earnings profile. Together, these higher-returning businesses contributed 11.3% of underlying Group profit, up from 6% in FY25. This stronger earnings mix improves returns, enhances diversification and reduces reliance on traditional banking income.

Resilient customers and balance sheet

Our customers and balance sheet remained resilient throughout the year. Conservative lending settings and a disciplined credit culture continued to support a high-quality loan portfolio, with asset quality remaining strong and arrears below industry averages. Our customer base also managed well in the face of a challenging macroeconomic backdrop.

We further strengthened the Group's funding position, which is underpinned by stable customer deposits and longer-term wholesale funding. During the year, MyState Bank issued its largest-ever senior unsecured medium-term note and capital relief term securitisation transactions. Combined with our capital strength, this provides flexibility to continue investing in the business while maintaining a prudent risk profile.

Our people

As a larger and more geographically diversified organisation, we are increasingly attractive to high-quality talent and better positioned to offer meaningful, long-term careers. During the year, more than 100 employees progressed through promotions or role changes across the Group, demonstrating the expanded opportunities that come with greater scale.

We have also continued to build capability in key strategic areas including technology, risk, data, customer experience and growth. This investment is strengthening our execution capability and positioning the Group to capture future organic and inorganic growth opportunities.

Importantly, it also reinforces MyState as an organisation where people can grow, contribute, and build rewarding careers.

Community

We remain committed to supporting the communities we serve. In Tasmania, the MyState Foundation marked 25 years of supporting organisations dedicated to helping young Tasmanians reach their full potential. This milestone was recognised through a one-off Community Choice Award and the continuation of the Foundation's annual grants program, which supported 12 community organisations and invested almost $200,000 in youth-focused initiatives.

In Queensland, Auswide Bank celebrated 60 years of serving its community and continued its support through partnerships with organisations including the Salvation Army and Ronald McDonald House, as well as providing assistance to communities affected by flood events.

These efforts reflect the important role we play in the communities we serve.

We also continued to strengthen our approach to sustainability, inclusion and customer support, helping create long-term value for customers, employees, shareholders and the communities we serve.

Looking ahead

MyState moves into its next phase as a larger, more diversified financial services group with clear priorities and strong business momentum. Our focus remains on progressing integration to deliver merger synergies, accelerating growth in higher-returning businesses, and continuing to grow our retail banking business profitably.

While we remain mindful of broader economic uncertainty, ongoing inflationary pressures and evolving credit conditions, we approach the year ahead with confidence in our franchise, our execution capability, and our ability to create further value.

Brett Morgan
Managing Director and Chief Executive Officer

Our strategy

FY26 was a year of continued execution as we built on the strong foundations established following the successful merger of Auswide Bank into the MyState Group in early 2025.

Building on early integration successes, our focus in FY26 shifted to deepening integration benefits, realising synergies, and embedding a unified operating model. We have made solid progress, further strengthening the Group's scale, capability and strategic positioning.

Our combined organisation is now operating with greater alignment across systems, processes and culture. Importantly, we have continued to deliver this progress while maintaining a consistent customer experience and disciplined approach to risk and capital management.

Delivering on integration benefits

During the year, we advanced key integration priorities, including:

- Further alignment of systems, processes and risk frameworks
- Realisation of cost and operational efficiencies
- Strengthening of our funding and balance sheet profile
- Enhanced coordination across distribution channels and customer segments

These initiatives support improved operating leverage and position the Group to deliver more consistent and sustainable returns over time.

A stronger, more scalable business

MyState enters FY27 as a larger and more diversified business. Our expanded footprint across the eastern seaboard, combined with our multi-brand model, provides access to broader customer segments and growth opportunities.

We continue to operate with clear strategic priorities:

- Growing market share in deposits, lending and funds under management
- Enhancing customer experience across digital and broker channels
- Driving productivity and efficiency through simplification and technology
- Maintaining disciplined risk management and capital strength

Positioned for sustainable growth

The benefits of scale and integration are increasingly evident in our operational performance and strategic flexibility. We are better positioned to respond to changing market conditions, invest in capability uplift, and capture growth opportunities across our core markets.

At the same time, our purpose – Together for the Better – continues to guide our decision-making, ensuring we deliver improved financial outcomes for our customers, communities and shareholders.

Looking ahead

With integration progressing as planned and momentum continuing to build, MyState is entering its next phase with confidence. Our focus remains on delivering sustainable growth, improving returns, and creating long-term value for investors.

We believe the progress achieved to date reinforces the strategic rationale of the merger and positions the Group as a more resilient, competitive and scalable financial services organisation.

MyState Group strategy

Our ambition is to profitably grow our share in deposits, lending and funds under management.

Sustainable, profitable growth

MyState Bank	Auswide Bank	SELFCO (A division of MyState Bank)	TPT Wealth	
Transaction accounts Savings accounts Term deposits Home lending Investment lending		Equipment finance	Income funds Commercial lending	Wills and estate planning Trustee services

Core offerings

- Spending, saving and borrowing
- Borrowing
- Investing and borrowing
- Wealth transfer

Our people and values underpin our strategy

- **Create customer 'wow'**
- **Chase the better**
- **Collaborate to win**

Our award-winning products assist our customers and clients at all stages of life.

Approach to risk

Effective management of financial and non-financial risk is fundamental to MyState Group's strategy, supporting sustainable growth, customer trust and long-term shareholder value. Following the merger, our approach to risk has continued to strengthen, supporting a larger, more complex, multi-brand Group while maintaining a consistent and disciplined risk culture.

In FY26, we focused on embedding a more unified and consistent approach to risk management across the Group. This included progressing the integration of risk frameworks, strengthening oversight, and improving consistency in how risk is identified, managed and reported. These initiatives ensure risk management remains closely aligned to strategic priorities, regulatory expectations and community outcomes.

Reflecting the Group's evolving risk profile, including increasing digital and operational risks and heightened community expectations, our approach has evolved from three to four core pillars. The addition of a fourth pillar *Strengthening resilience and customer protection* reflects the growing importance of cyber security, fraud prevention and safeguarding customers in maintaining trust and supporting sustainable growth.

Promoting a strong risk culture and accountability

We continue to strengthen risk awareness and accountability across all levels of the organisation, with clearer roles and responsibilities and a continued focus on capability uplift.

These initiatives support consistent, well-informed decision-making and reinforce individual accountability for managing risk in day-to-day operations.

A strong and aligned risk culture underpins disciplined execution of strategy and supports the delivery of sustainable outcomes for shareholders.

Maintaining an integrated, fit for purpose risk framework

During the year, we progressed the integration and harmonisation of risk frameworks, policies and risk appetite settings into a single Group-wide operating model.

This work has been a key component of the broader integration program, supporting greater consistency, efficiency and transparency across the organisation.

The framework is designed to be proportionate to the scale and complexity of the Group, enabling effective Board and executive oversight while remaining responsive to the evolving regulatory environment.

Digitising and strengthening risk processes

We continued to simplify and digitise key risk processes to improve efficiency, transparency and the quality of risk insights.

Enhancements to enterprise risk systems, along with more consistent processes for monitoring and resolving risk issues, are enabling earlier identification of emerging risks and more timely reporting to management and the Board.

These improvements support better-informed decision-making and enhance the Group's ability to manage risk proactively as it grows.

Strengthening resilience and customer protection

Reflecting the external environment and the Group's risk profile, we have increased our focus on operational resilience and customer protection.

Key areas of investment include cyber security, fraud and scam prevention, data governance and third-party risk management.

These capabilities are critical to maintaining safe, reliable banking services, protecting customers, and reinforcing the trust placed in the Group by customers, communities and investors.

Positioned for sustainable growth

By continuing to strengthen and integrate our risk framework and capabilities, MyState is well positioned to support its next phase of growth. Our disciplined approach to risk management enables the Group to navigate an increasingly complex environment with confidence, while maintaining strong governance, protecting customers and delivering sustainable outcomes for shareholders.

ESG update

MyState's Environmental, Social and Governance (ESG) framework supports the delivery of sustainable long-term value for customers, employees, shareholders and communities. The focus of this section is on social, governance and customer-related outcomes, together with key environmental metrics that support transparency and year-on-year comparability. It includes voluntary disclosures on non-mandatory ESG measures and builds on disclosures published since FY21. Mandatory climate-related disclosures prepared in accordance with AASB S2 are provided separately in the Sustainability Report.

In FY26, our ESG priorities focused on strengthening customer and community outcomes, supporting our people through a period of change, enhancing governance and risk management, and improving transparency, including through the preparation of our first mandatory climate-related disclosures under AASB S2.

MyState's ESG priorities are structured across six key areas:

1. **Environmental sustainability**
2. **Supporting customers**
3. **Helping our people be their best**
4. **Digital enablement and data security**
5. **Community investment**
6. **Governance, conduct and culture**

These priorities reflect the areas where MyState believes it can have the greatest impact on customers, employees, communities and shareholders while supporting sustainable long-term growth.

FY26 ESG highlights

FY26 marked a significant step forward in MyState's ESG maturity, highlighted by the completion of its inaugural AASB S2 sustainability report, strong customer outcomes, meaningful community investment, continued progress on diversity, and a strong focus on governance, culture and customer protection.

Key highlights included:

- Achieved a Customer Net Promoter Score of +60, reflecting service and support for customers
- Provided hardship support for 431 customers
- 100% of customer-facing employees trained to support customers requiring extra care
- Continued investment in scam prevention and fraud controls
- Almost $300,000 contributed to community initiatives across Tasmania and Queensland, including investment in a prominent Bundaberg charity to support the community through the March 2026 flood
- 53% of senior leadership roles held by women, 65 employee promotions and 40 internal appointments across the Group supported career development and talent retention
- Employee experience score of 71% during a period of significant organisational change
- Completed MyState's first mandatory AASB S2 Sustainability Report
- 99% renewable electricity usage across Tasmanian operations
- Relocated to a 5.5 star NABERS rated building in Brisbane

How MyState governs and manages ESG priorities across the Group

Environmental	Social	Governance
Environmental factors relate to the management of environment-related risks and the actions taken to mitigate those risks, including carbon emissions, climate change impacts and resource use. This includes the Group's operational footprint, supply chain impacts and exposure to physical and transition risks associated with climate change.	Social factors relate to the Group's relationships with customers, employees, suppliers and the communities in which it operates. This includes workplace safety, employee wellbeing and culture, diversity and inclusion, customer outcomes and data privacy.	Governance relates to the systems, controls and processes used to support effective decision-making, regulatory compliance and accountability to stakeholders. This includes Board composition, remuneration frameworks and ethical standards.

The ESG topics that matter most to MyState:

Environmental sustainability
To understand and measure MyState's environmental impacts and help MyState transition to a low-carbon future.

Supporting customers
To help customers make good choices and to put things right if we make a mistake.

Helping our people be their best
To enable our people to perform at their best and contribute to a culture of collaboration, customer focus and operational excellence.

Digital enablement and data security
To enable our customers to access services digitally while maintaining robust cyber security measures.

Community investment
To invest in our local community organisations, and support initiatives where it's needed most.

Governance, conduct and culture
To continue to conduct our business in an ethical, responsible and transparent way – driving the right behaviours that put the needs of stakeholders first.

What we are doing to integrate ESG into organisational processes:

1. Build ESG consciousness across the organisation.
2. Monitor ESG risks and opportunities through Board and management governance processes
3. Enhance ESG reporting and disclosure practices

Facilitated by:

MyState Limited Board
Oversees the development and approval of the ESG strategy.

Managing Director & CEO
Demonstrates and communicates commitment to ESG through setting 'the tone from the top'.

Executive
Responsible for recommending ESG strategy to the Board and considering and identifying ESG opportunities and impacts.

ESG Committee
Proposes ESG strategy to Executive and keeps track of ESG initiatives and associated reporting for internal and external stakeholders.

ESG update continued

Environmental sustainability

In FY26, the Group focused on strengthening its management of climate-related risks, completing its inaugural AASB S2 Sustainability Report, enhancing supporting data and governance processes, and rebasing its environmental footprint on a post-merger basis.

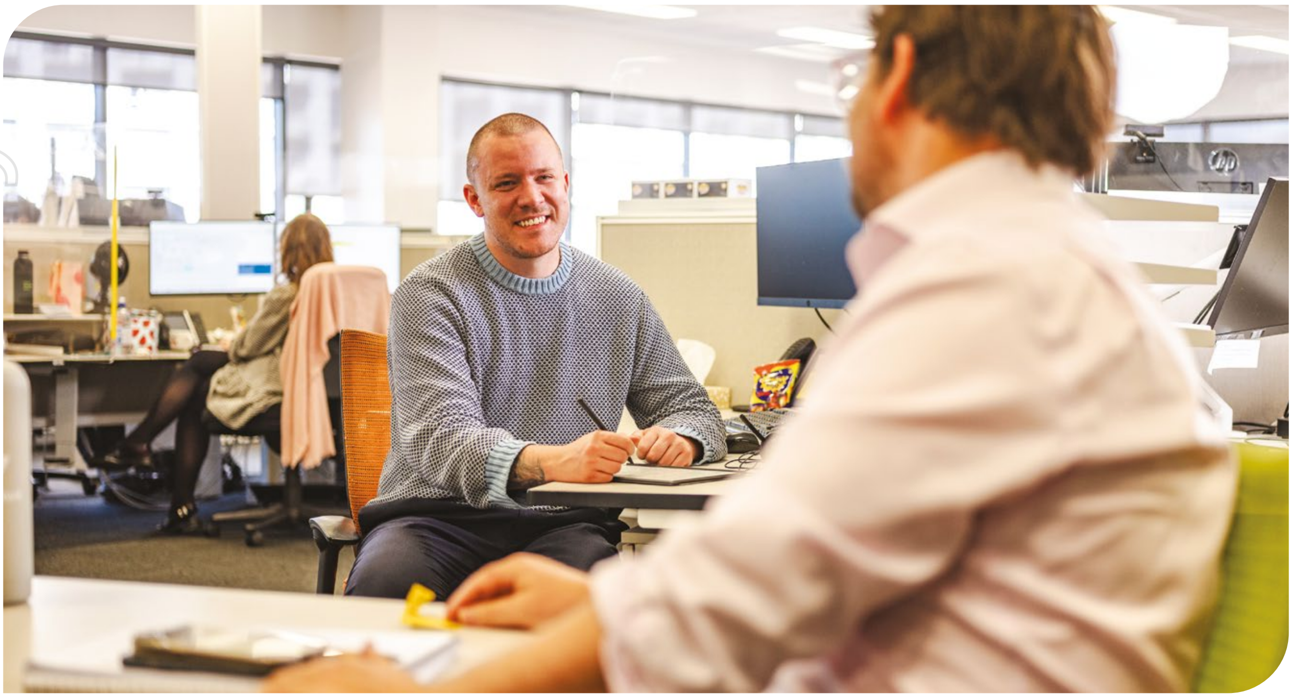
How we engage	What we have been focusing on	Updated at 30 June 2026
• Encouraging our customers to adopt e-statements • Emphasis on digital communication with customers • Promoting our internet and mobile banking experience to provide customers with greater digital access	• Developing our inaugural AASB S2 climate-related disclosures	• MyState's FY26 operational GHG emissions footprint was 9,357 tCO_2e[1], with Scope 3 financed emissions of 110,408 tCO_2e • 99% of the electricity used in our Tasmanian operations was renewable

Supporting customers

Customers continued to face challenging economic conditions during FY26, increasing the importance of practical support, clear communication and strong customer protections. In response, MyState remained focused on supporting customers experiencing hardship, strengthening fraud and scam controls, and delivering strong customer outcomes, reflected in a Net Promoter Score (NPS) of +60.

How we engage	What we have been focusing on	Updated at 30 June 2026
• Customer surveys • Assist customers experiencing financial hardship • Customer collaboration to shape the future of MyState • Participation in the Federal Government's Home Guarantee Scheme (HGS) • Assistance to vulnerable customers • Support our customers impacted by scams	• Educating customers in relation to fraud, being aware of scams and staying safe online • Enhancing our internal risk controls to detect and respond to scams • Continuing to support our customers experiencing financial hardship • Promptly resolving customer complaints via interactions with our customer relations specialists and MyState's Customer Advocate • Account-keeping fee simplification and reduction across select MyState Bank products • Communicating to customers in plain language • Collaboration with Community groups like Community for the Ageing to help build awareness to protect vulnerable customers • Development of our compensation trust offering, supporting some of society's most vulnerable people	• Customer NPS: +60 • Bank customers registered for internet and mobile banking: 84% • Complaints handled in FY26: 3,426 • Complaints resolved in under five days: 82% • Customers supported for financial hardship: 431 • Basic transaction accounts opened: 2,051 • Customer-facing employees trained to support customers in need of extra care: 100% • Mandatory training completion: 98%

1. Operational GHG emissions comprised Scope 1 (55 tCO_2e), Scope 2 (786 tCO_2e) and Scope 3 (8,516 tCO_2e), totalling 9,357 tCO_2e.



Helping our people be their best

As a growing organisation, attracting, retaining and developing engaged employees remains critical to meeting the needs of customers and stakeholders. During FY26, MyState invested in leadership capability, employee development, workplace experience and inclusion initiatives to support employees through a period of significant organisational change, including upgrades to office environments across the Group. We also continued to strengthen organisational culture through employee engagement, advocacy and wellbeing programs, while creating opportunities for internal mobility and career development.

How we engage	What we have been focusing on	Updated at 30 June 2026
• Clear expectations for workplace behaviour (Code of Conduct) • Clear expectations of individual performance • Coaching and development for our people leaders • Regular monitoring and assessment of individual performance and development goals • Workplace health and safety program • Diversity and inclusion program • Talent assessment, and succession planning • Flexible and inclusive work practices are available to all employees • Annual listening program, 'Voice of the Employee' • Enhancing the employee experience to provide meaningful and rewarding opportunities to our people	• Aligned our remuneration framework for the merged Group, including a re-set of our Enterprise Agreement • Connecting our people with our strategic ambitions • Office space upgrades in Brisbane, Bundaberg and Sydney to enhance employee experience and collaboration, including relocation of our Brisbane team to a 5.5-star NABERS-rated building • Supporting our people leaders, with change management capability • Embedding human-centric capabilities • Peer / leader led, in the moment recognition • Rewarding high performers • Expanding our advocacy groups to cover the scope of our new Group. • Implementing an operating model to support future growth • Celebrated culturally significant events in support of our focus areas for diversity and inclusion	• Group employees promoted: 65 • Group internal appointments: 40 • Group FY26 development and appraisal completion rate: 93% • Group employees participating in our Wellbeing program: 186 • Group gender pay gap (WGEA): 27% • Group employee experience score: 71% • Group diversity ratios: – Senior leadership roles filled by women: 53% – Non-Executive Directors who are women: 67% – Women on the executive team who are direct reports to the CEO: 30% – Roles held by women: 63%

ESG update continued

Digital enablement and data security

Digital enablement and data security remain critical to maintaining customer trust in financial services. During the year, we continued to enhance our systems and products to meet evolving customer expectations while safeguarding customer funds and data. In response to increased scam activity, we increased investment in transaction monitoring and cyber security capabilities, alongside initiatives to improve customer awareness and resilience to fraud.

How we engage	What we have been focusing on	Updated at 30 June 2026
• Online deposit product origination • Internet and mobile banking capability • Digital cards and payment methods (e.g. Apple Pay, real-time payments) • Open Banking according to the Consumer Data Right • Cyber security framework • Information security policy • Privacy policy	• Keeping customers and their data and accounts safe through strengthening our systems and educating our customers in relation to data security and being aware of scams • Introducing new features to our Digital Banking platform including Many-to-Sign capabilities and Confirmation-of-Payee to improve payment security for customers and savings goals. • Updated scam awareness content on the MyState Bank website as scammers get more sophisticated • Simplification of our product set to make product management easier • Redevelopment of our online application forms to improve and simplify the experience for our customers • Making our digital products helpful (e.g. reminding customers when bills are due), intuitive and easy to use	• Bank customers on e-statements: 71% • Bank customers registered for internet and mobile banking: 84% • Bank transactions completed digitally: 96.8%

Community investment

The MyState Group supports positive community outcomes across Tasmania and Queensland through targeted funding, partnerships and employee volunteering initiatives. In FY26, the Group contributed almost $300,000 to community initiatives, while employees dedicated approximately 435 volunteer hours to supporting local organisations and communities.

How we engage	What we have been focusing on	Updated at 30 June 2026
• Through the MyState Community Foundation Ltd (Foundation) we provide investment in community programs for Tasmanian youth • Through the Auswide Bank brand, we support Queensland community programs • Our employment offering includes a volunteering program, with access to paid volunteering leave. Days can be pooled across teams to create additional volunteering capacity	• Engagement with the Tasmanian not-for-profit sector to guide the investment from the Foundation to the areas of most impact • Community participation via the Foundation • Continuing our partnership programs for deeper community impact • Distribution and monitoring of the grants allocation for FY26 • Assessment of FY27 grant applications • Continuation of our volunteering program to support our communities • Investing in a community choice award for a youth-focused Tasmanian not-for-profit to mark the 25-year anniversary of the Foundation	• $299,500 contributed to community initiatives across Tasmania and Queensland. • Tasmania: $219,000 contributed through the Foundation and MyState Bank, including $194,000 in Foundation grants and partnership funding. Foundation contributions have exceeded $3 million since inception in 2001. • 12 community programs supported through the Foundation • Queensland: $80,500 contributed to community initiatives. • Approximately 435 employee volunteer hours contributed to Foundation recipients and local community initiatives.

Governance, conduct and culture

Strong governance, accountability and risk management are fundamental to MyState's ability to deliver sustainable long-term value. During FY26, the Group continued to strengthen governance processes, organisational culture and executive accountability to support sound decision-making and responsible conduct.

How we engage	What we have been focusing on	Updated at 30 June 2026
• MyState subscribes to the ASX Corporate Governance Council's principles and recommendations, and publishes an annual Corporate Governance Statement • Full and half-year reporting and investor presentations • Regular briefings and meetings with investors and analysts • Signatory to the Banking Code of Practice • Modern slavery statements • Human rights statement • Supplier code of conduct • Risk Management Strategy and Framework • ESG Committee • Remuneration management framework, CPS 511 compliant • Code of conduct • Measuring and evolving our organisational culture and risk culture • Whistle-blower policy • Maintaining our accountability obligations under the Banking Act	• Ongoing prudential reporting and engagement with regulators • Surveying our culture to measure our progress towards our target state, applying the results to inform specific improvement initiatives • Culture integration plan for the merged Group • Clarity of executive portfolios and single points of accountability • Group risk culture action plan • Employee engagement action plan	• Annual Board review and approval of MyState Corporate Governance Statement • Board review and approval of our target culture aspirations • Compliance with Banking Code of Practice • Key vendors screened for modern slavery assessment over the year • 90.3% of small business suppliers paid within 30 days • Strong risk culture survey outcome

MyState remains committed to delivering sustainable long-term value for customers, employees, shareholders and communities. Our ESG priorities continue to evolve alongside the Group's growth, regulatory obligations and stakeholder expectations.

Sustainability report

Directors' declaration

In the opinion of the directors of MyState Limited (the Company), the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the Group) for the year ended 30 June 2026, as presented on pages 24 to 38, are in accordance with the *Corporations Act 2001*, including:

(a) Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

(b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of MyState Limited pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

On behalf of the Board

Vaughn Richtor
Chair

25 August 2026

Basis of preparation

Statement of compliance

This Sustainability Report covers MyState Limited and its operating entities ('MyState' or 'the Group') for the year ended 30 June 2026. It has been prepared in accordance with the *Corporations Act 2001* and complies with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*.

Prior to aligning with AASB S2, MyState voluntarily reported climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) from 2022 to 2025 in its Annual Report. In transitioning to AASB S2, MyState has reviewed and updated its existing TCFD-aligned processes to achieve compliance with the new standard.

Following MyState's merger with Auswide Bank (Auswide) on 19 February 2025, MyState has, for the first time, included Auswide operations within the scope of its climate-related reporting, resulting in increases to MyState's GHG emissions in the current year relative to prior periods.

This report aligns with MyState's consolidated financial reporting boundary and period. It encompasses climate-related data and information from MyState Bank, Auswide Bank, TPT Wealth and Selfco. For further detail on the basis of consolidation, refer to note 7.2 in MyState's consolidated financial statements for the year ended 30 June 2026.

Sustainability-related information is presented in Australian dollars. All amounts have been rounded to the nearest thousand, unless otherwise stated.

Materiality

This report discloses all material information about climate-related risks and opportunities that could reasonably be expected to affect MyState's prospects.

Connectivity

This report connects with other reports, including the financial statements, to present a cohesive view of how relevant climate-related risks and opportunities could impact MyState's financial position, performance and cash flows over the short, medium and long term. Where applicable, quantitative sustainability-related metrics are directly connected and cross-referenced to relevant financial statement line items.

Events subsequent to reporting date

In the opinion of the Directors, for the period between the year ended 30 June 2026 and the date of this report, no material item, transaction or event has arisen that is likely to significantly affect the Group's operations.

Transition reliefs

In preparing this report, MyState has applied the transitional reliefs available under AASB S2 for the first annual reporting period. MyState has elected not to disclose comparative information for any period before the date of initial application, as permitted under AASB S2.

MyState has also applied the transitional relief available under AASB S2 paragraph C4(b), which permits entities not to disclose Scope 3 greenhouse gas emissions in their first annual reporting period applying AASB S2. While this exemption applies to MyState's mandatory AASB S2 disclosures, Scope 3 greenhouse gas emissions have been voluntarily disclosed outside the mandatory AASB S2 disclosures in the section titled 'Voluntary climate-related disclosures' to provide additional transparency.

Judgements, uncertainties and errors

MyState acknowledges that the preparation of climate-related disclosures involves a high degree of judgement, reliance on estimates, and the use of evolving data sources and methodologies. These factors introduce limitations that may affect the accuracy, comparability and completeness of the reported information.

Judgements

Significant judgements applied in preparing this report include:

- **Identification of climate-related risks and opportunities** – determining which climate-related risks and opportunities could reasonably be expected to affect MyState's prospects, including the selection of climate scenarios and assessment of impacts across short, medium and long-term time horizons
- **Selection of climate data, assumptions and methodologies** – determining the most appropriate climate scenarios, data sources, guidance and emissions calculation methodologies to support the assessment of climate-related risks and opportunities and GHG emissions
- **Assessment of materiality** – determining which climate-related information is material for disclosure, including the application of materiality thresholds, aggregation of individually immaterial items, and consideration of low-probability, high-impact risks
- **Assessment of changes in circumstances** – determining whether changes in internal or external conditions require reassessment of previously identified climate-related risks and opportunities across MyState's value chain.

Measurement uncertainty

The disclosed amounts that are subject to a high level of measurement uncertainty are outlined in Table 1.

Table 1: Sources and nature of measurement uncertainty

Amount	Sources and nature of measurement uncertainty
GHG emissions total	Estimation uncertainty due to limitations in scientific knowledge underpinning emission factors. MyState uses a platform that prioritises NGAF 2025 emission factors, the most representative data currently available in Australia. In addition, assumptions are used when gaps in measurement data occur, particularly for some of the Scope 3 GHG emission categories. In this case, MyState has taken additional steps to verify final totals in order to validate the final amounts. Given the emissions boundary and prioritised activity data, the results are not considered highly sensitive to the methodologies, assumptions or data used. Uncertainty is expected to decrease as more granular and robust emissions data becomes available.
Values found in financial impact assessment of climate risks and opportunities	Climate-related risks may affect MyState's financial position, performance and cash flows, and these impacts are subject to uncertainty. This uncertainty arises in the financial exposure assessment of climate-related physical risks on the home loan book due to the inherently forward-looking nature of this assessment and the use of assumptions, judgements and scenario-based inputs. Additional estimates for the climate risk and opportunity assessment are influenced by factors such as the selection of climate-related scenarios, assumptions regarding physical impacts, time horizons, industry effects, and the timing and magnitude of potential impacts. MyState uses reasonable and supportable information available at the reporting date, informed by climate-related scenario analysis, external climate science and internal expertise. While these estimates are subject to uncertainty, MyState considers the results to be proportionate to the nature and scale of the identified risks. Measurement uncertainty is expected to decrease over time as data availability, climate modelling and MyState's methodologies continue to evolve.

Errors

As this is MyState's first year reporting under AASB S2, and a new baseline is being established, no errors have been identified.

Sustainability report continued

Governance

MyState's governance framework supports the effective oversight of climate-related risks and opportunities, with climate considerations integrated into strategy, decision-making and reporting. Climate-related risks and opportunities are considered through the Group's governance, risk and approval processes, including the assessment of major transactions and strategic initiatives. Typically, this will include a standard due diligence assessment of the potential changes in impact for relevant climate risks and opportunities arising from decisions that are being considered by the Group. This enables potential impacts and relevant trade-offs to be evaluated alongside financial, customer, operational and regulatory considerations. The governance structure is as follows:

Governance body

Board's oversight of climate-related risks and opportunities

The Board has overall responsibility for overseeing climate-related risks and opportunities, including their integration into MyState's strategy, planning and risk management frameworks. Updates on climate-related risks and opportunities are provided at least annually through MyState's Corporate Governance Framework, supported by Board and management committees, as illustrated in Figure 1.

To fulfil its responsibilities and commitments associated with overseeing climate-related risks and opportunities, the Board is primarily supported by the Group Audit Committee and the Group Risk Committee. In addition, MyState Group's Executive Committee receives information on climate-related matters through the ESG Committee. Together, these committees support the integration of climate-related considerations into decision-making processes across the Group.

The purpose of each of the committees supporting the Board is detailed in Table 2 on the following page.

Figure 1: MyState Corporate Governance Framework

Table 2: Summary of MyState's climate and sustainability governance structure

Role of Board and Committees	
The Board	• Provides review and approval of ESG-related policies and reporting, including review of climate-related risks and opportunities, and oversees identification, assessment and compliance management of climate-related targets where established or developed in future.
Group Audit Committee (GAC)	• Reviews and recommends approval of climate-related disclosures in financial reports and accompanying material reported to the market • Advises on the appropriateness and consistency of the application of, or adherence to, climate-related accounting principles
Group Risk Committee (GRC)	• Oversees the implementation and operation of internal controls designed to manage climate-related risks • Oversees the impact of any climate-related events on the level of credit risk for MyState's loan portfolio and also provides recommendations to the Board on climate risk appetite.

Role of management	
Managing Director/CEO	• Demonstrates and communicates commitment to ESG and climate strategy by 'setting the tone from the top' • Monitors existing climate strategies and initiatives.
Executive Committee	• Recommends the ESG and climate strategy to the Board • Supports effective identification and management of MyState's climate risks and opportunities through decision-making processes and structures.
ESG Committee	• Monitors ESG and climate initiatives and associated reporting for internal and external stakeholders • Proposes ESG and climate strategy to the Executive.

In addition to the Board Charter, which sets out the Board's responsibilities for the governance of climate-related risks and opportunities, the Group Audit Committee and Group Risk Committee operate under their own Charters. These Charters define each Committee's authority and responsibilities in relation to climate governance. Further details are provided in the respective Committee Charters.

Management

Management plays a central role in the governance of climate-related risks and opportunities through defined oversight structures and integrated control mechanisms. Responsibility for climate oversight is delegated to the Managing Director and CEO, with assistance from senior executives across MyState's business units and the ESG Committee. Together, they integrate climate-related considerations into MyState's operational framework and implement governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.

Controls and procedures supporting this oversight include a triennial climate risk and opportunity assessment and an annual resilience assessment. These mechanisms are integrated within broader internal functions – such as the Risk Management Strategy and Framework, Risk Appetite Statement and relevant committee charters – supporting the integration of climate governance across MyState's operations.

Skills, competencies and training

The Board maintains the collective skills, competencies and experience required for effective oversight of MyState's climate-related risks and opportunities. This is supported through annual Board skills assessments and oversight of climate-related disclosures since 2022.

Tailored training and workshops are provided so that Board members remain informed and appropriately educated on relevant climate-related topics.

The Board assesses its collective skills and experience on an annual basis. For further detail, please refer to MyState's most recent Corporate Governance Statement.

Remuneration linked to sustainability performance metrics

Climate-related considerations or metrics have not been incorporated within MyState's executive remuneration.

Sustainability report continued

Strategy

Climate-related risks and opportunities

Climate change may affect the Group's business model, value chain, strategy and financial performance through both physical climate impacts and the transition to a lower-carbon economy. Potential climate-related financial exposure is concentrated within the Group's home loan portfolio, particularly in areas of Australia with greater exposure to physical climate hazards including fire, storms and flooding.

In response, MyState has embedded climate considerations into its strategic planning and has implemented strategies to mitigate climate-related risks and position the Group to respond to future climate-related opportunities should they arise. This approach supports the possible reduction of MyState's environmental footprint while strengthening long-term resilience and positioning the Group for the transition to a lower-carbon economy. To inform this strategy, MyState has conducted a comprehensive assessment of current and emerging climate-related risks and opportunities, focusing on their potential financial and operational impacts, and strategic implications.

MyState has identified two climate-related risks that could reasonably be expected to impact its prospects across the short, medium and long term, as detailed in Table 3.

In shaping its strategic direction and performing scenario analysis, MyState considers the potential impacts of climate change across three distinct time horizons:

- **Short term:** 1 to 3 years – up to 2029
- **Medium term:** 3 to 5 years – between 2029 and 2031
- **Long term:** More than 5 years – 2031 and beyond.

MyState defined its short, medium and long-term time horizons with reference to its strategic planning and forecasting cycles and the average duration of home loans within its mortgage portfolio. The short term aligns with its standard strategic planning horizon of one to three years, the medium term reflects an extended forecasting period, and the long term extends beyond the average loan duration to capture the potential impacts of longer-dated climate-related risks, including changes in physical climate hazards, insurance affordability and property values that may influence future lending portfolios and business decisions.

The impacts of climate change are considered across these three time horizons as they inform MyState's strategic decision-making and planning cycle. This approach embeds consideration of climate-related risks and opportunities into forward planning business decisions.

MyState considered potential climate-related opportunities as part of its assessment of climate-related risks and opportunities. While opportunities were identified and evaluated, none were considered to reasonably impact MyState's prospects or decision-making at the reporting date and are therefore not separately disclosed in this report.

Table 3: Acute and chronic climate-related risks

Climate-related impacts				
Climate-related risks				
ID	**Name**	**Description**	**Type**	**Time Horizon(s)**
AR1	Acute physical climate risks (fire weather, storms, flooding)	Increasing frequency and severity of acute climate risks, including bushfires, severe storms (e.g. tropical cyclones and convective storms) and flooding, across Australia. These hazards are expected to drive heightened credit risk for customers in exposed geographies (particularly coastal, tropical, and urban/regional centres), asset devaluation, rising insurance costs, and disruption to bank operations and workforce health. Intensifying weather events and longer hazard seasons may reduce borrower resilience and collateral values over time.	Physical (acute) risk	Short to long term
TR1	Higher insurance premiums on housing	Evolving climate-related regulations and the transition to a lower-emissions economy may increase insurance costs for customers with MyState home loans, reducing borrower affordability and potentially affecting property values.	Transition risk	Short to long term

Business model and value chain

To strengthen its climate-related scenario analysis and stress testing, MyState reviewed and documented its business model and value chain to identify where climate-related risks and opportunities are concentrated and how they may affect the Group's operations and prospects. Climate-related impacts may arise through residential and commercial lending activities, customer affordability and insurance accessibility, and the operation of office and branch locations across Australia.

Table 4: Business model and value chain assessment results

Effects on the business model and value chain		
Climate-related risks		
ID	**Current**	**Anticipated**
AR1 – Acute physical climate risk (fire weather, storms and flooding)	Customer awareness of acute physical climate risks is increasing, alongside expectations for responsive support, flexible financial options and clear communication during extreme weather events. Acute events are already affecting local economic activity, customer behaviour and property resilience, particularly in high-risk locations, contributing to concerns regarding insurance affordability and financial resilience. Operational disruptions arising from these events require enhanced workforce flexibility and strengthened business continuity responses.	Customer expectations for timely support, risk transparency and tailored financial solutions will increase during and after extreme weather events. More frequent and severe disruptions to service delivery are likely, requiring resilient operating models, strengthened business continuity and increased reliance on digital channels. Physical risk considerations will need to be further embedded into credit assessment, onboarding and operational planning, including more detailed evaluation of location-specific exposures, insurance constraints and asset resilience, increasing due diligence complexity. Financial impacts may include higher credit losses, reduced insurance coverage, asset devaluation and increased provisioning, placing upward pressure on capital requirements. Workforce disruption and safety risks are expected to increase in affected regions, requiring enhanced flexibility and capability. Demand for transparent risk disclosures and adaptive financial products supporting customer resilience is expected to grow.
TR1 – Higher insurance premiums on housing	Reducing customer access to affordable housing finance, particularly for borrowers in locations experiencing rising insurance costs or reduced coverage. Customer feedback can reflect concern about escalating insurance costs and their impact on long-term property affordability and valuations, prompting a greater need for clear communication and responsive lending practices.	Reshaping market understanding of property affordability, insurability and long-term asset value. Management and operational support functions will likely face greater complexity in incorporating insurance-related affordability metrics into credit assessment, collateral valuation and portfolio monitoring processes. MyState's staff capabilities may need to expand to include deeper expertise in insurance trends, climate risk interpretation and customer guidance on affordability impacts. Financial capital requirements may increase as higher premiums and reduced insurability contribute to elevated credit risk, lower asset values and greater provisioning needs. Customer understanding of the link between climate risk and insurance costs is also evolving, contributing to higher demand for transparent information regarding insurance requirements, property risk exposure, and the implications for loan eligibility and financial resilience. These conditions will influence customer onboarding, as staff will need to incorporate more frequent insurance affordability checks, assess coverage adequacy, and consider the effect of higher premiums on serviceability and collateral values.

Sustainability report continued

Strategy and decision making

To support resilience, value protection and creation, MyState has developed mitigation and adaptation strategies to reduce climate-related risks and strengthen resilience to future climate-related impacts. This includes assessing the implications of natural hazards and insurance affordability, and considering appropriate responses where climate-related risks may affect the Group's operations, customers or financial position.

Table 5: Effects on strategy and decision making

Effects on strategy and decision making		
Climate-related risks		
ID	**Current**	**Anticipated**
All risks	MyState's risk assessment process supports oversight of natural hazards, market changes and other climate-related factors that may affect parts of the Group's operations or lending portfolio.	Climate-related risks may influence portfolio monitoring, lending practices, risk assessment processes and strategic planning activities, particularly where climate-related exposures become more pronounced in specific geographies or customer segments.

The following table summarises the mitigation and adaptation strategies currently in place, and the actions MyState may consider as climate-related risks continue to evolve.

Table 6: Mitigation and adaptation strategies

Direct mitigation and adaptation efforts			
Climate-related risks			
ID	**Current**	**Anticipated**	**Resource allocation**
AR1 – Acute physical climate risks (fire weather, storms and flooding)	Monitoring and assessment of potential home loan book exposure in areas with higher exposure to climate risk. Mortgage holders are required to have the appropriate insurance.	Physical climate risks affecting the lending portfolio and operations can be managed by reviewing lending guidelines in higher-risk hazard regions.	No material additional resource allocation is currently required for these mitigation or adaptation activities.
TR1 – Higher insurance premiums on housing	Maintaining a diversified mortgage portfolio and a broad geographic footprint, thereby reducing exposure in specific highly exposed areas to localised economic or environmental disruptions and in turn minimising the potential exposure to increasing premiums for customers.	Continuing to actively manage geographic portfolio diversification.	No material additional resource allocation is currently required for these mitigation or adaptation activities.

Indirect mitigation and adaptation efforts			
Climate-related risks			
ID	**Current**	**Anticipated**	**Resource allocation**
AR1 – Acute physical climate risks (fire weather, storms and flooding)	Maintaining a diversified mortgage portfolio and a broad geographic footprint, thereby reducing exposure to localised economic or climate-related disruptions. Maintaining the ability to offer services online rather than at a physical site to reduce exposure to climate risks.	Climate risk considerations are expected to be further embedded within portfolio monitoring, credit risk assessment and exposure management processes, including increased use of climate-related data to identify and monitor concentrations in higher-risk locations and sectors.	No material additional resource allocation is currently required for these mitigation or adaptation activities.
TR1 – Higher insurance premiums on housing	Continue to maintain a diversified portfolio across Australia.	Review insurance coverage on the portfolio using third-party data to help identify potential hot spots.	No material additional resource allocation is currently required for these mitigation or adaptation activities.

Transition plans

MyState has not yet developed a climate transition plan or set climate-related targets at the reporting date.

Financial position, financial performance and cash flows

MyState undertook qualitative and quantitative analysis to assess the current and anticipated effects of identified climate-related risks on its financial position, financial performance and cash flows. The assessment identified potential financial effects arising from AR1 (Acute physical climate risks) and TR1 (Higher insurance premiums on housing).

As at 30 June 2026, areas of potential exposure were identified across a 50-year horizon, with quantitative analysis limited to a five-year period, reflecting the availability of reliable data and the Group's planning horizon. The most significant anticipated financial impacts are projected to occur over the long term, as the Group's assessment includes the severity and frequency of climate-related hazards increasing over time.

Although potential exposures were identified, they were not assessed as materially affecting the carrying value or overall performance of the mortgage portfolio at the reporting date.

AR1 – Acute physical climate risks (fire weather, storms and flooding)

Severe weather events may damage residential properties securing MyState's mortgage portfolio, potentially reducing collateral values, increasing credit risk and affecting borrower repayment capacity. MyState undertook financial exposure modelling to assess the exposure of its mortgage portfolio to properties located in higher-risk climate-exposed suburbs and regions across Australia.

TR1 – Higher insurance premiums on housing

MyState assessed that increasing insurance premiums associated with evolving climate-related regulation, as well as the transition to a lower-emissions economy, may affect customer affordability and increase credit risk within the mortgage portfolio. Over time, this may result in higher hardship levels, increased loan arrears and defaults, and higher impairment expenses on loans and advances, particularly in higher-risk geographies where insurance affordability and availability may become more constrained, reflected in expected credit loss provisions and impairment expense on loans and advances.

At the reporting date, no material impacts on the carrying value or financial performance of the mortgage portfolio had been identified arising from this risk. Given the uncertainty associated with future insurance market responses, customer behaviour and regulatory developments, quantitative estimates were not considered sufficiently reliable for disclosure.

Overall assessment

The analysis revealed no current or anticipated material impacts on MyState's own properties or aspects of the business model other than the mortgage portfolio. In the year ended 30 June 2026, MyState did not identify any other matters for which there was a significant risk of a material adjustment to the carrying amounts of assets and liabilities, or to the Group's financial performance or cash flows, within the current or next annual reporting period.

Sustainability report continued

Climate resilience

MyState has evaluated the resilience of its strategy, business model and value chain to climate-related changes, developments and uncertainties using two climate scenarios. The scenarios are based on the IPCC SSPs and the Australian Energy Market Operator (AEMO) for the transition assessment. The scenario analysis provides long-term insights into how climate-related risks may evolve and affect the Group's resilience over coming decades.

The two climate scenarios are:

1. **Low temperature scenario:** SSP1-1.9 pathway (a very low emissions, sustainable development scenario aligned with limiting warming to between 1.0°C and 1.8°C) consistent with "... pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels" (*Climate Change Act 2022*, subparagraph 3(a)(ii)) aligned with the Paris Agreement and required by the *Corporations Act 2001*.
2. **High temperature scenario:** SSP2-4.5 pathway representing "the increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the *Climate Change Act 2022*, namely '...holding the increase in the global average temperature to well below 2°C'." This scenario was selected to reflect a business-relevant trajectory that aligns with current national policy settings and market expectations. It provides a realistic basis for assessing climate-related risks and opportunities without assuming rapid decarbonisation.

The climate-related scenario analysis was conducted for the year ended 30 June 2026, covering both physical and transition risks, as well as opportunities. MyState included its entire operations within the scope of the assessment.

The climate-related scenario analysis is undertaken by MyState every three years to align with its strategic planning cycle, unless significant changes to its strategy, business model, or value chain occur during this period. The next scenario analysis is scheduled for the financial year ending 30 June 2029.

In addition, MyState performs an annual assessment of its climate resilience to reflect any updated insights into the implications of climate uncertainty for its business model and strategy.

Risk exposure levels are based on MyState's risk matrix which combines the likelihood and consequence of each climate-related risk.

Low temperature scenario

Low temperature scenario SSP1-1.9 assumes that net zero emissions are achieved and global warming is limited to 1.5°C above pre-industrial levels by 2050. It anticipates strong climate-related policies across all operating jurisdictions, including stringent emissions reduction targets and carbon pricing mechanisms. Macroeconomic trends reflect moderate population growth, stable economic expansion and prioritisation of sustainable development. National and regional variables include improved infrastructure resilience, proactive land-use planning favouring reforestation and stable local weather patterns with enhanced resource efficiency. Energy usage shifts rapidly towards renewables, supported by a declining reliance on fossil fuels and widespread electrification. Technological developments are assumed to advance clean energy systems, carbon capture and efficiency innovations at scale. These integrated assumptions underpin a pathway aligned with global climate goals and sustainable growth.

Table 7: Low temperature scenario

Low temperature scenario			
	Risk exposure level		
Climate-related risk or opportunity (ID)	Short term	Medium term	Long term
AR1 – Acute physical climate risks	Moderate	Moderate	Moderate
TR1 – Higher insurance premiums on housing	Low	Moderate	Moderate

Key assumptions used in the low temperature scenario analysis include:

- Under a low temperature scenario, the policies implemented to combat the impacts of climate change and consumer demands for stronger action from organisations will be more common
- The frequency and severity of climate-related weather events will be fewer, therefore, there is expected to be a limited increase in insurance premiums compared to the high temperature scenario.

Significant areas of uncertainty considered in MyState's assessment of its climate resilience in the low temperature scenario include:

- Heightened reputational and regulatory risk due to stronger policy under the SSP1-1.9 scenario, as stakeholders increasingly scrutinise climate-related practices – particularly carbon footprint – and broader ESG performance, linking ethical conduct with financial resilience
- Policy and market developments due to uncertainty around the timing and impact of climate-related regulations, carbon pricing and shifts in consumer demand for low-emission vehicles
- Climate projections being impacted by the dependence on external modelling frameworks (e.g., IPCC SSP pathways) to estimate future climate conditions and their potential impact on MyState's business model and value chain.

The implications of MyState's low temperature scenario assessment for its strategy and business model include:

- Stronger climate policy settings and increased stakeholder scrutiny of climate-related practices, which may adversely affect MyState's brand and reputation if climate-related impacts are not effectively managed
- Increased climate-related policy intervention and insurance market responses, which may contribute to higher insurance costs for some customers and affect housing affordability, borrowing capacity and credit risk within the mortgage portfolio
- Greater consideration of insurance affordability, climate-related risk factors and customer resilience within lending, risk management and portfolio monitoring activities.

MyState's business model remains resilient under the low-temperature scenario through its ability to adapt lending practices, maintain operational continuity through digital service channels and incorporate climate-related considerations into strategic decision-making over the short, medium and long term.

MyState's resilience to climate change is supported by its ability to maintain flexibility in its financial resources. This flexibility enables capital to be allocated to emerging climate-related risks and opportunities, including investments in risk management, portfolio monitoring and operational resilience initiatives, supporting an effective response to evolving risks and opportunities over time.

High temperature scenario

High temperature scenario SSP2–4.5 assumes moderate climate-related policies that vary by jurisdiction, with gradual implementation of carbon pricing and emissions standards rather than aggressive measures. Macroeconomic trends follow a middle-of-the-road trajectory, with steady population growth and economic development that balances sustainability with conventional practices. National and regional variables include incremental improvements in infrastructure, mixed land-use changes, and continued pressure on natural resources due to uneven adaptation. Energy usage remains diversified, with fossil fuels still significant but gradually declining as renewables and low-carbon technologies expand. Technological developments progress at a moderate pace, enabling efficiency gains and some decarbonisation but without transformative breakthroughs.

Table 8: High temperature scenario

High temperature scenario			
	Risk exposure level		
Climate-related risk or opportunity (ID)	Short term	Medium term	Long term
AR1 – Acute physical climate risks	Moderate	Moderate	Significant
TR1 – Higher insurance premiums on housing	Moderate	Moderate	Significant

Sustainability report continued

Key assumptions used in the high temperature scenario analysis include:

- Under a high temperature scenario, the frequency and severity of climate-related weather events will increase
- The policies implemented to combat the impacts of climate change and consumer demands for stronger action from organisations will be less common
- Similar levels of risk exposure for the short- and medium-term time horizons across both low and high temperature scenarios due to the temperature difference between the two scenarios being minimal in IPCC predictions.

The significant areas of uncertainty considered in MyState's assessment of its climate resilience in the high temperature scenario include:

- Increasing uncertainty around climate hazards, including fire, storms and flooding, creating exposure to properties in the loan book, as well as offices and branch sites across Australia
- Escalating insurance premiums, driven by rising claims volumes and the increasing severity of climate-related events across Australia
- Uncertainty around potential impairments to owned and leased sites across Australia due to repeated climate-related damage.

The implications of MyState's high temperature scenario assessment for its strategy and business model include:

- More frequent and severe climate-related weather events may disrupt customers, branches and operations, requiring enhanced business continuity and operational resilience
- Increased property damage arising from flooding, storms and bushfires may adversely affect collateral values, borrower resilience and credit risk within the mortgage portfolio
- Higher insurance premiums and reduced insurance availability may affect housing affordability, borrowing capacity and the insurability of some properties, increasing credit risk within the mortgage portfolio

Greater focus may be required on climate-related risk monitoring, portfolio management, insurance affordability assessments and customer resilience initiatives in higher-risk geographies.

MyState's business model remains resilient under the high-temperature scenario through its ability to adapt lending and risk management practices, maintain diversified portfolio exposures, leverage digital service channels and incorporate climate-related considerations into strategic decision-making over the short, medium and long term.

Risk management

The processes for identifying and assessing climate-related risks and opportunities

The overarching risk framework has been established to help business units take reasonable steps to identify, assess, monitor and manage climate-related risks and future potential climate-related opportunities, supporting MyState's climate and sustainability approach.

The Board completes an annual review of MyState's Risk Management Framework, with climate-related risks embedded into MyState's Risk Appetite Statement.

The processes for managing climate-related risks and opportunities

Physical risks

Physical risks impacting the lending portfolio are managed by requiring mortgage holders to have appropriate insurance and by reviewing MyState's guidelines for loans in high-risk regions.

This process has been guided by analysis of financially exposed loans that meet certain criteria, against loans in suburbs that are at a higher risk of climate impacts.

Transition risks and opportunities

MyState continues to explore the most effective strategies to support customers' transition to a lower-carbon economy while building climate resilience. Processes for identifying, assessing and managing climate-related risks are integrated into MyState's overall risk and opportunity assessment.

MyState identifies and assesses risks and their associated impacts through its Risk Management Framework which is built on six key steps – identify, measure, evaluate, monitor, report, and control or mitigate all internal and external sources of risk.

Step 1: Identify

MyState identifies climate-related risks and opportunities on an inherent basis, considering physical risks, transition risks and potential climate-related opportunities across its operations and value chain. To identify potentially relevant climate-related impacts and opportunities, MyState undertakes a structured assessment of impacts and dependencies across its value chain. This includes:

- Identifying the users of the sustainability report, who can help to identify material information
- Determining time horizons for the purposes of assessment
- Engaging with key stakeholders through targeted consultation and surveys to understand their priorities, expectations and perceptions of MyState and its strategy
- Scenario analysis to identify climate-related risks and opportunities, drawing on IPCC scenarios, asset-level exposure and projected carbon price trajectories
- Asset-level resilience and exposure assessments to help identify climate-related physical risks and opportunities, using inputs such as atmospheric projections, rainfall outlooks and extreme weather forecasts
- Climate-related risk and opportunity assessment workshops bringing together key internal stakeholders to understand strategic priorities and develop a longlist of potentially relevant items.

Step 2: Measure

Potentially relevant sustainability-related risks are then measured by:

- Evaluating their potential magnitude using a defined impact scale – from insignificant to critical – based on both quantitative and qualitative factors across varying time horizons
- Assessing the likelihood of each risk and opportunity – rated from rare to almost certain – informed by historical data, scenario analysis and specialist input
- Understanding the nature of each risk, including how (e.g. disrupted operations, damage to assets, non-compliance with regulations) and where it may affect the business (e.g. customers, certain regions or assets), considering whether it is acute or chronic and whether it stems from internal operations or external dependencies.

Likelihood Criteria

The way MyState assesses the probability of a climate-related risk or opportunity occurring is outlined in Table 9.

Table 9: Probability of climate-related risks and opportunities

		Description	Likelihood
Rating	Almost certain	Will occur in most circumstances	>75%
	Likely	Will probably occur in most circumstances	50-75%
	Possible	May occur within the foreseeable future or medium term	25-50%
	Unlikely	May occur at some time but not likely in the foreseeable future	5-25%
	Rare	Will only occur in exceptional circumstances or as a result of a combination of unusual events.	<5%

Magnitude criteria

The way MyState assesses the potential impact of a climate-related risk or opportunity on operations is shown in Table 10.

Table 10: Potential impacts of climate-related risks and opportunities

		Description
Magnitude Level	Critical	Most objectives or day-to-day operations cannot be achieved
	Major	Some important objectives or day-to-day operations cannot be achieved
	Moderate	Some objectives or day-to-day operations affected
	Minor	Minor effects that are easily remedied
	Insignificant	Little or no impact on objectives or day-to-day operations.

Sustainability report continued

In addition to these magnitude criteria, MyState has used other categories to assess the potential consequence of identified climate-related risks and opportunities, including:

- Operational and strategic financial impacts
- Compliance and legal impacts
- Reputational impacts
- Stakeholder impacts (including customers, shareholders and staff).

Step 3: Evaluate

Using information collected in steps 1 and 2, MyState evaluates climate-related risks and opportunities by prioritising them in terms of time horizons, magnitude and likelihood.

Risk matrix

MyState assesses the severity of climate-related risks by combining the likelihood of occurrence with the magnitude of potential consequences.

		Magnitude				
		Insignificant	Minor	Moderate	Major	Critical
Likelihood	Critical	Moderate	Significant	High	High	High
	Major	Low	Moderate	Significant	High	High
	Moderate	Low	Moderate	Significant	Significant	High
	Minor	Low	Low	Moderate	Moderate	Significant
	Insignificant	Low	Low	Low	Low	Moderate

Opportunity Matrix

MyState assesses the potential value of climate-related opportunities by combining the likelihood of occurrence with the expected magnitude of impact.

		Exposure of impact (ability to capitalise on the opportunity)				
		Insignificant	Minor	Moderate	Major	Critical
Likelihood of occurrence	Almost certain	Moderate value	Significant value	High value	High value	High value
	Likely	Low value	Moderate value	Significant value	High value	High value
	Possible	Low value	Moderate value	Significant value	Significant value	High value
	Unlikely	Low value	Low value	Moderate value	Moderate value	Significant value
	Rare	Low value	Low value	Low value	Low value	Moderate value

Step 4: Monitor

MyState monitors climate-related risks and opportunities on an ongoing basis through its risk management processes, including periodic climate risk and opportunity assessments, scenario analysis, portfolio monitoring, and review of external developments that may affect the Group's risk profile. Monitoring activities focus on identified climate-related risks and opportunities, including exposure concentrations within the lending portfolio, changes in insurance affordability and availability, evolving regulatory requirements, and emerging climate-related trends.

In addition, MyState continuously monitors changes in economic, social, financial, regulatory and environmental factors that could affect climate-related risks and opportunities, and revisits and updates its assessments where material changes are identified. The effectiveness of associated risk management activities and controls is monitored through risk-based internal audits, controls testing and regular reporting to the Group Risk Committee and ESG Committee.

Step 5: Report

MyState utilises climate-related scenario analysis described in the 'Climate Resilience' section of this report to support the identification and assessment of climate-related risks and opportunities. It applies both qualitative and quantitative criteria to assess the nature, likelihood and magnitude of the effects of identified risks and opportunities, including the home loan book's potential financial exposure.

The Risk Management Strategy and Framework outlines the ESG Committee's oversight responsibilities and the strategies in place to manage climate-related risks.

Climate-related risk is integrated into the Risk Appetite Statement and is assessed using the same criteria and thresholds applied across the broader Risk Management Strategy and Framework. Therefore, the sustainability-related risks are prioritised on the same basis as other enterprise risks.

Using this framework, MyState has disclosed climate-related risks and opportunities considered material to the Group's prospects at the reporting date.

Step 6: Control or mitigate

MyState investigates and implements controls based on identified climate-related risks and opportunities, and available resources. These include a hierarchy of control types such as avoidance, mitigation, transference, remediation, acceptance and maximisation (opportunities).

These controls are embedded into capital investment approvals, and health and safety systems. While this is MyState's first reporting period under AASB S2, the underlying climate-related risk assessment process remains broadly consistent with that applied in prior voluntary climate-related disclosures.

Metrics and targets

Climate-related metrics

MyState has assessed that its home lending portfolio is the business activity most exposed to the climate-related risks identified in this report.

Apart from the assessment of exposure within the Group's home lending portfolio presented in the Financial position, financial performance and cash flow section, MyState has not undertaken any further quantitative assessment of the amount or percentage of assets or business activities exposed to climate-related risks.

MyState has instead assessed vulnerability to identified climate-related risks using a qualitative approach. This assessment indicates that climate-related physical risks, including severe weather events such as fire, storms and flooding, may adversely affect properties securing residential mortgages, potentially reducing collateral values and increasing credit risk through impacts on borrower repayment capacity. Climate-related transition risks may also affect the portfolio, as increasing insurance premiums associated with higher climate risk exposure could reduce customer affordability and contribute to elevated credit risk.

Climate-related opportunities were assessed as part of MyState's climate-related risk and opportunity assessment. However, no opportunities were identified as being reasonably expected to affect the Group's prospects. Accordingly, no assessment of the amount or percentage of assets exposed to climate-related opportunities has been performed.

As at the reporting date, the Group has not made, nor does it have any plans to make, any capital expenditure, financing or investment specifically related to identified climate-related risks or opportunities.

Scope 1 and 2 GHG emissions

MyState measures its GHG emissions in accordance with:

- GHG Protocol Corporate Standard: *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (WRI and WBCSD, 2004)

MyState's FY26 GHG emissions inventory has been prepared using the operational control approach. Accordingly, Scope 1 and Scope 2 emissions include all entities and activities under MyState's operational control. The organisational boundary comprises MyState Bank, Auswide Bank, Selfco and TPT Wealth, all of which are controlled subsidiaries that are fully consolidated into the Group's financial statements and are 100% under MyState's operational control.

MyState has reported its Scope 1 and Scope 2 GHG emissions, which have been expressed in metric tonnes of CO_2e and are shown in Table 12.

Consolidated accounting group (Includes parent entity and consolidated subsidiaries)

Table 12: Scope 1 & 2 GHG emissions in metric tonnes of CO_2

GHG Emissions (per category, expressed in metric tonnes of CO_2e, tCO_2e)	
Scope	**FY26**
Scope 1 – direct emissions	55
Scope 2 – electricity-related emissions (location-based)	786
Total Scope 1 and Scope 2 emissions	**841**

1. Scope 1 and Scope 2 greenhouse gas emissions are disclosed in accordance with the mandatory requirements of AASB S2 *Climate-related Disclosures*.
2. Previous voluntary sustainability reporting by MyState was aligned to the TCFD reporting standard and included comparisons of annual emissions totals

Sustainability report continued

Scope 1 and 2 calculation methodologies

Scope 1 GHG emissions refer to direct emissions from sources owned or controlled by MyState. Scope 1 GHG emissions primarily stem from the use of company-owned vehicles (mobile combustion).

MyState utilised the following inputs and assumptions to measure its Scope 1 GHG emissions:

Mobile Combustion[1]

- Litres of fuel consumed by MyState vehicles throughout the reporting period
- Emissions factors from the National Greenhouse Accounts Factors

Scope 2 GHG emissions represent indirect emissions from electricity purchased from the grid and consumed by MyState's operations. Electricity costs are based on actual consumption, with invoices generally received and settled on a monthly or quarterly basis depending on the relevant site and retailer arrangements.

MyState utilised the following inputs and assumptions to measure its Scope 2 GHG emissions:

- Kilowatt hours of electricity consumed by MyState sites throughout the reporting period
- Emissions factors from the National Greenhouse Accounts Factors

Internal carbon prices

MyState does not apply a carbon price in decision making.

Climate-related targets

MyState has not set any quantitative or qualitative climate-related targets, and no targets are required to be met by law or regulation.

1. Scope 1 and Scope 2 GHG emissions have been calculated using actual fuel consumption and electricity consumption data where available. Where consumption data was incomplete, limited estimates were applied using the most recent available activity data and were not considered material to the reported totals.

Voluntary climate-related disclosures

Information disclosed in this section of the report is not required under the AASB S2 standards in the first year of reporting and is therefore voluntary. No independent assurance is provided over this section of the report.

Scope 3 calculation methodology

Scope 3 GHG emissions refer to the indirect emissions that occur in MyState's upstream and downstream supply chain. MyState does not have Scope 3 GHG emissions associated with categories 8 (Upstream leased assets), 9 (Downstream transportation and distribution), 10 (Processing of sold products), 11 (Use of sold products), 12 (End-of-life treatment of sold products), 13 (Downstream leased assets) and 14 (Franchises).

To calculate Scope 3 emissions, MyState prioritised activity data where available, and supplemented calculations with secondary data, including spend-based data and estimates obtained from the Australian Bureau of Statistics (ABS). When calculating Scope 3 financed emissions, the chosen approach was to focus on the most material financed emissions – those associated with residential mortgage lending – which account for over 99% of the value of MyState's lending portfolio.

Category 1: Purchased goods and services

Measurement approach

Spend-based data for the past 12 months was used to reconcile purchases on 'purchased goods and services' to then calculate kilograms of CO_2 emitted per Australian dollar using allocated emissions factor.

Inputs and assumptions

- Total spend amounts for purchased goods and services
- Emissions factor per dollar of expenditure (Industrial Ecology Virtual Laboratory (IELab)).

Inputs verification

1. Compare overall spend split between the assessed entities to overall revenue to check for a reasonable split
2. Leverage experience with comparable industry peers and cost category splits appeared appropriate
3. Check total and subtotals with no variance.

Category 2: Capital goods

Measurement approach

Spend-based data for past 12 months was used to reconcile purchases on 'capital goods' to then calculate kilograms of CO_2 emitted per Australian dollar using allocated emissions factor.

Inputs and assumptions

- Total spend amounts for capital goods
- Emissions factor per dollar of expenditure (Industrial Ecology Virtual Laboratory (IELab)).

Inputs verification

1. Compare overall spend split between the assessed entities to overall revenue to check for a reasonable split
2. Leverage experience with comparable industry peers and cost category splits appeared appropriate.
3. Check total and subtotals with no variance.

Table 13: Scope 3 indirect emissions

GHG Emissions (per category, expressed in metric tonnes of CO_2e, tCO_2e)		
Cat.	**Description**	**FY26**
1	Purchased goods and services	6,460
2	Capital goods	4
3	Fuel and energy-related activities (not included in Scope 1 or 2)	39
4	Upstream transportation and distribution	1,087
5	Waste generated in operations	374
6	Business travel	351
7	Employee commuting	200
15	Financed emissions	110,408
Total Scope 3 Emissions		**118,923**

Sustainability report continued

Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)

Measurement approach

Activity data for the past 12 months was used to quantify emissions associated with fuel and energy-related activities not included in Scope 1 or Scope 2 emissions. Emissions were calculated using the relevant activity data and applicable emissions factors.

Inputs and assumptions

- Total litres of fuel used for fuel and energy-related activities
- Emissions factor per dollar of expenditure (Industrial Ecology Virtual Laboratory (IELab)).

Inputs verification

1. Conduct a sense check on fuel used, which has been subject to accuracy and completeness testing as a step in developing Scope 1 emissions
2. Conduct a sense check on the kilowatt hours used, which has been subject to accuracy and completeness testing as a step in developing the Scope 2 emissions (electricity purchased from grid) footprint.

Category 4: Upstream transportation and distribution

Measurement approach

Spend-based data for the past 12 months was used to reconcile purchases on 'upstream transportation and distribution' to then calculate kilograms of CO_2 emitted per Australian dollar using allocated emissions factor.

Inputs and assumptions

- Total spend amounts for upstream transportation and distribution
- Emissions factor per dollar of expenditure (Industrial Ecology Virtual Laboratory (IELab)).

Inputs verification

1. Compare overall spend split between the assessed entities to overall revenue to check for a reasonable split
2. Leverage experience with comparable industry peers and cost category splits appeared appropriate
3. Check total and sub totals with no variance.

Category 5: Waste generated in operations

Measurement approach

Total measured amounts of waste that has occurred over the past 12 months was used to calculate kilograms of CO2 emitted per kilogram of waste using allocated emissions factor.

Inputs and assumptions

- Total weight of waste produced
- Emissions factor per kilogram of waste (Department for Business, Energy & Industrial Strategy, United Kingdom Government).

Inputs verification

1. Assess assumptions on number of bins and type of waste in conjunction with the service they provide and deem appropriate.

Category 6: Business travel

Measurement approach

Total measured amounts of air travelled accumulated in kilometres and nights stayed in hotel accommodation over the past 12 months was used to calculate kilograms of CO_2 emitted per kilometre of air travel and per night of accommodation using allocated emissions factors.

Inputs and assumptions

- Total kilometres of air travel covered.
- Total number of nights stayed in hotel accommodation.
- Emissions factor per kilometre of air travel (Ministry for the Environment, New Zealand Government).
- Emissions factor per night of accommodation (Department for Business, Energy & Industrial Strategy, United Kingdom Government).

Inputs verification

1. Conduct sense check on total air travel and accommodation nights to understand variances between previous reporting years and this year's total amounts.

Category 7: Employee commuting (including working from home (WFH) emissions)

Measurement approach

ABS commuting data was used to calculate the daily average commuting kilometres for private, public and active transport methods used by employees over the past 12 months. Total amounts can then be used to calculate kilograms of CO_2 emitted per kilometre of travel using allocated emissions factors.

Use recorded data to calculate the daily average number of employees who WFH over the past 12 months to find the total kilogram CO_2 emitted per hour WFH.

Inputs and assumptions

- FTE data
- WFH login data
- ABS commuting to work data
- Assumption – most common form of transport used to get to work by MyState employees (personal vehicle, public transport, active transport)
- Assumption – most common form of public transport used by MyState employees to get to work
- Assumption – distance travelled by MyState employees to get to work
- Emissions factor per kilometre of work commute (Department for Business, Energy & Industrial Strategy, United Kingdom Government)
- Emissions factor per employee worked from home per day (Ministry for the Environment, New Zealand Government).

Inputs verification

1. Conduct sense check on the total employee commuting kilometres to confirm it aligns with expectations.
2. Conduct sense check on the WFH emissions calculated to confirm it aligns with expectations.

Category 15: Financed emissions

Measurement approach

Use internal and external sources to calculate the average Scope 1 and Scope 2 residential emissions per state, and then apply those values to the Home Loan Book for June 2026 to determine the total kilograms of CO_2 emitted through financing home loans.

Inputs and assumptions

- MyState Bank core banking system – MyState's Home Loan Book for June 2026
- ABS Housing Statistics – number of private dwellings per state
- National Greenhouse Accounts Emissions Inventory – Scope 1 emissions attributable to residential property per state
- Australian Energy Statistics – energy use consumed by residential properties per state
- ABS Building Activity – number of private dwellings per state.

Sustainability report continued

Independent auditor's review report to the members of MyState Limited

EY
Shape the future with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of MyState Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of MyState Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	The Governance section on page 26 to 27
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Table 3: Acute and chronic climate-related risks on page 28
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	The Scope 1 and 2 GHG emissions section on page 37 to 38

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Shape the future with confidence

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 24 to 25 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not

Sustainability report continued

Independent auditor's review report to the members of MyState Limited continued

Shape the future with confidence

yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of MyState Limited's assessment of climate-related risks and opportunities

- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period

- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures

- Assessed the appropriateness of the reporting boundaries applied

Shape the future with confidence

- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Andrew Harmer
Partner
Sydney
25 August 2026

Board of Directors

Vaughn Richtor
Independent Non-Executive Chair
BA(Hons) MAICD

- Group Audit
- Group Risk Committee
- Group People Remuneration & Nominations Committee

Vaughn joined the Board as a Non-Executive Director in September 2019 and was reappointed Chair with effect from 1 July 2026 following the retirement of Sandra Birkensleigh. He previously served as Chair from 1 April 2022 until implementation of the merger with Auswide Bank Limited on 19 February 2025. He has held CEO roles in Asia and is the former CEO of ING DIRECT Australia and CEO Challenger and Growth Countries – Asia, ING Group after joining ING in London in 1991 as Deputy General Manager UK and Ireland.

Vaughn is currently a Non-Executive Director of Rest Super and is Chair of its Member and Employer Services Committee and a member of its Investment and Risk Committees. He is a prior Board member of TMB Bank in Thailand, ING Vysya Bank in India, Kookmin Group in Korea, and a non-executive Director, and later Chairman, of Ratesetter Australia. He was previously an advisor to the Strategy Implementation Institute in Singapore, Wyvern Health, Rhizome and Spriggy, and he has written and spoken extensively on leadership, corporate culture, customer centricity and digital banking.

Andrea Waters
Independent Non-Executive Director
BCom, FCA, GAICD

- Group Audit Committee (Chair)
- Group Risk Committee

Andrea was appointed as a Non-Executive Director in October 2017. She is an experienced Non-Executive Director, auditor and accountant with over 40 years' experience in financial services. She is a Fellow of Chartered Accountants Australia & New Zealand, and both a member and accredited facilitator of the Australian Institute of Company Directors. She is a former partner with KPMG, specialising in financial services audit.

Andrea is the Chair of the Colonial Foundation and a Director of Helia Group Limited (ASX:HLI). Prior, she was previously the Chair of Grant Thornton Australia Ltd and a Director of The Lord Mayor's Charitable Foundation, Chartered Accountants Australia & New Zealand, Bennelong Funds Management Group, Cancer Council Victoria, CareSuper, Citywide Service Solutions Pty Ltd and Cash Converters International Limited (ASX:CCV).

Sibylle Krieger
Independent Non-Executive Director
LLB (Hons), LLM, FAICD, MBA

- Group Risk Committee (Chair)
- Group People Remuneration & Nominations Committee

Sibylle has been a Non-Executive Director since December 2016 and has over 40 years of broad commercial experience as a lawyer, economic regulator, company director and independent consultant. She was a partner in two large commercial law firms for 22 years and has over 17 years' experience as a Non-Executive Director and Chair across listed and unlisted companies in multiple sectors. Her current portfolio includes financial services, essential infrastructure services, professional services and energy.

Sibylle is currently a Non-Executive Director of Ventia Services Group Limited (ASX:VNT) and AusEnergy Services Limited. She is also a member of the Commonwealth Capacity Investment Scheme Investment Committee, an advisory body for Commonwealth investment in the energy transition, and a member of the advisory board of Law Squared, a challenger to the traditional law firm model.

Sibylle has previously served as Chair of Xenith IP Group Limited (ASX:XIP) and as a Director of Sydney Ports Corporation, Allconnex Water (South-East Queensland), TasWater, Vector Limited (NZX:VCT), the Australian Energy Market Operator Ltd (AEMO), Openpay Group Limited and as a trustee of the Royal Botanic Gardens and Domain Trust and of Sydney Grammar School. In addition, for six years Sibylle served as a Tribunal member of the principal NSW economic regulatory tribunal, IPART.

Sibylle holds undergraduate and post-graduate degrees in law and an MBA from Melbourne Business School. She is a Fellow of the Australian Institute of Company Directors.

Warren Lee

Independent Non-Executive Director

BCom, CA

- TPT Wealth Limited Chairman
- Group Audit Committee
- Group Risk Committee

Warren was appointed as a Non-Executive Director in October 2017 and appointed Chairman of TPT Wealth Limited on 17 August 2023. He has extensive experience in the international financial services industry, including 15 years at AXA in senior management positions within the company's Australian and Asian businesses.

Warren was previously the Chief Executive Officer of the Victorian Funds Management Corporation and Chief Executive Officer, Australia and New Zealand for AXA Asia Pacific Holdings Limited. He has previously served as a Director of Avenue Bank Limited and Tower Limited.

Warren is currently a Non-Executive Director of MetLife Insurance Limited and Solterra Agriculture Pty Ltd. He is the Chair of both Rest Agriculture Pty Ltd and Warakirri Asset Management Limited.

Jacqueline Korhonen

Independent Non-Executive Director

BSc, BEng(Hon), FAICD

- Group People Remuneration and Nominations Committee (Chair)
- Group Risk Committee

Ms Korhonen was appointed to the MyState Board on 19 February 2025 following implementation of the merger with Auswide Bank Limited. Her career spans more than 35 years and encompasses executive roles with several multi-national technology companies including over 25 years at IBM.

Ms Korhonen is an Independent Non-Executive Director of Acenda Life, Nuix Limited (ASX:NXL) and Bapcor Limited (ASX:BAP). She was previously a Board member of the Civil Aviation Safety Authority (CASA).

Ms Korhonen is the Chair of the Board's Group People Remuneration and Nominations Committee and a member of the Group Risk Committee.

Brett Morgan

Managing Director
& Chief Executive Officer

BEc, MAppFin

Brett commenced with the MyState Group on 17 January 2022. He was previously Chief Executive Officer, Banking and Wholesale at ASX listed BNK Banking Corporation Limited (ASX:BBC) and has extensive fintech and digital banking experience having held a number of key executive roles over 15 years at ING DIRECT.

Key Management Personnel

Gary Dickson
Chief Financial Officer
Appointed October 2019
BCom, MBA (Executive), FCA

As Chief Financial Officer, Gary is responsible for managing the finance, treasury, regulatory reporting, strategy and investor relations functions for MyState. Gary is also a Director of Connect Asset Management Pty Ltd.

Gary has over 35 years of experience in a variety of audit and financial roles, with 18 years of CFO experience including six years at ME Bank and five years at AXA Australia. Gary's prior financial services roles include senior positions with AXA Asia Pacific Holdings Limited, the Colonial First State Group, the Investments & Insurance Services division at Commonwealth Bank and Portfolio Partners Limited.

Mandakini Khanna
Chief Risk Officer
Appointed December 2015
BCom, GAICD, FGIA

As Chief Risk Officer, Mandy is responsible for both financial and non-financial risks at MyState. Mandy chairs the Group Enterprise Risk Committee and the ESG Committee.

Mandy has almost 30 years' experience in banking and financial services across sales, product management, operations and risk management. Prior to joining MyState in December 2015, Mandy was the Chief Credit Officer for GE Capital, before which Mandy held various senior risk positions in GE Capital across Asia Pacific.

Tim Newman
Chief Operating Officer
Appointed June 2023
BBus

As Chief Operating Officer, Tim is responsible for the performance of the Bank's product, marketing, digital customer experience, lending operations and financial crime functions, delivering customer-focused solutions, effective risk management and sustainable business growth.

Tim joined MyState in 2022 as Head of Business Transformation. Prior to this, Tim spent 15 years at ING Australia in a variety of senior leadership positions across the retail bank, including Head of Product, Head of Strategy, Head of Customer Experience and Service, and Executive Director for Operations.

Damian Hearne
Chief Customer Officer
Appointed February 2025
DipEd, MBA

As Chief Customer Officer, Damian leads MyState Bank's customer, sales and distribution strategy, with responsibility for driving sustainable growth across third party, retail lending, deposits and customer channels including the retail branch network.

Damian has over 20 years of experience in a variety of financial roles, with nine years as Chief Customer Officer at Auswide Bank prior to the merger, where Damian drove strong growth in customers, financial metrics and brand awareness. Damian's financial services experience includes leadership positions in both commercial and retail channels at Suncorp and Bank of Queensland.

Introduction and performance
Chair's review
Chief Executive Officer's review
Our strategy and approach to risk
ESG update and sustainability report
Board of Directors and KMP
Directors' report and remuneration report
Financial report
Shareholder information

Directors' report

Your Directors present their report for MyState Limited and its controlled entities (the Group) for the year ended 30 June 2026.

Directors

- **Vaughn Richtor** BA (Hons), MAICD
  Chair and Independent Non-Executive Director (Appointed Chair 1 July 2026)
- **Brett Morgan** BEc, MAppFin
  Managing Director and Chief Executive Officer
- **Jacqueline Korhonen** BSc, BEng (Hon), FAICD
  Independent Non-Executive Director
- **Sibylle Krieger** LLB (Hons), LLM, FAICD, MBA
  Independent Non-Executive Director
- **Warren Lee** BCom, CA
  Independent Non-Executive Director
- **Andrea Waters** BCom, FCA, GAICD
  Independent Non-Executive Director
- **Sandra Birkensleigh** BCom, CA, GAICD, ICCP (Fellow)
  Chair and Independent Non-Executive Director (Retired 30 June 2026)
- **Gregory Kenny** GAICD, GradDipFin
  Independent Non-Executive Director (Retired 19 February 2026)

Company Secretary

- **Scott Lukianenko** Ad Dip BMgmt, Grad Dip BA, GIA (Cert)

Principal activities

MyState Limited (MyState) provides banking, trustee, equipment finance and managed fund products and services through its wholly-owned subsidiaries MyState Bank Limited (MyState Bank) and TPT Wealth Limited (TPT Wealth).

Following the merger with Auswide Bank Ltd (now Auswide Australia Limited) (Auswide) in February 2025, on 1 December 2025, Auswide completed a voluntary transfer of all its assets and liabilities to MyState Bank, as approved by the Australian Prudential Regulation Authority (APRA), in accordance with the *Financial Sector (Transfer and Restructure) Act 1999* (Cth). Auswide's banking licence was subsequently revoked by APRA on 11 December 2025.

Under the MyState Bank and Auswide brands, home lending, savings and transactional banking solutions are delivered through digital, branch and partner channels, an Australian-based contact centre, private bankers, mobile lenders and mortgage brokers.

Selfco is a commercial asset finance lender providing Australian businesses with tailored funding solutions to acquire business-critical assets, including trucks, trailers, construction equipment and other essential machinery. It operates nationally through a network of accredited finance brokers.

TPT Wealth delivers asset management and trustee services through relationship managers, digital channels and an Australian-based estate planning, trust administration and support team.

Other than as noted above, there have been no significant changes in the nature of the principal activities of the Group during the year.

Dividends

Dividends paid in the full year ended 30 June 2026 were as follows:

- For the year ended 30 June 2025, a fully franked dividend of 11.00 cents per share, amounting to $18.60m was paid on 16 September 2025.
- For the half year ended 31 December 2025, a fully franked dividend of 12.00 cents per share, amounting to $20.36m was paid on 20 March 2026.

The Directors have declared a fully franked final dividend of 12.50 cents per share. The dividend will be payable on 22 September 2026 to shareholders on the register at the record date of 31 August 2026, taking the dividend for the full year to 24.50 cents per share. The full year dividend payout ratio of 74.1% is within the target range of 60% to 80% on a Statutory net profit after tax (NPAT) basis.

Operating and financial review

Financial performance

Pre-provision operating profit of $85.8m increased $26.2m (or 43.9%) on the prior year, driven by the addition of Auswide and Selfco for the full period, growth in the home loan and equipment finance portfolios, an uplift in net interest margin of 3 bps and realised synergies of $10.7m.

Income growth of $69.3m (or 37.1%) on the prior year was partly offset by an increase in operating expenses of $43.1m (or 34.0%). Total expenses for FY26 as disclosed in the statutory financial statements include integration costs ($6.5m) and merger related fair value adjustments (-$3.4m).

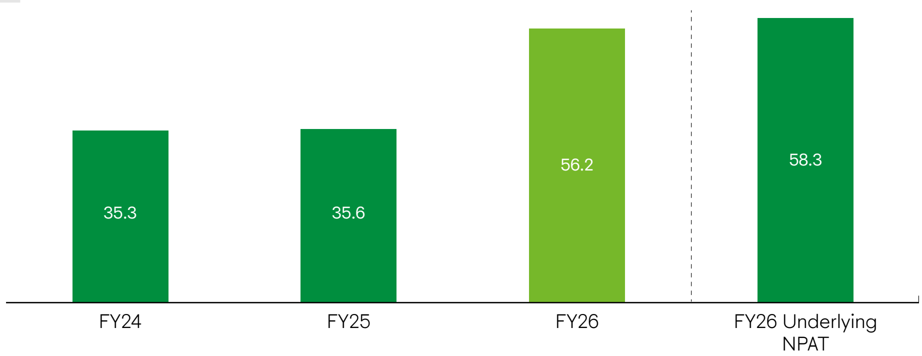
Underlying NPAT of $58.3m was 41.2% higher than the prior year (FY25: $41.3m). The significant rise was supported by increased scale, growth across key business lines and the realisation of year one merger related synergies. The prior year included post-merger earnings of Auswide and Selfco from 19 February to 30 June 2025.

The Group recorded a Statutory NPAT of $56.2m, an increase of 58.0% on the prior year (FY25: $35.6m). Statutory NPAT includes the post-tax impact of merger related integration costs (-$4.5m) and fair value adjustments ($2.4m).

Underlying earnings per share (EPS) was 34.3 cents per share (cps), an increase of 11.7% on FY25 (30.7 cps), return on tangible equity (ROTE) was 9.7% (FY25: 8.9%) and the Group cost to income ratio (CTI) improved 150 basis points to 66.5% (FY25: 68.0%). Statutory EPS increased 25.4% to 33.1 cps (FY25: 26.4 cps).

MyState continues to invest in the business, with a focus on executing its integration strategy, leveraging diversified income streams from Selfco and TPT Wealth, and growing its core retail home loan and customer deposit portfolios.

Group statutory net profit after tax ($m)



Integration remains on track. The transition to a single banking licence on 1 December 2025 has delivered operational, funding and capital benefits. The move to a single loan origination system is expected to be completed by the end of calendar year 2026, while the single core banking solution program commenced in early July 2026 and is expected to take approximately two years to complete. The Group continues to target pre-tax run-rate synergies of $20–25m by the end of FY28.

Directors' report continued

Banking group

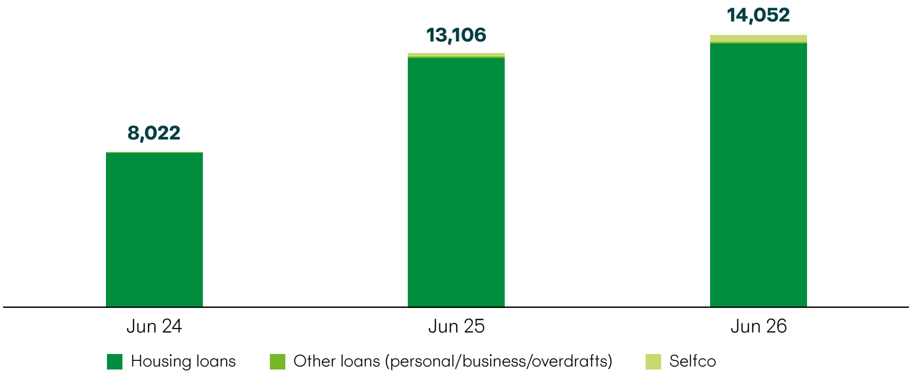
During the year, the total loan book (excluding capitalised acquisition costs) grew $944m or 7.2% to $14.0b as at 30 June 2026. A significant uplift in application volume across the MyState Bank and Auswide brands, following the move to a single banking licence, saw the home loan book grow 10.8% on an annualised basis in the second half of the year. For the full year, the home loan book grew $740m or 5.8%.

Since the merger, investment in Selfco has been prioritised, reflecting its attractive growth profile and higher-margin earnings contribution. Its loan portfolio grew 134% to $371m during the year.

The Group continues to invest in initiatives that mitigate sector-wide cyber and fraud-related risks.

MyState's net promoter score has remained strong at +60, showing that customer satisfaction has remained a clear strength.

Total loan book composition ($m)



Home loan book – LVR profile ($m)

Credit quality remains a pillar of MyState and Auswide's lending, with a focus on loans with a loan to value ratio (LVR) <80%. Exposure to non-residential, investor and interest-only lending remains relatively low compared to sector averages.

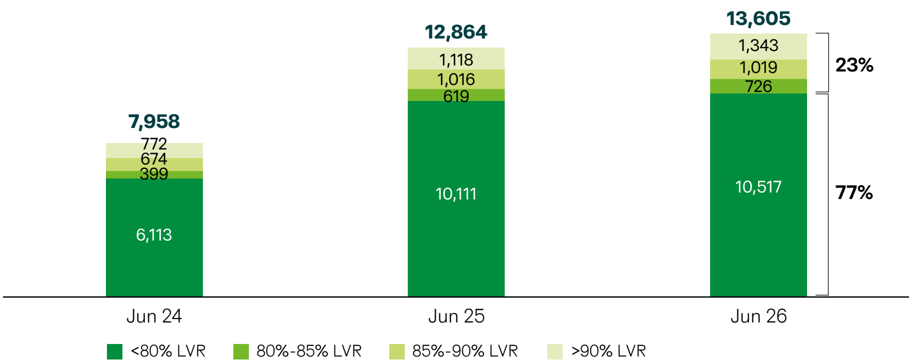
High LVR lending is generally to borrowers eligible to participate in the Australian Government's 5% Deposit Scheme (formerly known as the Home Guarantee Scheme). Scheme changes, effective 1 October 2025, have increased relevance of the Scheme to First Home Buyers. MyState Bank continues to be a participating lender in the Scheme.

The majority of non-Scheme loans with an LVR >80% are lenders mortgage insured.

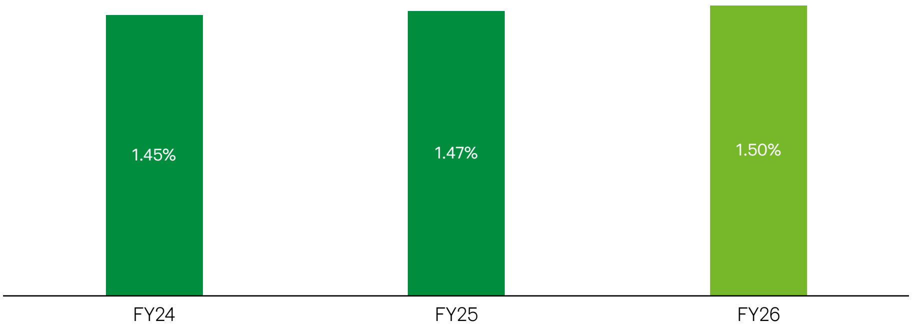
Credit quality improved during the year with the Group's 30 and 90+ day arrears both declining year on year and remaining below industry benchmarks. 30+ day arrears fell from 0.77% to 0.68% and 90+ day arrears fell from 0.44% to 0.32% as at 30 June 2026.

Impairment expense was $4.1m during the year (FY25: $0.5m), comprising net write-offs of $2.6m (FY25: $0.6m) and an increase in specific and collective provisions of $1.5m (FY25: decrease of $0.1m), with the increase reflecting the inclusion of Auswide and Selfco for a full 12 months.

In line with expectations for a more challenging macroeconomic environment in the near term, the forward-looking economic and other risk overlays increased from $3.0m at 30 June 2025 to $4.6m at 30 June 2026. There were 11 mortgagee-in-possession loans with no loss expected.



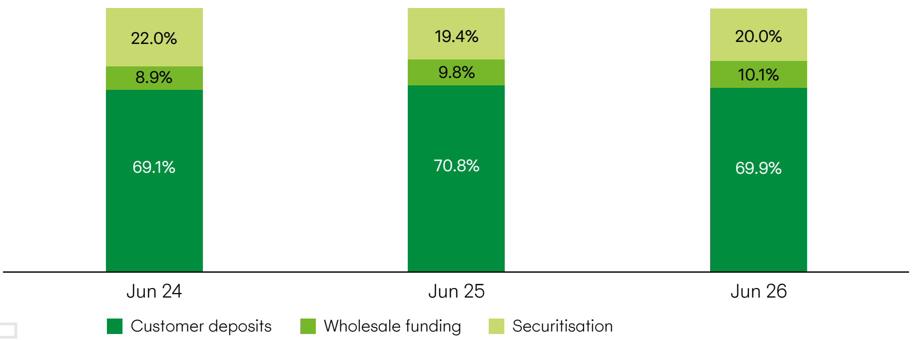
Net interest margin (NIM) trend



Net interest income was up $58.6m or 37.4% on the prior year primarily driven by the benefits of a larger home loan and liquids portfolio (post-merger), partly offset by higher interest expense. Group NIM was up 3 bps on FY25. NIM in the second half of FY26 improved 8 bps on the first half, supported by RBA cash rate increases in February, March and May 2026 and the increased contribution from the higher-margin Selfco portfolio.

Looking forward, ongoing front book pricing pressures, competition in the market for new home loans, elevated levels of customer switching and retention discounting are sector-wide trends that are expected to continue to impact NIM.

Funding mix (%)



Customer deposits remained the Group's primary source of funding, comprising approximately 70% of total funding.

While competition for retail deposits remained strong across the sector, deposits grew by approximately $400m during the year, supported by continued investment in branch and online deposit origination, the launch of the Hello Saver at-call savings product in December 2025 and diversification through partnership and third-party channels.

Together with the Group's securitisation program, which remains an important source of longer-term wholesale funding, these initiatives support a well-diversified and resilient funding profile.

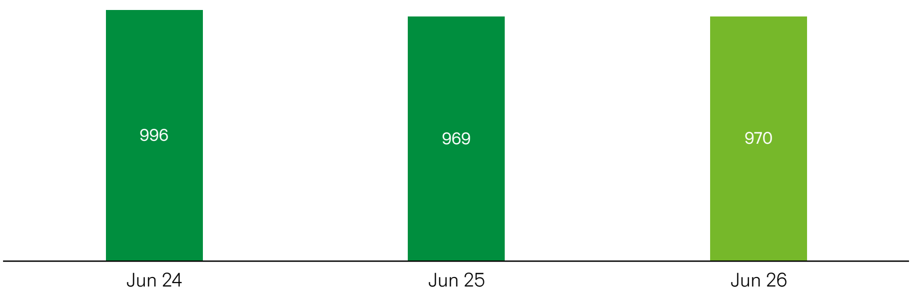
Non-interest income

Non-interest income from banking activities increased by $9.0m or 58.3% on the prior year, primarily driven by a full year contribution from Auswide and a gain on sale of shares in Indue and Australian Settlements Ltd ($2.3m).

Directors' report continued

TPT Wealth

Funds under management ($m)



TPT Wealth recorded a $2.7m NPAT for the year, $0.3m or 12.5% higher than FY25 ($2.4m). Income from wealth management activities increased by $1.6m or 11.2%, driven by higher trustee services income and commercial lending fee revenue.

Operating expenses were up 11.8% due to uplifts in personnel (salary related), technology costs (CPI related increases), and an increase in Group related overhead charges.

Funds under management (FUM) was up marginally during the year to $970m.

The result reflects the resilience of TPT Wealth's trustee and funds management business, with opportunities to pursue selective growth opportunities while maintaining disciplined cost and compliance settings.

Capital position

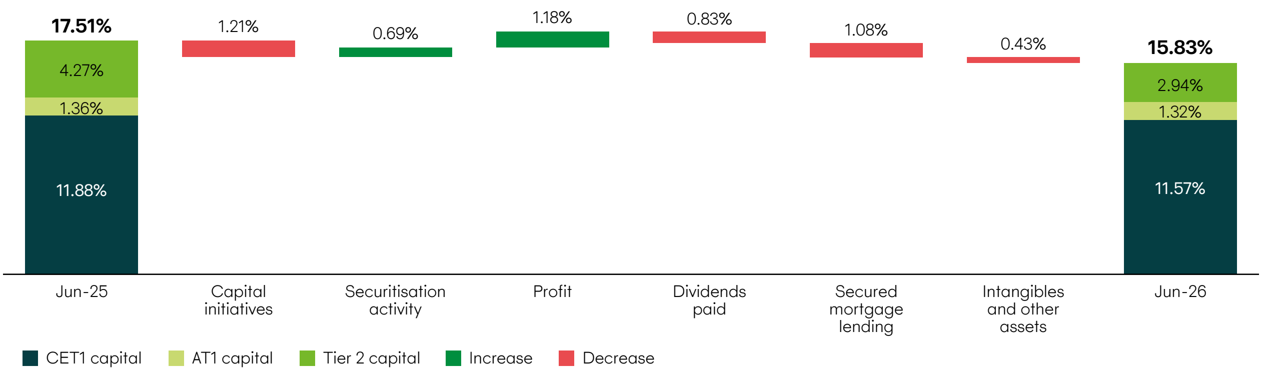
MyState remains well capitalised. At 30 June 2026, the Group's Common Equity Tier 1 (CET1) ratio was 11.57% and the total capital ratio was 15.83% (30 June 2025: 11.88% and 17.51% respectively).

The reduction in the total capital ratio reflects the repayment of $52m of Tier 2 qualifying subordinated notes ($25m on 10 July 2025, $12m on 11 September 2025 and $15m on 25 May 2026). At 30 June 2026, the estimated impact on the total capital ratio was a reduction of 106 bps. These repayments followed the issue of $100m of new notes in May 2025.

MyState's capital management strategy remains focused on the organic generation of capital through retained earnings, supplemented by the flexibility provided through securitisation activity. In October 2025, MyState issued a $750m capital relief term RMBS transaction.

Key movements in capital are summarised in the chart on the following page.

Capital movements (1 July 2025 to 30 June 2026)



Community

MyState has a proud history of supporting the communities in which we operate.

The MyState Foundation invests in community organisations that support young Tasmanians to reach their potential.

Since 2001, the MyState Foundation has awarded over $3.0m in grants to not-for-profit organisations across Tasmania.

In Queensland, Auswide Bank provides support to a range of community organisations including the Salvation Army, Ronald McDonald House and the Mental Awareness Foundations' Walk for Awareness. Support was also provided to the local community following floods in Bundaberg in March 2026.

Outlook

The Board and management team remain focused on profitable growth across deposits, home loans and funds under management, while accelerating growth in the Selfco equipment finance loan book and selected trustee services segments.

In terms of integration, efforts will remain focused on the execution of key IT projects, including a single home loan origination system and single core banking platform, and transitioning to one retail banking brand, MyState Bank.

The total cost of integration for the period through to 30 June 2028 is expected to increase from $29m to $32m, predominantly to support the delivery of a modern, AI-enabled core banking platform in partnership with MyState Bank's long-term core banking provider, TCS. A portion of the additional investment will be capitalised, reducing the expected impact on integration costs recognised through the profit and loss statement over the three-year integration program from $29m to $26m.

MyState delivered $11.8m in run-rate synergies (pre-tax) by June 2026 and remains on track to achieve its target run-rate synergies of $20-$25 million (pre-tax) by the end of FY28 as integration initiatives continue to be executed.

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 57 and forms part of the Directors' Report for the year ended 30 June 2026.

Rounding of amounts

In accordance with applicable financial reporting regulations and current industry practices, amounts in this report have been rounded-off to the nearest one thousand dollars, unless otherwise stated. Any discrepancies between totals and sums of components in charts contained in this report are due to rounding.

Events subsequent to balance date

On 25 August 2026, the Directors declared a fully franked final dividend of 12.5 cents per share, payable on 22 September 2026 to shareholders on the register at the record date of 31 August 2026.

In the opinion of the Directors, there are no other matters or circumstances that have arisen in the period between 30 June 2026 and the date of this report, 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 periods.

Environmental regulation

The Group is required to report under AASB S2 *Climate-related Disclosures* as a Group 1 entity and has included its inaugural mandatory climate-related financial disclosures as part of the annual reporting suite for the year ended 30 June 2026.

Directors' report continued

Directors' meetings

The number of meetings of Directors (including meetings of the Committees of Directors) held during the year and the number of meetings attended by each Director are as indicated in the following table:

Directors' meetings

	MYS Board meetings		Group Audit Committee		Group Risk Committee		Group People, Remuneration & Nominations Committee	
MYS Directors	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
S Birkensleigh (retired 30 June 2026)	9	9	4	4	4	4	n/a	n/a
J Korhonen	10	10	n/a	n/a	4	4	4	4
G Kenny (retired 19 February 2026)	4	5	n/a	n/a	1	2	n/a	n/a
S Krieger	10	10	n/a	n/a	4	4	3	4
W Lee	10	10	4	4	4	4	n/a	n/a
B Morgan	10	10	n/a	n/a	n/a	n/a	n/a	n/a
V Richtor	8	10	4	4	2	4	4	4
A Waters	10	10	4	4	4	4	n/a	n/a

A = Number of meetings attended. B = Number of meetings eligible to attend.

Indemnification and insurance of Directors and officers

The Company has paid, or agreed to pay, a premium in relation to a contract insuring the Directors and officers listed in this report against those liabilities for which insurance is permitted under Section 199B of the *Corporations Act 2001*.

The Company has not otherwise, during or since the relevant period, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

During the year, Ernst & Young, the Company's auditor, has not performed any other services in addition to its statutory duties. Details on the statutory services performed are set out in note 8.2 to the financial statements.

The Board annually considers any non-audit services provided during the year by the auditor and, in accordance with written advice provided by the Group Audit Committee, satisfies itself that the provision of those non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Corporations Act 2001*, for the following reasons:

- any non-audit services would be subject to the corporate governance procedures adopted by the Company and would have been reviewed by the Group Audit Committee, to ensure that they would not impact the integrity and objectivity of the auditor; and
- any non-audit services provided would not undermine the general principles relating to auditor independence as they related to technical disclosure issues.

Auditor's independence declaration to the Directors of MyState Limited

Shape the future
with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of MyState Limited

As lead auditor for the audit of the financial report of MyState Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 30 June 2026, I declare 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 review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of MyState Limited and the entities it controlled during the financial year.

Ernst & Young

Andrew Harmer
Partner
Sydney
25 August 2026

Directors' report continued

Remuneration report – audited

Letter from the Chair of the Group People, Remuneration and Nominations Committee

Dear Shareholder,

On behalf of the Board, I am pleased to present the MyState Limited Remuneration Report for the year ended 30 June 2026 (FY26).

This report outlines how the Board has applied the Group's remuneration framework for Key Management Personnel (KMP), and how remuneration outcomes reflect the Group's performance, strategic progress and shareholder experience during the year.

FY26 was the first full year MyState Limited operated as a merged entity, and it was a year in which the Group delivered a strong profit outcome, built momentum in the second half and made meaningful progress on integration.

At the commencement of the year, the Board approved a challenging business plan designed to encourage management to drive business performance, accelerate integration synergies and position the Group for sustainable long-term growth. The Board's expectation was that executive performance should be assessed against internal objectives and also against the external performance benchmarks and market expectations that shareholders use to evaluate the Group's performance.

Against a challenging operating environment, MyState delivered a solid financial result, with Underlying NPAT up 41.2% on FY25 and up 22.0% on a pro forma basis. Underlying EPS increased 11.7% year on year. This result was underpinned by stronger second-half momentum, with accelerated growth in home lending and retail deposits and an increased contribution from higher-margin businesses. The Group delivered outcomes consistent with market expectations, while continuing to progress its significant integration program. These outcomes reflect the disciplined execution of key priorities by management and confidence in the strength of the Group's strategic direction.

The integration program remains on track with committed FY26 synergies delivered. The financial result reflected balance sheet growth, a stronger earnings mix, disciplined cost management and synergy benefits associated with the Group's integration efforts. Together, these outcomes demonstrate meaningful progress in reshaping the Group and creating long-term value for shareholders.

Through the Group People, Remuneration and Nominations Committee, the Board, in assessing Short-Term Incentive (STI) outcomes, has carefully considered performance against the metrics established at the beginning of the year, alongside the Group's delivery against external expectations. While outcomes varied across objectives, the Board believes management delivered a strong and credible outcome in a difficult market, with second-half performance demonstrating accelerated momentum. Cash incentive outcomes have been determined in this context, balancing strong profit delivery and strategic progress during the year against those areas where performance fell short of the ambitious targets originally set.

The Group's Executive Long-Term Incentive Program (ELTIP) remains focused on aligning executive reward with sustained shareholder value creation. The current structure continues to emphasise Total Shareholder Return (TSR), which directly links outcomes to shareholder experience. The Board also recognises that Return on Equity (ROE) may be influenced by integration-related impacts in the near term. Performance will therefore be assessed over the full three-year period, supporting disciplined decision-making and a longer-term view of value creation. The performance period for the 2023 ELTIP offer concluded on 30 June 2026. Hurdle testing for the performance rights allocated under the 2023 offer has been completed, and the outcomes of the assessment are detailed in this report.

The Board remains committed to a remuneration framework that is transparent, performance-linked and appropriate for the size, complexity and strategic priorities of the Group. This includes remuneration outcomes that are fair and reflective of underlying performance, while supporting the attraction, retention and motivation of the leadership capability required to deliver the Group's strategy, meet shareholder expectations and drive long-term sustainable performance in a demanding and competitive market environment.

We value the ongoing support and engagement of our shareholders as the Group continues to progress integration, strengthen performance and position itself for sustainable long-term growth. Our remuneration policy can be found on the MyState Limited website.

Jacqueline Korhonen
Chair – Group People, Remuneration and Nominations Committee

Our people and our company

Executive Key Management Personnel (KMP) and Non-Executive Directors who served our company in the year ended 30 June 2026 were:

Name	Role	Commenced	Ceased	Group, People, Remuneration & Nominations Committee
Sandra Birkensleigh[2]	Non-Executive Director	19 February 2025	Retired 30 June 2026	
Vaughn Richtor[3]	Non-Executive Director	1 September 2019		✓
Jacqueline Korhonen	Non-Executive Director	19 February 2025		Chair
Sibylle Krieger	Non-Executive Director	1 December 2016		✓
Warren Lee	Non-Executive Director	19 October 2017		
Andrea Waters	Non-Executive Director	19 October 2017		
Gregory Kenny[1]	Non-Executive Director	19 February 2025	Retired 19 February 2026	
Brett Morgan	Managing Director, Chief Executive Officer	17 January 2022		
Gary Dickson	Chief Financial Officer	19 October 2019		
Mandakini Khanna	Chief Risk Officer	12 December 2015		
Tim Newman	Chief Operating Officer	12 June 2023		
Damian Hearne	Chief Customer Officer	19 February 2025		

1. MyState Limited Non-Executive Director Gregory Kenny announced his retirement on 17 December 2025.
2. MyState Limited Chair Sandra Birkensleigh announced her retirement on 1 June 2026.
3. From 1 July 2026 Vaughn Richtor is Chair of the MyState Limited Board.

Our remuneration framework

Philosophy and principles

MyState Limited's remuneration policy is founded on a company-wide commitment to transparency, ethical practices and the creation of long-term value. The framework is designed to encourage and reward actions by executives that deliver positive results for both customers and shareholders through good discipline and strong financial performance, prudent risk management, and the maintenance and enhancement of our company's earned and valued reputation for trustworthiness in the market for financial services. The remuneration policy is designed to support these objectives through:

- appropriately structured performance-based pay for executives and other eligible employees, including short-term and long-term incentive plans;
- recognition and reward for strong performance linked to both favourable customer experiences and positive sustainable returns to shareholders;
- a thoughtful balancing of the company's capacity to pay and our need to attract and retain excellent staff at all levels;
- careful structuring of remuneration for our risk and financial control managers, including performance-based payments, to preserve their independence in carrying out their important roles;
- Board discretion over variable remuneration generally, including discretion to apply malus (reduction or forfeiture) to executive incentives, when appropriate, to preserve the interests of shareholders and customers and avoid unexpected or unjust outcomes; and
- enhancement of risk management and governance by maintaining separate structures for Non-Executive Director remuneration and executive remuneration.

Directors' report continued

Remuneration report – audited continued

Non-Executive Director remuneration

MyState's Non-Executive Directors (NEDs) are paid annual fixed fees, including statutory superannuation, for their services. They are also entitled to reimbursement of reasonable expenses.

Unlike executives, NEDs do not receive short-term or long-term incentive payments. The Board determines the level of fees paid to Non-Executive Directors according to two main criteria:

- the level of skill and experience required to conduct their roles; and
- the level of fees needed to attract and retain talented NEDs.

The aggregate remuneration paid to all NEDs, including statutory superannuation, may not exceed the amount fixed by shareholders, which is currently $1,200,000. The NED base fees are $116,696 per annum, and the Chair fee is $250,869 per annum. Chairs of Board Committees (other than the Board Chair) receive an additional $20,000 per annum and the TPT Wealth Limited Board Chair receives an additional $30,000 per annum.

Managing Director and Executive KMP remuneration

Executive remuneration mix

MyState Limited's remuneration packages for the Managing Director and executives who report directly to the Managing Director are structured to support the company's ability to attract and retain talented and experienced leaders, and to provide incentives and rewards for high performance and achievement of the company's goals and objectives over the short, medium and long-term. Executive remuneration packages comprise three elements: Total Fixed Reward (TFR), cash-based Short-Term Incentives (STI) and the Executive Long-Term Incentive Program (ELTIP). The maximum value of incentives is expressed as a percentage of TFR as determined by the Board.

1. TFR

TFR for executives, including the Managing Director, comprises a fixed base salary, superannuation contributions, optional salary sacrifice, and fixed allowances as applicable. The level of payment is set with reference to:

- the relative strategic value and importance of the role;
- the complexity and breadth of the role;
- experience and skills required; and
- external market considerations for comparable positions.

Base salary rates are set with a view to attracting and retaining talented and culturally aligned executives, while delivering value to shareholders. Executive salaries are periodically reviewed to take into account external market conditions, the business critical nature of the role, and individual performance.

2. STI

Cash-based STIs provide appropriate rewards to executives for meeting or exceeding performance targets and achieving our core company goals – both financial and non-financial. To this end, STI performance measures and associated targets are set with reference to the drivers of annual company performance and the roles of individual executives in achieving positive business outcomes. The STI awarded to executives is calculated annually by assessing performance against the achievement of performance measures set via a STI 'scorecard'. These include financial, growth, cultural, risk and compliance, reputational, customer and stakeholder measures. Financial and non-financial gateways serve to balance reward with MyState's profitability and to avoid rewarding conduct that is inconsistent with our values and risk framework.

3. ELTIP

Long-term incentive payments to executives, in the form of company shares or performance rights, under the ELTIP exist to encourage and culturally embed long-term thinking and risk management among our company leaders. Long-term planning plays an indispensable role in preparing the company to meet future challenges in an evolving financial services marketplace, and to take advantage of new opportunities as they arise.

FY26 Executive KMP remuneration breakdown

Total Target Reward comprises Total Fixed Remuneration (TFR), Short-Term Incentive (STI) and Executive Long-Term Incentive (ELTIP)

Managing Director – Total Target Reward

TFR	STI	ELTIP	
TFR 33.3%	Maximum STI 33.3%	Maximum ELTIP 33.3%	
	Paid as cash. Performance assessed against business performance for the financial year.	Paid as shares or performance rights	
		Total Shareholder Return (TSR) 75%	Return on Equity (ROE) 25%
	Opportunity: 100% of total TFR	Opportunity: 100% of TFR	

Chief Financial Officer – Total Target Reward

TFR	STI	ELTIP	
TFR 50%	Maximum STI 25%	Maximum ELTIP 25%	
	Paid as cash. Performance assessed against business and individual performance for the financial year.	Paid as shares or performance rights	
		Total Shareholder Return (TSR) 75%	Return on Equity (ROE) 25%
	Opportunity: 50% of TFR	Opportunity: 50% of TFR	

Other Key Management Personnel – Total Target Reward

TFR	STI	ELTIP	
TFR 56%	Maximum STI 22%	Maximum ELTIP 22%	
	Paid as cash. Performance assessed against business and individual performance for the financial year.	Paid as shares or performance rights	
		Total Shareholder Return (TSR) 75%	Return on Equity (ROE) 25%
	Opportunity: 40% of TFR	Opportunity: 40% of TFR	

Remuneration governance

A Group People, Remuneration and Nominations Committee – appointed by the MyState Board and comprising three Non-Executive Directors – assists the Board in discharging its remuneration governance responsibilities. Among a range of functions, the Committee reviews and makes recommendations to the Board on:

- remuneration arrangements for Directors, the Managing Director and other executives;
- executive incentives, including setting gateways, performance measures and targets at the commencement of the performance period, and assessing performance outcomes against these measures and targets at the conclusion of the performance period, and making recommendations for payment or otherwise;
- incentive payments for Material Risk Takers, and the aggregate pool for short-term incentives for non-executive staff; and
- the appropriate exercise of Board discretion on variable remuneration matters.

The Committee assists the Board to meet remuneration obligations required by APRA Prudential Standards and the Financial Accountability Regime (FAR). The Committee also aims to eliminate conflicts of interest from decisions concerning executive remuneration. To this end, no executive is directly involved in deciding their own remuneration.

Directors' report continued

Remuneration report – audited continued

Company performance

MyState's financial performance informs the level of incentive-based remuneration for both short-term and long-term.

For the financial year in review, MyState has reported a strong result, with disciplined execution of its integration program, strong underlying net profit after tax growth, tightly controlled costs and an improving earnings mix. As shown below, in FY26 the Group has delivered a strong full-year profit.

Indicator	2022	2023	2024	2025	2026
Statutory profit after income tax ($'000)	32,026	38,502	35,288	35,558	**56,190**
Statutory earnings per share (EPS) (cents)	30.34	35.45	32.02	26.40	**33.10**
Underlying profit after income tax ($'000)1	32,026	38,502	35,288	41,300	**58,302**
Underlying earnings per share (EPS) (cents)[1]	30.34	35.45	32.02	30.66	**34.34**
Dividends paid ($'000)	26,874	24,720	25,285	30,426	**38,960**
Share price (dollar)	4.08	3.17	3.74	4.21	**4.58**
Statutory average return on equity (%)	7.7	8.7	7.7	7.3	**7.6**
Statutory cost to income ratio (%)	68.4	64.0	66.3	68.0	**67.6**

1. Underlying profit after income tax excludes merger-related transaction and integration costs.

Key highlights for FY26 include:

- Underlying NPAT up 41.2% to $58.3m (Statutory NPAT up 58.0% to $56.2m)
- Growth delivered across key business lines and retail banking momentum improved
- Higher-return businesses increased contribution to 11.3% of underlying NPAT (FY25: 6.0%)
- Integration delivered $11.8m of run-rate synergies; all major integration decisions made
- Underlying EPS up 11.7% to 34.3 cps
- Fully franked, final dividend 12.5 cents per share (cps); full year dividends 24.5 cps (+3.0 cps on FY25)

Short-term incentive (STI) payments

How the STI works

Each year, the Committee recommends to the Board Key Performance Indicators (KPIs) for the Managing Director with reference to STI payments. The Managing Director, in turn, recommends KPIs for executives to the Committee, which then makes a recommendation to the Board. KPIs for STI payments include both financial and non-financial metrics that are considered consistent with the business plans and desired culture of the Group.

At the end of each financial year, the Managing Director assesses the performance of the executives against their KPIs and any additional matters of relevance that have arisen during the performance period and makes a recommendation for each executive to the Committee. Simultaneously, the Committee assesses the performance of the Managing Director against the relevant KPIs, and any additional matters of relevance that have arisen during the performance period. After consultation with the Group Risk Committee, the Committee recommends STI payment amounts to the Board for approval.

The Board retains complete discretion over STI payments, including the right to reduce or forfeit payments as it sees fit. The annual STI component may be reduced or forfeited if the company, or an individual executive, does not meet the 'gateway' criteria approved by the Board at the start of the financial year.

Threshold performance levels for risk and compliance, customer advocacy, executive behaviour standards and profit must be met or exceeded for payments to be made under the STI program. These 'gateway' criteria are a prerequisite to determining individual scorecard outcomes.

Executives, including the Managing Director, are assessed as a group with reference to performance on net profit after tax, customer advocacy, and risk and compliance – including corporate reputational matters. Individual executive behaviours are assessed against the MyState values, and individual executives' risk and compliance accountabilities are measured via a scorecard comprising several indicators. The Board has the discretion to reduce the STI (including to zero) if any of these gateways are not met.

Individual STI scorecards include a mix of financial and non-financial metrics, with the relative weightings varying between different executive roles.

The scorecard comprises a diverse list of both quantitative and qualitative performance measures (or criteria), which have been chosen with a view to driving positive outcomes not just for MyState shareholders, but also for customers, employees and other key stakeholders of the organisation.

Quantitative performance measures include Group cost to income ratio, funds under management, loan book and retail deposit growth, the increase in active bank customers, employee engagement, and synergy targets. Executives are also individually assessed with reference to their performance as leaders in their specific roles, and for their individual contributions to the future development of the organisation. The Board has the discretion to vary STI outcomes to reflect differing levels of performance.

MyState values Our 3 Cs – to make it happen

Create customer 'wow'

- We act in our customers' best interests and deliver on our promises.
- We build trust by being clear, caring and genuine.
- We simplify our customer experience to make things easy and deliver with heart.
- We take pride in understanding what matters most.

Chase the better

- We are bold in our ambition and passionate about sustainable progress.
- We empower our people to identify the 'why', own their actions and adapt to change.
- We have the courage to try new things and grow through learning and celebrate success.
- We improve continuously – how we think, how we work together, and our customer experience.

Collaborate to win

- We care for each other, our customers, our communities and our partners.
- We combine our efforts and strengths across our business to win together.
- We take ownership and support one another to be accountable in a positive, respectful way.
- We share knowledge freely to enable confident, informed decision-making.

STI opportunity is calculated as a percentage of TFR

Performance measures and targets are set at the beginning of the performance period and weighted to best align the individual's reward to Company objectives and its overall long-term performance.

FY26 Executive KMP Performance Weightings

Executive KMP	Total fixed remuneration	Maximum STI opportunity[1] %	Maximum STI opportunity[1] $	Scorecard weighting against each key result area[2] Financial outcomes	Growth	People & culture	Synergies delivered	Key initiatives
Managing Director	$716,000	100%	$716,000	25%	40%	20%	15%	–
Chief Financial Officer	$450,000	50%	$225,000	35%	30%	20%	15%	–
Chief Risk Officer	$420,000	40%	$168,000	30%	–	20%	10%	40%
Chief Customer Officer	$375,000	40%	$150,000	20%	50%	20%	10%	–
Chief Operating Officer	$420,000	40%	$168,000	40%	30%	20%	10%	–

1. STI opportunity is calculated as a percentage of TFR.
2. Performance measures and targets are set at the beginning of the performance period and weighted to best align the individual's reward to Company objectives and its overall long-term performance.

Directors' report continued

Remuneration report – audited continued

FY26 'gateway' criteria for short-term incentive payments

If threshold performance is not met, the STI may be reduced or forfeited at the discretion of the Board. The Board retains a residual discretion not to award or pay STIs even if the measures have been met, if, in its reasonable view, the needs of the Group require this.

Group gateways	Assessment measures
1. Group risk	The MyState Group meets compliance and risk management obligations; reputation is not materially damaged; capital adequacy and liquidity are managed within Board limits.
2. Group profit	NPAT exceeds the threshold level as determined by the Board.
3. Customer advocacy	The customer net promoter score exceeds a monthly average target score.
Individual gateways	**Assessment measures**
4. Values and behaviours	The individual executive meets behaviour expectations, assessed against the MyState values.
5. Individual risk	The executive risk scorecard meets the standard required.
6. Individual accountability	An Accountable Person meets their personal accountability obligations as per the FAR.

The Board has made a positive assessment of the Group STI gateways, determining that the FY26 STI program is open for assessment. In making this decision, consideration was given to the following:

- underlying NPAT was $58.3m;
- no material risk or reputational incidents; and
- customer advocacy remained strong with a customer net promoter score (NPS) of +60.

With regard to individual risk, the GPRNC consulted with the Group Risk Committee in the assessment of the risk scorecard for the Managing Director and each individual executive. It was determined that each executive met or exceeded the risk standards required by the Board.

In consultation with the Managing Director, each individual executive reporting to the Managing Director, was assessed as living the Group values and having met the standards required by the Board. In addition, the Board determined the Managing Director consistently demonstrated behaviours aligned to the Group values.

Executives who are also Accountable Persons under FAR have met their accountability obligations. There were no FAR breaches, and executives have been positively assessed on how they have demonstrated their accountability obligations throughout the year.

STI assessment for FY26

In determining FY26 remuneration outcomes, the Board assessed performance against a balanced scorecard of financial, strategic, customer, people, risk and conduct measures. This assessment considered the Group's strong profit and delivery of integration milestones in its first full year operating as a merged entity, and the extent to which outcomes were achieved in a manner consistent with MyState's values, risk appetite and regulatory obligations.

FY26 performance demonstrated strong progress. Underlying NPAT increased to $58.3 million and the Group made meaningful progress on integration. During the year, 158 integration initiatives were completed, delivering $11.8 million of run-rate synergies, with the Group remaining on track to achieve its $20-$25 million of run-rate synergies (pre-tax) by the end of FY28. The achievement of a single banking licence, growth in the home lending portfolio and deposit book and increased contribution from higher-return businesses were important indicators of progress against the Group's strategic priorities.

The Board also considered the broader context of performance. While the overall result reflected strong execution and momentum, not all objectives were fully achieved. In particular, the Board considered transitional impacts, market conditions, execution risk and the need to maintain prudent risk management, customer focus, employee engagement and sustainable performance over the longer term.

Consistent with the Group's remuneration framework, short-term incentive outcomes were therefore assessed as recognising solid delivery across key measures, while being moderated where objectives were not fully achieved. The Board retained discretion to adjust outcomes to ensure that remuneration was fair, proportionate and aligned to shareholder outcomes, risk outcomes and the long-term interests of the Group.

Overall, the Board considers that FY26 STI outcomes appropriately reflect the Group's performance, the progress made in reshaping the business and the need to maintain a disciplined, risk-aware approach to reward. The outcomes support the attraction, retention and motivation of the executive capability required to deliver the Group's strategy, while remaining aligned to sustainable value creation for shareholders, customers and other stakeholders.

FY26 Executive KMP STI scorecard assessment

Area	Measure	Driver	Performance
Financial Outcomes	Cost to income ratio Group and business unit efficiency Bank profit and loss	Operating efficiency and financial performance	◕
Growth	Lending Retail deposits Active customers Funds under management	Growing the size of loan book, retail deposits, active bank customers and funds under management	◑
People & Culture	Employee engagement Culture	Positive employee experience score Making progress toward our target culture	◕
Merger synergies	Cost savings	Creating company value	●
Key initiatives	Project execution	Realising our strategic priorities	◕

● Target met or exceeded target ◕ Target largely met ◑ Target partially met ◔ Below target ○ Target not met

If the results on which any STI reward was based are subsequently found by the Board to have been the subject of deliberate management misstatement, error, misrepresentation or act or omission, which the Group People, Remuneration and Nominations Committee or the Board (acting reasonably) considers would have resulted in the KPIs not being satisfied, or there is otherwise a reward decision incorrectly made, the Board may require repayment of the whole or part of the relevant STI, in addition to taking any other disciplinary actions.

STI outcomes for FY26

Details of STI payment offers for FY26 are set out below:

Key Management Personnel	% max. (of TFR)	Max. payable	% awarded	% forfeited	$ amount paid
FY26					
Brett Morgan	100%	$716,000	70%	30%	$501,000
Gary Dickson	50%	$225,000	65%	35%	$146,000
Mandakini Khanna	40%	$168,000	71%	29%	$120,000
Tim Newman	40%	$168,000	65%	35%	$109,000
Damian Hearne	40%	$150,000	60%	40%	$90,000

Directors' report continued

Remuneration report – audited continued

Executive Long-Term Incentive Plan (ELTIP)

How the ELTIP works

The Executive Long-Term Incentive Plan (ELTIP) was established by the Board to encourage and motivate the Managing Director and other eligible executives by rewarding them with Company shares for helping to create long-term value for the Company's shareholders. Participating executives are allocated 'performance rights' which, on vesting, deliver one share for each vested performance right.

Each year, the Board has the discretion to offer executives shares/performance rights worth up to a specified percentage of their TFR. The 2023 to 2024 offers are equal to 80% of TFR for the Managing Director, and a range of 30%-40% for eligible executives as determined by the Board. The 2025 to 2026 offers are equal to 100% of TFR for the Managing Director, and a range of 40%-50% for eligible KMP executives as determined by the Board. The number of shares or performance rights allocated is based on the Volume Weighted Average Price (VWAP) of shares calculated over the 20 trading days to 30 June immediately prior to the commencement of the performance period for the relevant offer.

For the performance rights to vest, certain performance criteria must be satisfied within the specified performance period. Both the performance criteria and the performance period are set by the Board alone. ELTIP performance measures are weighted between relative TSR and ROE. The relative TSR incorporates both dividends paid and movements in share prices, while the ROE is a measure of corporate profitability. For the 2023 to 2026 offers, the TSR performance measure will have a weighting of 75% and the ROE performance measure will have a weighting of 25%. Currently the Board has set three financial years, commencing with the year in which an offer is made, as the performance period.

The performance criteria are assessed following the completion of each performance period. Under the ELTIP rules, an assessment is made against the performance criteria to determine the number of performance rights awarded to the Managing Director and each participating executive.

Performance rights cannot be allocated for a further two-year deferral period. This means a total period of five years will elapse from the commencement of the performance period to the time when shares are vested. Any ELTIP reward is subject to reassessment and possible reduction or forfeiture. This enables the Board to adjust share allocations (potentially to zero) to protect the financial soundness of the company or respond to significant unforeseen or unexpected consequences. In addition, if the Managing Director or a participating executive is an Accountable Person under the Banking Executive Accountability Regime (BEAR), or the FAR, allocating the shares will be subject to the Board being satisfied that the Accountable Person has met their accountability obligations. The number of shares allocated (and/or the value of any associated payment) may be reduced or cancelled to the extent that the Board determines that the accountability obligations have not been met.

Allocation of shares to the Managing Director and eligible executives is ultimately at the complete discretion of the Board. The participating executive cannot transfer or dispose of shares before they have been allocated to them. Any shares or performance rights to be allocated to the Managing Director under this plan require shareholder approval in accordance with ASX Listing Rules. Participating executives are required not to hedge their economic exposure to any allocated non-vested entitlement. Failure to comply with this directive will constitute a breach of duty and may result in forfeiture of the offer, dismissal, or both.

Commencement of employment during a financial year

Subject to Board approval, a pro-rata ELTIP offer can be made to an executive who commences employment during the financial year, but before 1 April. The terms of the offer must be consistent with all other offers for that year, irrespective of the date of employment commencement.

Cessation of employment

Executives who cease employment with the Company will be eligible to receive shares only if the cessation is due to a Qualifying Reason, as defined by the ELTIP Plan Rules. Qualifying Reasons include death, total and permanent disability, retirement at normal retirement age, redundancy or other such reason as the Board may determine. Where an ELTIP participant ceases employment, their ELTIP offer will be assessed by the Board at the end of the performance period along with all other participants, subject to meeting the 12-month employment hurdle that applies to any ELTIP offer. If the separated employee is an Accountable Person under the FAR, any awarded shares will not be allocated until all FAR requirements are satisfied, including the variable remuneration deferral period.

Entitlement to dividend income

When shares allocated to an executive are held by a trustee, the executive is entitled to receive dividend payments on the allocated shares and to have the trustee exercise the voting rights on those shares in accordance with the executive's instructions. However, executives have no entitlements to dividends or voting rights on performance rights during the deferral period.

ELTIP offers FY26

Details of offers made under the Executive Long-Term Incentive Plan (ELTIP) are detailed in the following table:

Offer	2023	2024	2025
Performance period	1 July 2023 to 30 June 2026	1 July 2024 to 30 June 2027	1 July 2025 to 30 June 2028
The comparator group	Members of the S&P/ASX300		
Fair value of shares on offer date[1]			
• Managing Director	Managing Director	Managing Director	Managing Director
• Other executives	ROE: $2.49	ROE: $3.28	ROE: $3.91
	TSR: $1.66	TSR: $1.96	TSR: $2.44
	Other executives	Other executives	Other executives
	ROE: $2.93	ROE: $3.13	ROE: $3.91
	TSR: $2.16	TSR: $1.75	TSR: $2.44
Offer date			
• Managing Director	19 October 2023	23 October 2024	21 October 2025
• Other executives[3]	17 August 2023	2 October 2024	21 October 2025
Value of offer[2]			
• Managing Director	$233,574	$250,173	$343,171
• Other executives	$590,106	$449,796	$340,772

1. The fair value of offers that are assessed and awarded on market-based conditions is determined on the grant date in accordance with AASB 2. The fair value is used to recognise an expense over the performance period for the TSR component of offers. The value of the offer is the maximum value calculated as at the date of offer at that time for those who were KMP at the commencement of the offer. As such, it may include the value of offers made to individuals who are no longer KMP of the company.
2. The value of the offer is the value calculated as at the date of offer at that time, based on the probability of vesting applied in the valuation process, for those who were KMP at the commencement of the offer. As such, it may include the value of offers made to individuals who are no longer KMP of the company.
3. Pro-rata offer made in respect of the '2023' offer to Matthew Pearson.

Directors' report continued

Remuneration report – audited continued

Calculation of the reward TSR component

The TSR component will vest on the following basis.

The TSR component has a weighting of 75%:

MYS TSR relative to the ASX 300:	Percentage of the applicable reward that will vest:
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th percentile and the 75th percentile	Straight line basis between 50% and 100%
At or above the 75th percentile	100%

Calculation of the reward ROE component

The ROE component will vest on the following basis.

For the 2023 offer the ROE component has a weighting of 25%:

Statutory ROE with Board discretion to adjust for one-off items:	Percentage of the applicable reward that will vest:
Below 30.00%	0%
30.00%	50%
30.00% to 31.50%	Straight line basis from 50% to 100%
31.50% or above	100%

For the 2024, 2025 and 2026 offers the ROE component has a weighting of 25%:

Statutory ROE with Board discretion to adjust for one-off items:	Percentage of the applicable reward that will vest:
Below the Board approved business plan target %	0%
Equal to the Board approved business plan target %	50% Straight line basis from 50% to 100%
Exceeds the Board approved business plan target[1] by 1.5%/150 bps	100%

1. The ROE target will be assessed at the end of the three-year performance period. The aggregate threshold performance for the ROE component will be disclosed on assessment.

Actual and potential ELTIP share allocations

The following table details, for current KMP, the status of offers made under the ELTIP. The '2023' offer performance period was completed on 30 June 2026.

2023 offer	Component	Maximum offer	Forfeited/ lapsed	Awarded[1]
Key Management Personnel			**Number of shares**	
Brett Morgan	TSR	121,905	–	121,905
	ROE	40,635	40,635	–
Gary Dickson	TSR	39,048	–	39,048
	ROE	13,016	13,016	–
Mandakini Khanna	TSR	29,286	–	29,286
	ROE	9,762	9,762	–
Tim Newman	TSR	35,714	–	35,714
	ROE	11,905	11,905	–

1. Shares awarded following the assessment of the 2023 offer are subject to a further two-year deferral period.

The 2024, 2025 and 2026 offers have not been assessed for vesting. The following table shows the maximum number of shares available under each of these offers.

	Component	2024 offer	2025 offer	2026 offer[1]
Key Management Personnel			**Number of shares**	
Brett Morgan	TSR	102,127	126,056	**131,579**
	ROE	34,043	42,019	**43,860**
Gary Dickson	TSR	32,713	39,613	**37,829**
	ROE	10,904	13,204	**12,610**
Mandakini Khanna	TSR	24,535	29,578	**28,289**
	ROE	8,178	9,859	**9,430**
Tim Newman	TSR	29,921	29,578	**28,289**
	ROE	9,973	9,859	**9,430**
Damian Hearne[2]	TSR	26,659	26,408	**25,329**
	ROE	8,886	8,803	**8,443**

1. The Board has determined to make a '2026' ELTIP offer to eligible participants. On acceptance of the '2026' ELTIP offer by each recipient, the company will issue the relevant number of performance rights and notify the market accordingly. The offer to the Managing Director and CEO, Brett Morgan, is subject to shareholder approval at the 2026 Annual General Meeting and subsequent notice to the market.
2. The Board has determined to offer Damian Hearne a full year offer for 2024 (FY25) in accordance with commitments made by both parties pre-merger (MyState and Auswide) to harmonise the pre-existing ELTIP programs. Auswide executives were not granted 2024 ELTIPs.

Directors' report continued

Remuneration report – audited continued

Review of Executive remuneration

Executive employment agreements

The Managing Director and executives are employed under individual open-ended employment contracts that set out the terms of their employment, as detailed below. Any adjustments to fixed remuneration apply from the first full pay period in October for the relevant financial year in which the adjustment is made, unless otherwise stated.

Incumbent	Commenced in role	Contract term	TFR	STI (maximum)	ELTIP (maximum)	Termination provisions in the event of termination by the Company
Brett Morgan[1]	17 January 2022	Ongoing	$800,000	90% TFR	100% TFR	**Notice:** The contract may be terminated by the Company with six months' notice or payment in lieu of notice. **Entitlement:** • Pro-rata STI payment applied as at the date of termination. • Payment of STI if the performance period is complete but not yet paid. • Pro-rata ELTIP allocation, in accordance with the ELTIP rules.
Tim Newman	9 August 2022	Ongoing	$430,000	40% TFR	40% TFR upon invitation to participate	**Notice:** Each contract can be terminated by the Company upon provision of three months' notice. **Entitlement:** • Pro-rata STI payment applied as at the date of termination. • Payment of STI if the performance period is complete but not yet paid. • Pro-rata ELTIP allocation, in accordance with the ELTIP rules.
Damian Hearne	19 February 2025	Ongoing	$385,000	40% TFR		
Gary Dickson	19 October 2019	Ongoing	$460,000	50% TFR	50% TFR upon invitation to participate	**Notice:** Each contract can be terminated by the Company upon provision of three months' notice. **Entitlement:** • Payment of the equivalent of six months TFR (inclusive of the provision of three months' notice). • Pro-rata STI payment applied as at the date of termination. • Payment of STI if the performance period is complete but not yet paid. • Pro-rata ELTIP allocation, in accordance with the ELTIP rules.
Mandakini Khanna	1 December 2015	Ongoing	$430,000	40% TFR	40% TFR upon invitation to participate	

1. Required to hold shares to the value of 50% of TFR.

Statutory tables

	Financial year	Salary & fees $	Cash bonus $	Other short-term benefits $	Non-monetary benefits $	Post-employment $	Termination benefits $	Share-based payment $	Total $
Non-Executive Directors									
Sandra Birkensleigh	**2026**	**208,605**	**–**	**–**	**–**	**25,033**	**–**	**–**	**233,638**
	2025	78,317	–	–	–	9,006	–	–	87,323
Vaughn Richtor	**2026**	**97,025**	**–**	**–**	**–**	**11,643**	**–**	**–**	**108,668**
	2025	170,923	–	–	–	19,656	–	–	190,579
Robert Gordon	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2025	35,874	–	–	–	7,726	–	–	43,600
Sibylle Krieger	**2026**	**114,374**	**–**	**–**	**–**	**13,725**	**–**	**–**	**128,099**
	2025	116,593	–	–	–	13,408	–	–	130,001
Warren Lee	**2026**	**123,047**	**–**	**–**	**–**	**14,766**	**–**	**–**	**137,813**
	2025	125,561	–	–	–	14,439	–	–	140,000
Stephen Davy	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2025	73,991	–	–	–	8,509	–	–	82,500
Andrea Waters	**2026**	**127,807**	**–**	**–**	**–**	**–**	**–**	**–**	**127,807**
	2025	130,000	–	–	–	–	–	–	130,000
Jacqueline Korhonen	**2026**	**114,373**	**–**	**–**	**–**	**13,725**	**–**	**–**	**128,098**
	2025	37,806	–	–	–	4,348	–	–	42,154
Gregory Kenny	**2026**	**64,966**	**–**	**–**	**–**	**7,796**	**–**	**–**	**72,762**
	2025	36,426	–	–	–	4,189	–	–	40,615
Total NED	**2026**	**850,197**	**–**	**–**	**–**	**86,688**	**–**	**–**	**936,885**
	2025	**805,491**	**–**	**–**	**–**	**81,281**	**–**	**–**	**886,772**

Directors' report continued

Remuneration report – audited continued

	Financial year $	Salary & fees $	Cash bonus[2] $	Other short-term benefits $	Non-monetary benefits[3] $	Post-employment $	Termination benefits $	Share-based payment[4,5] $	Total $
KMP Executives[1]									
Brett Morgan	**2026**	**644,431**	**501,000**	**–**	**1,514**	**29,077**	**–**	**236,704**	**1,421,726**
	2025	610,000	336,000	–	1,594	30,000	–	181,914	1,159,508
Gary Dickson	**2026**	**391,550**	**146,000**	**–**	**–**	**28,737**	**–**	**79,416**	**645,703**
	2025	380,000	90,000	–	–	30,000	–	60,339	560,339
Mandakini Khanna	**2026**	**361,500**	**120,000**	**–**	**1,514**	**42,885**	**–**	**59,455**	**585,354**
	2025	378,048	90,000	–	1,594	42,287	–	48,211	560,140
Tim Newman	**2026**	**365,885**	**109,000**	**–**		**29,077**	**–**	**67,225**	**571,187**
	2025	345,000	85,000	–	–	30,000	–	51,980	511,980
Damian Hearne	**2026**	**327,360**	**90,000**	**–**	**1,268**	**29,077**	**–**	**21,479**	**469,184**
	2025	110,644	60,000	–	–	12,724	–	–	183,368
Paul Moss[1]	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2025	225,577	28,726	–	1,017	19,615	–	35,212	310,147
Janelle Whittle[1]	2026	–	–	–	–	–	–	–	–
	2025	193,269	44,685	–	1,017	19,451	–	30,489	288,911
Matthew Pearson[1]	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2025	225,577	28,726	–	–	19,615	–	26,479	300,397
Claudio Mazzarella[1]	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2025	225,857	–	–	–	19,356	25,576	27,557	298,346
Total KMP Executive	**2026**	**2,090,726**	**975,000**	**–**	**4,296**	**158,853**	**–**	**464,279**	**3,693,154**
	2025	**2,693,972**	**763,137**	**–**	**5,222**	**223,048**	**25,576**	**462,181**	**4,173,136**
Total KMP	**2026**	**2,940,923**	**975,000**	**–**	**4,296**	**245,541**	**–**	**464,279**	**4,630,039**
	2025	**3,499,463**	**763,137**	**–**	**5,222**	**304,329**	**25,576**	**462,181**	**5,059,908**

1. Following the merger with Auswide Bank Ltd on 19 February 2025 and the appointment of KMP for the Group, some executive roles did not meet the criteria for KMP.
   The remuneration for individuals in these roles has been disclosed on a pro-rata basis.
2. The cash bonus shown in '2025' and '2026' represents the short-term incentives in respect of performance for select KMP.
3. Non-monetary benefits consist of car parking expense, travel and accommodation and entertainment.
4. Share-based payment amounts have been calculated in accordance with the relevant accounting policy and Accounting Standard. The fair value of the share grant is calculated at the date of grant and is allocated to each reporting period evenly over the period from grant date to vesting date. This fair value will generally be different to the value of shares at the time they vest. The value disclosed is the portion of the fair value of the share grant allocated to this reporting period. These amounts represent share grants that will only vest to the KMP when certain performance and service criteria are met. In some circumstances all, or a portion, of the shares may never vest to the KMP. As these figures are based on accrual accounting and are not a reflection of actual cash paid or shares vested, negative figures can result in the event of accrual reversals being recorded. Amounts stated are in respect of the period that the individual held a role as a KMP.
5. Comparative information for 2025 has been restated to correctly reflect the ELTIP awards in 2024 and 2025. The share-based payment amounts previously disclosed for 2025 were misstated by $64k on a net basis. Amounts stated for 2025 are in respect of the period that the individual held a role of a KMP.

Shareholdings of Key Management Personnel (KMP)

Non-Executive Director minimum shareholding

In the absence of approval from the Board to the contrary, Non-Executive Directors are required to acquire and maintain, directly or indirectly, shares in MyState Limited to the equivalent of one year's pre-tax base Director's fee or base Chair fee as the case may be. The Minimum Shareholding Requirement (MSR) must be achieved within four years of their appointment as a NED or as Chair. The value of the shares held for the purpose of calculating the MSR will be determined by the price of the shares at the time of purchase.

Managing Director minimum shareholding

In the absence of approval from the Board to the contrary, the Managing Director will be required to acquire and maintain shares in MyState Limited equivalent to 50% of their Total Fixed Reward (TFR) within four years of appointment. Any shares subject to deferral (including shares that may be allocated in respect of awarded performance rights) will be recognised for the purposes of the requirement. The shares in MyState Limited may include shares obtained prior to commencement of employment and/or shares acquired through ELTIP or any other scheme. The value of the shares held for the purpose of calculating the MSR will be determined by the price of the shares at the time of purchase, or the 'issue price' in the case of any shares acquired under the ELTIP.

Related parties of KMP shareholdings

Details of ordinary shares in the company held by KMP and their related parties are set out in the table below, which shows both issued shares and performance rights to be converted to shares. Related parties include close family members and entities under joint or several control, or significant influence, of the KMP and their close family members. No equity transactions with the KMP, other than those arising as payment for compensation, have been entered into with the company.

	No. of shares at commencement of financial year[1]	No. of shares received on ELTIP vesting[2]	Net change Other[3]	No. of shares at end of financial year	No. of shares issued from the 2017–2020 ELTIP offers[4]
Key Management Personnel	**1**	**2**	**3**	**1 + 2 +3**	
Non-executive Directors					
Sandra Birkensleigh	5,230	–	–	5,230	–
Vaughn Richtor	46,756	–	2,542	49,298	–
Sibylle Krieger	34,067	–	–	34,067	–
Warren Lee	37,641	–	–	37,641	–
Andrea Waters	40,673	–	2,212	42,885	–
Jacqueline Korhonen	5,700	–	6,700	12,400	–
Gregory Kenny (retired 19 February 2026)	21,680	–	(21,680)	–	–
Subtotal	**191,747**	**–**	**(10,226)**	**181,521**	**–**
Executives					
Brett Morgan	74,894	–	4,072	78,966	–
Gary Dickson	5,704	5,495	–	11,199	11,199
Tim Newman	–	–	–	–	–
Mandakini Khanna	30,816	5,358	(10,445)	25,729	24,371
Damian Hearne	500	–	–	500	–
Subtotal	**111,914**	**10,853**	**(6,373)**	**116,394**	**35,570**

1. Number of shares at commencement of financial year agrees to the closing position at 30 June 2025 as per the Computershare Share Register.
2. These amounts are the shares issued under the '2020' ELTIP offer.
3. Net changes include KMP personal share purchases or sales and/or participation in Dividend Reinvestment Plan (DRP).
4. These amounts are the shares issued under the '2017' to '2020' ELTIP offers and may also include shares subsequently received through participation in the DRP.

Directors' report continued

Remuneration report – audited continued

Performance Rights of Key Management Personnel

Key Management Personnel	No. of vested performance rights at commencement of financial year [1]	No. of performance rights vested[2]	No. performance rights converted to shares[3]	No. of vested performance rights at end of financial year
	1	2	3	1 + 2 +3
Brett Morgan	26,229	121,905	–	148,134
Gary Dickson	12,690	39,048	(5,495)	46,243
Tim Newman	5,261	35,714	–	40,975
Mandakini Khanna	12,373	29,286	(5,358)	36,301
Subtotal	**56,553**	**225,953**	**(10,853)**	**271,653**

1. Number of performance rights at commencement of financial year includes performance rights vested under the '2020' and '2022' ELTIP Offer. There were no performance rights vested under the '2021' ELTIP Offer. Under BEAR/FAR requirements, any performance rights vested are 'held' in suspension pending the additional Board assessment (two years post) that there has been no subsequent forfeiture event.
2. The independent assessment of the Company's performance against the '2023' ELTIP targets was completed in August 2026 and resulted in performance rights being vested to participants.
3. These amounts are the performance rights that converted to shares under the '2020' ELTIP

Loans to Key Management Personnel

Loan transactions

Loans to KMP and their related parties (including close family members and entities over which the KMP and/or their close family members have control, joint control or significant influence) are provided in the ordinary course of business. Normal commercial terms and conditions are applied to all loans. Any discounts provided to KMP are the same as those available to all employees of the Group. There have been no write-downs or amounts recorded as provisions during FY26.

The following table outlines details of loans to key management personnel, where the individual's aggregate loan balance exceeded $100,000 at any time in this reporting period.

	Balance 30 June 2025 $	Interest charged $	Write-off $	Balance 30 June 2026 $	Highest in period $
Key Management Personnel					
Executive					
Damian Hearne	1,209,292	33,808	–	–	1,209,292

Signed in accordance with a resolution of the Directors.

Vaughn Richtor
Chair

Brett Morgan
Managing Director & Chief Executive Officer

Hobart, 25 August 2026

Financial report

Consolidated income statement	76
Consolidated statement of comprehensive income	77
Consolidated statement of financial position	78
Consolidated statement of changes in equity	79
Consolidated statement of cash flows	80
Notes to the consolidated financial statements	81
Consolidated entity disclosure statement	123
Directors' declaration	124
Independent auditor's report	125
Shareholder information	132

Consolidated income statement
for the year ended 30 June 2026

	Notes	30 June 2026 $ '000	30 June 2025 $ '000
Interest income	2.1	769,113	608,582
Interest expense	2.1	(553,911)	(452,009)
Net interest income		**215,202**	**156,573**
Non-interest income from banking activities	2.1	24,542	15,526
Net banking operating income		**239,744**	**172,099**
Income from wealth management activities	2.2	16,203	14,544
Total operating income		**255,947**	**186,643**
Less: Expenses			
Personnel costs		(80,547)	(57,958)
Administration costs	2.3	(27,100)	(22,623)
Technology costs	2.3	(40,232)	(29,931)
Occupancy costs	2.3	(8,513)	(5,446)
Marketing costs		(5,265)	(5,830)
Governance costs		(5,019)	(3,575)
Merger Integration and transaction costs	1.4	(6,453)	(7,502)
Impairment recovery/(expense) on loans and advances	4.3	(4,081)	(480)
Total expenses		**(177,210)**	**(133,345)**
Profit before tax		**78,737**	**53,298**
Income tax expense	6.1	(22,547)	(17,740)
Profit for the year		**56,190**	**35,558**
Profit attributable to the:			
Equity holders of MyState Limited		**56,190**	**35,558**
Basic earnings per share (cents per share)	2.4	**33.10**	**26.40**
Diluted earnings per share (cents per share)	2.4	**29.67**	**23.60**

The accompanying notes form part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 30 June 2026

	Notes	30 June 2026 $ '000	30 June 2025 $ '000
Profit for the year		**56,190**	**35,558**
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges – Net gains/(losses) taken to equity		**(5,150)**	1,379
Income tax effect		**1,545**	(414)
Total other comprehensive income/(expense) for the year		**(3,605)**	**965**
Total comprehensive income for the year		**52,585**	**36,523**
Total comprehensive income for the year is attributable to:			
Equity holders of MyState Limited		**52,585**	**36,523**

The accompanying notes form part of these financial statements.

Consolidated statement of financial position
as at 30 June 2026

	Notes	30 June 2026 $ '000	30 June 2025 $ '000
Assets			
Cash and cash equivalents	4.1	**245,492**	318,767
Due from other financial institutions		**67,257**	61,740
Other assets		**34,262**	36,753
Financial instruments	4.2	**1,457,212**	1,530,457
Derivatives		**–**	1,870
Loans and advances	4.3	**14,120,576**	13,169,670
Property, plant and equipment	5.1	**22,072**	19,409
Right-of-use assets	5.1	**12,635**	8,208
Tax assets	6.1	**20,910**	22,753
Intangible assets and goodwill	5.2	**116,403**	120,303
Total assets		**16,096,819**	**15,289,930**
Liabilities			
Due to other financial institutions		**101,592**	130,946
Deposits	4.5	**10,577,206**	10,130,368
Derivatives		**3,450**	–
Employee benefits provisions	5.3	**9,807**	10,090
Other liabilities	4.6	**99,393**	82,837
Tax liabilities	6.1	**16,600**	15,200
Other borrowings including subordinated notes		**4,532,190**	4,184,480
Total liabilities		**15,340,238**	**14,553,921**
Net assets		**756,581**	**736,009**
Equity			
Share capital	5.4	**498,842**	493,238
Retained earnings		**258,231**	238,633
Reserves		**(492)**	4,138
Total equity		**756,581**	**736,009**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the financial year ended 30 June 2026

	Note	Share capital $ '000	Retained earnings $ '000	General reserve for credit losses $ '000	Employee equity benefits reserve $ '000	Hedging reserve $ '000	Other reserves $ '000	Total $ '000
At 1 July 2024		228,603	233,501	2,368	1,542	(77)	(1,000)	464,937
Profit for the year		–	35,558	–	–	–	–	35,558
Other comprehensive income/(expense)		–	–	–	–	965	–	965
Total comprehensive income for the year		**–**	**35,558**	**–**	**–**	**965**	**–**	**36,523**
Equity issued under employee share scheme	5.4	37	–	–	–	–	–	37
Revaluation of land and buildings to fair value (net of deferred tax)		–	–	–	–	–	–	–
Equity issued under dividend reinvestment plan	5.4	3,056	–	–	–	–	–	3,056
Share based payment expense recognised		–	–	–	340	–	–	340
Share issue costs	5.4	(185)	–	–	–	–	–	(185)
Equity issued under executive long term incentive plan	5.4	214	–	–	–	–	–	214
Share issuance to Auswide on merger	5.4	261,513	–	–	–	–	–	261,513
Dividends paid	2.5	–	(30,426)	–	–	–	–	(30,426)
At 30 June 2025		**493,238**	**238,633**	**2,368**	**1,882**	**888**	**(1,000)**	**736,009**
At 1 July 2025		**493,238**	**238,633**	**2,368**	**1,882**	**888**	**(1,000)**	**736,009**
Profit for the year		**–**	**56,190**	**–**	**–**	**–**	**–**	**56,190**
Other comprehensive income / (expense)		**–**	**–**	**–**	**–**	**(3,605)**	**–**	**(3,605)**
Total comprehensive income for the year		**–**	**56,190**	**–**	**–**	**(3,605)**	**–**	**52,585**
Equity issued under employee share scheme	5.4	**39**	**–**	**–**	**–**	**–**	**–**	**39**
Revaluation of land and buildings to fair value (net of deferred tax)		**–**	**–**	**–**	**–**	**–**	**1,073**	**1,073**
Equity issued under executive long term incentive plan	5.4	**119**	**–**	**–**	**(119)**	**–**	**–**	**–**
Equity issued under dividend reinvestment plan	5.4	**5,544**	**–**	**–**	**–**	**–**	**–**	**5,544**
Share based payment expense recognised		**–**	**–**	**–**	**389**	**–**	**–**	**389**
Share issue costs	5.4	**(98)**	**–**	**–**	**–**	**–**	**–**	**(98)**
General Reserve for Credit Losses write-back		**–**	**2,368**	**(2,368)**	**–**	**–**	**–**	**–**
Dividends paid	2.5	**–**	**(38,960)**	**–**	**–**	**–**	**–**	**(38,960)**
At 30 June 2026		**498,842**	**258,231**	**–**	**2,152**	**(2,717)**	**73**	**756,581**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the financial year ended 30 June 2026

	Notes	30 June 2026 $ '000	30 June 2025 $ '000
Cash flows from operating activities			
Interest received		804,766	633,522
Interest paid		(551,384)	(436,108)
Fees and commissions received		35,762	27,832
Other non-interest income received		11,381	1,753
Payments to suppliers and employees		(149,197)	(104,649)
Income tax paid		(18,861)	(18,681)
(Increase) / decrease in operating assets:			
Due from other financial institutions		4,388	1,660
Financial instruments		241,838	(89,854)
Loans and advances		(976,770)	(384,234)
Increase / (decrease) in operating liabilities:			
Due to other financial institutions		(34,199)	71,521
Deposits – excluding subordinated notes and floating rate notes		498,779	495,828
Net cash flows from / (used in) operating activities	4.1	**(133,497)**	**198,590**
Cash flows from investing activities			
(Purchase) / sale of intangible assets and other assets		(3,841)	(5,254)
Merger with Auswide Bank Ltd, net of cash transferred		–	95,200
Dividends received		86	–
Purchase of property, plant and equipment		(8,634)	(1,024)
Proceeds from sale of other investments		3,202	–
Net cash flows from / (used in) investing activities		**(9,187)**	**88,922**
Cash flows from financing activities			
Employee share issue		(59)	214
Payments for lease liabilities		(4,861)	(2,987)
Subordinated notes issued/(redeemed)		(52,255)	99,922
Floating rate notes issued/(redeemed)		160,000	(150,000)
Dividends paid net of dividend reinvestment plan	2.5	(33,416)	(27,710)
Net cash flows from / (used in) financing activities		**69,409**	**(80,561)**
Net increase/(decrease) in cash held		(73,275)	206,951
Cash at beginning of financial year		318,767	111,816
Closing cash and cash equivalents	4.1	**245,492**	**318,767**

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

for the year ended 30 June 2026

1.1 Reporting entity

MyState Limited (the Company) is incorporated and domiciled in Australia and is a company limited by shares that are publicly traded on the Australian Securities Exchange. The address of its registered office and principal place of business is 137 Harrington Street, Hobart Tasmania 7000. The consolidated financial statements of MyState Limited and its subsidiaries (the Group) were authorised for issue by the Directors on 25 August 2026.

1.2 Basis of accounting

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and other requirements of the law. The financial report complies with Australian equivalents to International Financial Reporting Standards ("IFRS").

The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Where necessary, comparative figures have been re-classified and re-positioned for consistency with current period disclosures.

The consolidated financial statements have been prepared on the basis of historical cost, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

Rounding of amounts

The Company is a company of the kind referred to in Australian Securities and Investments Commission (ASIC) Class Order 2026/183, and, in accordance with that Class Order, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated. All amounts are presented in Australian dollars.

1.3 Use of estimates and judgement

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial report such as:

- Loan origination cost amortisation, refer note 2.1;
- Impairment losses on loans and advances, refer note 4.3;
- Fair value of financial instruments, refer note 4.7;
- Impairment assessment of intangibles and goodwill, refer note 5.2;
- Merger of MyState Bank Limited and Auswide Bank Ltd and purchase price allocation, refer note 1.4;
- Recoverability of deferred tax assets, refer note 6.1; and
- Assessment of lease liabilities and right-of-use assets, refer notes 4.6 and 5.1.

1.4 Merger of MyState Bank Limited and Auswide Bank Ltd

On 19 February 2025, MyState Bank Limited merged with Auswide Bank Ltd, a regional retail bank based in Queensland, Australia. The merger formed part of MyState's strategic objective to expand its national presence and diversify its customer base. MyState acquired all the shares in Auswide in exchange for MyState shares by way of a Scheme Implementation Agreement (the Scheme). As part of the Scheme, Auswide shareholders received 1.112 MyState shares per Auswide share (Merger conversion ratio), implying a 65.9% proforma ownership of the combined group for existing MyState shareholders.

Following the merger with Auswide Bank Ltd (now Auswide Australia Limited) (Auswide) in February 2025, on 1 December 2025, Auswide completed a voluntary transfer of all its assets and liabilities to MyState Bank, as approved by the Australian Prudential Regulation Authority (APRA), in accordance with the *Financial Sector (Transfer and Restructure) Act 1999* (Cth). Auswide's banking licence was subsequently revoked by APRA on 11 December 2025.

Notes to the consolidated financial statements continued

(a) Purchase price allocation (PPA)

MyState determined a purchase price consideration of $261.5m, based on the MyState share price and Merger conversion ratio. The total consideration paid in relation to the merger transaction is considered representative of the fair value of Auswide, given it was negotiated between unrelated parties and at arms length. Additionally, the transaction was deemed in the best interest of Auswide shareholders by an Independent Expert. The purchase price consideration calculation is reported below:

Shares issued to Auswide	57,602,145
Closing MYS share price on 18 February 2025	$4.54
Purchase price consideration	$261,513,738

(b) Accounting implications – Goodwill arising from Merger

From an accounting perspective MyState has a controlling interest in Auswide and therefore, under AASB 3 *Business Combinations* (AASB 3), it is required to recognise the identifiable net assets of Auswide at fair value within the Group's financial statements on the merger date and recognise and measure goodwill acquired in the business combination.

In line with AASB 3, management are allowed to perform a fair value assessment within the measurement period of no more than 12 months subsequent to the acquisition date. This is to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. This involves the determination of the fair value of consideration transferred, identifiable assets (including intangible assets) taken on and liabilities assumed, with a view to recognise and measure the resulting goodwill associated with the business combination.

MyState engaged an external independent valuations specialist to perform a fair value assessment. In December 2025 the fair value assessment was finalised and provided to MyState.

A 'measurement period adjustment' has been made to retrospectively recognise the changes in fair value of assets and liabilities acquired and resulting goodwill on the statement of financial position.

These changes were reflected in the interim financial statements at 31 December 2025, with amendments made to carrying values from 19 February 2025, and reflected in the 30 June 2025 balances.

The cumulative profit or loss impact of the measurement period adjustment for the period 19 February 2025 to 30 June 2025 was not deemed to be material to the financial year ended 30 June 2025. Therefore, no profit or loss restatement has been made in the prior period.

The table in note 1.4(d) shows the impact of the measurement period adjustment, including the changes in carrying values to assets and liabilities (i.e. recognising a provision within other liabilities), adjusted as at the acquisition date of 19 February 2025.

(c) Merger related transaction and integration costs

MyState incurred transaction costs to complete the merger and integration costs to combine the two businesses have been and will be incurred in the future. Transaction and integration costs include financial adviser fees, filing fees, legal and accounting fees, regulatory fees, technology and consultancy costs. These costs are disclosed separately in the consolidated income statement as follows:

Merger related costs	Jun-26 $ '000	Jun-25 $ '000
Transaction costs	–	5,417
Integration costs	6,453	2,085
Total Merger related items	**6,453**	**7,502**

From 1 December 2025, Auswide and MyState Bank became a single ADI with Auswide handing back its banking licence to APRA. From this date, the financial results are reported as a combined banking entity.

(d) Goodwill arising from Merger

The PPA exercise was prepared in line with the requirements of AASB 3 *Business Combinations*, AASB 13 *Fair Value Measurement* and AASB 138 *Intangible Assets*. The fair values of the identifiable assets and liabilities of Auswide as at the date of acquisition were:

Fair value balance sheet	Provisional FV Balance Sheet as at 28-Feb-25 $ '000	Measurement period adjustments to 28-Feb-25 $ '000	Final FV Balance Sheet as at 28-Feb-25 $ '000
Assets			
Cash and liquid assets	**95,200**	–	95,200
Due from other financial institutions	**137,500**	–	137,500
Other assets	**7,100**	–	7,100
Financial instruments	**624,400**	–	624,400
Loans and advances	**4,777,800**	–	4,777,800
Property, plant and equipment and right-of-use assets	**21,500**	–	21,500
Tax assets	**15,800**	–	15,800
Intangible assets and goodwill	**20,700**	–	20,700
Total assets	**5,700,000**	**–**	**5,700,000**
Liabilities			
Deposits and other borrowings including subordinated notes	**(5,341,500)**	–	(5,341,500)
Other liabilities	**(99,300)**	(12,352)	(111,652)
Tax liabilities	**(10,100)**	–	(10,100)
Total liabilities	**(5,450,900)**	**(12,352)**	**(5,463,252)**
Net assets	**249,100**	**(12,352)**	**236,748**
Purchase price	**261,500**	–	261,500
Goodwill	**12,400**	12,352	24,752

Goodwill of $24.8m has been recognised, representing the difference between the purchase consideration and the fair value of the identified assets and liabilities. The PPA process is now complete and has resulted in the fair value adjustments to liability balances as disclosed above, including an increase of $12.4m to provisions within other liabilities of the provisional balance sheet. The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Auswide with those of the Group. The goodwill is not deductible for income tax purposes.

A reconciliation of the carrying amount of goodwill is presented below:

Goodwill arising on merger	$ '000
Goodwill balance (provisional)	77,567
Movement	12,352
Goodwill balance (final)	**89,919**

Notes to the consolidated financial statements continued

2.1 Net banking operating income and average balance sheet

The following tables show the major categories of interest-earning assets and interest-bearing liabilities, together with their respective interest earned or paid by the Group and the average interest rates. Averages are calculated based on the balance at each month end.

Year ended 30 June 2026	Average Balance $ '000	Interest $ '000	Average Interest rate %
Interest income			
Loans and advances[3]	12,546,990	696,028	5.55%
Investment securities	1,795,637	72,305	4.03%
Swap interest[1]	–	526	–
Total interest income[5]	14,342,627	768,859	5.36%
Interest expense			
At call deposits	(3,354,192)	(100,580)	3.00%
Fixed term deposits	(5,283,693)	(233,750)	4.42%
Negotiable certificates of deposit	(910,771)	(39,959)	4.39%
Subordinated notes	(160,784)	(10,975)	6.83%
Repo interest	(14,663)	(629)	4.29%
Floating rate notes	(224,345)	(11,836)	5.28%
Securitisation	(2,901,688)	(146,319)	5.04%
Additional Tier 1 Hybrid capital instrument	(65,000)	(4,544)	6.99%
Swap interest[2]	–	(4,420)	–
Total interest expense[4]	(12,915,136)	(553,012)	4.28%
Net Interest revenue and spread		215,847	1.08%
Benefit of interest free liabilities & capital (non IFRS measure)			0.42%
Net interest margin			1.50%

Year ended 30 June 2025	Average Balance $ '000	Interest $ '000	Average Interest rate %
Interest income			
Loans and advances[3]	9,421,272	548,854	5.84%
Investment securities	1,388,382	57,837	4.21%
Swap interest[1]	–	1,612	–
Total interest income[5]	**10,809,654**	**608,303**	**5.64%**
Interest expense			
At call deposits	(2,672,591)	(89,794)	3.16%
Fixed term deposits	(3,824,156)	(187,876)	4.91%
Negotiable certificates of deposit	(562,735)	(26,815)	4.77%
Subordinated notes	(80,644)	(6,031)	7.16%
Repo interest	(4,371)	(200)	4.56%
Floating rate notes	(255,050)	(13,976)	5.53%
Securitisation	(2,171,218)	(121,281)	5.51%
Additional Tier 1 Hybrid capital instrument	(65,000)	(4,713)	7.25%
Swap interest[2]	–	(644)	–
Total interest expense[4]	**(9,635,765)**	**(451,329)**	**4.64%**
Net Interest revenue and spread		**156,974**	**1.00%**
Benefit of interest free liabilities & capital (non IFRS measure)			0.47%
Net interest margin			**1.47%**

1. Swap interest relates to hedges that the Group has entered into to protect its portfolio of loans and advances from changes in interest rates.
2. Swap interest relates to hedges that the Group has entered into to protect its portfolio of term deposits from changes in interest rates.
3. The offset account average balance included in loans and advances is $789.4m (June 2025 : $761.7m).
4. Total interest expense recognised on the consolidated income statement comprises the table above plus lease financing costs of $0.9m. (Jun-25 $0.7m).
5. Total interest income recognised on the consolidated income statement comprises the table above plus TPT interest of $0.3m. (Jun-25 $0.3m).

	30 June 2026 $ '000	30 June 2025 $ '000
Non-interest income from banking activities		
Transaction fees	3,734	3,473
Loan fees	11,916	6,536
Banking commissions	4,256	4,032
Other banking operations income	4,636	1,485
Total non-interest income from banking activities	**24,542**	**15,526**

Notes to the consolidated financial statements continued

Income accounting policy

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised.

Interest

Interest income is accrued using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument. Loan origination fees are recognised as components of the calculation of the effective interest rate method in relation to originated loans, and therefore affect the interest recognised in relation to this portfolio of loans. The average life of loans in the relevant loan portfolios is reviewed annually to ensure the amortisation methodology for loan origination fees is appropriate.

Interest expense is calculated on an accruals basis using the effective interest rate method. The effective interest rate method is the rate that exactly discounts future payments through the expected life of the financial instrument.

Non-interest income from banking activities

Refer to the "income accounting policy" in note 2.2.

2.2 Income from wealth management activities

	30 June 2026 $ '000	30 June 2025 $ '000
Funds management income	**8,324**	8,180
Other fees and commissions	**7,879**	6,364
Total income from wealth management activities	**16,203**	14,544

Funds management income and fiduciary activities

TPT Wealth Limited, a controlled entity of the Group, acts as Responsible Entity, Trustee and Funds Manager for eight managed investment schemes. The investment schemes place monies with external wholesale fund managers, direct mortgages and mortgage backed securities, term deposits and other investments. The clients include individuals, superannuation funds and corporate investors.

The assets and liabilities of these funds are not included in the Consolidated Financial Statements. Income earned by the Group in respect of these activities is included in the Consolidated Income Statement of the Group as "Funds management income".

The following table shows the balance of the unconsolidated funds under management and funds under advice that gives rise to funds management and other fees and commissions income respectively:

	30 June 2026 $ 'M	30 June 2025 $ 'M
Funds under management	**970**	969
Funds under advice	**560**	476

Other fees and commissions

TPT Wealth Limited provides private client tax accounting services and acts as trustee and executor of estates. "Other fees and commissions income" is the income earned from these activities.

Income accounting policy

The Group earns three main types of fees and commissions under contracts with customers. The first income type is single performance obligation contracts, such as transaction services, where the performance obligation is performed and consideration received in quick succession. Income from these contracts is recorded as the performance obligations are satisfied. The second income type is where contracts with the customer are for the performance of multiple obligations over time and the customer only benefits from delivery of all those obligations together over time, for example the provision of trustee services and services to funds under management. For these contracts, income is recognised over the service period. The third type of income is insurance intermediary income where the performance obligations are satisfied substantially at the time of referring the customer and economic benefits flow to the Group over time. The Group has estimated that nil income will be brought forward as a contract asset under these contracts due to the insufficient probability of the timing and amount of future income that will flow from these contracts. This income is therefore recorded when received.

2.3 Expenses

The following items are included within each item of specified expenses:

	30 June 2026 $ '000	30 June 2025 $ '000
Occupancy costs include:		
Operating lease payments	**(868)**	(507)
Depreciation – right-of-use lease assets	**(4,593)**	(3,411)
Depreciation – buildings and leasehold improvements	**(999)**	(282)
Technology costs include:		
Amortisation – computer software	**(5,541)**	(4,643)
Administration costs include:		
Depreciation – furniture, equipment and computer hardware	**(1,487)**	(1,020)
Merger related – Amortisation of intangibles	**(1,850)**	(617)

The Group's leasing activities

(i) Real estate leases

The Group leases land and buildings for its office space and branch network. The leases of office space and branches typically run for a period of between 3 and 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term, which is included in the calculation of the lease liability.

(ii) Other leases

The Group leases vehicles, with lease terms of three to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

There are no other covenants or restrictions on the Group's leases other than those identified above.

	30 June 2026 $ '000	30 June 2025 $ '000
Amount recognised in the Consolidated Income Statement		
Expenses relating to short-term leases and low-value leases	**(64)**	(62)

Notes to the consolidated financial statements continued

Expense accounting policy

Depreciation and amortisation expense

The Group adopts the straight line method of depreciating plant and equipment and amortising intangible assets over the estimated useful lives, commencing from the time the asset is held ready for use. Leasehold improvements and right-of-use assets are depreciated over the shorter of either the unexpired expected term of the lease or the estimated useful life of the improvements. Estimated useful lives are:

Office furniture, fittings & equipment	3-5	years.
Land and buildings	40	years.
Building fit-out	4-10	years.
Computer hardware	3	years.
Software	3-10	years.
Leasehold improvements	4-10	years.
Right-of-use assets	2-15	years.

The useful lives and residual values of property, plant and equipment and intangible assets are reviewed annually and adjusted where appropriate. The remaining useful life of selected core banking systems is periodically reassessed to reflect significant enhancements and additional functionality that have extended the systems' operational capability and economic life beyond that originally estimated. The remaining useful life of the existing core banking system was revised to less than one year due to the planned implementation and migration to a new core banking platform. As a result, the revised remaining useful life falls outside the standard useful life ranges disclosed above. The total useful life of the core banking system since its original implementation exceeds the standard useful life ranges. This reflects the effect of ongoing investments and system enhancements that extended the period over which the asset provided economic benefits to the Group.

2.4 Earnings per share

	30 June 2026 cents	30 June 2025 cents
Basic earnings per share	**33.10**	26.40
Diluted earnings per share	**29.67**	23.60

Reconciliation of earnings used in calculation of earnings per ordinary share	$ '000	$ '000
Net profit after tax	**56,190**	**35,558**
Total statutory earnings	**56,190**	**35,558**
Earnings used in calculating statutory earnings per ordinary share	**56,190**	35,558
Add back: distributions accrued and / or paid on dilutive loan capital instrument	**3,181**	3,299
Total diluted earnings	**59,371**	**38,857**

Earnings per share accounting policy

Basic earnings per share is calculated by dividing the Group's profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share is calculated by dividing the Group's profit attributable to ordinary equity holders by the weighted average number of ordinary shares that would be issued on the exchange of all the dilutive potential ordinary shares into ordinary shares.

The following table details the weighted average number of shares (WANOS) used in the calculation of basic and diluted earnings per share:

	Number	Number
WANOS used in the calculation of basic earnings per share	**169,770,444**	**134,698,983**
Effect of dilution – executive performance rights	**1,612,180**	1,262,701
Effect of dilution – Tier 1 capital instrument	**28,697,572**	28,697,572
WANOS used in the calculation of diluted earnings per share	**200,080,196**	**164,659,256**

Potentially dilutive instruments

The following instruments are potentially dilutive during the reporting period:

	Dilutive instruments	
	30 June 2026	30 June 2025
Tier 1 capital instrument	**Yes**	Yes
Executive performance rights	**Yes**	Yes
Subordinated note (with non viability clause)	**No**	No

2.5 Dividends

	Date of payment	30 June 2026 $ '000	30 June 2025 $ '000
Dividends paid			
2024 Final dividend paid – 11.5 cents per share	16 Sep 2024	**–**	12,725
2025 Interim dividend paid – 10.5 cents per share	21 Mar 2025	**–**	17,701
2025 Final dividend paid – 11.0 cents per share	16 Sep 2025	**18,600**	–
2026 Interim dividend paid – 12.0 cents per share	20 Mar 2026	**20,360**	–
Total dividends paid		**38,960**	**30,426**

The dividends paid during the year were fully franked at the 30% corporate tax rate.

	30 June 2026 $ '000	30 June 2025 $ '000
Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the period at 30%	**141,186**	138,762
Franking credits that will arise from the payment of income tax payable at the end of the period	**(1,039)**	1,023

Dividends not recognised at the end of the financial year

On 25 August 2026, the Directors resolved to pay a final dividend for the 2026 financial year of 12.5 cents per share or $21.30m total to be paid on 22 September 2026, fully franked at the 30 per cent corporate tax rate. This dividend has not been brought to account as the amount had not been determined at the reporting date. This dividend will reduce the balance of the franking account by $9.10m.

2.6 Segment financial information

Operations of reportable segments

The Group has identified two operating divisions and a corporate division, which are its reportable segments. These divisions offer different products and services and are managed separately. The Group's management committee review internal management reports for each of these divisions at least monthly.

Reported segments have changed since 30 June 2025; following the move to a single ADI on 1 December 2025, Auswide is now included within the MyState Bank segment and the comparative period amounts have been adjusted to reflect the same. This change aligns with the way the Chief Executive Officer, as the Group's chief operating decision maker, reviews and manages the Group.

Notes to the consolidated financial statements continued

MyState Bank (including Auswide & Selfco)

MyState Bank's product offerings include lending; encompassing home loans, personal, overdraft, line of credit and commercial products, leasing and commercial hire purchase, transactional savings accounts, fixed term deposits and insurance products. It delivers these products and services through its branch network, digital channels and third party channels.

Wealth Management division

The Wealth Management division is a provider of funds management and trustee services. It operates predominantly within Tasmania. It holds $0.970 billion (2025: $0.969 billion) in funds under management on behalf of personal, business and wholesale investors as the responsible entity for eight managed investment schemes. TPT Wealth is also a trustee company licensed within the meaning of Chapter 5D of the *Corporations Act 2001* and is the only private trustee company with significant operations in Tasmania.

Corporate and consolidation division

The corporate division is responsible for the governance of the Group. The corporate division charges the operating divisions on a cost recovery basis for costs it has incurred. This division is also where eliminations are allocated between the MyState Bank and Wealth Management divisions.

	MyState Bank $' 000	Wealth Management $' 000	Corporate & Consolidation $' 000	Total $' 000
Year ended 30 June 2026				
Interest income	768,789	238	86	769,113
Interest expense	(553,881)	–	(30)	(553,911)
Other income				
Transaction fees	3,734	–	–	3,734
Loan fee income	11,916	–	–	11,916
Banking commissions	4,256	–	–	4,256
Other banking operations income	4,636	32	(32)	4,636
Funds management income	–	8,324	–	8,324
Other wealth management fees and commissions	–	7,847	32	7,879
Total operating income	239,450	16,441	56	255,947
Expenses				
Personnel costs	(70,517)	(5,694)	(4,336)	(80,547)
Administration costs	(18,484)	(3,458)	(5,158)	(27,100)
Technology costs	(38,782)	(2,675)	1,225	(40,232)
Occupancy costs	(9,088)	(274)	849	(8,513)
Marketing costs	(5,341)	(208)	284	(5,265)
Governance costs	(11,757)	(312)	7,050	(5,019)
Merger Integration and transaction costs	(6,007)	–	(446)	(6,453)
Impairment recovery / (expense) on loans and advances	(4,081)	–	–	(4,081)
Total expenses	(164,057)	(12,621)	(532)	(177,210)
Income tax expense	(22,000)	(1,148)	601	(22,547)
Segment statutory profit for the year	53,393	2,672	125	56,190
Segment balance sheet information				
Segment assets	16,018,020	27,340	51,459	16,096,819
Segment liabilities	15,327,609	3,632	8,997	15,340,238

	MyState Bank $' 000	Wealth Management $' 000	Corporate & Consolidation $' 000	Total $' 000
Year ended 30 June 2025				
Interest income	608,213	279	90	608,582
Interest expense	(452,009)	–	–	(452,009)
Other income				
Transaction fees	3,473	–	–	3,473
Loan fee income	6,536	–	–	6,536
Banking commissions	4,032	–	–	4,032
Other banking operations income	1,485	–	–	1,485
Funds management income	–	8,397	–	8,397
Other wealth management fees and commissions	–	6,147	–	6,147
Total operating income	**171,730**	**14,823**	**90**	**186,643**
Expenses				
Personnel costs	(46,935)	(5,318)	(5,705)	(57,958)
Administration costs	(19,164)	(2,760)	(699)	(22,623)
Technology costs	(27,520)	(2,397)	(14)	(29,931)
Occupancy costs	(5,521)	(313)	388	(5,446)
Marketing costs	(5,562)	(260)	(8)	(5,830)
Governance costs	(9,278)	(239)	5,942	(3,575)
Merger Integration and transaction costs	(1,864)	–	(5,638)	(7,502)
Impairment recovery / (expense) on loans and advances	(480)	–	–	(480)
Total expenses	**(116,324)**	**(11,287)**	**(5,734)**	**(133,345)**
Income tax expense	(16,472)	(1,158)	(110)	(17,740)
Segment statutory profit for the year	**38,934**	**2,378**	**(5,754)**	**35,558**
Segment balance sheet information				
Segment assets	15,222,179	26,854	40,897	15,289,930
Segment liabilities	14,551,540	3,418	(1,037)	14,553,921

Notes to the consolidated financial statements continued

3.1 Capital management strategy

The Group's capital management strategy is to adhere to regulatory requirements and maximise shareholder value through optimising the level and use of capital resources, whilst also providing the flexibility to take advantage of opportunities as they may arise.

The Group's capital management objectives are to:

- Comply with internal and regulatory capital requirements;
- Ensure sufficient capital resource is available to support the Group's business, operational and investment activities;
- Maintain balance sheet resilience to safeguard the Group's ability to continue as a going concern; and
- Support MyState Limited's and MyState Bank Limited's credit rating.

The Group's capital management policy considers each of internal, regulatory and rating agency capital requirements. Under APS 110 Capital Adequacy, the ultimate responsibility for the prudent management of capital resides with the Board of Directors. The Board must ensure that an appropriate level and quality of capital is maintained, commensurate with the type, amount and concentration of risk exposures.

The Group's regulatory capital requirements are measured on a Level 1 and Level 2 basis.

Level 1 is comprised of MyState Bank Limited (the ADI) and Conquest 2025-1R Trust.

Level 2 is comprised of the wider MyState Limited prudential group. This group includes MyState Limited (the non-operating holding company), MyState Bank Limited, Connect Asset Management Ltd (the Securitisation programme Manager), Widcap Securities Pty Ltd and ConQuest 2025-1R Trust.

All entities that are consolidated for accounting purposes are included within the Level 2 regulatory capital calculation except for TPT Wealth Limited and securitisation special purposes vehicles (Conquest 2017-1 Trust, Conquest 2018-1 Trust, Conquest 2019-1 PP Trust, Conquest 2019-2 Trust, Conquest 2022-1 Trust, Conquest 2023-1 Warehouse Trust, Conquest 2023-2 Trust, Conquest 2023-3 Warehouse Trust, Conquest 2024-1 Trust, Conquest 2025-2 Trust, ABA Trusts 7, ABA Trust 2023-1, Wide Bay Trust 5 and Wide Bay Trust 2008-1).

The Group has developed a detailed Internal Capital Adequacy Assessment Plan (ICAAP). This plan covers the capital requirements of the Group on a Level 1 and Level 2 basis (as previously described). The Group's capital position is monitored on a frequent basis and is reported to the Board monthly. The ICAAP also includes a three year forecast of capital adequacy which is prepared and submitted to the Board at least annually.

The ICAAP aims to ensure that adequate planning activities take place so that the Group is effectively capitalised. The ICAAP encompasses known financial events, dividend policy, capital raisings, securitisation and stress testing.

The Board has currently set a minimum total capital adequacy ratio of 15% for the Group (2025: 15%). Capital adequacy of the Group on a level 2 basis is detailed in the following table:

	30 June 2026 $ '000	30 June 2025 $ '000
Qualifying capital		
Common equity tier 1 capital		
Paid-up ordinary share capital	**500,681**	494,987
Retained earnings	**279,976**	267,950
Reserves excluding general reserve for credit losses	**73**	(356)
Total common equity tier 1 capital	**780,730**	**762,581**
Less: Regulatory adjustments		
Deferred expenditure including deferred tax assets	**40,618**	39,923
Goodwill and intangibles	**126,232**	118,162
Other deductions	**45,667**	43,788
Total regulatory adjustments	**212,517**	**201,873**
Net common equity tier 1 capital	**568,213**	**560,708**
Additional tier 1 capital		
Floating rate notes AT1 issuance[ii]	**64,643**	64,374
Tier 2 capital		
Subordinated notes[i]	**144,560**	196,815
General reserve for credit losses	**–**	4,756
Total capital	**777,416**	**826,653**
Risk weighted assets	**4,911,264**	4,721,642
Capital adequacy ratio	**15.83%**	17.51%

(i) On 10 July 2020, the Group issued $25 million of floating rate subordinated notes ("notes"). The issuer was MyState Limited. The notes had a term of 10 years, maturing 10 July 2030, and paid interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 4.35% per annum. These notes were redeemed on 10 July 2025 following the receipt of written regulatory approval from APRA.

On 3 November 2021, the Group issued $25 million of floating rate subordinated notes ("notes"). The issuer was MyState Limited. The notes have a term of 10 years, maturing 3 November 2031, and pay interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 2.75% per annum. The issuer has the option to redeem these notes on 3 November 2026 and each quarterly interest payment date thereafter, and for certain regulatory events (in each case subject to APRA's prior written approval). On the same date, and with the same terms, MyState Bank Limited issued $25 million of floating rate subordinated notes to MyState Limited with terms identical to those issued by MyState Limited.

If APRA notifies the issuer that a non-viability trigger event has occurred, the notes will be converted into ordinary shares of MyState Limited, or written-off. For the notes issued on 3 November 2021, the amount included in the Group's Level 2 Tier 2 regulatory capital is a percentage equal to that of the external interest in the Group's regulatory capital. The amount included in the Group's Level 1 Tier 2 regulatory capital is 100%.

(ii) On 30 August 2022, MyState Limited (MyState) issued $65 million of Additional Tier 1 notes to wholesale investors (Capital Notes). The Capital Notes were fully paid, mandatorily convertible subordinated perpetual debt securities of MyState. The issuer was MyState Limited. The Capital Notes have a term in perpetuity and pay interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 5.50% per annum. The issuer has the option to redeem these Capital Notes on 30 August 2027, 30 November 2027 and 28 February 2028 respectively, and for certain regulatory events (in each case subject to APRA's prior written approval). If APRA notifies the issuer that a loss-absorption event has occurred, the Capital Notes will be converted into ordinary shares of MyState Limited, or written-off. On 4 December 2025, APRA finalised changes to phase out Additional Tier 1 capital instruments, effective 1 January 2027. Under APRA's new Capital Framework, the Capital Notes will be eligible Tier 2 capital from the effective date.

Notes to the consolidated financial statements continued

On 19 February 2025, APRA approved the appointment of MyState Limited as the Approved Successor of each series of the $47m of Tier 2 subordinated notes issued by Auswide Bank Ltd that were outstanding on the merger completion date. The effect of the Approved Successor appointment was to transfer the issuer of each series of subordinated notes from Auswide Bank Ltd to MyState Limited. Details of each of the series of notes for which MyState Limited was appointed as the Approved Successor appointment are as follows:

(i) $12m of floating rate subordinated notes ("notes") which were issued on 11 September 2020. The notes had a term of 10 years, maturing 11 September 2030, and paid interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 3.95% per annum. These notes were redeemed on 11 September 2025 following the receipt of written regulatory approval from APRA.

(ii) $15m of floating rate subordinated notes ("notes") which were issued on 20 May 2021. The notes had a term of 10 years, maturing 20 May 2031, and paid interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 2.85% per annum. These notes were redeemed on 20 May 2026 following the receipt of written regulatory approval from APRA.

(iii) $20m of floating rate subordinated notes ("notes") which were issued on 19 June 2024. The notes have a term of 10 years, maturing 19 June 2034, and pay interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 3.40% per annum. The issuer has the option to redeem these notes on 19 June 2029 and each quarterly interest payment date thereafter, and for certain regulatory events (in each case subject to APRA's prior written approval).

Concurrently, on 19 February 2025, Auswide Bank Ltd issued $47m of new Tier 2 subordinated notes to MyState Limited. Three series of floating rate subordinated notes were issued of $12m, $15m and $20m. Each of the series of notes have a term of 10 years, maturing 19 February 2035 and may be redeemed at the option of the issuer at the earliest of 19 February 2030, and for certain regulatory events (in each case subject to APRA's prior written approval). Following the redemption of the notes transferred to MyState Limited, as noted above, $12m of notes were redeemed by Auswide Bank Ltd on 11 September 2025 and $15m of notes were redeemed on 20 May 2026.

On 21 May 2025, the Group issued $100m of floating rate subordinated notes ("notes"). The issuer was MyState Limited. The notes have a term of 10 years, maturing 21 May 2035, and pay interest quarterly at a floating rate equal to the three-month BBSW plus a margin of 2.75% per annum. The issuer has the option to redeem these notes on 21 May 2030 and each quarterly interest payment date thereafter, and for certain regulatory events (in each case subject to APRA's prior written approval). On the same date, and on the same terms to the notes issued by MyState Limited, MyState Bank Limited issued $25m of floating rate subordinated notes to MyState Limited and Auswide Bank Ltd issued $75m of floating rate subordinated notes to MyState Limited. On 1 December 2025, at the time MyState Bank Limited and Auswide Bank Ltd became one ADI, the notes issued by Auswide Bank Ltd were transferred to MyState Bank Limited.

3.2 Financial risk management

Risk management is an integral part of the Group's business processes. The Board sets policy to mitigate risks and ensure the risk management framework is appropriate, to direct the way in which the Group conducts business. Promulgated Board approved policies ensure compliance throughout the business, which are monitored by way of a dedicated compliance system. Risk management plans exist for all documented risks within the Group and these plans are reviewed regularly by the Executive Management Team, the Group Risk Committee and the Board. Business units are accountable for risks in their area and are responsible for ensuring the appropriate assessment and management of these risks.

Risk exposure profile

The Group actively monitors a range of risks, which are not limited to, but include the following:

- Credit risk,
- Market risk; and
- Liquidity risk.

3.2.1 Credit risk

Approach to credit risk management

Credit risk arises within the Group's lending and treasury investment activities and is the risk that a counterparty may fail to complete its contractual obligations when they fall due.

The Group's approach to managing this risk is to separate prudential control from operational management by assigning responsibility for approval of credit exposures to specific individuals and management committees. The Group Risk Committee has oversight of credit risk exposures and the Enterprise Risk Committee monitors credit related activities through regular reporting processes, including monitoring large exposure to single groups and counterparties. The roles of funding and oversight of credit are separate.

Board approved lending policies guide the processes for all loan approvals by subsidiary operations. All loans over a designated amount, whether within delegated limits or not, are reported to the Group Risk Committee on a regular basis. Any loan outside of delegated limits must be approved by the Board prior to funding.

Maximum exposure to credit risk

The amounts disclosed in the following table are the maximum exposure to credit risk, before taking account of any collateral held or other credit enhancements. For financial assets recognised in the Statement of Financial Position, the exposure to credit risk equals their carrying amount. For customer commitments, the maximum exposure to credit risk is the full amount of the committed facility as at the reporting date.

	30 June 2026 $ '000	30 June 2025 $ '000
Cash and cash equivalents	245,492	318,767
Due from other financial institutions	67,257	61,740
Other assets	34,262	36,753
Financial instruments	1,457,212	1,530,457
	1,804,223	1,947,717
Loans and advances	14,120,576	13,169,670
Customer commitments[i]	387,909	324,102
Maximum exposure to credit risk	**16,312,708**	**15,441,489**

(i) For further information regarding these commitments, refer to note 8.1.

The credit quality of financial assets has been determined based on Standard and Poor's credit ratings for financial assets other than loans and advances at amortised cost. For loans and advances at amortised cost, the assets identified as being "closely monitored" are those assets that are greater than 30 days past due. New facilities are loans that have been funded within the financial year.

	30 June 2026 $ '000	30 June 2025 $ '000
Credit quality of financial assets		
Financial assets other than loans and advances at amortised cost		
Equivalent S&P rating A+ and above	1,238,974	1,254,096
Equivalent S&P rating A and below	565,249	693,621
Loans and advances at amortised cost		
New Facilities – not closely monitored	4,480,901	3,479,070
New Facilities – closely monitored	3,073	4,066
Continuing facilities – not closely monitored	9,933,212	9,929,819
Continuing facilities – closely monitored	91,299	80,817
Total on balance sheet exposure to credit risk	**16,312,708**	**15,441,489**
Loans and advances at amortised cost past due analysis		
Not past due	14,022,671	13,075,082
Past due days:		
31 to 60 days	41,159	28,557
61 to 89 days	13,270	11,619
Greater or equal to 90 days	43,476	54,412
Total loans and advances at amortised cost	**14,120,576**	**13,169,670**
Estimate of collateral held against past due assets	145,181	152,576

Estimate of collateral held

In the event of customer default, the bank can enforce any security held as collateral against the outstanding claim. Any loan security is usually held as mortgagee in possession while the bank seeks to realise its value through the sale of the property. Therefore, the bank does not hold any real estate or other assets acquired through the repossession of collateral. The collateral shown above is an estimate of the value of collateral held, it is not practicable to determine the fair value.

Notes to the consolidated financial statements continued

Credit quality is impacted by concentration risk created by the ensuing vulnerability of assets to similar conditions such as economic or political factors. The Group monitors the geographical diversification of its loans and advances. An analysis of this concentration of credit risk at the reporting date is shown in the following table:

	30 June 2026 $ '000	30 June 2025 $ '000
Tasmania	**2,689,091**	2,626,450
Victoria	**3,180,780**	2,790,388
New South Wales	**2,483,912**	2,318,233
Queensland	**4,468,954**	4,359,672
Western Australia	**740,746**	588,681
Australian Capital Territory	**191,134**	180,203
South Australia	**292,791**	231,588
Northern Territory	**41,921**	44,258
Gross loans and advances at amortised cost	**14,089,329**	**13,139,473**

There are no loans that individually represent 10% or more of shareholders' equity.

3.2.2 Market risk

Managing market risk

Market risk is the exposure to adverse changes in the value of the Group's portfolio as a result of changes in market prices or volatility. The Group is exposed primarily to interest rate risk.

Interest rate risk exposure

The operations of MyState Bank are subject to the risk of interest rate fluctuations as a result of mismatches in the timing of the repricing of interest rates on its assets and liabilities.

Value at Risk (VaR)

The following table indicates the VaR based on historical data. The Group estimates VaR as the potential change in value of the balance sheet from adverse market movements over a 20-day holding period to a 99% confidence level. Market risks attributable to trading activities are primarily measured using a historical simulation VaR model based on historical data. VaR takes account of all material market variables that may cause a change in the value of the loan portfolio. As an additional overlay to VaR, the individual market risks of interest rate, foreign exchange, credit and equity are managed using a framework that includes stress testing, scenario analysis, sensitivity analysis and stop losses. Risks are monitored and measured against limits delegated by the Asset Liability Committee (ALCO) and approved by the Group's Risk Committee. Although an important tool for the measurement of market risk, the assumptions underlying the model are limited to reliance on historical data.

	30 June 2026 $ '000	30 June 2025 $ '000
Value at risk (post-tax) based on historic data		
Average	**4,428**	5,488
Minimum	**3,149**	2,994
Maximum	**7,488**	9,840

Derivatives

The Group is exposed to changes in interest rates from variable rate loans and variable rate deposits. To mitigate this risk, the Group uses interest rate swaps. Interest rate swaps are held for risk and asset management purposes only and not for the purpose of speculation. When the Group designates certain derivatives to be part of a hedging relationship and they meet the criteria for hedge accounting, the hedges are classified as cash flow hedges.

The following table shows the notional amounts and fair value of derivative financial instruments.

Cash flow hedges **Description**	**30 June 2026** **$ '000**	**30 June 2025** **$ '000**
Notional amount of hedging instrument(i)	**2,049,932**	2,318,388
Fair value of hedging instrument(i)	**(3,450)**	1,870

(i) Note that derivatives are reported separately in the statement of financial position.

Derivatives accounting policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. The fair value of derivative financial assets and liabilities are determined using the discounted cash flow valuation technique. The models use a number of inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying instruments. Movements in the carrying amounts of derivatives are recognised in the Consolidated Income Statement, unless the derivative meets the requirements for hedge accounting.

The Group documents the relationship between the hedging instruments and hedged items at inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment of whether the derivatives used in hedging transactions have been or will continue to be, highly effective in offsetting changes in the fair values or cash flows of hedged items. This assessment is carried out both at inception and on a monthly basis.

Cash flow hedges

The Group has cash flow hedges that are used to hedge the variability of interest rates in relation to certain assets and liabilities. These derivative instruments are established with terms that exactly match the terms of the asset or liability designated as the hedged item and therefore form highly effective relationships. The portion of the asset or liability designated in the hedging relationship is determined by reference to variable rate assets or liabilities within the loan or deposit portfolio. The Group conducts tests for ineffectiveness and sources of ineffectiveness are limited to credit risk of parties to the relationship. The variability in fair values attributable to an item designated as a cash flow hedge is recognised in Other Comprehensive Income to the extent of the hedge's effectiveness. Any ineffective portion of the change in the fair value of a derivative is recognised immediately in the Consolidated Income Statement.

Derivatives that do not qualify for hedge accounting

If a derivative expires or is sold, terminated, or exercised, or no longer meets the criteria for hedge accounting, then hedge accounting is discontinued and the amount recognised in Other Comprehensive Income remains in Other Comprehensive Income until the forecast transaction affects the Consolidated Income Statement. If the forecast transaction is no longer expected to occur, it is reclassified to the Consolidated Income Statement as a reclassification adjustment.

When a derivative is not designated in a qualifying relationship, all changes in its fair value are recognised immediately in the Consolidated Income Statement.

The main potential source of hedge ineffectiveness from cash flow hedges is mismatches in the terms of hedged items and hedging instruments, for example the frequency and timing of when interest rates are reset. The Group did not recognise any amounts (2025: nil) due to ineffectiveness on derivative instruments designated as cash flow hedges.

Notes to the consolidated financial statements continued

3.2.3 Liquidity risk

Managing liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due, which could arise due to mismatches in cash flows.

The Group maintains a portfolio of highly marketable assets that can be liquidated in the event of an unforeseen interruption of cash flows. The Group also has committed lines of credit that it can access to meet its liquidity needs. Liquidity scenarios are calculated under stressed and normal operating conditions, to assist in anticipating cash requirements providing adequate reserves.

The Group's objective is to manage its funds in a way that will facilitate growth in core business under a wide range of market conditions. The Group maintains, and adheres to, a Liquidity Risk Management framework (LRMF). This process includes acknowledgement of liquidity risks within the Group and justification of the amount of liquidity that is being held based on the liquidity risk profile of the organisation.

Group Treasury is responsible for implementing liquidity risk management strategies in accordance with the LRMF. The Group's Assets and Liabilities Committee (ALCO) assists the Board with oversight of asset and liability management including liquidity risk management. The Group's liquidity policies are approved by the Board after endorsement by the Group Risk Committee and the Banking Group's ALCO.

Liquidity risk exposure

The Group is exposed to liquidity risk primarily through its banking activities. The Group's contractual cash flows associated with its financial liabilities and hedging derivatives, within relevant maturity groupings is as follows. These are presented on an undiscounted basis and, therefore, will not agree to amounts presented on the Consolidated Statement of Financial Position as they incorporate principal and associated future interest payments.

	On demand $ '000	< 3 months $ '000	3 months to 1 year $ '000	1 year to 5 years $ '000	> 5 years $ '000	Total $ '000
2026						
At call deposits	**5,170,583**	**–**	**–**	**–**	**–**	**5,170,583**
Due to other financial institutions	**–**	**101,592**	**–**	**–**	**–**	**101,592**
Term deposits	**–**	**942,413**	**4,114,820**	**349,390**	**–**	**5,406,623**
Negotiable certificates of deposit	**–**	**572,419**	**281,552**	**–**	**–**	**853,971**
Subordinated notes	**–**	**2,637**	**7,911**	**42,191**	**166,682**	**219,421**
Floating rate notes	**–**	**17,772**	**71,088**	**480,380**	**–**	**569,240**
Securitisation liabilities	**–**	**359,845**	**1,079,536**	**2,253,896**	**–**	**3,693,277**
Additional Tier 1 Hybrid capital instrument	**–**	**1,133**	**3,398**	**86,149**	**–**	**90,680**
Contractual amounts payable	**5,170,583**	**1,997,811**	**5,558,305**	**3,212,006**	**166,682**	**16,105,387**
Derivative liability	**–**	**–**	**1,155**	**2,295**	**–**	**3,450**
2025						
At call deposits	4,696,523	–	–	–	–	4,696,523
Due to other financial institutions	–	130,946	–	–	–	130,946
Term deposits	–	1,227,140	3,953,718	302,989	–	5,483,847
Negotiable certificates of deposit	–	518,194	360,632	–	–	878,826
Subordinated notes	–	13,692	17,803	109,848	57,683	199,026
Floating rate notes	–	4,788	82,246	351,654	–	438,688
Securitisation liabilities	–	322,627	967,882	2,020,780	–	3,311,289
Additional Tier 1 Hybrid capital instrument	–	1,120	3,361	74,712	–	79,193
Contractual amounts payable	**4,696,523**	**2,218,507**	**5,385,642**	**2,859,983**	**57,683**	**15,218,338**
Derivative liability	**–**	**–**	**1,439**	**28**	**–**	**1,467**

Contractual maturity of assets and liabilities

The contractual maturities of the Group's financial assets and liabilities as at the reporting date are contained in the following table. The Group expects that certain assets and liabilities will be recovered or settled at maturities which are different to their contractual maturities.

	30 June 2026			30 June 2025		
	< 12 months $ '000	> 12 months $ '000	Total $ '000	< 12 months $ '000	> 12 months $ '000	Total $ '000
Financial assets						
Cash and liquid assets	245,492	–	245,492	321,622	–	321,622
Due from other financial institutions	51,257	16,000	67,257	45,740	16,000	61,740
Other assets	34,262	–	34,262	32,984	914	33,898
Financial instruments	372,007	1,085,205	1,457,212	480,218	1,052,109	1,532,327
Loans and advances(i)	94,439	14,026,137	14,120,576	93,850	13,075,820	13,169,670
Total financial assets	**797,457**	**15,127,342**	**15,924,799**	**974,414**	**14,144,843**	**15,119,257**
Financial liabilities						
Due to other financial institutions	(101,592)	–	(101,592)	(130,946)	–	(130,946)
Other liabilities	(99,393)	–	(99,393)	(82,837)	–	(82,837)
Deposits	(8,741,092)	(1,836,114)	(10,577,206)	(8,814,003)	(1,366,363)	(10,180,368)
Negotiable certificates of deposit	(853,971)	–	(853,971)	(878,828)	–	(878,828)
Subordinated notes	–	(144,560)	(144,560)	–	(196,815)	(196,815)
Floating rate notes	(40,000)	(384,640)	(424,640)	(65,000)	(199,960)	(264,960)
Securitisation liabilities	(898,700)	(2,145,676)	(3,044,376)	(1,182,524)	(1,546,979)	(2,729,503)
Additional Tier 1 Hybrid capital instrument	–	(64,643)	(64,643)	–	(64,374)	(64,374)
Total financial liabilities	**(10,734,748)**	**(4,575,633)**	**(15,310,381)**	**(11,154,138)**	**(3,374,491)**	**(14,528,629)**
Net contractual amounts receivable / (payable)	**(9,937,291)**	**10,551,709**	**614,418**	**(10,179,724)**	**10,770,352**	**590,628**

(i) Contractual recovery is subject to evolving regulatory and industry support for counterparties requesting such support, as at the reporting date, the primary support provided to borrowers is repayment deferral periods.

Notes to the consolidated financial statements continued

4.1 Cash and cash equivalents

	30 June 2026 $ '000	30 June 2025 $ '000
Notes, coins and cash at bank	**243,414**	313,882
Other short term liquid assets	**2,078**	4,885
Total cash and cash equivalents	**245,492**	**318,767**
Reconciliation of profit for the year to net cash provided by operating activities		
Profit for the year	**56,190**	35,558
Add / (less) items classified as investing / financing activities or non-cash items:		
Depreciation of property, plant and equipment	**2,486**	1,302
Depreciation of right-of-use assets	**4,593**	2,744
Amortisation of intangible assets	**5,541**	4,643
Bad and doubtful debts expense net of recoveries	**4,081**	480
Share based payment	**291**	192
Movement in hedge reserve	**(3,605)**	965
Changes in assets and liabilities:		
Decrease / (increase) in due from other financial institutions	**(5,517)**	3,420
Decrease / (increase) in loans and advances	**(950,907)**	(313,301)
Decrease / (increase) in financial instruments	**76,388**	(153,946)
Decrease / (increase) in other assets	**920**	(15,967)
Decrease / (increase) in deferred tax assets	**1,843**	(6,505)
Increase / (decrease) in due to other financial institutions	**(29,353)**	151,236
Increase / (decrease) in other liabilities	**16,556**	27,949
Increase / (decrease) in deposits and other borrowings	**685,879**	453,615
Increase / (decrease) in employee benefits provisions	**(283)**	678
Increase / (decrease) in tax liabilities	**1,400**	5,527
Net cash flows used in operating activities	**(133,497)**	**198,590**

Cash and liquid assets accounting policies

Cash and liquid assets

Cash and liquid assets in the Consolidated Statement of Financial Position and for the purposes of the Consolidated Statement of Cash Flows comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months, net of outstanding bank overdrafts. Cash flows arising from deposits, share capital, investments, loans to subsidiaries and investments in associates are presented on an aggregated basis in the Statement of Cash Flows.

Cash Flow statement

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

- Customer deposits and withdrawals from savings and fixed-term deposit accounts;
- Movements in investments;
- Amounts due to and from other financial institutions;
- Customer loans and advances; and
- Dividends paid.

Where operational income and expense accruals and prepayments are included in the above line items, the movements will differ between the Statement of Financial Position and the disclosure in this note.

4.2 Financial instruments

	30 June 2026 $ '000	30 June 2025 $ '000
Financial instruments at amortised cost		
Negotiable certificates of deposits	**254,600**	439,575
Term deposits	**51,700**	35,700
Floating rate notes	**1,107,610**	1,038,946
Other deposits	**43,302**	16,236
Total financial instruments at amortised cost	**1,457,212**	**1,530,457**
Financial instruments at fair value		
Derivative asset/(liability)	**(3,450)**	1,870
Total Derivatives	**(3,450)**	**1,870**

Financial instruments accounting policies

Financial instruments at amortised cost

Financial instruments at amortised cost are those non-derivative financial assets that the Group has acquired with the objective of holding in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments at fair value

Financial instruments other than those carried at amortised cost, are carried at their fair value at the reporting date. Note 4.7 contains information on how the Group determines fair values. Fair value gains and losses are recognised in comprehensive income until the derecognition date, at which point the net gains and losses are transferred to profit or loss for that instrument.

Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows from the assets have expired, or where the Group has transferred its contractual rights to receive the cash flows of the financial assets and substantially all the risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, i.e. when the obligation is discharged, cancelled or expired.

Notes to the consolidated financial statements continued

4.3 Loans and advances

	30 June 2026 $ '000	30 June 2025 $ '000
Classification of loans and advances at amortised cost		
Residential loans secured by mortgage	**13,604,907**	12,864,509
Personal loans and unsecured overdrafts	**28,897**	29,070
Overdrafts secured by mortgage	**16,536**	20,620
Commercial loans	**401,258**	193,029
Upfront capitalised loan origination costs	**37,731**	32,245
Trail Broker commission[i]	**45,881**	43,333
Total loans and advances at amortised cost	**14,135,210**	**13,182,806**
Less:		
Specific provision for impairment	232	1,468
Collective provision for impairment	14,402	11,668
Total loans and advances at amortised cost net of provision for impairment	**14,120,576**	**13,169,670**

(i) For ongoing trail commissions payable to mortgage brokers, the Group recognises a liability within Other liabilities equal to the present value of expected future trail commissions payable and a corresponding increase in capitalised brokerage costs in loans, which is amortised over the relevant period of the loan using the effective interest rate method.

Loans and advances at amortised cost accounting policy

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and advances". Loans and advances are recognised on trade date and are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

	30 June 2026 $ '000	30 June 2025 $ '000
Provision for impairment		
Specific provision for impairment		
Opening balance	**1,468**	176
Net change in specific provision	**(1,236)**	1,292
Closing balance of specific provision for impairment	**232**	**1,468**
Collective provision for impairment		
Opening balance	**11,668**	7,887
Net change in collective provision	**2,734**	5,228
Write-off of previously provisioned facilities	**–**	(1,447)
Closing balance of collective provision for impairment	**14,402**	**11,668**
Total balance of provision for impairment	**14,634**	**13,136**
Charge to profit for impairment on loans and advances		
(Increase) / decrease in specific provision for impairment	**1,236**	(1,292)
(Increase) / decrease in collective provision for impairment	**(2,734)**	1,447
Bad debts recovered	**290**	270
Bad debts written off directly	**(2,873)**	(905)
Total impairment (expense) / recovery on loans and advances	**(4,081)**	**(480)**

Movements in provisions and reserve

	Stage 1	Stage 2	Stage 3		
	12 month ECL $ '000	Lifetime ECL $ '000	Collectively assessed – lifetime ECL $ '000	Individually assessed – lifetime ECL $ '000	Total $ '000
Balance as at 1 July 2025	**8,120**	**1,262**	**2,286**	**1,468**	**13,136**
Transfers during the period to:					
Increase / (decrease) in provisions	**2,324**	**122**	**288**	**(1,236)**	**1,498**
Total provision for doubtful debts as at 30 June 2026	**10,444**	**1,384**	**2,574**	**232**	**14,634**
Loans and advances as at 30 June 2026	**14,245,569**	**54,430**	**39,112**	**4,364**	**14,343,475**
Balance as at 1 July 2024	3,295	1,743	2,849	176	8,063
Transfers during the period to:					
Increase / (decrease) in provisions	4,825	(481)	(563)	1,292	5,073
Total provision for doubtful debts as at 30 June 2025	**8,120**	**1,262**	**2,286**	**1,468**	**13,136**

The Group has undertaken a review of the expected credit loss (ECL) of its lending portfolios against relevant specific economic conditions under varying scenarios. The review considered the macroeconomic outlook, customer credit quality, the quality of collateral held and exposure at default as at the reporting date. The modelled ECL is sensitive to the current environment of ongoing inflation and cost of living pressures, and the longevity of any monetary and fiscal intervention, as these influence both the probability of default, and the value of collateral that may be utilised. Whilst the inputs have been revised, the underlying methodology for calculating the ECL is consistently applied in the current and comparative period as described in the Impairment of financial assets accounting policy presented below.

At 30 June 2026, this review includes forward looking economic assumptions using a scenario weighting of 50% base case, 30% moderate recession and 20% strong recovery. The key assumptions used to determine the forward looking economic overlay were revised to incorporate the latest observed economic data, including marginal increases in unemployment rates, inflation moving back towards the RBA's target range and a decline in the housing market with prices affected by the prospect of further increases in the Official Cash Rate (OCR) in the short term and the impact of changes announced in the May 2026 Federal government Budget on the investor segment of the home loan market. In the moderate recession scenario, unemployment is assumed to peak at 5.6% in FY28 with house price falls of -10% across FY27 and FY28.

Given the uncertain economic outlook of the Australian and global economy, global geopolitical uncertainties still lingering, ongoing cost of living pressures and their repercussions on financial hardships, future economic conditions that result in outcomes that differ from the current estimate are possible and will be accounted for in future periods.

Notes to the consolidated financial statements continued

Impairment of financial assets accounting policy

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The primary source of credit risk for the Group arises on its loan portfolio. In relation to this portfolio, the Group maintains a specific provision and a collective provision.

Specific provisions for impairment are made against individual risk rated credit facilities where a loss is expected. The provisions are measured as the difference between a financial asset's carrying amount and the expected future cash flows.

All other loans and advances that do not have an individually assessed provision are assessed collectively for impairment. The collective provisions are calculated using an Expected Credit Loss (ECL) model. This model is forward looking and does not require evidence of an actual loss event for impairment provisions to be recognised.

The Group applies a three-stage approach to measuring the ECL based on credit risk since origination. The Group estimates ECL through modelling the probability of default, loss given default and exposure at default, as follows:

Stage 1 – Performing – This category includes financial assets that have not experienced a significant increase in credit risk since their origination. For these financial assets an allowance equivalent to 12 months' ECL is recognised, which represents the credit losses expected to arise from defaults occurring over the next 12 months.

Stage 2 – Under-performing – This category includes financial assets that have experienced a significant increase in credit risk since their origination and are not credit impaired. For these financial assets an allowance equivalent to lifetime ECL is recognised. Lifetime ECL is the credit losses expected to arise from defaults occurring over the remaining life of the financial assets. There is a rebuttable presumption that exposures more than 30 days past due indicate a significant increase in credit risk.

Stage 3 – Non-performing (impaired) – This category includes financial assets that are credit impaired. The provision is also equivalent to the lifetime ECL. There is a rebuttable presumption that exposures more than 90 days past due indicate default or Stage 3 classification.

Financial assets in stage 1 and stage 2 are assessed for impairment collectively, whilst those assets in stage 3 are subject to either collective or specific impairment assessment. The Group uses the following material collective provisioning models for the purpose of calculating ECL: residential mortgages, personal loans, commercial loans and overdrafts.

Write-off policy

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. In subsequent periods, any recoveries of amounts previously written off are credited to the provision for credit losses in the Income Statement.

Significant changes in credit risk

Significant increases in credit risk for financial assets are assessed by comparing the risk of a default occurring over the expected life of a financial asset at the reporting date compared to the corresponding risk of default at origination. In determining what constitutes a significant increase in credit risk, the Group considers qualitative and quantitative information. The judgement to determine this is primarily based on changes in internal customer risk grades since origination of the facility. For all of the Group's loan portfolios, in addition to the primary indicator, a mathematical model has been developed to identify where a facility's recent behaviour has deteriorated significantly from its original behaviour.

Key judgements and estimates made by the Group include the following:

Forward looking information

The measurement of expected credit losses needs to reflect an unbiased probability-weighted range of possible future outcomes. AASB 9 provides limited guidance on how to meet this requirement and consequently, the Group has developed an approach considered appropriate for its credit portfolio, informed by emerging market practices.

In applying forward looking information in its AASB 9 credit models, the Group considered three alternate economic scenarios (base case, strong recovery and moderate recession), to ensure a sufficient unbiased representative sample is included in estimating ECL. At 30 June 2026, the forward looking component of the collective provision for doubtful debts is $3.7m (2025: $2.0m). At 30 June 2026 the overlay primarily reflects the uncertainty surrounding the impact of geopolitcal risks and macro-economic headwinds on borrowers and the economy more broadly.

4.4 Transfer of financial assets (securitisation program)

Some loans and advances to customers are sold by the Group to securitisation vehicles. The transfer takes the form of the Group assuming an obligation to pass cash flows from the underlying assets to investors in the notes. The Group utilises its securitisation program to provide regulatory capital relief and funding diversification.

The following table sets out the carrying values at the transaction date of financial assets transferred during the financial year in this manner to securitisation vehicles and the value of the associated liabilities issued from the vehicles. This table does not include transfer of assets to self securitisation vehicles for which the Group is the sole bond holder.

	30 June 2026 $ '000	30 June 2025 $ '000
Transferred financial assets:		
Loans and advances (ex self securitisation)	**1,068,858**	757,391
Associated financial liabilities:		
Securitisation liabilities to external investors	**943,110**	673,662

Transfer of financial assets accounting policy

Once assets are transferred to a securitisation vehicle, the Group does not have the ability to use the transferred assets during the term of the arrangement. The Group does not have any loans transferred to unconsolidated securitisation vehicles.

The consolidated securitisation vehicles generally transfer all the risks and rewards of ownership of the assets to the investors in the notes. However, these transfers do not give rise to the de-recognition of the financial assets for the Group. In these cases, the consideration received from the investors in the notes in the form of cash is recognised as a financial asset and a corresponding financial liability is recognised. The investors in the notes have recourse only to the cash flows from the transferred financial assets.

Notes to the consolidated financial statements continued

4.5 Deposits and other borrowings including subordinated notes

	30 June 2026 $ '000	30 June 2025 $ '000
Deposits		
At call deposits	5,170,583	4,696,523
Term deposits	5,406,623	5,433,845
Total deposits	**10,577,206**	**10,130,368**
Other borrowings		
Negotiable certificates of deposit	853,971	928,828
Subordinated notes(i)	144,560	196,815
Floating rate notes	424,640	264,960
Securitisation liabilities(ii)	3,044,376	2,729,503
Additional Tier 1 Hybrid capital instrument(i)	64,643	64,374
Total deposits and other borrowings including subordinated notes	**15,109,396**	**14,314,848**
Concentration of deposits:		
Customer deposits	10,559,010	10,150,624
Wholesale deposits	872,167	908,572
Subordinated notes(i)	144,560	196,815
Floating rate notes	424,640	264,960
Securitisation liabilities	3,044,376	2,729,503
Additional Tier 1 Hybrid capital instrument(i)	64,643	64,374
Total deposits and other borrowings including subordinated notes	**15,109,396**	**14,314,848**

(i) Refer to note 3.1 for details regarding the subordinated notes and additional tier 1 hybrid capital instrument issue.
(ii) Refer to note 4.4 for details regarding securitisation liabilities.

There are no customers who individually have deposits which represent 10% or more of total liabilities.

Deposits and other borrowings accounting policy

Deposits and other borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The Group does not currently hold any financial liabilities at fair value other than derivatives which may be asset or liability balance at year end.

4.6 Other liabilities

	30 June 2026 $ '000	30 June 2025 $ '000
Trade payables and related accruals(i)	**70,950**	60,060
Lease liabilities	**15,166**	10,425
Contingent consideration payable	**13,277**	12,352
Total other liabilities	**99,393**	**82,837**

(i) Refer to note 4.3 Loans and advances for details of the accounting policy relating to the treatment of ongoing trail commissions payable to mortgage brokers.

Lease liabilities

Lease liabilities are initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate).

Lease payments are allocated between principal and interest expense. Interest expense is recognised as a financing cost within interest expense (refer note 2.1) in the income statement over the lease period. Any variable lease payments not included in the measurement of the lease liability are also recognised in the income statement in the period in which the event or condition that triggers those payments occurs. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in lease term, an assessment of an option to purchase the underlying asset, an index or rate, or a change in the estimated amount payable under a residual value guarantee. When the lease liability is remeasured, a corresponding adjustment is made to the carrying value of the Right-of-use (ROU) asset, or, in the income statement, where the carrying value of the ROU asset has been fully written down. The ROU asset is recorded in plant and equipment and right-of-use assets (refer to note 5.1).

4.7 Fair value of financial instruments

Classification of financial instruments

Cash and liquid assets, amounts due to financial institutions and amounts due from financial institutions are carried at amortised cost. As these assets are short term assets, their cost is considered to approximate their fair value. Derivative assets are carried at fair value.

The following financial assets and liabilities are carried at amortised cost:

- Financial instruments – excluding derivatives;
- Loans and advances;
- Deposits;
- Other borrowings;
- Due from other financial institutions; and
- Due to other financial institutions.

The following financial assets and liabilities are carried at fair value:

- Derivatives; and
- Other liabilities (Contingent consideration payable).

Notes to the consolidated financial statements continued

The aggregate fair value of financial assets and financial liabilities which are carried at amortised cost is:

	30 June 2026		30 June 2025	
	Carrying value $ '000	Fair value $ '000	Carrying value $ '000	Fair value $ '000
Financial assets				
Financial instruments	1,457,212	1,604,745	1,530,457	1,608,795
Loans and advances	14,120,576	14,107,140	13,169,670	13,160,922
Due from other financial institutions[1]	67,257	67,257	61,740	61,740
Total financial assets	**15,645,045**	**15,779,142**	**14,761,867**	**14,831,457**
Financial liabilities				
Deposits	10,577,206	10,587,669	10,130,368	10,141,304
Due to other financial institutions[1]	101,592	101,592	130,946	130,946
Other borrowings including subordinated notes	4,532,190	4,576,980	4,184,480	4,185,598
Total financial liabilities	**15,210,988**	**15,266,241**	**14,445,794**	**14,457,848**

1. Due from/to other financial institutions comprise primarily of amounts in clearing accounts and accrued interest. The amortised cost approximates fair value due to the short term nature. These have been reclassified in the fair value hierarchy as items carried at amortised cost and comparative amounts have been adjusted to conform with the current period disclosure.

The aggregate fair values of financial assets and financial liabilities which are carried at fair value is:

	30 June 2026		30 June 2025	
	Carrying value $ '000	Fair value $ '000	Carrying value $ '000	Fair value $ '000
Financial assets				
Derivative assets	–	–	1,870	1,870
Total financial assets	**–**	**–**	**1,870**	**1,870**
Financial liabilities				
Contingent consideration payable	13,277	13,277	12,352	12,352
Derivative liabilities	3,450	3,450	–	–
Total financial liabilities	**16,727**	**16,727**	**12,352**	**12,352**

Fair value hierarchy

The level in the fair value hierarchy of the inputs used in determining the fair values is shown below.

The fair value of these assets is:

Level 1 – inputs that are prices quoted for identical instruments in active markets;

Level 2 – inputs based on observable market data other than those in level 1; and

Level 3 – inputs for which there is no observable market data.

Where the expected maturity is in excess of 12 months, the fair value is discounted to its present value. During the year, there have been no material transfers between levels of the fair value hierarchy. Classifications are reviewed at reporting dates and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Fair value hierarchy for items carried at amortised cost

	Level 1 value $ '000	Level 2 value $ '000	Level 3 value $ '000	Total value $ '000
2026				
Financial assets				
Financial instruments	–	1,604,745	–	1,604,745
Loans and advances	–	–	14,107,140	14,107,140
Due from other financial institutions[1]	–	67,257	–	67,257
Financial liabilities				
Deposits	–	10,587,669	–	10,587,669
Due to other financial institutions[1]	–	101,592	–	101,592
Other borrowings including subordinated notes	–	4,576,980	–	4,576,980
2025				
Financial assets				
Financial instruments	–	1,608,795	–	1,608,795
Loans and advances	–	–	13,160,922	13,160,922
Due from other financial institutions[1]	–	61,740	–	61,740
Financial liabilities				
Deposits	–	10,141,304	–	10,141,304
Due to other financial institutions[1]	–	130,946	–	130,946
Other borrowings including subordinated notes	–	4,185,598	–	4,185,598

1. Due from/to other financial institutions comprise primarily of amounts in clearing accounts and accrued interest. The amortised cost approximates fair value due to the short term nature. These have been reclassified in the fair value hierarchy as items carried at amortised cost and comparative amounts have been adjusted to conform with the current period disclosure.

There has been no impact on profit and loss of fair value movements of assets that are within Level 3 of the fair value hierarchy.

Fair value hierarchy for items carried at fair value

	Level 1 value $ '000	Level 2 value $ '000	Level 3 value $ '000	Total value $ '000
2026				
Financial liabilities				
Contingent consideration payable	–	–	13,277	13,277
Derivative liabilities	–	3,450	–	3,450
2025				
Financial assets				
Derivative assets	–	1,870	–	1,870

There has been no impact on profit and loss of fair value movements of assets that are within Level 3 of the fair value hierarchy. The Group has performed a VaR analysis as detailed in note 3.2, Market risk. VaR takes account of all material market variables that may cause a change in the value of the loan portfolio, being 100% of Level 3 inputs.

Notes to the consolidated financial statements continued

5.1 Property, plant and equipment and right-of-use assets

	30 June 2026 $ '000	30 June 2025 $ '000
Leasehold improvements		
At cost	**18,789**	15,814
Accumulated depreciation	**(11,877)**	(10,146)
	6,912	**5,668**
Land and buildings		
At fair value	**13,105**	11,875
Accumulated depreciation	**(329)**	(247)
	12,776	**11,628**
Plant and equipment		
At cost	**10,996**	10,374
Accumulated depreciation	**(8,612)**	(8,261)
	2,384	**2,113**
Right-of-use assets – land and buildings		
At cost	**31,320**	24,997
Accumulated depreciation	**(18,685)**	(16,789)
	12,635	**8,208**
Total property, plant and equipment	**34,707**	**27,617**

Plant and equipment accounting policy

Leasehold improvements

Leasehold improvements are carried at cost less any subsequent accumulated depreciation on leasehold improvements.

Land and buildings

Freehold land and buildings are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation for buildings and subsequent accumulated impairment losses. Freehold land is not depreciated. Revalued amounts are based on periodic, but at least triennial, valuations by external independent valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment and right-of-use (ROU) assets

Plant and equipment and right-of-use assets are measured at cost less accumulated depreciation and any impairment in value. The cost of ROU assets correspond to the amount recognised for the lease liability on initial recognition together with any lease payments made at or before the commencement date, of any lease incentives received and initial direct costs.

Impairment of plant and equipment and right-of-use assets

The carrying values of plant and equipment and right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Derecognition of plant and equipment and right-of-use assets

An item of plant and equipment or right-of-use asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Income Statement in the year the item is derecognised.

5.2 Intangible assets and goodwill

	Goodwill $ '000	Software $ '000	Core Deposit Intangible $ '000	Total $ '000
Year ended 30 June 2026				
At 1 July 2025, net of accumulated amortisation	**89,919**	**12,501**	**17,883**	**120,303**
Additions / (disposals)	**–**	**3,491**	**–**	**3,491**
Amortisation	**–**	**(5,541)**	**(1,850)**	**(7,391)**
At 30 June 2026, net of accumulated amortisation	**89,919**	**10,451**	**16,033**	**116,403**
At 30 June 2026				
Cost (gross carrying amount less impairment)	**89,919**	**52,199**	**18,500**	**160,618**
Accumulated amortisation	**–**	**(41,748)**	**(2,467)**	**(44,215)**
Net carrying amount	**89,919**	**10,451**	**16,033**	**116,403**
Year ended 30 June 2025				
At 1 July 2024, net of accumulated amortisation	65,152	11,766	–	76,918
Additions	24,767	5,378	18,500	48,645
Amortisation	–	(4,643)	(617)	(5,260)
At 30 June 2025, net of accumulated amortisation	**89,919**	**12,501**	**17,883**	**120,303**
At 30 June 2025				
Cost (gross carrying amount less impairment)	89,919	48,708	18,500	157,127
Accumulated amortisation	–	(36,207)	(617)	(36,824)
Net carrying amount	**89,919**	**12,501**	**17,883**	**120,303**

Intangibles accounting policy

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of these intangible assets are assessed to be either finite or infinite. Where amortisation is charged on assets with finite lives, this expense is taken to the Consolidated Income Statement. Certain costs directly incurred in acquiring and developing software are capitalised and amortised over the estimated useful life.

A core deposit intangible asset was recognised on merger with Auswide Bank Ltd and reflects the value associated to low-cost funding through the deposit book. Following initial recognition, the core deposit intangible asset is amortised over its useful life.

Intangible assets are tested for impairment where an indicator of impairment exists and, in the case of indefinite life intangibles (limited to Goodwill), annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Goodwill is treated as an indefinite life intangible, software and other intangibles are finite life intangibles. Refer to note 2.3 Expenses for the useful life of tangible and intangible assets.

Notes to the consolidated financial statements continued

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's three cash-generating units (CGUs), being Retail Banking Business, Selfco and the Wealth Management Business. These CGUs represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each CGU for the purpose of impairment testing is as follows:

	30 June 2026 $ '000	30 June 2025 $ '000
Retail Banking Business	**48,426**	48,426
Selfco	**16,530**	16,530
Wealth Management Business	**24,963**	24,963
Total goodwill	**89,919**	**89,919**

The Group's assessment of value-in-use exceeds the carrying value allocated to the CGUs and included in the financial statements.

The recoverable amounts for value-in-use were determined using cash flow projections from the latest business plan approved by the Board. Growth rates have been applied from year two through to year five. Cash flows are projected by undertaking detailed calculations for each income and expense category over a three year period and are then extrapolated off the 3rd year, which is the lowest point of growth. An exit value is calculated at the end of 10 years, based on an implied terminal value earnings multiple of 10.3, 6.6 and 13.7 for the Banking Business, Selfco and the Wealth Management Business respectively, and a long-term growth rate not exceeding industry. A post-tax discount rate of 11.5%, 16.0% and 8.8% was used for the Banking Business, Selfco and the Wealth Management Business respectively. Certain income categories are modelled by projecting growth in relevant portfolio balances and the resulting income derived there-from. Other non-portfolio related income streams and expense categories are modelled by projecting real rates of growth (above inflation) for each category. Terminal value is determined at year ten using the assumption that the CGU achieves no real growth above inflation into perpetuity. The growth rates applied do not exceed the long-term average growth rate for the business which the CGU operates. The discount rates used have been determined by externally engaged advisers and approved by the Board. Average inflation is projected to be 4.0%. The method for determining value-in-use is consistent with that adopted in the comparative period.

The key assumptions adopted in assessing Banking's value-in-use are the rate of growth of the housing loan portfolio and the outlook for net interest margin (NIM). Taking into account management's past experiences and external evidence, the assumptions that have been adopted for both of these components are considered to be reasonable. Management expects that any reasonably possible change to assumptions used in Management's assessment will not result in impairment.

The key assumptions adopted in assessing Selfco's value-in-use are the rate of growth of the equipment finance portfolio and the outlook for NIM. Taking into account management's past experiences and external evidence, the assumptions that have been adopted for both of these components are considered to be reasonable. Management expects that any reasonably possible change to assumptions used in Management's assessment will not result in impairment.

The key assumption adopted in assessing Wealth Management's value-in-use is the rate of growth in income derived from management fee (MF) income. MF income is derived from its activities as the responsible entity for various Managed Investment Schemes (MIS). MF income derived is directly related to the portfolio balances of the MIS. Other sources of income for the Wealth Management Business are its Trustee Services divisions. Taking into account Management's past experiences and external evidence, the assumptions adopted are considered reasonable. Management's assessment of Wealth Management's value-in-use exceeds its carrying value. Any reasonably possible change to assumptions used in Management's assessment will not result in impairment.

Goodwill accounting policy

Goodwill on the acquisition of businesses is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of CGU's) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of subsidiaries accounting policy

Investments in subsidiaries are tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount (which is the higher of fair value less costs to sell and value in use). At each balance sheet date, the investments in subsidiaries that have been impaired are reviewed for possible reversal of the impairment.

Business combinations

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the business combination transaction date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

As per note 1.4, MyState Bank merged with Auswide Bank on 19 February 2025. From an accounting perspective MyState gained control over Auswide and therefore, under AASB 3, the Group was required to recognise and measure goodwill acquired in the business combination. The PPA exercise to determine the fair value of consideration transferred, identifiable assets (including intangible assets) acquired and liabilities assumed related to the acquisition of Auswide, and measure the resulting goodwill was completed as at 31 December 2025.

Goodwill of $24.8m was recognised, representing the difference between the purchase consideration and the fair value of the identified assets and liabilities. A Core deposit intangible of $18.5m was also recognised following a valuation using the multi-period excess earnings (MEEM) method.

Notes to the consolidated financial statements continued

5.3 Employee benefits provisions

	30 June 2026 $ '000	30 June 2025 $ '000
Balances		
Provision for annual leave	4,107	4,153
Provision for long service leave	5,700	5,937
Total employee benefits provisions	**9,807**	**10,090**
Due to be settled within 12 months	7,675	8,397
Due to be settled in more than 12 months	2,132	1,693
Total employee benefits provisions	**9,807**	**10,090**

Employee benefits accounting policy

Liabilities for salaries, wages and annual leave are recognised in respect of employees' service up to the reporting date. Where settlement is expected to occur within twelve months of the reporting date, the liabilities are measured at their nominal amounts based on the remuneration rates which are expected to be paid when the liability is settled. Where settlement is expected to occur later than twelve months from reporting date, the liabilities are measured at the present value of payments which are expected to be paid when the liability is settled.

A liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

5.4 Share capital

	30 June 2026 $ '000	30 June 2025 $ '000
Issued and paid up ordinary shares	498,842	493,238

Movements in ordinary share capital

	30 June 2026		30 June 2025	
	Number of shares	Amount $ '000	Number of shares	Amount $ '000
Opening balance	169,089,474	493,238	110,600,801	228,603
Shares issued pursuant to the:				
– Group employee share scheme	9,286	39	9,508	37
– Dividend reinvestment plan	1,290,616	5,544	830,428	3,056
– Shares issuance costs	–	(98)	–	(185)
– Shares issued to Auswide	–	–	57,602,145	261,513
– Executive long term incentive plan	29,616	119	46,592	214
Closing balance	**170,418,992**	**498,842**	**169,089,474**	**493,238**

Terms and conditions

Ordinary shares have the right to receive dividends as declared from time to time and, in the event of a winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote per share, either in person or by proxy at meetings of the Company.

The Company does not have authorised capital or par value in respect of its issued shares.

The Group offers share based remuneration, refer to the Remuneration Report for further information regarding these arrangements.

6.1 Income tax expense, current and deferred tax balances

	30 June 2026 $ '000	30 June 2025 $ '000
The major components of income tax expense/(benefit) are:		
Income tax expense		
Current income tax charge	(22,086)	(17,402)
Adjustment in respect of current income tax of previous years	(648)	(7)
Reversal of adjustments in respect of hedge & asset revaluation reserve movements	1,239	(1,894)
Relating to origination and reversal of temporary differences	(1,052)	1,563
Total income tax expense	**(22,547)**	**(17,740)**
A reconciliation between tax expense and accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Income tax expense attributable to:		
Accounting profit before income tax	78,737	53,298
The income tax expense comprises amounts set aside as:		
Provision attributable to the current year at the statutory rate of 30%, being:		
– Prima facie tax on accounting profit before tax	(23,621)	(15,989)
– (Under)/over provision in prior year	648	(7)
Expenditure not allowable for income tax purposes	(123)	(1,791)
Other	549	47
Income tax expense reported in the consolidated income statement	**(22,547)**	**(17,740)**
Total income tax expense	**(22,547)**	**(17,740)**
Weighted average effective tax rates	28.6%	33.3%
Deferred income tax relates to the following:		
Deferred tax assets		
Plant & equipment	1	–
Intangible assets	3,438	3,941
Derivatives	1,035	–
Employee entitlements	4,730	3,028
Provisions	1,028	1,522
Doubtful debts	2,602	3,941
Other	8,076	7,930
Total deferred tax assets	**20,910**	**20,362**
Current tax receivable	–	2,391
Total tax assets	**20,910**	**22,753**
Deferred tax liabilities		
Derivatives	–	664
Property, plant and equipment	3,913	4,461
Other	10,262	10,075
Total deferred tax liabilities	**14,175**	**15,200**
Current tax payable	2,425	–
Total tax liabilities	**16,600**	**15,200**

Notes to the consolidated financial statements continued

Movements in deferred tax balances

	Deferred tax assets		Deferred tax liabilities	
	30 June 2026 $' 000	**30 June 2025 $' 000**	**30 June 2026 $' 000**	**30 June 2025 $' 000**
Opening balance	**20,362**	**7,161**	15,200	3,560
Adjustments on acquisition	**–**	**12,050**	–	9,597
Reclassification deferred tax	**103**	**–**	103	–
(Charged) / credited to income statement	**(1,253)**	**1,151**	(1,588)	1,485
Credited / (charged) to equity	**1,698**	**–**	460	558
Closing balance	**20,910**	**20,362**	**14,175**	**15,200**

Taxation accounting policy

Income tax expense is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in the Consolidated Statement of Comprehensive Income. Income tax expense on the profit or loss of the period comprises current tax and deferred tax.

Current tax payable

Current tax payable is the expected tax payable on the taxable income for the financial year using tax rates that have been enacted, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred income tax is provided on all temporary differences at reporting date. Temporary differences are calculated at each reporting date as the difference between the carrying amount of assets and liabilities for financial reporting purposes and their tax base.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the taxable temporary differences associated with the investments in subsidiaries and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax assets and unused tax losses can be utilised except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither the accounting profit nor the taxable profit and loss; and
- When the deductible temporary differences are associated with investments in subsidiaries, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

As per note 1.4, MyState Bank merged with Auswide Bank on 19 February 2025. Temporary differences have arisen as a result of the PPA exercise undertaken to determine the fair value of consideration transferred, identifiable assets (including intangible assets) acquired and liabilities assumed related to the acquisition of Auswide, and the measurement of resulting goodwill.

Deferred tax assets and deferred tax liabilities may be offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxable authority.

The Group undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. The Group estimates its tax liability based on its understanding of the tax law.

Tax consolidation

The Group has elected to be taxed as a single entity under the tax consolidation regime. The head company is MyState Limited. The members of the Group, with the recent addition of Auswide Australia Limited, have entered into a tax sharing agreement that provides for the allocation of income tax liabilities among the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The Company and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Company has applied the separate taxpayer-within-group approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

7.1 Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except for investments in subsidiaries. Refer to note 1 and policy notes within the financial statements for a summary of the significant accounting policies relating to the Group.

Statement of Financial Position	30 June 2026 $ '000	30 June 2025 $ '000
Assets		
Cash and cash equivalents	**2,820**	2,138
Other receivables	**731**	1,551
Related party receivables	**205,347**	257,280
Investments in subsidiaries	**611,707**	606,160
Current and deferred tax assets	**2,043**	1,180
Total assets	**822,648**	**868,309**
Liabilities		
Other liabilities	**2,032**	1,042
Other borrowings	**209,643**	261,374
Related party payables	**1,141**	1,674
Tax liabilities	**2,475**	1,206
Employee benefits provisions	**864**	599
Total liabilities	**216,155**	**265,895**
Net assets	**606,493**	**602,414**
Equity		
Share capital	**604,656**	598,963
Retained earnings	**(313)**	1,570
Reserves	**2,150**	1,881
Total equity	**606,493**	**602,414**
Financial performance		
Profit after income tax for the year	**37,089**	**24,667**
Total comprehensive income	**37,089**	**24,667**

The parent entity has not entered into any guarantees and does not have any contingent liabilities as at 30 June 2026 (30 June 2025: nil).

Notes to the consolidated financial statements continued

Transactions between the Company and the consolidated entities principally arise from the provision of management and governance services. All transactions with subsidiaries are in accordance with regulatory requirements and are on commercial terms. All transactions undertaken during the financial year with the consolidated entities are eliminated in the Consolidated Financial Statements. Amounts due from and due to entities are presented separately in the Statement of Financial Position of the Company except where offsetting reflects the substance of the transaction or event.

7.2 Controlled entities and principles of consolidation

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Significant subsidiaries	Principal activities	Country of Incorporation	Ownership Interest
MyState Bank Limited	Banking	Australia	100%
Auswide Australia Ltd	Non-operating	Australia	100%
TPT Wealth Ltd	Wealth Management	Australia	100%
Specialist Equipment Leasing Finance Co Pty Ltd (Selfco)	Non operating[1]	Australia	100%
Connect Asset Management Pty Ltd	Manager of Securitisation Vehicles	Australia	100%

1. Selfco business is an operating division of MyState Bank Limited.

Basis of consolidation accounting policy

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these three elements of control.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Income Statement and Other Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

7.3 Related party disclosures

The ultimate parent entity and controlling entity is MyState Limited. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed in the following paragraphs.

Managed Investment Schemes

Within the Group, TPT Wealth Limited (TPT) is a Responsible Entity for Managed Investment Schemes (Funds) and, accordingly, has influence over their activities. TPT receives management fees from these Funds. TPT also pays expenses of the Funds for which it is reimbursed. TPT and the Company have also invested in these Funds and receive distributions on these investments. These investments are made on the same terms and conditions that apply to all investors in these Funds. Details of these transactions and balances are as follows:

	Consolidated		TPT	
	30 June 2026 $ '000	30 June 2025 $ '000	30 June 2026 $ '000	30 June 2025 $ '000
Management fees received	**8,324**	**8,180**	8,324	8,180
Balance of investment held at year end	**2,982**	**2,855**	2,982	2,855
Distributions received from managed funds	**127**	**128**	127	128

The Funds have:

- Accepted money on deposit from Directors and Executives or entities associated with Directors and Executives at prevailing Fund rates and conditions;
- Loaned money to MyState Bank, in the form of term deposits and negotiable certificates of deposit, totalling $16.43m (2025: $1.96m); and
- Invested in the ConQuest Trusts Residential Mortgage Backed Securities Program in the form of Class A and B notes totalling $0 (2025: $27.3m).

These deposits are made on the same terms and conditions that apply to all similar transactions.

Key Management Personnel

(i) Individual Directors and Executive compensation disclosures

Information regarding individual Directors, Executive compensation, and equity instruments disclosures, as required by the Corporations Regulation 2M.2.03, is provided in the Remuneration Report section of the Directors' report. Disclosure of the compensation and other transactions with key management personnel (KMP) is required pursuant to the requirements of Australian Accounting Standard AASB 124 *Related Party Disclosures*. The KMP of the Group is comprised of the Non Executive Directors, Managing Director and Chief Executive Officer and certain Executives.

	30 June 2026 $ '000	30 June 2025 $ '000
Key management personnel compensation		
The key management personnel compensation comprised:		
Short-term employee benefits	**3,920**	4,293
Post employment benefits	**246**	304
Share-Based payment[(a)]	**464**	462

* Comparatives have been restated for consistency with current year disclosures.

(a) These amounts are estimates of compensation and include a portion that will only vest to the Managing Director or Executive when certain performance criteria are met or a 'Capital Event' occurs. The fair value of shares is calculated at the date of grant and is allocated to each reporting period over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the shares allocated to this reporting period.

Notes to the consolidated financial statements continued

8.1 Contingent liabilities and expenditure commitments

MyState Bank Limited has provided guarantees to third-parties in order to secure the obligations of customers. The maximum exposures to these guarantees are disclosed below. The range of situations in which these guarantees are given include:

- Local Government Authorities, to secure the obligations of property and sub-divisional developers to complete infrastructure developments;
- Local Government Authorities, Schools and other building owners, to secure the obligations of building contractors to complete building works;
- Landlords, to secure the obligations of tenants to pay rent; and
- CUSCAL, to secure payroll and direct debit payments processed by CUSCAL on behalf of customers.

	30 June 2026 $ '000	30 June 2025 $ '000
Customer commitments		
Loans approved but not advanced to borrowers[i]	**291,876**	222,156
Undrawn continuing lines of credit[i]	**90,499**	97,502
Performance guarantees	**5,534**	4,444
Total customer commitments	**387,909**	324,102

(i) Under AASB 9, off-balance-sheet loan commitments are subject to expected credit loss (ECL) provisioning. The provision arising on loan commitments is $38k.

Guarantees are issued in accordance with approved Board policy. Those guarantees over $10,000 are required to be secured. In the event that a payment is made under a guarantee, the customer's obligation to MyState Bank Limited is crystallised in the form of an overdraft or loan.

A contingent liability is disclosed where a legal or constructive obligation is possible, but not probable; or where the obligation is probable, but the financial impact of the event is unable to be reliably estimated. The Group does not have any material contingent liabilities as at 30 June 2026 (30 June 2025: nil).

Estate Administration

TPT Wealth Limited acts as executor and trustee for a significant number of trusts and estates. In this capacity, this company has incurred liabilities for which it has a right of indemnity out of the assets of those trusts and estates. Accordingly, these liabilities are not reflected in the financial statements.

Other contracted commitments for expenditure on plant and equipment as at the reporting date are for only minimal amounts.

8.2 Remuneration of auditors

During the financial year, the following fees which are shown exclusive of GST claimed were paid or payable for services provided by the auditor of the Group, Ernst & Young (2025: Wise Lord & Ferguson and the component auditor Deloitte Touche Tohmatsu):

8.2.1 Principal auditor – Ernst & Young (2025: Wise Lord & Ferguson)

	30 June 2026 $ '000	30 June 2025 $ '000
Audit services		
Audit of the financial statements of the consolidated entities	**717**	559
Total remuneration for audit services	**717**	**559**
Audit related services		
Assurance related services	**209**	68
Audit of loans and other services to the securitisation program	**–**	3
Total remuneration for audit related services	**209**	**71**
Other non-external audit related services		
Other services	**–**	33
Total remuneration for non-audit related services	**–**	**33**
Total remuneration for principal audit services provided	**926**	**663**

8.2.2 Component auditor – none (2025: Deloitte Touche Tohmatsu)

	30 June 2026 $ '000	30 June 2025 $ '000
Audit services		
Audit of the financial statements of the consolidated entities	**–**	495
Total remuneration for audit services	**–**	**495**
Audit related services		
Assurance related services	**–**	119
Other assurance related services	**–**	15
Total remuneration for audit related services	**–**	**134**
Other non-external audit related services		
Tax compliance services	**–**	45
Total remuneration for non-audit related services	**–**	**45**
Total remuneration for component audit services provided	**–**	**674**

Introduction and performance
Chair's review
Chief Executive Officer's review
Our strategy and approach to risk
ESG update and sustainability report
Board of Directors and KMP
Directors' report and remuneration report
Financial report
Shareholder information

Notes to the consolidated financial statements continued

8.3 Events subsequent to balance sheet date

On 25 August 2026, the Directors declared a fully franked final dividend of 12.5 cents per share, payable on 22 September 2026 to shareholders on the register at the record date of 31 August 2026.

In the opinion of the Directors, there are no other matters or circumstances that have arisen since the end of the financial year that has 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 periods.

8.4 Other material accounting policies, new accounting standards and disclosures

The principal accounting policies, which are consistent with those applied in the comparative period unless otherwise stated, that have been adopted in the preparation of the financial report are set out in this section and the preceding sections.

(i) Other assets

Other assets comprise accounts receivable, accrued income and prepayments. Accounts receivable are initially recorded at the fair value of the amounts to be received and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment loss.

(ii) Other liabilities

Other liabilities comprise accounts payable and accrued expenses and represent liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

(iii) New and revised accounting standards

There are no new Australian Accounting Standards in effect from the 2026 financial year that have not already been adopted by the Group.

No accounting standards became effective in the current financial year. New or amended standards effective for annual reporting periods beginning on or after 1 July 2026 are as follows:

- AASB 18 *Presentation and Disclosure in Financial Statements* (1 January 2027).
- AASB 18 was issued in June 2024 replacing AASB 101 *Presentation of Financial Statements* (AASB 101) and will be effective for the Group from 1 January 2027. The standard has been issued to improve how entities communicate their results within their financial statements, with a particular focus on information about financial performance in the income statement. The key presentation and disclosure requirements are:
  - (i) The presentation of newly defined categories of income and expenses and subtotals in the income statement;
  - (ii) The disclosure of management-defined performance measures; and
  - (iii) Enhanced guidance on the grouping of information.

The Group is currently undertaking an impact assessment of this new standard on presentation and disclosure requirements.

- AASB 2024-2 & AASB 2025-2 *Amendments to AAS – Classification and Measurement of Financial Instruments* (1 January 2026). – The amendments address matters identified during the post-implementation review of the classification and measurement requirements of AASB 9 *Financial Instruments*.

Adoption of these amendments is not expected to result in any significant changes to how the Group applies accounting standards in future financial years.

Consolidated entity disclosure statement

for the year ended 30 June 2026

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian or foreign resident (for tax purposes)
MyState Limited	Body Corporate	N/A	N/A	Australia	Australia
MyState Bank Limited	Body Corporate	N/A	100	Australia	Australia
Auswide Australia Ltd	Body Corporate	N/A	100	Australia	Australia
TPT Wealth Ltd	Body Corporate	N/A	100	Australia	Australia
Auswide Performance Rights Pty Limited	Body Corporate	N/A	100	Australia	Australia
Auswide Bank Limited Employee Share Trust	Trust	N/A	100	Australia	Australia
Specialist Equipment Leasing Finance Co Pty Limited	Body Corporate	N/A	100	Australia	Australia
Connect Asset Management Pty Limited	Body Corporate	N/A	100	Australia	Australia
Conquest 2017-1 Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2018-1 Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2019-1 PP Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2019-2 Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2022-1 Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2023-1 Warehouse Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2023-2 Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2023-3 Warehouse Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2024-1 Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2025-1R Trust[i]	Trust	N/A	N/A	Australia	Australia
Conquest 2025-2 Trust[i]	Trust	N/A	N/A	Australia	Australia
Widcap Securities Pty Limited	Body Corporate	N/A	100	Australia	Australia
Wide Bay Trust 5[ii]	Trust	N/A	N/A	Australia	Australia
ABA Trusts 7[ii]	Trust	N/A	N/A	Australia	Australia
ABA Trust 2023-1[ii]	Trust	N/A	N/A	Australia	Australia
Wide Bay Trust 2008-1[ii]	Trust	N/A	N/A	Australia	Australia

(i) Entities listed here are securitisation special purpose vehicles. Connect Asset Management Pty Ltd is the securitisation program manager.
(ii) Entities listed here are securitisation special purpose vehicles. Widcap Securities Pty Ltd is the securitisation program manager.

Directors' declaration
for the year ended 30 June 2026

In accordance with a resolution of the Directors of MyState Limited, we state that:

1. In the opinion of the Directors:

   (a) The financial statements and notes of the Group set out on pages 75 to 123 are in accordance with the *Corporations Act 2001*, including:

      (i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

      (ii) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) There are reasonable grounds to believe that MyState Limited will be able to pay its debts as and when they become due and payable; and

   (c) The consolidated entity disclosure statement, required by section 295(3A) of the *Corporations Act 2001*, is true and correct.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2026.

3. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.2.

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

On behalf of the Board

Vaughn Richtor
Chair

Brett Morgan
Managing Director and Chief Executive Officer

Hobart
Dated 25 August 2026

Independent auditor's report
to the Shareholders of MyState Limited

Shape the future with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of MyState Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of MyState Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group 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 (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent auditor's report continued

For personal use only

EY
Shape the future with confidence

Provision for impairment on loans and advances

Why Significant	How our audit addressed the key audit matter
As at 30 June 2026, the Group has a provision for impairment on loans and advances of $14.6 million as disclosed in Note 4.3 *Loans and advances*. The provision for impairment on loans and advances is measured in accordance with the requirements of AASB 9 *Financial Instruments* (AASB 9). Key areas of significant judgment included: ▶ the application of the impairment requirements of AASB 9 within the expected credit loss (ECL) methodology; ▶ the identification of exposures with a significant increase in credit risk; ▶ assumptions used in ECL models (for exposures assessed on an individual or collective basis); ▶ the incorporation of forward-looking information that appropriately reflects the impact of current and anticipated external factors, including multiple economic scenarios and the weightings applied for each of these scenarios; and ▶ assumptions used in the calculation of overlays, which are used to incorporate current and future factors that are not currently captured by the Group's ECL models. This was a key audit matter due to the value of the provision, and the degree of judgement and estimation uncertainty associated with the provision calculation.	Our audit procedures included the following: ▶ We assessed the alignment of the Group's ECL model and its underlying methodology against the requirements of AASB 9. ▶ In conjunction with our modelling and economic specialists, we assessed the following for exposures and evaluated on a collective basis: ▪ significant modelling and macroeconomic assumptions; ▪ the determination of a significant increase in credit risk; ▪ the mathematical accuracy of management's model; and ▪ the basis for and assumptions used to determine overlays recognised to capture current and future market characteristics. ▶ We assessed the adequacy and appropriateness of the disclosures related to the impairment on loans and advances included in the Notes to the financial statements.

EY
Shape the future with confidence

Impairment assessment of goodwill

Why significant	How our audit addressed the key audit matter
The Group has recognised goodwill of $89.9 million as at 30 June 2026. As disclosed in Note 5.2 *Intangible assets and goodwill*, the Group performs an annual impairment assessment, or more frequently if there is an indication that goodwill may be impaired. This involves a comparison of the carrying value of the cash generating unit (CGU) to which the goodwill has been attributed with its recoverable amount. Judgement is involved in assessing the CGUs identified by the Group. Recoverable amounts were determined using a value in use (VIU) basis for all CGUs. The determination of recoverable amounts incorporated a range of key assumptions, including: ▶ forecast future cash flows; ▶ discount rate; and ▶ terminal growth rate This was a key audit matter due to the value of goodwill and the degree of estimation uncertainty associated with the assumptions applied in the impairment assessment.	Our audit procedures included the following: ▶ We assessed whether the models used by the Group for the impairment assessment of goodwill were in accordance with the requirements of Australian Accounting Standards. ▶ We assessed the appropriateness of the CGUs identified by management to which goodwill was allocated. ▶ We agreed forecast cash flows to the most recent Board approved cash flow forecasts and assessed the reasonableness of these forecasts based on the current economic environment, and the historical forecasting accuracy of the Group. ▶ We involved our valuation specialists to assess the key assumptions used in the impairment assessment, including future cash flow forecasts, discount rates and terminal growth rates, and to test the mathematical accuracy of the impairment models. ▶ We assessed the Group's current market capitalisation against the recoverable amount implied by the Group's VIU calculation and benchmarked the implied valuation multiples to comparable company valuation multiples. ▶ We assessed the adequacy and appropriateness of the disclosures related to the impairment assessment of goodwill included in the Notes to the financial statements.

Independent auditor's report continued

Shape the future
with confidence

Information Technology (IT) systems and controls over financial reporting

Why significant	How our audit addressed the key audit matter
The Group's operations and financial reporting systems are heavily dependent on IT systems, including automated accounting procedures and IT dependent manual controls. The Group's controls over IT systems include: ▶ the framework of governance over IT systems; ▶ controls over program development and changes; ▶ controls over access to programs, data and IT operations; and ▶ governance over generic and privileged user accounts. Due to the reliance on the IT systems in the financial reporting process, we considered this to be a key audit matter.	Our audit procedures were conducted with the involvement of our IT specialists and included the following: ▶ We focused our audit procedures on those IT systems and controls that are significant to the Group's financial reporting process. ▶ We assessed the design and tested the operating effectiveness of the Group's IT controls, including those related to user access management, change and operating management and data integrity. ▶ Where we identified design and/or operating deficiencies in the IT control environment, our audit procedures included the following: ▪ we assessed the integrity and reliability of the systems and data related to financial reporting; and ▪ where automated procedures were supported by systems with identified deficiencies, we either 1) assessed compensating or mitigating controls that were not reliant on the IT control environment, 2) performed direct testing of IT application controls and/or IT dependent manual controls, or 3) varied the nature, timing and extent of substantive procedures performed.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Shape the future with confidence

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

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

Independent auditor's report continued

Shape the future
with confidence

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

EY
Shape the future with confidence

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 58 to 74 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of MyState Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Andrew Harmer
Partner
Sydney
25 August 2026

Shareholder information

Company information

Registered office

MyState Limited

ABN 26 133 623 962

Level 2, 137 Harrington Street
Hobart TAS 7000

Phone: 138 001

Website: mystatelimited.com.au

Email: info@mystatelimited.com.au

Company Secretary

Scott Lukianenko

Auditor

Ernst & Young

200 George Street
Sydney NSW 2000

Securities information

Share registry

Computershare Investor Services

GPO Box 2975EE
Melbourne VIC 3000

Phone: 1300 538 803

Overseas callers: +61 3 9415 4660

Website: computershare.com.au

Australian Securities Exchange listing

MyState Limited is listed on the Australian Securities Exchange under the code MYS.

Issued securities

The Company has 170,418,992 fully paid ordinary shares on issue as at 19 August 2026

Voting rights

In accordance with the MyState Limited Constitution, a shareholder is entitled to exercise one vote in respect of each fully paid ordinary share held.

Unquoted securities

A total of 1,575,483 unquoted performance rights pursuant to the company's employee incentive scheme (ASX code: MYSAC) are held by 11 people as at 19 August 2026.

Range of units

The range of fully paid ordinary shares on issue is as follows as at 19 August 2026.

Range	Total holders	Units	% Units
1 – 1,000	50,704	22,187,016	13.02
1,001 – 5,000	5,877	13,972,285	8.20
5,001 – 10,000	1,999	14,681,087	8.62
10,001 – 100,000	2,270	53,701,478	31.51
100,001 and over	108	65,865,490	38.65
Rounding			**0.01**
Total	**60,958**	**170,407,356**	**100.00**

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 4.7000 per unit	107	707	24,186

Top holders (grouped)

The list of top 20 shareholders is as follows as at 19 August 2026.

Rank	Name	Units	% Units
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,744,414	8.65
2	CITICORP NOMINEES PTY LIMITED	10,659,464	6.26
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,549,334	6.19
4	MR DALE ANDREW HANCOCK + MRS SHARYN CHRISTINE ANDREWS + MR ANTHONY RONALD HANCOCK <THE RON HANCOCK ESTATE A/C>	2,183,410	1.28
5	BNP PARIBAS NOMS PTY LTD	1,455,202	0.85
6	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,260,601	0.74
7	TRAFALGAR CUSTODIANS PTY LTD <THE FORFAR A/C>	1,198,959	0.70
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	1,116,426	0.66
9	MR BRIAN DAVID FAULKNER	1,085,000	0.64
10	GDC & DMC SUPER PTY LTD <GRAHAM COCKERILL S/F A/C>	750,000	0.44
11	PRESTIGE FURNITURE PTY LTD	681,000	0.40
12	NEDRUB PTY LTD <THE BURDEN FAMILY A/C>	566,854	0.33
13	MR CRAIG THOMAS KENNEDY	566,058	0.33
14	SCORPION AUSTRALIA PTY LTD <ROWE FAMILY A/C>	550,007	0.32
15	DONETTA PTY LIMITED	500,000	0.29
16	MRS KATHLEEN FAY SAWYER	441,184	0.26
17	MR SIMON HENRY LUDDINGTON	437,486	0.26
18	LYMAL PTY LTD	423,793	0.25
19	MRS WENDY JEAN FAULKNER	420,000	0.25
20	MR BRUCE WILLIAM NEILL	417,272	0.24
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**50,006,464**	**29.35**
Total remaining holders balance		**120,400,892**	**70.65**

Substantial shareholders

As at 19 August 2026, the Company had received notices of the following substantial holdings in its ordinary shares. The information is based on the most recent substantial holder notices lodged with ASX by each substantial shareholder.

Substantial shareholder	Number of ordinary shares held	% of total shares issued	Date of last notice
Vanguard Group	5,482,990	5.003%	21/7/2023
Dimensional Entities	8,522,562	5.001%	19/8/2026

MyStateLimited

mystatelimited.com.au