Wairarapa Building Society

Consolidated interim financial statements

For the six months ended 30 September 2025

Consolidated statement of comprehensive income and expenditure

In New Zealand dollar thousands

	Note	6 months to 30 Sept 2025 Unaudited	Year ended 31 March 2025 Audited	6 months to 30 Sept 2024 Unaudited
Interest income				
Loans to customers		4,637	10,245	5,359
Cash and cash equivalents		942	2,417	1,168
Total interest income		**5,579**	12,662	**6,527**
Interest expense				
Retail funding		3,663	8,683	4,479
Total interest expense		**3,663**	8,683	**4,479**
Net interest income (NII)		**1,916**	3,979	**2,048**
Other operating income		521	832	397
Total operating income		**2,437**	4,811	**2,445**
Personnel expenses		1,068	2,063	1,027
Net credit impairment (release)/charge		325	132	(145)
Other operating expenses		891	1,943	1,043
Total operating expenses		**2,284**	**4,138**	**1,925**
Operating profit		**153**	673	**520**
Change in the fair value of investment properties	*9*	-	(241)	-
Profit before tax		**153**	432	**520**
Income tax expense		135	252	127
Profit for the period		**18**	180	**393**
Other comprehensive income (OCI)				
Net change in revaluation reserve		-	-	-
Total comprehensive income for the period		**18**	**180**	**393**

The notes on pages 5 to 17 are an integral part of these consolidated interim financial statements

Consolidated statement of financial position

In New Zealand dollar thousands

	Note	As at 30 Sept 2025 Unaudited	As at 31 March 2025 Audited	As at 30 Sept 2024 Unaudited
Assets				
Cash and cash equivalents		3,816	220	7,474
Term deposits		40,000	37,000	33,000
Loans to customers	*7*	138,849	136,657	135,781
Accrued interest receivable		1,136	1,206	793
Other receivables and accruals		496	325	470
Deferred tax assets		12	12	25
Right of use assets	*8*	284	309	334
Investment properties	*9*	9,505	9,300	8,674
Property, plant & equipment	*10*	389	371	411
Intangibles	*11*	25	38	57
Income tax receivable		48	84	92
Total Assets		**194,560**	185,522	**187,111**
Liabilities				
Retail funding	*12*	162,434	152,336	154,021
Non-Retail funding	*13*	-	500	-
Accrued interest payable		2,315	3,104	3,108
Other payables and accruals		919	684	847
Income tax payable		-	-	-
Lease liability	*8*	299	323	347
Total liabilities		**165,967**	**156,947**	**158,323**
Net assets		**28,593**	**28,575**	**28,788**
Equity				
Share capital		300	300	300
Retained earnings		28,293	28,275	28,488
Equity		**28,593**	**28,575**	**28,788**

The notes on pages 5 to 17 are an integral part of these consolidated interim financial statements

For and on behalf of the Directors:

Sarah Dalziell-Clout

Sarah Dalziell-Clout LLB (Honours) BSC (Chair)

Brett Wooffindin

Brett Wooffindin CA (Audit and Risk Committee Chair)

28 November 2025

Consolidated statement of changes in equity

In New Zealand dollar thousands

	Share capital	Retained earnings	Revaluation reserve	Total equity
Balance at 30 September 2025				
Opening equity	300	28,275	-	28,575
Profit for the period	-	18	-	18
Distributions to capital shareholders	-	-	-	-
Other comprehensive income	-	-	-	-
Balance at 30 September 2025 (Unaudited)	**300**	**28,293**	**-**	**28,593**
Balance at 31 March 2025				
Opening equity	300	28,095	-	28,395
Profit for the period	-	180	-	180
Distributions to capital shareholders	-	-	-	-
Other comprehensive income	-	-	-	-
Balance at 31 March 2025 (Audited)	**300**	**28,275**	**-**	**28,575**
Balance at 30 September 2024				
Opening equity	300	28,095	-	28,395
Profit for the period	-	393	-	393
Distributions to capital shareholders	-	-	-	-
Other comprehensive income	-	-	-	-
Balance at 30 September 2024 (Unaudited)	**300**	**28,488**	**-**	**28,788**

The notes on pages 5 to 17 are an integral part of these consolidated interim financial statements

Consolidated statement of cash flows

In New Zealand dollar thousands

	6 months to 30 Sept 2025 Unaudited	Year ended 31 March 2025 Audited	6 months to 30 Sept 2024 Unaudited
Cash flows from operating activities			
Interest received	5,015	10,489	5,318
Interest paid	(4,444)	(8,809)	(4,602)
Other operating income	316	795	215
Payments to suppliers and employees	(2,124)	(4,107)	(2,095)
Net change in loans to customers	(1,882)	1,232	1,834
Net changes in retail funding	10,098	(4,452)	(2,768)
Income taxes paid	(98)	(328)	(223)
Net cash (used in)/from operating activities	**6,880**	**(5,180)**	**(2,321)**
Cash flows from investing activities			
Acquisition of property, plant & equipment	(26)	(17)	(13)
Acquisition of intangibles	(6)	-	-
Additions to investment properties	(222)	(2,061)	(1,194)
Investment in term deposits	(3,000)	(12,942)	(8,943)
Net cash (used in)/from investing activities	**(3,255)**	**(15,020)**	**(10,150)**
Cash flows from financing activities			
Non-Retail funding	-	500	-
Lease payments	(29)	(58)	(33)
Net cash from (used in)/from financing activities	**(29)**	**442**	**(33)**
Net (decrease)/ increase in cash and cash equivalents	**3,596**	**(19,758)**	**(12,504)**
Opening cash and cash equivalents	220	19,978	19,978
Closing cash and cash equivalents	**3,816**	**220**	**7,474**

The notes on pages 5 to 17 are an integral part of these consolidated interim financial statements

Notes to the consolidated interim financial statements

In New Zealand dollar thousands

1. Reporting entity

These consolidated interim financial statements comprise the interim financial statements of Wairarapa Building Society (the 'Parent') and its wholly owned subsidiaries Wairarapa Property Investments Limited and Perry Street Properties Limited (together referred to as the 'Group').

The Group's primary activities are providing financial services (including savings and investment accounts; financing residential, rural and commercial property) and investment in properties. The Group is domiciled in New Zealand and operates primarily in the Wairarapa region.

The Group is an FMC Reporting Entity in terms of the Financial Markets Conduct Act 2013 and the consolidated interim financial statements have been prepared in accordance with the requirements of that Act, the Building Societies Act 1965, and the Financial Reporting Act 2013.

2. Basis of preparation

These consolidated interim financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Regulations 2014 and New Zealand Generally Accepted Accounting Practice ('NZ GAAP').

These interim financial statements comply with NZ IAS-34: *Interim Financial Reporting* and IAS-34: *Interim Financial Reporting* and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2025.

Where applicable, comparative information has been reclassified to ensure consistency with the current period's presentation.

3. Changes in significant accounting policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2025.

4. Functional and presentation currency

These consolidated interim financial statements are presented in New Zealand dollars, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

In New Zealand dollar thousands

5. Use of judgements and estimates

In preparing these consolidated interim financial statements, directors and management have made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about judgements, estimates and assumptions that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 7 – impairment of loans to customers.
- Note 9 – fair value of investment properties.

6. Operating segments

	Financial services	Investment properties	Total
6 months to 30 September 2025 (Unaudited)			
External total operating income	5,707	393	6,100
External costs	(5,787)	(160)	(5,947)
Change in the fair value of investment properties	-	-	-
Segment profit before tax	**(80)**	**233**	**153**
30 September 2025 (Unaudited)			
Segment assets	184,214	10,346	194,560
Segment liabilities	(162,205)	(3,762)	(165,967)
Segment net assets	**22,009**	**6,584**	**28,593**
Year ended 31 March 2025 (Audited)			
External total operating income	12,835	658	13,493
External costs	(12,453)	(368)	(12,821)
Change in the fair value of investment properties	-	(241)	(241)
Segment profit before tax	**382**	**49**	**431**
31 March 2025 (Audited)			
Segment assets	175,228	10,294	185,522
Segment liabilities	(153,004)	(3,943)	(156,947)
Segment net assets	**22,224**	**6,351**	**28,575**
6 months to 30 September 2024 (Unaudited)			
External total operating income	6,591	334	6,925
External costs	(6,256)	(149)	(6,405)
Change in the fair value of investment properties	-	-	-
Segment profit before tax	**335**	**185**	**520**
30 September 2024 (Unaudited)			
Segment assets	177,823	9,288	187,111
Segment liabilities	(158,105)	(218)	(158,323)
Segment net assets	**19,718**	**9,070**	**28,788**

In New Zealand dollar thousands

7. Loans to customers

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Stage 1 loans	136,051	133,193	132,635
Stage 2 loans	1,501	1,948	2,119
Stage 3 loans	2,170	2,077	1,302
Gross loans to customers	**139,722**	137,218	**136,056**
Deferred fee income	(82)	(94)	(85)
Provision for credit impairment			
- Collective impairment allowance	(82)	(82)	(59)
- Individual impairment allowance	(709)	(385)	(131)
Total loans to customers	**138,849**	136,657	**135,781**

A. Credit quality analysis

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Stage 1 loans			
Performing loans	134,120	129,605	128,834
Loans 0 to 30 days past due but not individually impaired	1,931	3,588	3,801
	136,051	**133,193**	**132,635**
Stage 2 loans			
Loans 31 to 90 days past due but not individually impaired	-	438	1,634
Loans with renegotiated terms in the ordinary course of business	1,501	1,510	485
	1,501	**1,948**	**2,119**
Stage 3 loans			
Loans more than 91 days past due but not individually impaired	194	-	-
Individually impaired loans	1,976	2,077	1,302
	2,170	**2,077**	**1,302**
Total gross loans to customers	**139,722**	**137,218**	**136,056**

The assessment of credit quality relating to loans made to customers is based on the following criteria:

Loans past due

Loans where the customer has failed to make a payment when contractually due but which are not considered to be individually impaired.

Loans with renegotiated terms in the ordinary course of business

Loans where contractual terms have been restructured due to the customer having difficulties in complying with the original terms but which are not otherwise considered to be impaired.

Loans that are subject to contractual changes, including loan extensions, which arise in the ordinary course of business and are executed on normal commercial terms are considered to be fully performing loans.

Individually impaired loans

Loans are considered to be individually impaired if there is objective evidence of impairment as a result of one or more loss events that have occurred after the initial recognition of the loan and that the loss event(s) has a reliably measurable impact on the estimated future cash flows of the individual loan.

In New Zealand dollar thousands

7. Loans to customers (continued)

B. Provision for credit impairment (continued)

At each reporting date the Group assesses whether financial assets, including loans to customers, carried at amortised cost are impaired.

Impairment is assessed using an Expected Credit Loss (ECL) model where ECL represents the Group's assessment of the present value of the cash flow shortfall expected to arise following a counterparty's default in relation to financial assets held by the Group. A cash flow shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the asset and the actual cash flows that the Group expects to receive.

ECL's are based on the Group's assessment of the Probability of Default (PD), exposure at default, and the Loss Given Default (LGD), discounted at the effective interest rate to give a net present value. The estimation of ECL's is unbiased taking into account all reasonable and supporting information, including forward looking economic assumptions and outcomes that the Group considers are likely to affect ECL's.

For the purposes of calculating ECL the Group uses a probability weighted model based on three economic scenarios (base, upside, downside) which are collectively considered to be a reasonable approximation of forward-looking potential loss outcomes.

The base case economic forecast is an internally assessed view of the economy at 30th September 2025. It takes into account current and forward looking macro-economic conditions, including inflation, consumer price index, and residential house prices.

Probability weightings in the current period have not changed, reflecting our view of macro-economic conditions around inflation, interest rates, and the residential housing market. The weightings are subject to a high level of uncertainty, and therefore actual outcomes may be significantly different.

Weightings applied to each scenario are summarised below.

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Base scenario	70%	70%	80%
Upside scenario	15%	15%	15%
Downside scenario	15%	15%	5%
	100%	**100%**	**100%**

The ECL model under NZ IFRS-9 is such that if expectations of economic conditions worsen or observed rates of credit default increase then the amount of ECL and associated provision for credit impairment would be expected to increase due to factors outside the direct control or influence of the Group.

In New Zealand dollar thousands

7. Loans to customers (continued)

B. Provision for credit impairment (continued)

The following table summarises the sensitivity of the Group's current year provision for credit impairment to the choice of scenario weighting applied as at balance date.

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Provision for credit impairment as reported	**791**	467	**190**
Provision for credit impairment assuming:			
100% weighting for Base scenario	774	451	188
100% weighting for Upside scenario	747	422	163
100% weighting for Downside scenario	898	587	305

The following table provides further information about the credit quality of the Group's loans to customers based on the extent to which the Group has recourse to security in the event of default.

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Loans secured by mortgage	139,566	137,055	135,879
Loans secured by other collateral	-	9	19
Unsecured loans	156	154	158
Total gross loans to customers	**139,722**	137,218	**136,056**

C. The impacts of economic events on provision for credit impairment

While global economic events are ongoing as at the reporting date, there is considerable uncertainty about their potential future impacts on the Group's financial position. To the extent that these impacts are known, or can be reliably estimated, they are reflected in the ECL model. However, where these impacts cannot be reliably estimated, the Group has considered the potential borrower impacts and sought to reflect these impacts by way of varying scenario weightings in the ECL model in order to reflect the inherent uncertainty over future outcomes.

In New Zealand dollar thousands

7. Loans to customers (continued)

D. Provision for credit impairment – collective impairment allowance

Loans that are not considered to be individually credit impaired are assessed for credit impairment on a collective basis with a collective impairment allowance recognised against these loans.

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Opening collective impairment allowance	(82)	(277)	(277)
Decrease/(increase) in allowance during the period			
- Due to changes in ECL scenario weightings and probability of defaults	-	195	218
- Other	-	-	-
Closing collective impairment allowance	**(82)**	**(82)**	**(59)**

E. Provision for credit impairment – individual impairment allowance

On a regular basis and at each reporting date the Group assesses whether there is objective evidence that individual loans made to customers are considered to be impaired. Where appropriate a specific allowance is raised against individually impaired loans.

	Gross credit impaired loans	Individual impairment allowance	Carrying value of credit impaired loans
6 months to 30 September 2025 (Unaudited)			
Opening balance	2,077	(385)	1,692
Individually credit impaired loans repaid	(1)	1	-
Bad debts written off	-	-	-
Net movement in individually credit impaired loans	(100)	(325)	(425)
Closing balance	**1,976**	**(709)**	**1,267**
Year ended 31 March 2025 (Audited)			
Opening balance	2,021	(58)	1,963
Individually credit impaired loans repaid	(3)	3	-
Bad debts written off	-	-	-
Transfer from impaired to performing	2,008	(45)	1,963
Net movement in individually credit impaired loans	(1,949)	(285)	(2,234)
Closing balance	**2,077**	**(385)**	**1,692**
6 months to 30 September 2024 (Unaudited)			
Opening balance	2,021	(58)	1,963
Individually credit impaired loans repaid	(2)	2	-
Bad debts written off	-	-	-
Transfer from impaired to performing	-	-	-
Net movement in individually credit impaired loans	(717)	(75)	(792)
Closing balance	**1,302**	**(131)**	**1,171**

In New Zealand dollar thousands

7. Loans to customers (continued)

F. Undrawn loan commitments

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Loan facilities not fully drawn	17,826	21,743	19,262
Undrawn loan approvals	7,191	5,707	2,899
Total undrawn loan commitments	**25,017**	**27,450**	**22,161**

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

8. Right of use assets (Leases – Lessee)

On 1 June 2022 a lease was entered into for office premises at 125 Queen Street, Masterton. The Group recognises a right of use asset and a lease liability at the lease commencement date.

The right of use asset is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. In addition, the right of use asset is periodically adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability include optional renewal periods.

Right of use asset

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Opening balance	309	359	359
Additions during the period	-	-	
Depreciation for the period	(25)	(50)	(25)
Balance at the period end	**284**	**309**	**334**

Lease liability

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Opening balance	323	370	370
Additions during the period	-	-	
Repayment during the period	(29)	(58)	(33)
Interest charge	5	11	10
Balance at the period end	**299**	**323**	**347**

In New Zealand dollar thousands

9. Investment properties

Investment properties comprises commercial land and buildings leased to third parties which are held to earn rental income and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value with any change in the fair value recognised in comprehensive income and expenditure.

A. Investment properties

	Commercial Masterton
6 months to 30 September 2025 (Unaudited)	
Opening fair value of investment properties	9,300
Additions (subsequent expenditure)	205
Change in fair value	-
Closing fair value of investment properties	**9,505**
Rating valuation	6,810
Date of last rating valuation	Sep-23
Year ended 31 March 2025 (Audited)	
Opening fair value of investment properties	7,480
Additions (subsequent expenditure)	2,061
Change in fair value taken to profit or loss	(241)
Closing fair value of investment properties	**9,300**
6 months to 30 September 2024 (Unaudited)	
Opening fair value of investment properties	7,480
Additions (subsequent expenditure)	1,194
Change in fair value	-
Closing fair value of investment properties	**8,674**

Fair values are reviewed annually (as at 31 March) with reference to the then market value as assessed by external valuers. The properties are valued by a professional with the appropriate qualifications and experience in the location and category of the property being valued.

The most recent independent market valuations were conducted as at 31 March 2025 by independent valuers JP Morgans & Associates Limited. The valuer holds the recognised and relevant qualifications of MPINZ ANZIV BBS (VPM) and has significant valuation experience in the local region and for the category of investment properties. In carrying out their valuation, J P Morgan & Associates Limited noted that the Group has undertaken seismic strengthening works for a property to improve the % New Building Standard (NBS) to 70%. J P Morgan & Associates Limited considered seismic strengthening and refurbishment costs when valuing the property as of 31 March 2025.

9. Investment properties (continued)

B. Measurement of fair values

The fair value measurement for all investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The following table shows the valuation techniques used in measuring the fair value of investment property as well as details of the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between inputs and fair value
Direct capitalisation approach – involves capitalising actual income and/or potential market income at an appropriate rate of return	▪ Existing rental rates used with no assumption of material uplift in potential market rental rates or rental growth. ▪ Market capitalisation rates of between 6.75% and 8.35% used for existing tenancies.	The estimated fair values would increase/(decrease) if: ▪ Future market rental growth rates were higher/(lower). ▪ Market capitalisation rates were lower/(higher).
Net rate approach – ascribes land value at saleable worth and adds value for building and improvements based on sale comparisons	▪ Market data comparatives based on commercial zoned land sales over the 2022-2024 period.	The estimated fair values would increase/(decrease) if: ▪ Future sales prices were higher/(lower).
Discounted cashflow approach – involves adopted market rental rates in line with assessed market rentals. Allowed for rental growth as per the rent review provisions under the respective leases.	▪ Expenses have been increased in line with “Assumed Annual Inflation Provisions”. ▪ The discounted cashflow method requires a consideration that the property is to be sold at the end of year 10. ▪ Discount rate for each of the sales listed in the valuation report by analysing the sales through discounted cashflow model.	The estimated fair values would increase/(decrease) if: ▪ Future market rental growth rates were higher/(lower). ▪ Future expenses were lower/(higher). ▪ Discount rates were lower/(higher).

In New Zealand dollar thousands

Sensitivity of capitalisation – Interest Rates	Carrying value	-1% impact on profit and equity	+1% impact on profit and equity
30 September 2025 (Unaudited)			
Investment properties	9,505	1,620	(1,255)
Net impact on profit/(loss) for the period and equity for the period		**1,620**	**(1,255)**
31 March 2025 (Audited)			
Investment properties	9,300	1,350	(1,050)
Net impact on profit/(loss) for the period and equity		**1,350**	**(1,050)**
30 September 2024 (Unaudited)			
Investment properties	8,674	1,316	(1,014)
Net impact on profit/(loss) for the period and equity		**1,316**	**(1,014)**

10. Property, plant & equipment

	Total
6 months to 30 September 2025 (Unaudited)	
Opening net book value	**371**
Additions (subsequent expenditure)	**66**
Disposals	**(22)**
Profit/(Loss on sale)	**8**
Depreciation	**(34)**
Closing net book value	**389**
Year ended 31 March 2025 (Audited)	
Opening net book value	**438**
Additions (subsequent expenditure)	**17**
Disposals	**-**
Depreciation	**(84)**
Closing net book value	**371**
6 months to 30 September 2024 (Unaudited)	
Opening net book value	**438**
Additions (subsequent expenditure)	**13**
Disposals	**-**
Depreciation	**(40)**
Closing net book value	**411**

In New Zealand dollar thousands

11. Intangibles

	Software
6 months to 30 September 2025 (Unaudited)	
Opening net book value	38
Additions (subsequent expenditure)	6
Amortisation	(19)
Closing net book value	**25**
Year ended 31 March 2025 (Audited)	
Opening net book value	84
Additions (subsequent expenditure)	-
Amortisation	(46)
Closing net book value	**38**
6 months to 30 September 2024 (Unaudited)	
Opening net book value	84
Additions (subsequent expenditure)	-
Amortisation	(27)
Closing net book value	**57**

12. Retail funding

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Call Deposits	-	-	6,054
Term Deposits	-	-	5,727
Deposits	**-**	**-**	**11,781**
Call Redeemable Shares	17,994	14,015	9,395
Term Redeemable Shares	144,440	138,321	132,845
Redeemable Shares	**162,434**	152,336	**142,240**
	162,434	**152,336**	**154,021**

All Deposits and Redeemable Shares issued by the Group are unsecured debt securities. Deposits rank ahead of Redeemable Shares which in turn rank ahead of the Group’s capital shares.

In New Zealand dollar thousands

13. Non-retail funding

	30 Sept 2025 Unaudited	31 March 2025 Audited	30 Sept 2024 Unaudited
Committed bank funding facilities	10,000	10,000	10,000
Undrawn bank funding facilities	(10,000)	(9,500)	(10,000)
Total drawn non-retail funding	-	**500**	-

The Group has a committed funding facility in place with Westpac New Zealand Limited. This facility will expire on 1 July 2026. In September 2024 the Group received approval from Westpac to temporarily reduce the minimum interest cover ratio to 1.00 to 31 March 2026. From 1st April 2026 the ratio will revert to a minimum of 1.10. As at 30 September 2025, the Group has complied with all applicable financial covenants associated with this facility.

This bank funding facility is unsecured, but any funds drawn down under this facility rank equally in priority with the Group's other deposits.

14. Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain development of the Group's business. The capital base includes capital shares, reserves and retained earnings.

The Group is subject to externally imposed minimum capital requirements via its Trust Deed and the regulatory requirements of the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010. As at reporting date the Group complied with the minimum capital ratio requirements.

The allocation of capital between business segments and in undertaking the Group's operations and activities is focused on ensuring a balance is maintained between preserving the adequacy of the Group's capital and optimising the return on capital employed.

15. Fair values of financial assets and liabilities

Financial assets and liabilities are not carried at fair value.

The following table is a comparison of the carrying amounts as reported and the fair value of financial assets and liabilities other than those financial assets and liabilities where the carrying amount is a reasonable approximation of fair value.

	30 September 2025 Unaudited		31 March 2025 Audited		30 September 2024 Unaudited	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to customers	139,722	140,484	137,218	137,868	136,056	136,238
Financial liabilities						
Retail funding	162,434	162,335	152,336	152,556	154,021	154,001

16. Capital commitments and contingencies

The Group had no capital commitments as at the reporting date (31 March 2025: $135,594 to complete the seismic, core and heating & cooling projects; 30 September 2024 $924,897).

The Group discloses a contingent liability when it has a possible obligation arising from past events that will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. A contingent liability is disclosed when a present obligation is not recognised because it is not probable that an outflow of resources will be required to settle an obligation, or the amount of that obligation cannot be measured with sufficient reliability.

There were no material contingent assets or liabilities as at the reporting date.

17. Subsequent events

There have been no events subsequent to the reporting date, and up to the date of these consolidated interim financial statements that would have a material impact on the operations or consolidated interim financial statements of the Group.