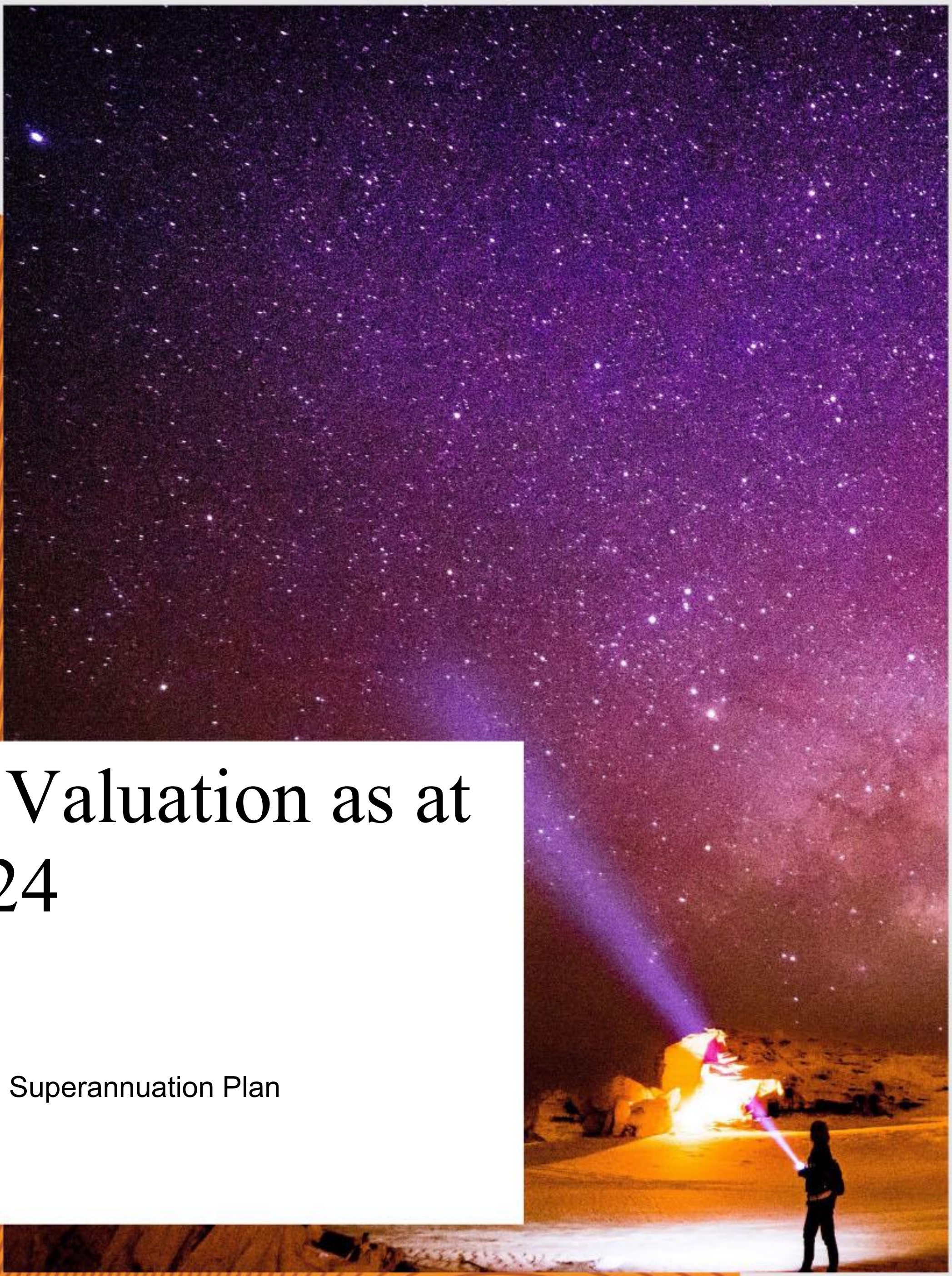

Actuarial Valuation as at 1 July 2024

BNP Paribas Australian Superannuation Plan

wtwco.com

12 December 2024

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Section 1: Purpose and Summary

The BNP Paribas Australian Superannuation Plan ("the Plan") is a sub-plan of the MLC Superannuation Fund ("Fund"). The Plan is a successor fund from the former plan, Plum Superannuation Fund ("Previous Plan") which transferred to the Fund on 1 July 2016.

On 1 July 2016, the Trustee transferred all assets and members of the Plum Superannuation Fund in respect of the Previous Plan on a successor fund basis to the MLC Superannuation Fund ("Fund") established by trust deed dated 9 May 2016 (as amended ("Trust Deed"). The members and assets attributable to the Previous Plan were transferred to a plan in the Plum Division of the Fund, called the BNP Paribas Superannuation Plan ("Plan").

The Plan provides defined benefits including lifetime pensions where benefits are defined by salary and period of membership. Some Defined Benefit Members have additional accumulation benefits. There are also a significant number of Accumulation Members.

As the Plan provides lifetime pensions, annual actuarial reviews are required to:

- examine the sufficiency of the assets in relation to members' accrued benefit entitlements,
- determine the recommended employer contribution rate required to ensure that the Plan maintains a satisfactory financial position,
- confirm the suitability of the Plan's insurance and investment arrangements,
- satisfy Rule 4.3 of Schedule A of the Participation Schedule, and
- meet legislative and prudential standard requirements, in particular paragraph 23 of the Prudential Standard 160 Defined Benefit Matters ("SPS 160"). Under SPS 160 an actuarial valuation is to be completed within 3 years of the previous valuation and to be provided to the Trustee within 6 months of the review date. Annual valuations for plans providing pensions are required unless APRA approves a longer period and we understand that APRA approval has not been given for this Plan.

This report has been prepared effective 1 July 2024 for the Trustee NULIS Nominees (Australia) Limited, in my capacity as Plan Actuary.

This report has been prepared in accordance with Professional Standard 400, dated October 2024, issued by the Institute of Actuaries of Australia. The previous valuation, which I conducted, was carried out at 1 July 2023 with the results set out in a report dated 14 December 2023.

The next actuarial review will be as at 1 July 2025 in line with the requirement for annual actuarial reviews for pension arrangements.

1.1 Reliance statement and disclaimer

This report is provided subject to the terms set out herein and in our engagement letter dated 17 May 2016 and the accompanying Terms and Conditions of Engagement. This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

The Trustee may make a copy of this report available to its auditors, the Company and to any person to whom the Trustee may be required to provide a copy under relevant legislation, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the Trustee's auditors the Company or any third party in this regard. The Trustee should draw the provisions of this paragraph to the attention of its auditors and the Company when passing this report to them.

In preparing this valuation, we have relied upon information and data provided to us orally and in writing by the Trustee and other persons or organisations designated by the Trustee. We have relied on all the data and information provided, including Plan provisions, membership data and asset information as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

In our opinion, all calculations are in accordance with requirements of applicable legislative requirements, and the procedures followed and the results presented conform to applicable actuarial standards of practice.

1.2 Bank Contributions & Other Recommendations

In the absence of any special circumstances, we recommend that the Bank contributes in line with the following rates of Pensionable Salary (or Base Salary for packaged staff).

- 27.8% of Pensionable Salary (or Base Salary for packaged staff) for Defined Benefit members under age 65 who have not reached their maximum multiple; plus
- 11.5% (or prevailing Superannuation Guarantee Rate) of Ordinary Time Earnings for those Defined Benefit members over age 65 or who have reached their maximum multiple and ceased accrual of defined benefit entitlements; plus
- 1.0% of Pensionable Salary (or Base Salary for packaged staff) for Accumulation Benefit members (including those Defined Benefit members over age 65 or who have reached their maximum multiple) in relation to the ongoing cost of insurance and expenses; plus
- Superannuation Guarantee Rate (or other such rate as determined in employee contracts) of Ordinary Time Earnings for those Accumulation Benefit members.

In addition, we recommend that the Bank pay the following additional contributions in order to build and maintain the Plan's funding reserve up to 120%.

Calendar year	Additional Lump Sum Contribution
2024	$1.00m (paid in November 2024)
2025	$1.00m

Contributions of 11.5% (or such other amount as required to satisfy SG legislation) of bonuses and other payments that form part of Ordinary Time Earnings but are not included in Pensionable Salary are payable for all members in addition to the rate calculated above. The Bank is also required to facilitate the payment of all salary sacrifice member contributions on behalf of the members.

The funding position, and in particular the coverage of vested benefits by Plan assets, should continue to be monitored quarterly. As at 1 July each year an actuarial review will be carried out in line with the requirements for pension arrangements. Additional supplementary contributions may be required should the funding position breach the Plan's Shortfall Limit or become unsatisfactory.

1.3 Actuarial Assumptions

Section 4 outlines the assumptions used in this valuation.

1.4 Funding Status Measures

1.4.1 Vested Benefits

Vested benefits are the benefits payable if all Members voluntarily resigned from service. As at the valuation date, the net assets of the Plan are sufficient to cover the vested benefits. The ratio of the Plan's assets to vested benefits is 101.9% over the whole Plan and 106.3% in respect of defined benefits only at 1 July 2024. The Plan was in a satisfactory financial position at the valuation date.

Assuming, the benefits described in the Trust Deed remain unchanged, the Bank contributions are paid at the recommended rate and the future experience of the Plan is in accordance with the assumptions made in this actuarial valuation then the assets of the Plan should remain in excess of the vested benefits up to 1 July 2027. On this basis, the financial position of the Plan is expected to remain satisfactory.

1.4.2 Present Value of Accrued Benefits

The present value of accrued benefits is the actuarial value (using the assumptions and methodology detailed in this report) of the expected future benefits payable from the Plan to the current members and their dependents in respect of Plan membership completed up to the date of the actuarial investigation.

The Plan's net assets are adequate to cover the present value of the accrued benefits of all members of the Plan at the valuation date. The ratio of the Plan's assets to the present value of accrued benefits is 101.6% for the whole Plan and 105.1% in respect of defined benefits only.

From time to time the value of the Plan's assets may be greater than, or less than, the present value of accrued benefits. These excesses, or shortfalls, arise when the actual experience of the Plan differs from the assumptions used to determine contribution rates.

1.4.3 Minimum Benefits

The Plan is *"solvent"* if the net realisable value of the assets of the Plan, less the value of the benefit entitlements of former members, exceeds the Minimum Requisite Benefits (MRB). Former members includes pensioners.

As at the valuation date the net assets of the Plan exceeded the MRBs and the Plan was in a solvent financial position. The ratio of the Plan's net assets supporting MRB's was 103.7% for the whole Plan and 112.8% in respect of defined benefits only.

1.4.4 Shortfall Limit

As required under SPS 160 the Trustee has set the Shortfall Limit for the Plan at 99%. I consider that this Shortfall Limit remains appropriate, taking into account the investment strategy and the benefit design.

1.5 Superannuation Guarantee

The Bank's Superannuation Guarantee obligation is fully met for all Members by the minimum benefits provided under the Plan. The required Benefit Certificate is dated 9 August 2021.

A Funding and Solvency Certificate dated 21 December 2023 has been issued to the Trustee corresponding to the Benefit Certificate dated 9 August 2021. The purpose of the Benefit Certificate is to specify the minimum benefits used to offset the Superannuation Guarantee charge. Pursuant to the SIS Act, a superannuation fund is *"solvent"* if the net value of its assets exceeds the minimum Superannuation Guarantee benefits. At 1 July 2024, the Plan is solvent and based on the actuarial assumptions, we see no reason why it would be unlikely that an actuary will not be able to certify the solvency of the Plan in three years' time on this basis.

1.6 Investments

The Trustee's current investment policy is discussed in Section 4. At 1 July 2024, the investment policy is to have the assets supporting the Plan's defined benefit liabilities invested 37% in growth assets such as shares and property and 63% invested in defensive assets such as fixed interest and cash.

The current investment policy is considered suitable to the Plan's liabilities in respect of membership at 1 July 2024. The Trustee regularly monitors the investment managers' performance and we recommend that this continues.

1.7 Insurance

In comparison with the Plan's assets the total amount of insurance protection against death and total and permanent disablement benefits is adequate as at 1 July 2024. We will continue to monitor this situation when the annual administration review is performed each year.

The temporary disablement benefit is fully insured, hence the amount of insurance is not influenced by the level of the Plan's assets.

1.8 Defined Benefit Pensions

In accordance with 23(h) of SPS160, and Professional Standard 410, dated October 2024, issued by the Institute of Actuaries of Australia, the Actuary is required to make an opinion on the probability of the Plan being able to meet the pension payments in respect of members currently in receipt of pensions.

In my opinion, as at 1 July 2024, there is a high degree of probability that the Plan will be able to meet the pension payments in respect of the members currently in receipt of pensions as required under the Plan's Trust Deed and Rules.

1.9 Next Valuation

The next valuation should be held no later than 1 July 2025. Vested Benefits coverage should continue to be monitored at both quarterly and annually and more frequently if warranted.

N. Wilkinson

Nick Wilkinson
Fellow of the Institute of Actuaries of Australia

12 December 2024

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Section 2: Background and Data

On 1 July 2016, the Trustee transferred all assets and members of the Plum Superannuation Fund in respect of the Previous Plan on a successor fund basis to the MLC Superannuation Fund ("Fund") established by trust deed dated 9 May 2016 (as amended ("Trust Deed"). The members and assets attributable to the Previous Plan were transferred to a plan in the Plum Division of the Fund, called the BNP Paribas Superannuation Plan ("Plan").

Under Rule 4.3 of Schedule A of the Participation Schedule, the company is required to contribute at the rate determined by the Trustee on advice of the Actuary.

The Plan is a regulated complying superannuation fund under the SIS Act and for taxation purposes. The Plan is closed to new defined benefit members.

A summary of the main Plan benefits is included as Appendix A to this report.

2.1 Previous Recommendations

From 1 July 2023 to 30 June 2024, the Bank contributed at the following rates of Pensionable Salary (or Base Salary for packaged staff):

- 27.8% of Pensionable Salary (or Base Salary for packaged staff) for Defined Benefit members under age 65 who have not reached their maximum multiple; plus
- 11.0% (or prevailing Superannuation Guarantee Rate) of Ordinary Time Earnings for those Defined Benefit members over age 65 or who have reached their maximum multiple and ceased accrual of defined benefit entitlements; plus
- 1.0% of Pensionable Salary (or Base Salary for packaged staff) for Accumulation Benefit employee members (including those Defined Benefit members over age 65 or who have reached their maximum multiple) in relation to the ongoing cost of insurance and expenses

In addition, the previous recommendations included the following additional contributions in order to build the Plan's funding reserve up to 110%.

Calendar year	Additional Lump Sum Contribution
2023	$1.00m (paid)
2024	$1.00m (paid)
2025	$1.00m

Contributions of 11.0% (or such other amount as required to satisfy SG legislation) of bonuses and other payments that form part of Ordinary Time Earnings but that are not included in Pensionable Salary are payable for all members in addition to the rate calculated above.

2.2 Sources of Information

We have relied on the administrative records at 1 July 2024, as currently stored on the Plum Superannuation administration system. We have relied on the unaudited financial information for the Plan prepared by the Plum Superannuation Fund for the year ending 1 July 2024.

Where possible the information provided has been checked for reasonableness and is considered suitable for the purposes of this investigation.

2.3 Data

The membership details are summarised in Appendix B. In brief there were 518 members in total as at 1 July 2024 as follows:

- 3 Active defined benefit members.
- 25 Lifetime pensioners with pensions of $2,213,000 p.a. in payment.
- 74 Contingent spouse pensioners with contingent pension entitlements of $1,971,000 p.a.
- 416 Accumulation members, of whom 368 are active, 47 are ex-employees and 1 is a spouse member.

A comparison of the Plan's membership between the last valuation date and this valuation date is enclosed as Appendix C to this report. We have checked a sample of the membership data for internal consistency and are satisfied as to the accuracy of this sample.

The average attained age of Defined Benefit Members has increased from 54.1 years to 55.1 years. The average completed membership of Active Defined Benefit Members has increased from 31.6 years to 32.6 years.

The salary weighted average annual rate of salary increase over the year to 1 July 2024 of Active Defined Benefit Members was approximately 4.0% p.a.

Section 3: Assets and Investment Strategy

3.1 Accounts

We have relied on the unaudited accounts provided by the Trustee for the Defined Benefit reserve within the Plan for the period from 1 July 2023 to 1 July 2024.

3.2 Fair value of assets

The breakdown of the market value of the Plan's assets held in Plum at 1 July 2024 is summarised below.

Fair Value of Assets at 1 July 2024		**$**
Unitised Accumulation Accounts		
Accumulation Members including employee, retained benefit and spouse members	91,406,822	
Defined Benefit Members	203,804	
Total:		**91,610,626**
Defined Benefit Assets:		
Active Liabilities	8,513,687	
Lifetime Pension Liabilities	33,820,972	
Total:		**42,334,659**
Net Assets		**133,945,285**
Net Assets in respect of Defined Benefit members (including additional accounts subject to pension option)		**42,538,463**

The Trustee does not maintain a separate operational risk financial reserve for the Plan.

3.3 Accumulation Benefits – Member Investment Choice

Members can choose from an extensive range of investment options to invest their accumulation accounts. The investment options are unitised and distribute investment returns to members through movements in unit prices.

Under investment choice, the returns credited to each option directly reflect the investment earnings of the option. No reserves are maintained to smooth returns credited to Accumulation Members.

3.4 Nature of Defined Benefit Liabilities

The level of the Defined Benefit liabilities does not bear the same direct relationship with the assets as exists with accumulation liabilities.

Whereas the Defined Benefit liabilities reflect such things as salary growth, pension increases and mortality experience, the supporting assets depend on a range of factors including:

i. the level of Bank contributions, and

ii. the level of investment returns.

So it is the Bank which bears the investment risk as the level of contributions is dependent on the level of investment returns achieved.

An investment strategy which is framed to take a long-term view will often adopt relatively high levels of equity investment in order:

i. to secure attractive long term investment returns, and

ii. to provide an opportunity for capital appreciation and dividend growth, which gives some protection against inflation (as benefits are linked to salary growth and pension increases are linked to inflation).

The main constraint in this situation is that potential fluctuations in asset values mean that the total asset value could fall below the level of Vested Benefits, placing the Plan in an unsatisfactory financial position.

While the impact of a sudden sharp fall in asset values can be limited by maintaining a buffer of assets over and above the level of vested benefits, the level of the buffer may never be sufficiently high to safeguard against all investment outcomes. However, the buffer should be at a level where the risk of the asset values falling below the level of vested benefits under a particular investment strategy is acceptable to the Trustee and the Bank.

In this regard, a lower buffer may be acceptable where the Bank is willing and able to accept short-term variations in contributions as part of underwriting the defined benefits of the Plan. In this case, short-term variations in company contributions may result from:

i. reducing a buffer that has grown too large, or

ii. rebuilding a buffer that has fallen or become negative.

An alternative for a plan which does not have a sufficient asset buffer above the level of Vested Benefits is to adopt a more conservative investment strategy. While this may reduce short-term fluctuations in asset values, it is also likely to reduce long-term returns and hence result in increased company contributions in the long-term.

In summary, a balance needs to be achieved between these short-term and long-term considerations in funding the defined benefit liabilities.

3.5 Defined Benefits – Investment Objectives and Guidelines

The Trustee's principal investment objectives are:

a. Real Return Objective

- To achieve returns (net of tax and investment expenses) over rolling 5 year periods that exceed the average rate of price inflation (measured by the Consumer Price Index (CPI)) by 1.5% p.a. or more.

b. Downside Risk Objective

- To limit the probability of a negative return over rolling 12 month periods (calculated each quarter) to between 1 and 2 years in 20, or 5%.

We have taken account of the investment objectives of the Plan and the investment guidelines under which the Plan's investment managers operate in setting our actuarial assumptions in Section 5 of this report.

3.6 Investment Strategy

In order to meet the investment objectives set for the Defined Benefits Section, the Trustee has adopted a specific long term benchmark allocation to each asset class.

The table below shows the strategic asset allocation for the Defined Benefits Section as at 30 June 2023, provided to us by the Plan's administrator. There have been slight changes to the Strategic Asset Allocation of the Defined Benefit assets over the year.

Strategic Asset Class	Active DB and Pension member assets invested in MLC Stable
Australian Shares	10.0%
Overseas Shares	12.0%
Property	4.0%
Infrastructure	5.0%
Private Equity	1.0%
Growth Alternatives	2.0%
Fixed Interest	33.0%
Credit	11.0%
Cash and Liquid Assets	22.0%
Total	**100.0%**

3.7 Suitability of Investment Strategy

The defined benefit categories within the Plan are all closed to new members. The age profile of these categories will gradually increase. At 1 July 2024 the average age was 55.1 years old, and there has been an increasing trend towards defined benefit members taking their retirement benefits in the form of a lifetime pension, so the investment timeframe is relatively long-term at present.

At the valuation date, the assets were sufficient to cover the Plan's vested benefits. On the basis that the Bank contributes in line with my recommendations, and that Vested Benefits coverage and funding requirements will continue to be reviewed quarterly and at 1 July each year, I consider the current investment strategy to be suitable.

We understand that BNP have a Group Investment Policy relating to the investments backing defined benefit liabilities that applies globally. It is our understanding that the Group Investment Policy specifies restrictions on exposure to certain asset classes, overall allocation to growth assets based on the liability profile / duration, exposure to illiquid investments, hedging arrangements and concentration risk.

Based on the Plan's current liability duration of 9.9 (calculated using the valuation basis assumptions) and the Plan's strategic asset allocation to growth of approximately 34% (or approximately 50% as defined under BNP's Group Investment Policy), we understand that the application of the Group Investment Policy locally is currently being considered. This will also need to be reviewed over time. The nature of the Group Investment Policy may require further de-risking of the investment strategy backing the Plan's defined benefit and pension liabilities as the Plan matures.

The results in this valuation assume that the current investment strategy is maintained, as such, any future changes to this investment strategy required under the Group Investment Policy may result in increased funding requirements in future.

3.7.1 Considerations Relating to Lifetime Pensions

The Plan has sufficient liquidity to make pension payments from regular cashflows or the sale of the Plan's assets from time to time.

Upon the death of a lifetime pensioner (if no reversionary spouse pension is payable), the liability ceases. Any surplus created (i.e. where the liability held in respect of that pensioner is greater than the pension payments made) improves the Plan's financial position. Similarly any pensioners that live beyond the expected lifetime allowed for in the valuation of the pension liabilities will serve to worsen the Plan's financial position.

I consider the assets held by the Plan to be suitable for meeting the future expected benefit payments for the pension members of the Plan. I also consider the assets, including future contributions, to be sufficient to provide for the risk of longevity.

3.8 Suitability of Crediting Rate Policy

As outlined in the Trustee's Product Management Standard Operation Procedures effective, from 1 July 2019, which contains the process for declared crediting rates and interim crediting rates, the Trustee credits members' non unitised accumulation accounts (surcharge accounts with actual "money-weighted" investment returns (net of fees and taxes) from the underlying defined benefit assets. The current interim crediting rate approach used for the sub-plan during a quarter before the quarterly crediting rate is struck is to credit interim returns at the rate of 10 year government bond yield at the start of the quarter. I consider this crediting rate policy to be suitable.

Unitised accumulation balances receive investment returns via changes in the unit price of their chosen investment option. As such there are no crediting rates applicable to these benefits.

Section 4: Valuation Method, Plan Experience and Actuarial Assumptions

To carry out an actuarial valuation, assumptions are required in three main areas:

- the valuation method to be adopted,
- the value of the assets for the purposes of long-term assessment, and
- the assumptions for factors which will affect the cost of the benefits to be provided by the Plan in the future.

4.1 Valuation Method

4.1.1 Attained age method

The funding method adopted at the previous valuation was the Attained Age method. This funding method remains appropriate for the Plan, given the declining nature of the active/employed section of the plan and the continued focus on short term funding and solvency positions. We have retained the Attainted Age method for this valuation.

The total normal cost is expressed as a level % of expected future salaries and is equal to the sum of:

- the cost based on actuarial assumptions of the benefits accruing to the members in respect of all future membership following the valuation date, plus
- the cost of insurance premiums, administration and taxation expenses.

However, the contribution rate required to maintain vested benefits coverage above 100% based on the valuation assumptions has also been considered.

4.2 Trustee Funding Policy

The Trustee has a general target statement regarding target VBI funding levels in its DB Funding Policy dated 30 June 2016, as follows:

"A Sub-plan or Fund is defined to be in a satisfactory financial position when the VBI exceeds 100%. The Trustee does not have an explicit target VBI funding level but endorses APRA's view that there is a preference to see Sub-plans and Funds managed to a stronger financial position with a suitable buffer above 100% VBI"

Further to this, based on discussions with the Bank, consideration has been given the following in reviewing the appropriateness of the target VBI funding level for this valuation.

- the Plan's resilience to short term investment return volatility and the resulting impact the Bank's contribution requirements; and
- the future cost associated with the investment de-risking requirements specified in BNP's Global investment Policy.

With these additional considerations requirements in mind we have maintained the VBI target of 110%-120% in setting the recommended contributions.

The contribution recommendations outlined in Section 7 have been made after taking the Trustee's Funding Policy into account.

4.3 Shortfall Limit

In addition to this, as required under SPS 160 the Trustee has set the new Shortfall Limit for the Plan as 99%. The shortfall limit is defined in paragraph 10 of SPS 160 as:

"… the extent to which an RSE licensee considers that a fund can be in an unsatisfactory financial position with the RSE licensee still being able to reasonably expect that, because of corrections to temporary negative market fluctuations in the value of fund assets, the fund can be restored to a satisfactory financial position within one year."

Should the financial position of the Plan breach the Shortfall Limit, additional interim Actuarial investigations will be required with rectification plans to be put in place to address the unsatisfactory financial position.

4.4 Actuarial Value of Assets

For the purposes of this valuation, we have valued assets at their market values as included in the unaudited financial accounts at 1 July 2024.

4.5 Plan Experience and Valuation Assumptions

It is important when setting the valuation assumptions to examine the experience of the Plan to see whether the previous assumptions have been borne out in practice. A summary of the major items of experience over the last year is given in the following paragraphs.

4.6 Investment Return

The assumption for investment returns at the last valuation was 5.3% p.a. net of tax (6.0% p.a. gross of tax). The Plan's investment returns over the three years to 1 July 2024 in respect of the Defined Benefit assets have been as follows:

Year Ending 1 July	Investment Return (Net of Tax)	Investment Return (Gross of Tax)
2022	-2.5%	-2.8%
2023	4.8%	4.3%
2024	6.2%	7.2%
Average over the 3 years	2.8% p.a.	2.8% p.a.

The average net of tax investment return on the Plan's assets backing active defined benefit liabilities was 2.5% p.a. lower than the assumed rate and the average gross of tax investment return on the Plan's assets backing pension liabilities was 3.2% p.a. lower than the assumed rate.

For this valuation, based on forward looking expectations from the WTW Global Investment Model we have decreased the net of tax assumption to 5.2% p.a. and increased the gross of tax assumption to 6.1%.

4.7 Salary Inflation

The assumed rate of salary inflation was 4.0% p.a. at the last valuation. The average rate of growth of salaries (weighted by salary) over the 3 years for Defined Benefit members was 5.6% p.a.

The actual increase in salary growth was therefore 1.6% p.a. higher than the assumed rate over a 3 year period. This means that accrued liabilities for active defined benefit members of the Plan have increased higher than expected. In view of the long term nature of this assumption and following discussions with the Bank on future expectations of salary growth for the Defined Benefit member group of employees, for this valuation we have maintained the assumed rate of 4.0% p.a. for salary inflation. The salary inflation experience will continue to be monitored and considered in future valuations.

Over the long term, it is the “gap” between the investment return (net of tax) and salary inflation assumption that is important when valuing active members’ liabilities. In this valuation we have reduced the “gap” to 1.2% p.a. (net of tax). Over the three year period the actual “gap” was -2.8% p.a. (net of tax) which has had a negative impact on the Plan’s financial position.

4.8 Pension Indexation

Pension increases are reviewed and awarded as at 1 July each year based on the increase in CPI over the previous calendar year up to a maximum of 3.0%. Pension increases over the last three years have been as follows:

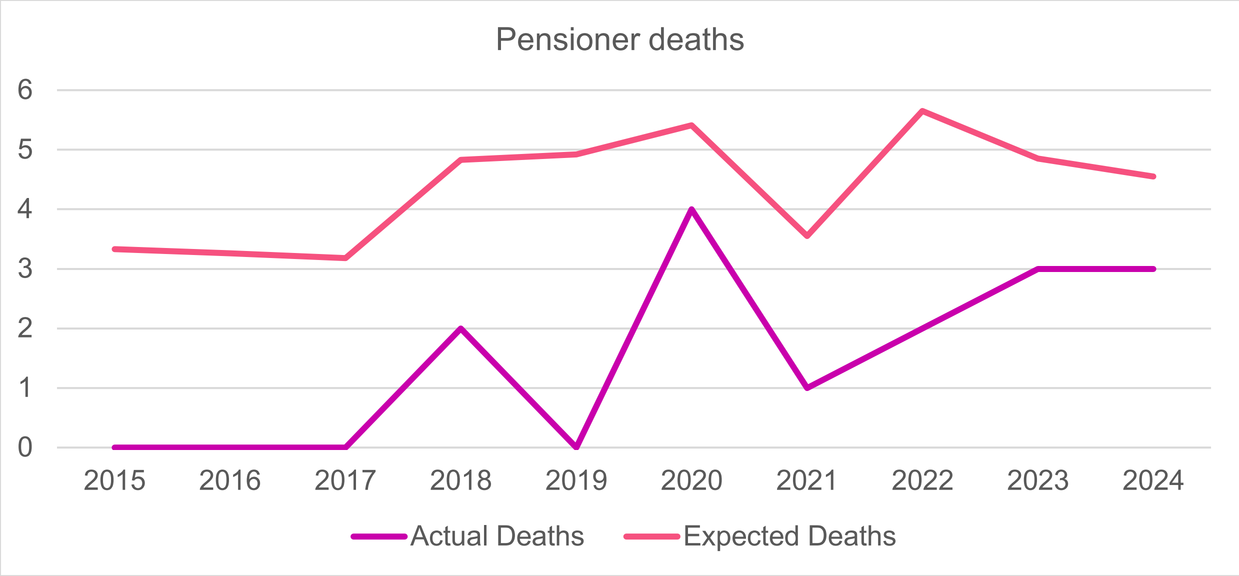
Year Ending 1 July	Pension Increase
2022	3.0%
2023	3.0%
2024	3.0%
Average over the three years	3.0%

For this valuation, based on forward looking expectations from the WTW Global Investment Model we have retained the assumed the pension increase rate of 2.5% p.a. in line with medium to long term expectations for CPI capped at 3% p.a..

Over the long term, it is the “gap” between the investment return and pension increase assumptions which is important when valuing the pension liabilities. For this valuation, we have increased the “gap” from 3.5% p.a. to 3.6% p.a. Over the past three years the average actual “gap” was -0.2% p.a. (gross of tax) which has not had a material impact on the Plan’s financial position.

4.9 Pensioner Mortality

For this valuation, we have decreased the pensioner mortality assumptions used in the last valuation. This reduction was based on a long term retrospective look at pensioner mortality for the Plan. While, the Plan does not have a sufficiently large group of pensioners to draw statistically significant conclusions from the actual mortality experience for any single year, a 10 year analysis has shown consistently lower mortality than the previous assumptions. The pensioner mortality assumptions have been reduced to reflect those in Australian Life Tables 2015-2017, the most recent available Australian Life Tables, including 25 year improving mortality factors, and a scaled adjustment to these rates of 60% for all ages.



4.10 Take up of Lifetime Pension – Actives

Defined Benefit members of the Plan who retire from the Plan are eligible to convert their lump sum retirement benefit (including additional voluntary accounts) to an indexed lifetime pension at conversion rates that are set in the Trust Deed (i.e. lump sum benefit is divided by conversion factors to calculate pension per annum). The following table gives a comparison of the rates at which members are able to convert their lump sum benefits to pensions relative to the value of those pensions on the valuation basis described above.

Age	Pension Conversion Factor	Commutation Factor (2024 basis) Single Life Male	Commutation Factor / Conversion Factor
55	14.375	20.356	142%
60	11.500	18.751	163%
65	11.500	16.895	147%

You will note that the fixed conversion factors offered are quite generous relative to the value of the pensions valued on the actuarial basis outlined above, with the relative value peaking at age 60. The assumed rate at which members exercise their choice to convert their lump sum benefits to pensions is therefore critical to the value of the Plan's defined benefit liabilities.

While the group of active defined benefit members who have retired and left the Plan over recent years is a relatively small sample size, there has been a clear increase in the number of retirees exercising their option to take their benefit as a pension.

There has been a continuing trend of retirees electing to take their benefits in the form of a lifetime pension. The following table illustrates the Plan's experience since 1 July 2014.

Pension Take Up Experience	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Retirements	1	2	2	0	0	1	1	2	1	0
Retirees electing a pension	1	2	2	0	0	1	1	2	1	0
% electing some pension	100%	100%	100%	0%	0%	100%	100%	100%	100%	0%
% of benefits taken as a pension	100%	68.2%	67.8%	0%	0%	91.5%	38.0%	89.5%	94.7%	0%

Given the Plan's recent experience, we have maintained the assumed 80% take up rate of the pension in determining the value of liabilities and long term required contribution rate.

If more than 80% of benefits are taken in pension form then it is expected that additional contributions will be required from the Bank to maintain vested benefits coverage.

4.11 Take up of Lifetime Pension – Contingent Spouse Pensioners

Defined Benefit members who joined the Plan prior to 1 July 1993 also receive a dependant's pension on retirement contingent on the death of the member.

At 1 July 2024 the Plan had 74 contingent dependants who will be entitled to a benefit on the death of the former member. The dependants are eligible to take a pension equal to 50% of the indexed value of the full pension the former member was eligible to take at the time of their retirement. Alternatively the dependants may choose to take a lump sum benefit equal to 11.5 times the former member's full dependent pension entitlement at the date of the member's retirement.

For consistency with the proposed approach for active members we have adopted the assumption that dependants will elect the pension option 80% of the time.

4.12 Rates at which Members Leave Service and Retire

We have retained the assumptions used at the previous valuation. Statistically significant results based on actual experience are not available from a fund of this size.

4.13 Rates at which Members Leave due to Death or Total and Permanent Disablement (TPD)

In view of the small size of the Plan membership we have retained the long-term assumptions from the previous valuation.

4.14 New Members

All Defined Benefit categories have been closed to new entrants since 1 January 1997. Since then, all new Members have joined the Accumulation categories.

4.15 Expenses and Insurance Premiums

In the last valuation, the assumed cost of expenses and insurance premiums, incurred in running the Plan were equal to approximately 1.0% of Pensionable Salaries (or Base Salary for packaged staff).

The following table outlines the expenses and insurance premiums paid over the 3 years to 1 July 2024:

	FY2022	FY2023	FY2024
Expenses	$110,938	$139,654	$95,439
Insurance Premiums	$523,802	$555,353	$556,997
Total	$634,740	$695,007	$652,436
Approx % of salaries	**1.0%**	**1.1%**	**1.0%**

Going forward we have maintained the existing allowance of 1.0% of Pensionable Salaries as a reasonable estimate of these costs.

4.16 Summary of Valuation Assumptions

A summary of our valuation assumptions is set out in Appendix D to this report. Overall, the increase of the gross of tax “gap” resulted in a decrease of $394,000 to the Vested Benefits and a decrease of $396,000 to the Actuarial Value of Accrued Benefits.

Section 5: Insurance Arrangements

5.1 Adequacy of Insurance

The insurance coverage of the Plan is considered adequate if the assets of the Plan are sufficient to cover the Death and TPD benefits of the Plan after any insured components have been allowed for.

The Plan currently has death, total and permanent disablement (TPD) and salary continuance insurance with MLC Limited. Cover is generally provided up to the automatic acceptance level (AAL), with cover above this level subject to underwriting. Where cover is not provided, the death, disablement or income protection benefits payable to the member are appropriately reduced.

Salary continuance benefits are also provided and full insured in the Plan. The current level of death and TPD insurance is calculated as:

Defined Benefit Members: Insured Benefit = Death / TPD Benefit – Accrued Retirement Benefit + Voluntary Insurance Cover (if any)

Accumulation Members: Insured Benefit = 15% (default level) x Pensionable Salary x Future years of Service to age 65 + Voluntary Insurance Cover (if any)

The following table shows the adequacy of the Plan's insurance cover at 1 July 2024:

	Death Benefits $m	TPD Benefits $m
Lump Sum Death/Disablement Benefits (A)	280.9	279.6
Less Aggregate Group Life Insurance (B)	185.8	184.5
Plan's Exposure (A – B)	95.1	95.1
Plan's Net Assets for Defined Benefit, Accumulation, Retained and Spouse members	100.1	100.1

The Net Assets (excluding assets backing lifetime pension and contingent spouse pension liabilities) as at 1 July 2024 of $100.1 million are sufficient to meet the Plan's Exposure of $95.1 million. The current insurance arrangements are considered adequate and no changes are recommended.

Section 6: Solvency and Funding Measures

There are several methods used to assess the current financial situation of the Plan. These measures are dealt with below.

In line with legislative and actuarial requirements, the net assets used to calculate the funding status measures was $133.9 million, being the Net Market Value of assets disclosed in the account.

Defined Benefit Assets are $42.5 million, as noted in Section 4.

6.1 Vested Benefits

Pursuant to superannuation law and SPS 160, a fund (or a section of a fund) is in a *"satisfactory"* financial position if the assets of the fund cover the Vested Benefit entitlements of the members of the fund.

The Vested Benefits represent the benefit entitlements of Members should they voluntarily leave the Plan. Where the member is entitled to a defined benefit pension or a deferred benefit or to exercise an option, then the value of that benefit or option has been determined using the assumptions adopted for this valuation. The Vested Benefits Index is a test of the Plan's solvency if all Members voluntarily resigned (if under 55) or retired (if over 55) on the review date.

The following table shows the progression of the Vested Benefits Index over the review period.

	Last Valuation Defined Benefits Only* $000's	This Valuation Defined Benefits Only* $000's	Last Valuation All Benefits $000's	This Valuation All Benefits $000's
Net Assets	40,964	42,538	125,029	133,945
Vested Benefits	37,313	40,022	121,378	131,429
Vested Benefits Index	109.8%	106.3%	103.0%	101.9%

* The "Defined Benefits Only" figures illustrate the financial position of the Plan in respect of the Defined Benefit liabilities, excluding accumulation accounts for accumulation, retained benefit and spouse members. As a result, an amount in respect of accumulation member liabilities (after an allowance for surcharge and family law offset accounts) has been excluded from the Net Assets and the Vested Benefits respectively.

As at 1 July 2024, the net assets of the Plan were higher than the Vested Benefits and the Plan was in a satisfactory financial position. The ratio of the Plan's assets supporting defined benefits to the Vested Defined Benefits was 106.3%. At the previous valuation, this ratio was 109.8%. The ratio has decreased due to the reduced pension mortality assumptions which was partially offset by the additional funding contributed by BNP.

6.2 Actuarial Value of Accrued Benefits

An indication of the funding status of the Plan is given by the ratio of the Plan's assets to the Actuarial Value of Accrued Benefits (AVAB). This is called the Actuarial Value of Accrued Benefits Index (AVABI).

AVAB represents the value in today's dollars of future benefits based on membership completed to the review date, allowing for future salary increases, investment earnings and expected incidence of payment. *"Accrued Benefits"* has the meaning given in Regulation 9.27 of the SIS Regulations.

It is important that the Actuarial Value of Accrued Benefits Ratio is not used to compare the level of funding between superannuation funds but is used as a measure to assess the funding status of a superannuation fund from time to time. Different superannuation funds can be expected to have different Actuarial Value of Accrued Benefits Ratios depending on the age and employment history of the members.

A fully secured position is represented by a ratio of 100.0%. At this level, if the Plan were closed to new entrants and no further benefits were allowed to accrue to current members, assets would be sufficient to meet all future benefit payments if the actuarial assumptions are borne out in practice.

The following table shows the progression of the Actuarial Value of Accrued Benefits Index over the review period.

	Last Valuation Defined Benefits Only* $000's	This Valuation Defined Benefits Only* $000's	Last Valuation All Benefits $000's	This Valuation All Benefits $000's
Net Assets	40,964	42,538	125,029	133,945
Actuarial Value of Accrued Benefits	37,706	40,485	121,771	131,891
Actuarial Value of Accrued Benefits Index	108.6%	105.1%	102.7%	101.6%

* The "Defined Benefits Only" figures illustrate the financial position of the Plan in respect of the Defined Benefit liabilities, excluding accumulation accounts for accumulation, retained benefit and spouse members. As a result, an amount in respect of accumulation member liabilities (after an allowance for surcharge and family law offset accounts) has been excluded from the Net Assets and the Actuarial Value of Accrued Benefits respectively.

As at 1 July 2024, the net assets of the Plan were adequate to cover the Actuarial Value of Accrued Benefits.

6.3 Minimum Benefits

The Bank's Superannuation Guarantee (SG) obligation is either fully or partly met for all members by the minimum benefits provided under the Plan. The required Benefit Certificate is dated 9 August 2021.

A Funding and Solvency Certificate dated 21 December 2023 has been issued to the Trustee corresponding to the Benefit Certificate dated 9 August 2021 (this Certificate will be updated in conjunction with this valuation). The purpose of this certificate is to specify the required company contributions needed to fund the minimum benefits used to offset the SG charge.

The Plan is *"solvent"* if the net assets of the Plan, less the value of the benefit entitlements of former members, exceed the Minimum Requisite Benefits (MRB) of all members in service.

The following table shows the progression of the Minimum Benefits Index over the review period.

	Last Valuation Defined Benefits Only* $000's	This Valuation Defined Benefits Only* $000's	Last Valuation All Benefits $000's	This Valuation All Benefits $000's
Net Assets	40,964	42,538	125,029	133,945
Minimum Benefits	35,320	37,704	119,385	129,111
Minimum Benefits Index	116.0%	112.8%	104.7%	103.7%

* The "Defined Benefits Only" figures illustrate the financial position of the Plan in respect of the Defined Benefit liabilities, excluding accumulation accounts for accumulation, retained benefit and spouse members. As a result, an amount in respect of accumulation member liabilities (after an allowance for surcharge and family law offset accounts) has been excluded from the Net Assets and the Minimum Benefits respectively.

As at 1 July 2024, the net assets of the Plan exceeded the Minimum Benefits and the Plan was in a solvent financial position. The ratio of the Plan's net assets supporting defined benefits to the minimum defined benefits was 112.8%. At the previous valuation, this ratio was 116.0%.

6.4 Benefits Payable on Termination

On termination of the Plan, the Participation Schedule states that assets should be applied in the following order:

a. to meet all expenses and liabilities of the Plan in relation to termination;

b. if the Member was receiving a benefit in the form of a pension from the plan the Trustee is required to take such steps as to transfer ownership of any annuity contract held, or ensure that the Member continues to receive an annuity or pension from a Complying Superannuation Fund on terms and conditions that are no less favourable than those of the annuity or pension prior to termination.

c. to meet (subject to b above), in respect of each Member:

    i. firstly, each Member's member-financed benefit;

    ii. secondly, each Member's employer-financed benefit;

    iii. thirdly, to allocate any surplus amount remaining to any Member or to any one or more Dependants of any Member or to the Legal Personal Representative (in that capacity) of any deceased Member in such shares and proportions as the Trustee in its absolute discretion determine and may if the Trustee thinks fit include former Members and their Dependants in such allocations on such basis as the Trustee thinks fit;

The termination provisions do not require a minimum benefit to be paid but to apply assets in an order of priority.

6.5 Benefits Payable on Retrenchment

As defined in the Plan's Participation Schedule, the retrenchment benefit is broadly equivalent to the withdrawal benefit as determined using a 100% vesting factor. At 1 July 2024 the vesting factor applicable for all members had already reached 100%, as such the Plan's retrenchment benefits are consistent with the vested benefits of the Plan.

6.6 Market Valuation of Pensions

Approximately 95% of the Plan's Defined Benefit vested benefit liabilities are in respect of lifetime pensions or contingent dependants pensions. The actuarial valuation for these liabilities has been based on the Plan's expected return and future mortality rates and improvements.

While we have not conducted an in depth exercise to find the exact relative market value of these liabilities we have estimated the market value of these pensions are around 20-25% (based on pricing available for Challenger's Liquid Lifetime product with full indexation) higher than the liability held under the Plan's valuation basis.

The impact of valuing pensions at market rates on the Plan's funding indices for defined benefits only would see the Vested Benefits Index and the Actuarial Value of Accrued Benefits Index fall to approximately 90% at the valuation date.

6.7 Future cost of administering pension benefits

We have considered the impact of the accrual of the cost of future administration of pension payments on the funding measures above.

Based on the latest fee agreements outlined in Appendix A of the Participation Agreement for the Plan, and estimates of the ongoing additional costs related to the actuarial management of the pension liabilities, the total expenses related to the ongoing management of pensions is approximately a total present value fixed cost of $1.0m as at 1 July 2024.

The impact of allowing for the cost of pensions on the Plan's funding indices for defined benefits only would see the Vested Benefits Index and the Actuarial Value of Accrued Benefits Index fall to approximately 103.7% and 102.5% respectively at the valuation date.

6.8 Experience since the Investigation Date

Since the investigation date there has been no material changes in membership or other experience that may impact on the funding indices.

6.9 Summary

The levels of the indices have improved over the period as a result of the positive experience of the Plan and the additional lump sum contribution.

Section 7: Valuation Contribution Results

The funding indices shown in Section 6 relate to the current position at the review date. A projection of the Plan is required to assess the adequacy of Bank contribution rates to provide defined benefits for current active members in the future.

Our projections have been carried out using the funding method and assumptions discussed in Section 4 and set out in Appendix D and the results of the valuation are summarised in this Section.

7.1 Long Term Defined Benefit Contribution Rate

As described in Section 6, the total value of accrued defined benefits of $40.5 million represent the present value of all expected future benefits in respect of defined benefit membership accrued up to the valuation date. We have similarly calculated the present value of all expected future Defined Benefits in respect of expected membership after the valuation date ("future service defined benefits").

The amount of long term Company contributions needed is calculated as the present value of Future Service Defined Benefits less the present value of expected future member contributions.

		$000's
Future Service Defined Benefit Liabilities		493
Less	Value of future member contributions	115
Defined Benefit Liability to be funded from future Company contributions		378
Present Value of future Pensionable Salaries		2,505
Present Value of future Base Salaries		2,303
		% of Base Salary
Future Company contribution rate required		16.4%
Plus	Allowance for 15% contributions tax	2.9%
Plus	Allowance for Plan expenses and insurance costs	1.0%
Total Gross Company Contribution		20.3%
Tax on Member Contributions		0.9%*
Total Gross Company Contribution Rate required		**21.2%**

* We understand that the Bank allows members to contribute at 5% on a pre-tax basis. This means that the Bank funds the contributions tax payable on these contributions.

Given the relatively small number of remaining employee members and the total expected associated cost of future benefits, we recommend that the current contribution rate for Defined Benefit Members of 27.8% of Base Salary be maintained. Given the small remaining number of Defined Benefit Members, the long term contribution rate may become more volatile as it becomes much more heavily influenced by the individual membership movements and experience of the remaining group of Defined Benefit Members.

The contribution rates for Defined Benefit above apply to those members who continue to accrue defined benefits. For those Defined Benefit members who have reached their maximum multiple and ceased accrual of defined benefit entitlements, the Bank pays contributions at the rate of 11.5% (or prevailing Superannuation Guarantee Rate) to an additional accumulation account.

The Plan is quickly moving towards the point where the majority of defined benefit liabilities will be in respect of Lifetime and Contingent Pensioners, where funding requirements will become ad-hoc based on the experience of the Plan and any significant changes in the assumptions used to value these pension liabilities.

Contributions of 11.5% (or such other amount as required to satisfy SG legislation) of bonuses and other payments that form part of Ordinary Time Earnings but that are not included in Pensionable Salary are payable for all members in addition to the rate calculated above together with any salary sacrifice member contributions.

7.2 Recommended Bank Contribution Arrangements

In the absence of any special circumstances, we recommend that the Bank continues to contribute in line with the following rates of Pensionable Salary (or Base Salary for packaged staff).

- 27.8% of Pensionable Salary (or Base Salary for packaged staff) for Defined Benefit members under age 65 who have not reached their maximum multiple; plus
- 11.5% (or prevailing Superannuation Guarantee Rate) of Ordinary Time Earnings for those Defined Benefit members over age 65 or who have reached their maximum multiple and ceased accrual of defined benefit entitlements; plus
- 1.0% of Pensionable Salary (or Base Salary for packaged staff) for Accumulation Benefit members (including those Defined Benefit members over age 65 or who have reached their maximum multiple) in relation to the ongoing cost of insurance and expenses; plus
- Superannuation Guarantee Rate (or other such rate as determined in employee contracts) of Ordinary Time Earnings for those Accumulation Benefit members.

7.3 Additional Contributions to meet Target Funding Level

The surplus at 1 July 2024 relative to vested benefits was $2.5 million. In view of the Plan's satisfactory financial position and the informal target funding level of 110-120% that is intended to provide a buffer against investment market volatility as well as pre-funding some of the potential future cost of de-risking activities outlined in BNP's Global Investment Policy, we recommend that the following additional lump sum contributions be made.

Calendar year	Additional Lump Sum Contribution
2024	$1.00m (paid in November 2024)
2025	$1.00m

Should future experience deviate from these assumptions, additional contributions may be required in future, and as such we recommend that the financial position of the Plan continue to be monitored quarterly.

Since the investigation date there has been no material changes in membership or other experience that may impact on the recommended contributions.

7.4 Projection of Results

For Defined Benefit Section members, we have tested the impact of the adoption of the recommended Bank contribution rates above, by projecting the cash flows of the Plan and the build-up of the Plan's assets over the next five years, and comparing the Plan's assets to the projected levels of the Vested Benefits.

Projection Date	DB Only Assets $'000s	DB Only Vested Benefits $'000s	DB only VBI %	% of Liabilities that are Pensions in payment
1 July 2024	42,538	40,022	106.3%	89%
1 July 2025	43,929	40,447	108.6%	88%
1 July 2026	44,904	40,323	111.4%	89%
1 July 2027	44,998	40,119	112.2%	90%
1 July 2028	44,995	39,817	113.0%	91%
1 July 2029	44,881	39,773	112.8%	91%

If the recommended Bank contribution rates shown in this Section are paid, then I expect the VBI to remain above 100% over the 3 years to 1 July 2027, assuming the valuation assumptions are borne out in practice.

7.5 Future Review

The financial status of the Plan is sensitive to actual financial experience (principally, investment returns, salary increases and pension take up rates) and membership movements. We therefore recommend that quarterly checks on the Vested Benefits Index continue to be undertaken, and also at any time if the Defined Benefit membership reduces significantly, in order to confirm that the Plan maintains coverage of vested benefits.

The next actuarial valuation is due at 1 July 2025 as this is a pension arrangement and APRA has not granted the Plan exemption from annual actuarial investigations.

Section 8: Sensitivity Analysis and Material Risks

8.1 Sensitivity Analysis

8.1.1 Valuation Gap

For the purpose of this investigation the "gap" between the investment return (net of tax) and salary inflation assumption is 1.2% p.a. Other assumptions could be used and the table below shows the impact of varying the "gap" between these assumptions on the Plan's financial position and long term contribution rate. No changes have been made to the demographic assumptions adopted for this valuation in the scenarios below.

	This Valuation Basis	Scenario 1	Scenario 2
"gap" between net of tax investment return and salary inflation assumptions (active defined benefit members)	1.2% p.a.	2.2% p.a.	0.2% p.a.
"gap" between gross of tax investment return and pension indexation assumptions (pensioners)	3.6% p.a.	4.6% p.a.	2.6% p.a.
Actuarial Value of Accrued Benefits Index for Defined Benefits only	105.1%	116.6%	94.0%
Surplus / (Deficit) of Assets over Actuarial Value of Accrued Benefits	$2,054,000	$6,047,000	($2,730,000)
Long Term Bank Contribution Rate*	21.2%	18.0%	25.1%

* Including allowance for the cost of expenses and insurance as well as contributions tax on compulsory member contributions. Excludes any adjustment for the surplus/deficit on past service liabilities.

8.1.2 Pension Take Up

Further to this, for the purpose of this investigation the assumed take up rate of the defined benefit pension option was 80%. Other assumptions could be used and the table below shows the impact of varying the assumed take up rate. No changes have been made to the financial or other demographic assumptions for the valuations in the scenarios below.

	This Valuation Basis	Scenario 1	Scenario 2
Pension Take up rate	80%	50%	100%
Actuarial Value of Accrued Benefits Index for Defined Benefits only	105.1%	106.5%	104.2%
Surplus / (Deficit) of Assets over Actuarial Value of Accrued Benefits	$2,054,000	$2,584,000	$1,700,000
Long Term Contribution Rate*	21.2%	18.4%	23.0%

* Including allowance for the cost of expenses and insurance as well as contributions tax on compulsory member contributions. Excludes any adjustment for the surplus/deficit on past service liabilities.

8.1.3 Pensioner Mortality

Further to this, for the purpose of this investigation, the assumed pensioner mortality rates reflected 60% scaled of ALT15-17 mortality rates including the 25 year published improvement rates. Other assumptions could be used and the table below shows the impact of varying the assumed mortality rates. No changes have been made to the financial or other demographic assumptions for the valuations in the scenarios below.

	This Valuation Basis	Scenario 1
Pensioner mortality rates	60% of ALT15-17 + 25 yr improvements	Base mortality rates assumption x 90%
Actuarial Value of Accrued Benefits Index for Defined Benefits only	105.1%	103.1%
Surplus / (Deficit) of Assets over Actuarial Value of Accrued Benefits	$2,054,000	$1,265,000
Long Term Contribution Rate*	21.2%	21.5%

* Including allowance for the cost of expenses and insurance as well as contributions tax on compulsory member contributions. Excludes any adjustment for the surplus/deficit on past service liabilities.

It should be noted that the variations selected in the sensitivity analysis above do not indicate upper or lower bounds of all possible outcomes. Further analysis can be carried out if required.

8.2 Material Risks

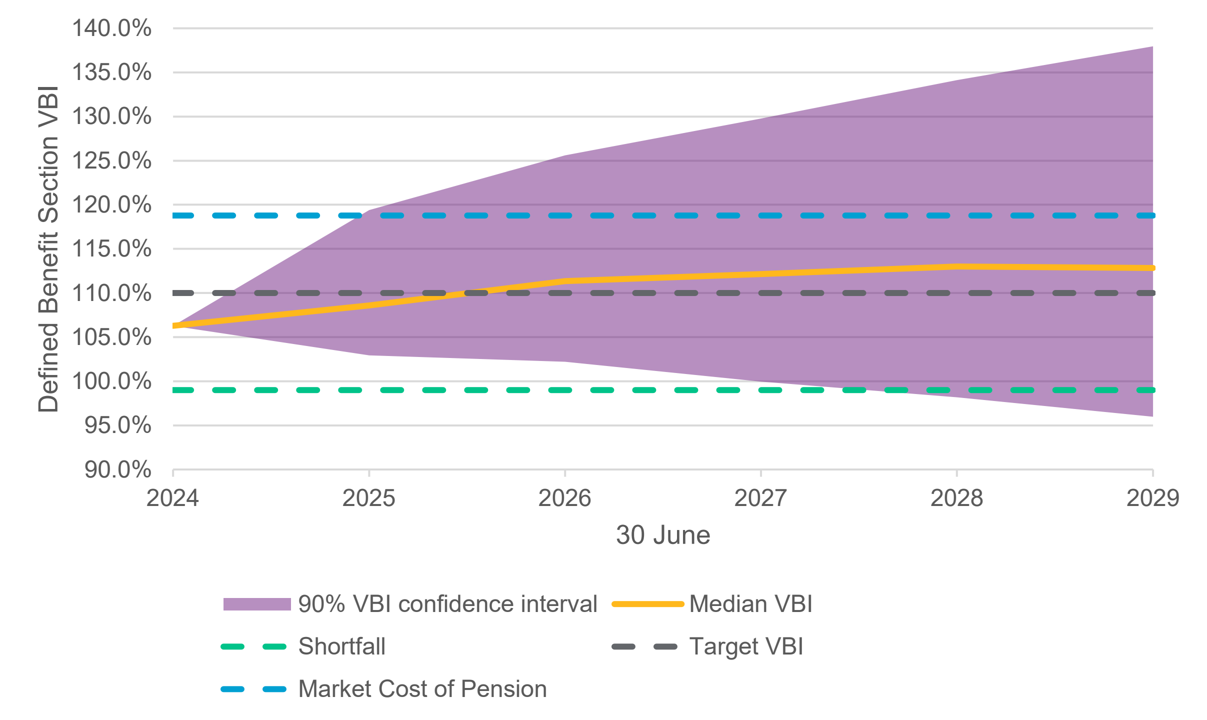
The purpose of this section of this report is to identify the material risks for the defined benefit section of the Plan which are associated with the actuarial assumptions or actuarial management of the Plan of which we are aware as Actuary. We also comment on the way in which the identified financial risks are being managed by the Trustee.

The scenarios below labelled “base” reflect the assumptions used in this valuation.

8.2.1 Investment Returns

For this valuation I have adopted an investment return assumption of 5.2% p.a. net of tax and investment management expenses, and 6.1% p.a. net of investment expenses and gross of taxes. However, if actual investment returns are less than this, with all other actuarial assumptions borne out, then the funding position (Vested Benefits Index) will worsen and increased company contributions may be required.

The following chart highlights the sensitivity of the Plan’s financial position to changes in the actual investment return experience over the 5 year period ending 1 July 2029. The Plan’s conservative investment strategy goes someway to protecting against significant volatility in investment performance, however regular monitoring is still required to address any unsatisfactory financial positions that arise due to underperformance relative to the assumed investment returns as outlined in Appendix D.



Considering the 90% confidence interval of return sensitivities from 30 June 2024 to 30 June 2029, there exists the possibility that the Plan's financial position may breach the Plan's Shortfall Limit of 99%, which would require increased contribution arrangements to avoid triggering additional interim Actuarial investigations and rectification plans to address the unsatisfactory financial position.

8.2.2 Pension Take Up Rate

At this valuation I have adopted a pension take up rate of 80%. However if actual rates of take up of the pension recommended are higher than 80%, with all other actuarial assumptions borne out, then the funding position (Vested Benefits Index) will worsen and increased company contributions may be required.

8.2.3 Pensioner Mortality

We have made allowance for both socio economic factors and improvements in pensioner mortality in the decrement basis used to value pension benefits. If pensioners experience improvements in mortality at greater rates than allowed, or experience lighter mortality than anticipated in the socio economic factors, then the cost of the pensions will increase, and the financial position of the Plan will be worse than anticipated. The reverse is also true, i.e. if mortality improvement proves to be less than our allowance, or socio economic factors not as light, the cost of the pensions will decrease. Further analysis can be carried out if required.

8.2.4 Change to Investment Strategy

Any change to the investment strategy that impacts future expected return on assets supporting the defined benefit liabilities will potentially have a material impact on the financial position of the Plan. If the Trustee is considering changing the investment strategy, we recommend that we be asked to assess the potential impact on the financial position of the Plan and future Company contribution requirements.

8.3 Next Valuation

The next valuation should be held no later than 1 July 2025. Vested Benefits coverage should continue to be monitored quarterly and more frequently if warranted.

Appendix A: Summary of Benefits

Summary of Defined Benefits

The following is a brief summary of the defined benefits provided. For full details refer to the Participation Schedule.

Pensionable Salary

Pensionable Salary means either:

(a) The remuneration for services rendered by a Member to the Employer and includes cash salary, any voluntary before-tax contributions and any thirteenth month payment for graded staff; total approved package ("TAP") for packaged staff; and any fixed pay package ("FPP") for employees of BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674; or

(b) In any special case, such amount agreed upon between the Member and the Employer for the purposes of the Sub-plan, and a certificate of the Employer as to the amount of a Member's Pensionable Salary shall be final and conclusive.

Member Contributions

5% of Pensionable Salaries. Contributions are notional for some members. Contributions are payable for a maximum period of 36 years and 10 months.

Normal Retirement Date

The member's 65th birthday.

Normal Retirement Benefit

A lump sum benefit is equal to:

21.275% × Final Average Pensionable Salary for each year of Pensionable Service up to 30 June 1998; plus

21.85% × Final Average Pensionable Salary for each year of Pensionable Service completed after 1 July 1998.

where:

- Pensionable Service is measured from the date employment commenced (for employees in service on 13 August 1953) or the date that the member commenced contributing to this or the Former Plan to the member's normal retirement date in years and days.
- Final Average Pensionable Salary means, the average of the member's Pensionable Salaries as at the actual date of retirement and at the corresponding date in the 2 previous years. Pensionable Salary is defined as Total Approved Package.
- A maximum multiple of 8.05 of Final Average Pensionable Salary applies.
- Members have the option of converting all or some of their lump sum benefit, including additional voluntary accounts, to an annual pension. At age 65 the conversion factor is 11.5.

- Pensions in payment are reviewed by the Trustees and may be increased to take into account movements in the Consumer Price Index (subject to the Trustees' discretion) up to a maximum increase of 3% p.a.

Early Retirement Benefit

Early retirement can take place:

- After 40 years' Pensionable Service at the members' option,
- At any time because of illness or injury (determined by the Trustees),
- After age 55 at the member's option,
- After age 50 with the employer's consent.

The early retirement lump sum benefit is calculated in the same way as the normal retirement lump sum benefit but using Pensionable Service to the early retirement date with a 1% reduction for each year by which the date of early retirement precedes age 55. No reduction applies if the member has completed 40 years' Pensionable Service.

Members have the option of converting all or some of their lump sum benefit to a pension amount. The conversion factors at various ages are set out below:

Age at Early Retirement	Conversion Factor
50	18.208
51	17.250
52	16.404
53	15.653
54	14.980
55	14.375
56	13.690
57	13.068
58	12.500
59	11.979
60 – 65	11.500

For all members under age 65 who have completed 40 years or more of Pensionable Service, the conversion factor is 11.5.

Late Retirement Benefit

The benefit calculated at the normal retirement date, adjusted by a factor as determined by the Trustees after considering the advice of the Actuary.

Death Benefit – In Service

On death before age 60, a lump sum benefit equal to the lump sum benefit payable on normal retirement assuming that Pensionable Salary remains unchanged from the date of death to the normal retirement date. A minimum of 5 times Pensionable Salary at date of death applies.

On death after age 60, a benefit equal to the member's early retirement lump sum benefit at the date of death, plus, for members who joined the Plan prior to 1 July 1993, a dependant's pension of 50% of the member's equivalent early retirement pension is also payable.

Total and Permanent Disablement Benefit

Calculated in the same way as the death benefit.

Withdrawal Benefit

On retrenchment, a lump sum benefit calculated in the same way as the normal retirement benefit using Pensionable Service to the date of exit, and discounted by 1% for each year (with complete days counting as a fraction of a year) prior to age 55 (maximum discount 30%).

On leaving service for any other reason, the lump sum benefit payable is equal to the sum of:

- The member's contributions to this and the Former Plan with interest; and
- 10% × Pensionable Service × (Discounted Accrued Benefit less the member's contributions to this and the Former Plan with interest) with a maximum of 10 years of Pensionable Service applying;

  where:

  Discounted Accrued Benefit is calculated in the same way as the normal retirement lump sum benefit but using Pensionable Service to the date of exit, with a 1% discount for each year (with complete days counting as a fraction of a year) by which the date of leaving service precedes age 55. A maximum discount of 30% applies.

Dependent's Pension Benefits

Upon the death of a member who joined the Plan prior to 1 July 1993 and who has retired or who was retrenched after age 50, a dependant's pension equal in total to 50% of the member's equivalent pension at the date of retirement (assuming the member took the entire benefit in pension form) indexed to date of death.

Additional Accounts

All benefits are increased by the sum of the following accounts, if applicable:

- Rollover Account; and
- Member Additional Account.

Superannuation Guarantee Benefit

All benefits are subject to a minimum of the Minimum Requisite Benefit, as defined in the Benefit Certificate dated 9 August 2021.

Exceptions

Special provisions apply to members who have purchased additional Pensionable Service.

Appendix B: Details of Membership

Membership as at 1 July 2024

Employee Membership Category	Number of Members	Pensionable Salaries	Average Pensionable Salaries	Average Age	Average Completed M'ship
Defined Benefit	3	515,000	172,000	55.1	32.6
Accumulation Benefits	368	66,589,000	181,000	45.1	8.1
Total	**371**	**67,104,000**	**181,000**	**45.2**	**8.3**

Non-employee Membership Category	Number of Members	Total Pensions p.a.	Average Pension p.a.	Average Age	Average Completed M'ship
Defined Benefit					
Lifetime Pensioners	25	2,213,000	89,000	73.60	n/a
Contingent Pensioners	74	1,971,000	27,000	80.00	n/a
Accumulation					
Retained Benefits / Spouse	48	n/a	n/a	48.2	n/a
Total	**147**	**n/a**	**n/a**	**68.5**	n/a

Approaching Retirements

At 1 July 2024, there was 1 Defined Benefit Member over the age of 60 which is expected to retire within the next 5 years.

Appendix C: Changes in Membership

Comparison of Membership as at 1 July 2023 to 1 July 2024

Category	Membership at 1 July 2023	Membership at 1 July 2024
Defined Benefit	3	3
Accumulation - Former Category C	371	368
Retained Benefits and Spouse	50	48
Lifetime Pensioners	25	25
Contingent Spouse Pensioners	77	74
Total	**526**	**518**

Appendix D: Valuation Method and Assumptions

Valuation Method

Attained Age method.

Asset Value

Market value taken from unaudited accounts at the valuation date.

Investment Returns

5.2% p.a. compound (net of investment expenses and taxes)

6.1% p.a. compound (net of investment expenses and gross of taxes)

Inflationary Salary Increase

4.0% p.a. compound

Pension Indexation

2.5% p.a. compound

Promotional Salary Increase Rate

Nil

Pension Take Up Rate

80% of retirement benefits taken as lifetime pension

Rates of Mortality, Total and Permanent Disability (TPD), and Leaving Service

Examples of rates at which members leave the Plan per year per 10,000 members:

Age Next Birthday	Retirement	Resignation	TPD
45	-	200	14
50	-	40	32
55	1,000	-	69
56	1,000	-	79
57	1,000	-	92
58	1,000	-	106
59	1,000	-	122
60	2,000	-	140
61	2,000	-	164
62	2,000	-	192

Age Next Birthday	Retirement	Resignation	TPD
63	3,000	-	223
64	4,000	-	259
65	10,000	-	-

Rates of Early Retirement

The number of members reaching a given age who are expected to retire are as follows:

Attained Age	Number per year per 10,000 members
55-59	1,000
60	2,000
61	2,000
62	2,000
63	3,000
64	4,000
65	10,000

Rates of Mortality (Pensioners) – Valuation Basis

Examples of mortality rates at per year per 10,000.

Age	Male	Female
45	12	7
50	17	11
55	26	16
60	39	22
65	58	34
70	93	57
75	158	101
80	282	190
85	521	377
90	912	732
95	1,345	1,225
100	1,816	1,850

These rates reflect a scaled adjustment of 60% for all ages of the mortality rates published in the ALT 2015-2017. The rates are then assumed to reduce each year beyond 2016 in line with the published 25 year improvement factors in the ALT 2015-2017, a sample of which are shown below.

Age Next Birthday	Male % improvement p.a.	Female % improvement p.a.
65	-2.97%	-2.43%
70	-2.99%	-2.40%
75	-2.77%	-2.33%
80	-2.35%	-2.03%
85	-1.61%	-1.45%
90	-0.89%	-0.80%
95	-0.52%	-0.34%
100	-0.08%	0.00%

Rates of Retrenchment

A retrenchment rate of nil per 10,000 members has been assumed.

Future Expense Allowance

Investment expenses are allowed for in the investment returns shown above which are assumed to be net of investment expenses.

Administration expenses and the cost of insurance are assumed to equal to 1.0% of Pensionable Salaries.

New Entrants

No allowance for new entrants.

Taxes

Tax on investment income is allowed for in the Investment Returns shown above.

Tax on contributions has been allowed for as 15% of Bank contributions reduced by allowable deductions (administration and insurance costs). No allowance has been made for GST or Reduced Input Tax Credits.

Surcharge Tax

No allowance has been made for the Surcharge Tax as the Trustee offsets any tax payable by the Plan against the benefits of the relevant Members, if the Member does not reimburse the Plan for the surcharge payable.

Composition of Membership

It has been assumed that Members remain in their current Category.

Maternity Leave and Leave of Absence

There were no defined benefit members on maternity leave or leave without pay at 1 July 2024.

Reserve for Accumulation Benefits

An amount of $91.4 million represents the total accumulation members' benefits at 1 July 2024.

The Valuation set out in Section 7 makes no allowance for future contributions to these accumulation accounts as the future contributions and the benefits they produce offset one another.

Appendix E: Consolidated Revenue Account

Reconciliation of defined benefit net assets for the period 1 July 2023 to 30 June 2024

	Active DB Assets (Acc 159)	Pension DB Assets (Acc 160)	Total assets held within DB investment pools
Opening balance at 1 July 2023	**6,856,601**	**33,922,956**	**40,779,558**
Plus:			
Member Contributions	25,098	-	25,098
Company Contributions	1,995,808	-	1,995,808
Investment returns	471,481	2,370,817	2,842,297
Internal Transfers	-	-	-
Less:			
Benefit Payments	0	(2,453,891)	(2,453,891)
Expenses	(71,232)	(22,255)	(93,488)
Insurance Premiums	(556,997)	-	(556,997)
Contribution Tax	(207,072)	3,345	(203,727)
Closing Balance at 30 June 2024	**8,513,687**	**33,820,972**	**42,334,659**

In addition to the assets held in the DB accounts 159 and 160, there was an additional amount of $203,804 held in the Plan’s unitised accumulation division in respect of additional accounts for Defined Benefit members.

The total net assets at 30 June 2024 in respect of the DB members of the plan was $42,538,463.

Appendix F: Statements required under Regulation 23 of SPS 160

The statements required under paragraphs 23(a) to (h) of SPS 160 for regular investigations are set out below. Note, these are provided in relation to the Plan's defined benefit liabilities only.

(a) Plan Assets

The net market value of the Plan's assets attributable to the defined benefit liabilities at 1 July 2024 was $42,538,463. This amount is the amount disclosed in the Plan Accounts and excludes assets attributable to accumulation, retained benefit and spouse members.

This value of assets at 1 July 2024 was used to determine the recommended Company contribution rates and assess the funding status measures and is also referred to as the "actuarial value" of the assets.

(b) Projection of Vested Benefits

The projected likely future financial position of the defined benefit category of the Plan during the three years following the valuation date and based on my best estimate assumptions is as follows:

Date	DB Only Assets ($'000s)	DB Only Vested Benefits ($'000s)	DB Only Vested Benefits Index
1 July 2024	42,538	40,022	106.3%
1 July 2025	43,929	40,447	108.6%
1 July 2026	44,904	40,323	111.4%
1 July 2027	44,998	40,119	112.2%

(c) Accrued Benefits

In my opinion, the value of the assets of the defined benefit members of the Plan at 1 July 2024 was adequate to meet the liabilities in respect of the accrued benefits of defined benefit members of the Plan (measured as the value of members' accrued entitlements using the valuation assumptions). We consider that the assumptions and valuation methods set out in this report are appropriate for determining the accrued liability.

(d) Vested Benefits

At 1 July 2024 the Plan was in a satisfactory financial position, as defined in SPS 160. In my opinion the Plan does not need to be treated as being in an unsatisfactory financial position. The shortfall limit does not need to be reviewed.

(e) Minimum Benefits

At 1 July 2024 the value of the minimum benefits of the defined benefit members of the Plan were less than the defined benefit assets at that date. Minimum benefits are as defined in Regulation 5.04 of the Superannuation Industry (Supervision) Regulations.

The coverage of the MRBs for all defined benefit members of the Plan as at 1 July 2024 was 112.8%.

(f) Funding and Solvency Certificates

Funding and Solvency Certificates for the Plan covering the period from 1 July 2023 to 1 July 2024 have been obtained. The Plan was solvent, as defined in the Superannuation Industry (Supervision) Regulations at 1 July 2024. In my opinion, the solvency of the Plan will be able to be certified in any other Funding and Solvency Certificate required under the Regulations during the three year period to 1 July 2027.

(g) Recommended Company Contributions

In the absence of any special circumstances, we recommend that the Bank continues to contribute in line with the following rates of Pensionable Salary (or Base Salary for packaged staff).

- 27.8% of Pensionable Salary (or Base Salary for packaged staff) for Defined Benefit members under age 65 who have not reached their maximum multiple; plus
- 11.5% (or prevailing Superannuation Guarantee Rate) of Ordinary Time Earnings for those Defined Benefit members over age 65 or who have reached their maximum multiple and ceased accrual of defined benefit entitlements; plus
- 1.0% of Pensionable Salary (or Base Salary for packaged staff) for Accumulation Benefit members (including those Defined Benefit members over age 65 or who have reached their maximum multiple) in relation to the ongoing cost of insurance and expenses; plus
- Superannuation Guarantee Rate (or other such rate as determined in employee contracts) of Ordinary Time Earnings for those Accumulation Benefit members.

In addition, we recommend that the Bank pay the following additional contributions in order to build the Plan's funding reserve up to 120%.

Calendar year	Additional Lump Sum Contribution
2024	$1.00m (paid in November 2024)
2025	$1.00m

Contributions of 11.5% (or such other amount as required to satisfy SG legislation) of bonuses and other payments that form part of Ordinary Time Earnings but are not included in Pensionable Salary are payable for all members in addition to the rate calculated above. The Bank is also required to pay all salary sacrifice member contributions.

(h) **Defined Benefit Pensioners**

In my opinion, as at 1 July 2024, there is a high degree of probability that the Plan will be able to pay pensions as required in the governing rules.

Nick Wilkinson
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