

Annual Report

2026



MoveBank Ltd

(Formerly Railways Credit Union Limited)

ABN 91 087 651 090

Annual Report - 30 June 2026

Directors' Report	2
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Consolidated Entity Disclosure Statement	48
Directors' Declaration	49
Independent Auditor's Report to the Members of MoveBank Ltd	50

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of MoveBank Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were Directors of MoveBank Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Scott J Riedel (Chair)
Rachel L Adair
Thomas (Bill) W Armagnacq
Sarah Dixon
Marcus Salouk
Michael (Mick) F Skinner (resigned 13 November 2025)
Timothy (Tim) J Staley

Principal activities

The principal activities of the Group during the year consisted of providing services of an Authorised Deposit-Taking Institution, including the holding of an Australian Financial Services Licence and Australian Credit Licence, with authority to carry on a financial services business to deal in financial and credit products for its members, as prescribed by the Company's constitution.

The Company changed its name from Railways Credit Union Limited to MoveBank Ltd, effective from 1 December 2025.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the Group after providing for income tax amounted to \$1,683,177 (30 June 2025: \$2,261,211).

Australia's economic operating environment remained challenging during the year, with persistent inflation and higher interest rates continuing to place pressure on households and borrowing capacity. While conditions softened modestly, the labour market remained resilient and housing activity continued to be supported by underlying demand and constrained supply.

The Group's pre-tax profit of \$2,312,974 (30 June 2025: \$2,978,109) decreased 22.3% from the prior year.

Operating income increased by \$1,333,808: the combination of net interest income increasing by \$3,013,480 and other income decreasing by \$1,679,672. Other income was supported by a profit of \$174,316 from the sale of the Group's investment in Indue Ltd. The Group's net interest income increased due to strong loan growth and the higher RBA rate environment during the year.

The Group's operating expenses increased by \$1,998,943. The increase reflected targeted investment in the Group's core banking transition and long-term funding capability, including accelerated depreciation, new platform subscription fees, higher loan referral costs supporting strong lending growth, and Treasury costs to support strong liquidity and funding resilience.

The Group maintained strong credit quality during the year, with credit impairment losses remaining low despite significant loan portfolio growth and ongoing cost-of-living pressures on household borrowers. This outcome reflects the strength of the Group's lending discipline, active portfolio management and continued focus on supporting members through the interest rate cycle.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group is committed to continuing to provide a full range of retail financial products and services to our members.

The Group's strategy remains focused on sustainable growth, strong member relationships and disciplined execution. Following significant investment in technology and resilience during the year, the Group successfully transitioned to the Constantinople banking platform on 31 July 2026. This transition is expected to enhance digital capability, improve member experience and support operating efficiencies over time. The Group will continue to pursue measured balance sheet and membership growth, maintain a strong risk culture, and invest in leadership, capability and systems to support long-term member value and financial sustainability.

MoveBank Ltd also obtained an investment grade BBB credit rating during the year, strengthening its access to wholesale funding markets and supporting the planned establishment of Medium-Term Note and Negotiable Certificate of Deposit programs. This is expected to further diversify the Group's funding sources and enhance balance sheet resilience over time.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name: Scott J Riedel
Title: Chair (appointed in November 2022, elected director in 2016)
Qualifications: BEng (Hons), RPEQ, Grad Dip Business, GAICD
Experience and expertise: 30 years of railway experience, including in VP/GM roles
Special responsibilities: Chair of the Strategy Committee
 Member of the Risk Management Committee
 Member of the Audit and Compliance Committee
 Member of the Remuneration, Succession and Safety Committee

Name: Rachel L Adair
Title: Director (elected in 2021)
Qualifications: LLB (hons), FCA, GAICD
Experience and expertise: Divisional CFO - Aurizon
Special responsibilities: Member of the Audit and Compliance Committee

Name: Thomas (Bill) W Armagnacq
Title: External Director (appointed in 2019)
Qualifications: B Com, FCA, FAICD
Experience and expertise: Experienced risk and governance banking professional
Special responsibilities: Chair of the Audit and Compliance Committee
 Member of the Remuneration and Succession Committee
 Member of the Strategy Committee

Name: Sarah Dixon
Title: Director (elected in 2024)
Qualifications: BCom, Bachelor of Science
Experience and expertise: Executive General Manager Infrastructure Planning and Capital (Seqwater)
Special responsibilities: Member of the Risk Management Committee

Name: Marcus Salouk
Title: External Director (appointed in 2021)
Qualifications: F Fin, BE (hons), CPEng, RPEQ, MSc Analytics, MAppFin&Invest, GAICD
Experience and expertise: Technology and systems integration, Strategy and Corporate Advisory
Special responsibilities: Chair of the Remuneration, Succession and Safety Committee (to 26 November 2025)
 Chair of the Risk Management Committee (from 26 November 2025)

Name: Michael (Mick) F Skinner
Title: Director (elected in 2016; resigned 13 November 2025)
Qualifications: BBus (Transport & Logistics Mgt), Grad Cert (Intermodal Transport), FCILT, GAICD
Experience and expertise: Senior Management, Transport and Logistics at QR
Special responsibilities: Member of the Risk Management Committee (to 13 November 2025)

Name: Timothy (Tim) J Staley
Title: Director (elected in 2020)
Qualifications: BCom, FCPA, GAICD
Experience and expertise: Director and Executive experience, Business Process Improvement and Technology Transport and Logistics Lead, NCS Australia
Special responsibilities: Chair of the Risk Management Committee (to 26 November 2025)
Chair of the Remuneration, Succession and Safety Committee (from 26 November 2025)
Member of the Strategy Committee

Company secretaries

Michael (Mike) Currie (Bachelor of Business (Banking and Finance), GAICD, SF Fin, Master of Applied Finance)
Michael Currie was appointed as company secretary on 8 March 2023.

Craig Nichols (Bachelor of Commerce, Bachelor of Laws, Master of Applied Finance, Member Queensland Law Society)
Craig Nichols was appointed as company secretary on 7 May 2024.

Meetings of Directors

	Full Board		Risk Management		Audit and Compliance		Remuneration, Succession & Safety	
	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*
Scott J Riedel	9	9	4	4	5	5	2	2
Rachel L Adair	9	9	-	-	5	5	-	-
Thomas (Bill) W Armagnacq	9	9	-	-	5	5	2	2
Sarah Dixon	8	9	3	4	-	-	-	-
Marcus Salouk	8	9	2	2	-	-	1	1
Michael (Mick) F Skinner	4	4	1	1	-	-	-	-
Timothy (Tim) J Staley	9	9	2	2	-	-	1	1

* Meetings eligible to attend

Shares under option

There were no unissued ordinary shares of MoveBank Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of MoveBank Ltd issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Scott J Riedel
Chair



Thomas W (Bill) Armagnacq
Chair, Audit and Compliance Committee

30 September 2026
Brisbane



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DECLARATION OF INDEPENDENCE BY M CUTRI TO THE DIRECTORS OF MOVEBANK LTD (FORMERLY RAILWAYS CREDIT UNION LIMITED)

As lead auditor of MoveBank Ltd (formerly Railways Credit Union Limited) for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
2. No contraventions of any applicable code of professional conduct in relation to the audit

This declaration is in respect of MoveBank Ltd and the entities it controlled during the year.



M Cutri
Director

BDO Audit Pty Ltd

Brisbane, 30 September 2026

MoveBank Ltd
(Formerly Railways Credit Union Limited)
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026



	Note	Consolidated 2026 \$	2025 \$
Interest income	4	50,003,522	43,866,208
Interest expense	4	(29,825,018)	(26,701,184)
Net interest income		<u>20,178,504</u>	<u>17,165,024</u>
Other income	5	1,646,474	3,326,146
Expenses			
Employee benefits expense	6	(7,226,021)	(7,383,384)
Depreciation and amortisation expense	6	(1,072,813)	(425,931)
Credit impairment loss	6	(237,493)	(74,131)
Other expenses	6	(10,975,677)	(9,629,615)
Profit before income tax expense		<u>2,312,974</u>	<u>2,978,109</u>
Income tax expense	7	(629,797)	(716,898)
Profit after income tax expense for the year attributable to the owners of MoveBank Ltd		<u>1,683,177</u>	<u>2,261,211</u>
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of land and buildings, net of tax		-	(50,047)
Disposal of investments and changes in tax rates		(15,236)	-
Other comprehensive loss for the year, net of tax		<u>(15,236)</u>	<u>(50,047)</u>
Total comprehensive income for the year attributable to the owners of MoveBank Ltd		<u><u>1,667,941</u></u>	<u><u>2,211,164</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

MoveBank Ltd
(Formerly Railways Credit Union Limited)
Statement of Financial Position
As at 30 June 2026



	Note	Consolidated 2026 \$	2025 \$
Assets			
Cash and cash equivalents	8	40,440,462	25,063,154
Other receivables	9	1,732,494	979,891
Financial assets at amortised cost	10	201,264,848	126,435,140
Loans and advances	11	885,303,247	756,299,050
Investment securities	12	-	348,840
Property, plant and equipment	13	3,548,676	3,643,276
Intangible assets	14	63,124	366,313
Deferred tax assets	7	281,444	82,044
Other assets	15	2,963,513	129,585
Total assets		1,135,597,808	913,347,293
Liabilities			
Deposits	16	1,056,277,274	835,013,269
Other payables	17	1,919,714	2,629,656
Current tax liabilities	7	486,981	624,662
Employee benefits	18	628,388	462,051
Total liabilities		1,059,312,357	838,729,638
Net assets		76,285,451	74,617,655
Equity			
Reserves	19	3,302,397	3,351,420
Retained profits		72,983,054	71,266,235
Total equity		76,285,451	74,617,655

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	3,882,167	68,524,324	72,406,491
Profit after income tax expense for the year	-	2,261,211	2,261,211
Other comprehensive loss for the year, net of tax	(50,047)	-	(50,047)
Total comprehensive (loss)/income for the year	(50,047)	2,261,211	2,211,164
<i>Transactions with owners in their capacity as owners:</i>			
Disposal of investments, net of tax (Note 19)	(485,240)	485,240	-
Movement in Member shares (Note 19)	4,540	(4,540)	-
Balance at 30 June 2025	<u>3,351,420</u>	<u>71,266,235</u>	<u>74,617,655</u>
Consolidated	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2025	3,351,420	71,266,235	74,617,655
Profit after income tax expense for the year	-	1,683,177	1,683,177
Other comprehensive loss for the year, net of tax	(15,236)	-	(15,236)
Total comprehensive (loss)/income for the year	(15,236)	1,683,177	1,667,941
<i>Transactions with owners in their capacity as owners:</i>			
Net write-back of investment securities sold, net of tax (Note 19)	(16,351)	16,351	-
Prior period and other adjustments (Note 19)	(21,766)	21,621	(145)
Movement in Member shares (Note 19)	4,330	(4,330)	-
Balance at 30 June 2026	<u>3,302,397</u>	<u>72,983,054</u>	<u>76,285,451</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2026 \$	2025 \$
Cash flows from operating activities			
Interest received		49,238,047	43,832,900
Payments to suppliers and employees		(22,844,296)	(17,042,580)
Dividends received		37,638	127,518
Fees and commissions received		1,598,918	1,634,099
Other income		742,379	421,202
Interest and other finance costs paid		(27,066,652)	(26,010,985)
Net movement in financial assets at amortised cost		(74,829,707)	(18,206,828)
Net movement in loans and advances		(128,872,390)	(92,381,814)
Net movement in deposits		218,507,438	97,043,320
Income taxes paid		(982,259)	(457,022)
Net cash from/(used in) operating activities	30	15,529,116	(11,040,190)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(90,990)	(67,625)
Payments for intangible assets	14	(583,974)	(94,414)
Proceeds from the sale of investment securities		523,156	3,234,935
Net cash (used in)/from investing activities		(151,808)	3,072,896
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		15,377,308	(7,967,294)
Cash and cash equivalents at the beginning of the financial year		25,063,154	33,030,448
Cash and cash equivalents at the end of the financial year	8	40,440,462	25,063,154

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General Information

The financial statements cover MoveBank Ltd as a Group consisting of MoveBank Ltd (referred to hereafter as the 'Company' or 'parent entity' or 'Group') and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is MoveBank Ltd's functional and presentation currency.

MoveBank Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
179 Ann Street
Brisbane QLD 4000

The Company changed its name from Railways Credit Union Limited to MoveBank Ltd, effective from 1 December 2025.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Material Accounting Policy Information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. However, the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the Statement of Profit or Loss and Other Comprehensive Income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the Statement of Profit or Loss and Other Comprehensive Income.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

This standard amends AASB 9 'Financial Instruments' and AASB 7 'Financial Instruments: Disclosures'. The amendments clarify the derecognition of financial liabilities settled through electronic payment systems, provide guidance on the assessment of contractual cash flow characteristics of certain financial assets. The standard is effective for the Company from 1 July 2026. The Company is assessing the impact of the amendments but does not currently expect a material impact on the recognition and measurement of its financial instruments. The amendments may result in additional disclosures in future reporting periods.

Note 2. Material Accounting Policy Information (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, investment securities at fair value through other comprehensive income and certain classes of property, plant and equipment at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MoveBank Ltd ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. MoveBank Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Material Accounting Policy Information (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The measurement of the expected credit loss ('ECL') allowance for loans and advances measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, including (but not limited to): criteria for determining significant increase in credit risk, choice of model and assumptions and establishing the number and relative weightings of forward-looking scenarios.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Net Interest Income

	Consolidated 2026 \$	2025 \$
<i>Interest income on assets carried at amortised cost</i>		
Cash and cash equivalents	630,216	793,341
Financial assets at amortised cost	7,474,437	6,437,960
Loans and advances	41,898,869	36,634,907
Total interest income	<u>50,003,522</u>	<u>43,866,208</u>
<i>Interest expense on liabilities</i>		
Borrowings	1,692	3,462
Deposits	29,823,326	26,697,722
	<u>29,825,018</u>	<u>26,701,184</u>
Total net interest income	<u>20,178,504</u>	<u>17,165,024</u>

Accounting policy for interest income and interest expense

Interest income and interest expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, future cash flows are estimated considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

Loan origination fees and loan transaction costs that are direct and incremental to the establishment of loans are deferred and amortised as a component of the calculation of the effective interest rate in relation to the originated loans. Fees charged on loans after origination of the loan are recognised in profit or loss when the service is provided.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves. Refer to Note 11 for information on when financial assets are credit impaired.

Note 5. Other Income

	Consolidated 2026 \$	2025 \$
Fees and commission income from contracts with customers	1,426,005	1,384,221
Dividend income	37,638	127,518
Bad debts recovered	7,350	980
Net gain on disposal of shares	174,316	1,811,564
Other	1,165	1,863
Total other income	<u>1,646,474</u>	<u>3,326,146</u>

Accounting policy for other income

Fee and commission income and expense

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Loan fees that are recognised using the effective interest method are included with loan balances in the Statement of Financial Position.

Other fee and commission income, including account servicing fees, loan discharge and administration fees, is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

The Group offers insurance arrangements to customers acting as agent on behalf of an insurer and receives a commission on each insurance product as a percentage of premium paid by customers for each policy. The Group has generally concluded that it is the agent in its insurance arrangements because it typically does not act in the capacity of an insurer and its responsibility is limited to arranging or mediating the provision of insurance for the third-party insurer.

The Group's performance obligation is to execute the insurance policy on behalf of the insurer and revenue is recognised once the policy has been executed or renewed (i.e. on the trade date). Payment of the commission is typically due on the trade date.

The Group estimates the amount to which it will be entitled, but constrains that amount until it is highly probable that including the estimated fee in the transaction price will not result in a significant revenue reversal, which generally occurs upon satisfaction of the performance obligation, on the trade date. The transaction price is determined by taking the commission fee earned, less an allowance for credits for policies which may be cancelled during the policy period. The credits are calculated based on the average customer retention rate provided by the insurer.

Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established.

Gain on disposal of shares

Investment securities held by the Group are measured at fair value and any fair value changes are recognised through other comprehensive income. During the year, the Group completed the sale of 918 shares held in Indue Ltd under a Share Sale and Purchase Agreement ("SSPA") with CUSCAL Ltd, receiving total consideration of \$523,156. The difference between the carrying fair value of these shares and the payment received for these shares has been recognised as a gain on the disposal of shares.

Note 6. Expenses

	Consolidated 2026 \$	2025 \$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	60,000	65,280
Plant and equipment	125,712	135,905
Total depreciation	185,712	201,185
<i>Amortisation</i>		
Computer software	887,101	224,746
Total depreciation and amortisation expense	1,072,813	425,931
<i>Credit impairment loss</i>		
Credit impairment loss	237,493	74,131
<i>Other expenses</i>		
Audit and other accounting expenses	386,018	374,204
Director fees and other expenses	409,263	432,806
Information technology expenses	3,628,548	3,189,031
Loan administration expenses	1,841,852	1,387,093
Marketing and promotion expenses	492,515	421,667
Member transaction expenses	1,216,631	1,133,582
Other occupancy expenses	172,215	249,978
Other expenses	1,422,738	1,088,130
Strategic project costs	1,201,486	1,170,065
Telephone and postage expenses	204,411	183,059
Total other expenses	10,975,677	9,629,615
<i>Employee benefits expense</i>		
Wages, salaries and other employee benefits expense	6,590,287	6,739,848
Workers' compensation costs	13,438	11,879
Defined contribution superannuation expense	622,296	631,657
Total employee benefits expense	7,226,021	7,383,384

Note 7. Income Tax

	Consolidated	
	2026	2025
	\$	\$
<i>Income tax expense</i>		
Current tax	858,011	1,004,532
Deferred tax - origination and reversal of temporary differences	(228,214)	(287,634)
Aggregate income tax expense	<u>629,797</u>	<u>716,898</u>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(212,321)	(80,396)
Increase in deferred tax liabilities	(15,893)	(207,238)
Deferred tax – origination and reversal of temporary differences	(228,214)	(287,634)
<i>Reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	2,312,974	2,978,109
Tax at the statutory tax rate of 30% (2025: 25%)	693,892	744,527
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Rebatable fully franked dividends	(11,291)	(54,650)
Other non-deductible items	18,996	27,021
	701,597	716,898
Adjustment to deferred tax balances as a result of change in statutory tax rate	(57,763)	-
Over accrual of prior year deferred tax	(14,037)	-
Income tax expense	<u>629,797</u>	<u>716,898</u>

	Consolidated	
	2026	2025
	\$	\$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions	381,072	277,574
Depreciation and amortisation expense	350,723	176,178
Other	80,358	143,108
Set-off of deferred tax liabilities pursuant to set-off provisions	(530,709)	(514,816)
Deferred tax asset	<u>281,444</u>	<u>82,044</u>
Movements:		
Opening balance	596,860	456,119
Credited to profit or loss	212,321	80,396
Adjustment recognised for prior periods	2,972	60,345
Set-off of deferred tax liabilities pursuant to set-off provisions	(530,709)	(514,816)
Closing balance	<u>281,444</u>	<u>82,044</u>

Note 7. Income Tax (continued)

	Consolidated 2026 \$	2025 \$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	285,833	242,966
Other receivables	22,867	65,082
	<u>308,700</u>	<u>308,048</u>
Amounts recognised in equity:		
Revaluation of property, plant and equipment	222,009	185,008
Shares - recognised in other comprehensive income	-	21,760
Set-off of deferred tax liabilities pursuant to set-off provisions	(530,709)	(514,816)
	<u>(308,700)</u>	<u>(308,048)</u>
Deferred tax liability	<u>-</u>	<u>-</u>
Movements:		
Opening balance	514,816	687,113
Charged/(credited) to profit or loss	(15,893)	(207,238)
Charged/(credited) to equity	15,239	(16,682)
Adjustment recognised for prior periods	16,547	51,623
	<u>(530,709)</u>	<u>(514,816)</u>
Closing balance	<u>-</u>	<u>-</u>
	Consolidated 2026 \$	2025 \$
<i>Current tax liabilities</i>		
Provision for income tax	<u>486,981</u>	<u>624,662</u>
Amount expected to be settled within 12 months	<u>486,981</u>	<u>624,662</u>

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 7. Income Tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 8. Cash and Cash Equivalents

	Consolidated	
	2026	2025
	\$	\$
Cash on deposit*	40,440,462	25,063,154
Amount expected to be recovered within 12 months	40,440,462	25,063,154

* Deposits with Authorised Deposit-Taking Institutions ('ADIs').

Restricted cash

The cash and cash equivalents disclosed above and in the Statement of Cash Flows include \$5,827,196 (2025: \$8,983,189) which are held by the MTG MoveBank Repo Series No.1 Trust ('Trust'). These deposits are held in the Trust to pay for the operating costs of the Trust and to fund any further purchases of loans from the Company. They are therefore not available for general use by the other entities in the Group

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Other Receivables

	Consolidated	
	2026	2025
	\$	\$
Accrued interest	1,587,000	821,525
Other receivables	145,494	158,366
Total other receivables	1,732,494	979,891
Amount expected to be recovered within 12 months	1,732,494	979,891
Amount expected to be recovered after more than 12 months	-	-
	1,732,494	979,891

Accounting policy for other receivables

Accrued interest represents interest earned but not yet received on the Group's investments at the reporting date. Other receivables represent amounts due to the Group arising from its ordinary activities. Accrued interest and other receivables are measured at amortised cost.

Note 10. Financial Assets at Amortised Cost

	Consolidated 2026 \$	Consolidated 2025 \$
ADI interest bearing deposits	125,551,902	122,717,779
Government and semi-Government interest bearing deposits	73,299,032	-
Investments in residential mortgage-backed securities	2,413,914	3,717,361
	<u>201,264,848</u>	<u>126,435,140</u>
Amount expected to be recovered within 12 months	137,600,934	88,117,779
Amount expected to be recovered after more than 12 months	63,663,914	38,317,361
	<u>201,264,848</u>	<u>126,435,140</u>

Accounting policy for financial assets at amortised cost

Financial assets at amortised cost includes deposits held with financial institutions, the Commonwealth Government and State Government treasuries with original maturities of more than three months and investments in residential mortgage-backed securities. Interest bearing deposits and investments in residential mortgage-backed securities are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets at amortised cost

No provision for impairment is required against ADI, the Commonwealth Government or State Government interest bearing deposits. The Group considers these assets to have a low credit risk as they have a credit rating that is 'investment grade'; or if the ADI is unrated the ADI is highly capitalised (see Note 23). In addition, no provision for impairment is required against the Group's residential mortgage-backed securities as they all have an AAA credit rating.

Note 11. Loans and Advances

	Consolidated 2026 \$	Consolidated 2025 \$
Overdrafts	12,783,114	14,650,052
Term loans	871,133,319	740,501,979
Gross loans and advances	<u>883,916,433</u>	<u>755,152,031</u>
Deferred application fees	(466,167)	(393,453)
Deferred loan document and settlement costs	311,970	283,231
Deferred loan referral costs	2,104,022	1,750,419
Deferred valuation fee costs	236,530	176,858
Provisions for credit impairment	(799,541)	(670,036)
Net loans and advances	<u>885,303,247</u>	<u>756,299,050</u>
Amount expected to be recovered within 12 months	25,196,314	23,111,672
Amount expected to be recovered after more than 12 months	860,106,933	733,187,378
	<u>885,303,247</u>	<u>756,299,050</u>

Note 11. Loans and Advances (continued)

(a) Collateral held

	Consolidated 2026 \$	2025 \$
The Group holds collateral against loans and advances to members as detailed below:		
Loans and advances with no collateral	3,373,721	3,718,300
Loans and advances with collateral	<u>880,542,712</u>	<u>751,433,731</u>
Gross loans and advances	<u>883,916,433</u>	<u>755,152,031</u>

Where collateral is held, it is in the form of mortgage interests over property, other registered securities over assets, mortgage insurance and guarantees. The fair value of collateral is assessed at the time a loan or advance is originated and is required to be no less than 100% of the loan or advance, excluding capitalised fees and insurance costs. The fair value of collateral is generally not subsequently updated unless a loan or advance is individually assessed as impaired. There were no significant changes in the quality of collateral held or in the Group's collateral policies during the financial year. The Group does not rely solely on collateral held as security as a basis for not recognising expected credit loss allowances on financial assets. Collateral is generally not held over loans and advances to, or deposits with, other financial institutions, or against non-property investment securities.

Impairment of loans and advances

(b) Analysis of loans that are impaired by class

	2026 Gross carrying value \$	2026 ECL allowance \$	2026 Carrying value \$	2025 Gross carrying value \$	2025 ECL allowance \$	2025 Carrying value \$
<i>Loans to Members</i>						
Mortgages	854,330,324	(587,590)	853,742,734	723,126,143	(562,001)	722,564,142
Personal	16,802,995	(151,032)	16,651,963	17,375,836	(39,686)	17,336,150
Overdrafts	<u>12,783,114</u>	<u>(60,919)</u>	<u>12,722,195</u>	<u>14,650,052</u>	<u>(68,349)</u>	<u>14,581,703</u>
	<u>883,916,433</u>	<u>(799,541)</u>	<u>883,116,892</u>	<u>755,152,031</u>	<u>(670,036)</u>	<u>754,481,995</u>

An analysis of the Group's credit risk exposure by class and by exposure of loans to members and by 'stage' without reflecting on the effects of any collateral or other credit enhancements is demonstrated in the tables below.

Note 11. Loans and Advances (continued)

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Year ended 30 June 2026				
<i>Loans to Members</i>				
Mortgages	18,031	569,559	-	587,590
Personal	18,168	132,864	-	151,032
Overdrafts	21,848	33,840	5,231	60,919
Carrying amount	58,047	736,263	5,231	799,541

Year ended 30 June 2025

<i>Loans to Members</i>				
Mortgages	2,854	559,147	-	562,001
Personal	4,448	6,066	29,172	39,686
Overdrafts	4,849	487	63,013	68,349
	12,151	565,700	92,185	670,036

(c) Allowance for impairment

The following tables show reconciliations from the opening to the closing balance of the expected credit losses ('ECL') by stage for loans and advances.

Loans and advances to members at amortised cost

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit- impaired	Stage 3 Lifetime ECL credit- impaired	Total
2026				
Balance at 1 July 2025	12,151	565,700	92,185	670,036
Transfer to 12-month ECL	25,600	(8,892)	(16,708)	-
Transfer to lifetime ECL not credit-impaired	(22,824)	60,109	(37,285)	-
Transfer to lifetime ECL credit-impaired	(5,231)	-	5,231	-
Bad debts written-off	-	-	(39,636)	(39,636)
Net remeasurement of loss allowance	50,854	119,346	1,444	171,644
Other movements	(2,503)	-	-	(2,503)
Balance at 30 June 2026	58,047	736,263	5,231	799,541
2025				
Balance at 1 July 2024	24,110	440,028	148,166	612,304
Transfer to 12-month ECL	62,780	(5,332)	(57,448)	-
Transfer to lifetime ECL not credit-impaired	(9,865)	11,939	(2,074)	-
Transfer to lifetime ECL credit-impaired	(24,139)	(2)	24,141	-
Bad debts written-off	-	-	(15,607)	(15,607)
Net remeasurement of loss allowance	(39,943)	119,067	(4,993)	74,131
Other movements	(792)	-	-	(792)
Balance at 30 June 2025	12,151	565,700	92,185	670,036

Note 11. Loans and Advances (continued)

The allowance for impairment in these tables includes ECL on loan commitments for certain retail products such as credit cards and overdrafts, because the Group cannot separately identify the ECL on the loan commitment component from those on the financial instrument component.

Explanation of the changes in the allowance for impairment

The allowance for impairment increased during the year, reflecting growth in the lending portfolio, enhancements to the Group's ECL methodology and updated forward-looking assumptions. In determining the allowance, the Group considered the potential impact of adverse movements in residential property values, continued cost-of-living and borrowing pressures, potential deterioration in labour market conditions, and broader banking sector trends in loan arrears and non-performing exposures. These factors were incorporated into the assessment of expected credit losses, with consideration also given to the credit quality, security and expected recoverability of individual exposures.

Impact of movements in gross carrying amount on provision for impairment

The changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance can be summarised as follows:

	Stage 1 Gross loans classified as 12-month ECL	Stage 2 Gross loans classified as lifetime ECL not credit- impaired	Stage 3 Gross loans classified as lifetime ECL credit- impaired	Total
Balance at 1 July 2025	752,015,699	1,837,335	1,298,997	755,152,031
Transfer to 12-month ECL	2,633,549	(1,835,378)	(798,171)	-
Transfer to lifetime ECL not credit-impaired	(1,112,238)	1,463,188	(350,950)	-
Transfer to lifetime ECL credit-impaired	(71,080)	-	71,080	-
Bad debts written off	-	-	(105,486)	(105,486)
Net remeasurement of loss allowance	128,877,884	(11,597)	3,600	128,869,887
Balance at 30 June 2026	882,343,814	1,453,548	119,070	883,916,432

The contractual amount outstanding on loans that were written off during the year ended 30 June 2026 and that are still subject to enforcement activity is \$nil (2025: \$nil).

	Stage 1 Gross loans classified as 12-month ECL	Stage 2 Gross loans classified as lifetime ECL not credit- impaired	Stage 3 Gross loans classified as lifetime ECL credit- impaired	Total
Balance at 1 July 2024	661,075,452	563,859	1,147,305	662,786,616
Transfer to 12-month ECL	1,225,916	(371,454)	(854,462)	-
Transfer to lifetime ECL not credit-impaired	(1,837,325)	1,842,511	(5,186)	-
Transfer to lifetime ECL credit-impaired	(842,642)	(192,405)	1,035,047	-
Bad debts written-off	-	-	(15,607)	(15,607)
Net remeasurement of loss allowance	92,394,298	(5,176)	(8,100)	92,381,022
Balance at 30 June 2025	752,015,699	1,837,335	1,298,997	755,152,031

Accounting policies for loans and advances

Loans and advances are financial assets for which the contractual cash flows are solely repayments of principal and interest and that are held in a business model with the objective of collecting contractual cash flows.

Note 11. Loans and Advances (continued)

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the origination of the loan or advance, which are primarily brokerage and origination fees. These costs are amortised over the estimated life of the loan. Subsequently, loans and advances are measured at amortised cost using the effective interest rate method, net of any provision for credit impairment.

Accounting policy for impairment of loans and advances

The Group assesses the impairment of loans and advances using a forward-looking expected credit loss (ECL) model. In assessing credit risk and measuring expected credit losses, the Group considers a range of relevant information, including historical experience, current conditions and reasonable and supportable forecasts of future economic conditions that may affect the expected collectability of contractual cash flows. In applying this forward-looking approach, three distinct stages of impairment are made:

Stage	Measurement basis
Stage 1 (12-month ECL)	Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans).
Stage 2 (Lifetime ECL – not credit impaired)	Financial instruments that have deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event (underperforming loan).
Stage 3 (Lifetime ECL – credit impaired)	Financial instruments that have objective evidence of impairment (loans in default/non-performing) at the reporting date.

At each reporting date, the Group assesses whether the credit risk associated with an exposure has increased significantly since initial recognition to determine the appropriate stage for ECL measurement. Where credit risk has not increased significantly, the exposure remains in Stage 1. Where a significant increase in credit risk has occurred, the exposure is transferred to Stage 2. Exposures that become credit-impaired are transferred to Stage 3.

Inputs, assumptions and techniques used for estimating impairment

The key model inputs into the measurement of the provision for impairment includes the following variables:

- Probability of default (PD); PD estimates are calculated based on the value of loans in arrears over 90 days, and other loans and facilities where the likelihood of future repayments is low. Default is generally defined as the point when the borrower is unlikely to pay its credit obligations in full, without recourse by the Group to the realisation of the collateral; or the borrower is 90 days or more past due.
- Loss given default (LGD); LGD is the magnitude of the likely loss is there is a default. LGD is calculated based on historical losses considering relevant factors for individual exposures or portfolios.
- Exposure at default (EAD); the EAD represents the expected exposure in the event of a default.

The PD and LGD are derived from analysis of historical data over a period of no less than 5 years, with the PDs and LGDs chosen representing the average for the period.

Assessment of significant increase in credit risk (SICR)

As an extensive list of factors in defining a SICR is not required to be developed, in assessing SICR, the following principles apply:

- Stage 1 – less than 30 days past due;
- Stage 2 – 30 to less than 90 days past due, subject to financial hardship, or it is considered that there are changes in the underlying exposure's credit risk since initial recognition because of adverse changes in general economic and/or market conditions; and
- Stage 3 – 90 days or more past due.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and expert judgement, relevant external factors and including forward-looking information.

Note 11. Loans and Advances (continued)

Incorporation of forward-looking information

The approach in determining the ECL includes forward-looking information based on both the internal and external environment. The Group is responsible for the development of scenarios and the weighting applied to those scenarios. For this purpose, three possible economic scenarios have been developed, being a positive, negative and base case scenario. In calculating the ECL, each of the scenarios is probability weighted and then applied to the exposures' PDs and LGDs. The scenarios have been developed using a combination of publicly available data and internal forecasts to form the initial baseline. For the current reporting period, the positive and negative scenarios utilise the level of inflation, interest rates and unemployment as the key drivers of the macroeconomic outlook.

Calculation of expected credit losses

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether loans carried at amortised cost are credit impaired.

A loan is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the loan have occurred. Evidence that a loan is credit-impaired includes the following observable data:

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

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

Presentation of allowance for ECL in the Statement of Financial Position

Loss allowances for ECL are presented in the Statement of Financial Position as follows:

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

The Group considers the ECL to represent its best estimate across a range of possible outcomes, incorporating reasonable and supportable forward-looking information and assumptions that are consistent, where appropriate, with those used for strategic planning and budgeting. The Group also undertakes periodic stress testing using more severe economic scenarios to assess the potential impact of adverse conditions. The economic outlook remains subject to uncertainty, including the effects of geopolitical developments, inflationary pressures, interest rate movements and broader economic conditions. Accordingly, actual credit losses may differ from those estimated by the Group in determining the ECL.

Write-off

Loans and advances are written off when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Note 12. Investment Securities

	Consolidated 2026 \$	2025 \$
Investment securities	-	348,840
Amount expected to be recovered after more than 12 months	-	348,840

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	348,840	1,772,211
Funds received on disposal of investment securities	(523,156)	(3,234,935)
Gain on disposal of investment securities	174,316	1,811,564
Closing fair value	-	348,840

Refer to Note 23 for further information on fair value measurement.

Shares in Cuscal Limited (Cuscal) and Indue Ltd (Indue)

These companies provide transactional banking solutions to various financial institutions across Australia. The shares are not publicly traded and are not redeemable. The Group disposed of its remaining shares in CUSCAL Ltd during the prior financial year and, during the current financial year, disposed of all shares held in Indue Ltd in accordance with the CUSCAL Ltd Share Sale and Purchase Agreement ('SSPA'). Accordingly, the Group held no shares in either entity as at 30 June 2026.

Accounting policy for Investment securities

Investment securities are instruments that meet the definition of equity from the issuer's perspective; that is the instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

Investment securities are measured at fair value and changes to the fair value due to a valuation are recognised through other comprehensive income ('OCI').

Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's rights to receive payment is established. When the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, such gains are recognised in OCI.

Note 13. Property, Plant and Equipment

	Consolidated 2026 \$	2025 \$
Land and buildings - at independent valuation	3,000,000	3,000,000
Less: Accumulated depreciation	(60,000)	-
	2,940,000	3,000,000
Plant and equipment - at cost	2,190,378	4,219,433
Less: Accumulated depreciation	(1,581,702)	(3,576,157)
	608,676	643,276
	3,548,676	3,643,276
Amount expected to be recovered after more than 12 months	3,548,676	3,643,276

Note 13. Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$	Plant and equipment \$	Total \$
Balance at 1 July 2024	3,132,009	711,557	3,843,566
Additions	-	67,624	67,624
Revaluation decrements	(66,729)	-	(66,729)
Depreciation expense	(65,280)	(135,905)	(201,185)
Balance at 30 June 2025	3,000,000	643,276	3,643,276
Additions	-	90,990	90,990
Revaluation decrements	-	-	-
Write-offs	-	122	122
Depreciation expense	(60,000)	(125,712)	(185,712)
Balance at 30 June 2026	2,940,000	608,676	3,548,676

Valuations of land and buildings

The Group obtains an independent valuation of its freehold land and building at least every three years. The most recent independent valuation was undertaken on 11 June 2025 by Valuations QLD, an independent valuer, who assessed the fair value of the property at \$3,000,000.

Refer to Note 23 for further information on fair value measurement.

Land and buildings stated under the historical cost convention

If land and buildings were stated under the historical cost convention, the amounts would be as follows:

	Consolidated 2026 \$	Consolidated 2025 \$
Land and buildings - at cost	1,347,967	1,347,967
Less: Accumulated depreciation	(1,347,967)	(1,347,967)
Net book value	-	-

Accounting policy for property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 13. Property, Plant and Equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	25 years
Plant and equipment	2.5 to 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 14. Intangible Assets

	Consolidated 2026 \$	2025 \$
Computer software - at cost	2,751,590	3,626,154
Less: Accumulated amortisation	(2,688,466)	(3,259,841)
	<u>63,124</u>	<u>366,313</u>
Amount expected to be recovered after more than 12 months	<u>63,124</u>	<u>366,313</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer software \$
Balance at 1 July 2024	496,645
Additions	94,414
Amortisation expense	(224,746)
Balance at 30 June 2025	366,313
Additions	583,975
Disposals and write-offs	(63)
Amortisation expense	(887,101)
Balance at 30 June 2026	<u>63,124</u>

Accounting policy for intangible assets

Finite life intangible assets are initially recognised at cost and subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 to 5 years.

Note 15. Other Assets

	Consolidated 2026 \$	2025 \$
Prepayments	2,963,513	129,585
Amount expected to be recovered within 12 months	2,963,513	129,585

The increase in prepayments during the year primarily reflects the timing of annual software and technology-related payments, including subscriptions associated with the Group's core banking system. These costs will be recognised as expenses over the periods to which the underlying services relate.

Accounting policy for Other Assets

Prepayments represent payments made in advance for goods or services to be received in future reporting periods. Prepayments are initially recognised at cost and are subsequently recognised as an expense on a systematic basis over the period in which the related goods or services are received or consumed.

Note 16. Deposits

	Consolidated 2026 \$	2025 \$
Call deposits (including withdrawable shares)	530,764,099	517,206,775
Term deposits (including accrued interest)	525,513,175	317,806,494
	1,056,277,274	835,013,269
Amount expected to be settled within 12 months	1,043,366,646	830,921,786
Amount expected to be settled after more than 12 months	12,910,628	4,091,483
	1,056,277,274	835,013,269

Concentration of deposits

There are no concentrations of deposits greater than 10% of total deposits.

Fair value

Refer to Note 23 for details of the fair value of these financial instruments.

Accounting policy for deposits

Deposits are initially measured at fair value less directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest method. Interest on deposits is recognised on an accrual basis. Interest accrued at the end of the reporting date is shown as a part of deposits.

Note 17. Other Payables

	Consolidated 2026 \$	Consolidated 2025 \$
Other payables and accrued expenses	1,919,714	2,629,656
Amount expected to be settled within 12 months	1,919,714	2,629,656
Amount expected to be settled after more than 12 months	-	-
	1,919,714	2,629,656

Refer to Note 22 for further information on financial risk management.

Accounting policy for other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Employee Benefits

	Consolidated 2026 \$	Consolidated 2025 \$
Annual leave	310,004	307,191
Long service leave	211,389	154,860
Other employee benefits	106,995	-
	628,388	462,051
Amount expected to be settled within 12 months	544,792	408,162
Amount expected to be settled after more than 12 months	83,596	53,889
	628,388	462,051

Accounting policy for employee benefits

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits not expected to be settled wholly within 12 months of the reporting date, including long service leave, are ordinarily measured at the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date. The Group has assessed the impact of discounting these liabilities and determined that the effect is not material. Accordingly, these liabilities are recognised on an undiscounted basis at the reporting date.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 19. Reserves

	Consolidated 2026 \$	Consolidated 2025 \$
Revaluation surplus reserve	3,044,857	3,081,859
Fair value reserve	-	16,351
Redeemable preference shares	257,540	253,210
	<u>3,302,397</u>	<u>3,351,420</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

Fair value reserve

The fair value reserve records the movement in the fair value of investment securities at each reporting date.

Redeemable preference shares

Under the Corporations Act 2001, member shares are classified as redeemable preference shares. The redemption of these shares is required under the Act to be made from profits. The value of the shares that have been paid to members is in accordance with the terms and conditions of the share issue and the redemption account represents the amount of profits appropriated.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Revaluation surplus \$	Fair value \$	Redeemable preference shares \$	Total \$
Balance at 1 July 2024	3,131,906	501,591	248,670	3,882,167
Net loss on revaluation	(50,047)	-	-	(50,047)
Disposal of investments	-	(485,240)	-	(485,240)
Movement in member shares	-	-	4,540	4,540
Balance at 30 June 2025	3,081,859	16,351	253,210	3,351,420
Net write-back of investment securities sold, net of tax	-	(16,351)	-	(16,351)
Disposal of investments, net of changes in tax rates	(15,236)	-	-	(15,236)
Prior period and other adjustments	(21,766)	-	-	(21,766)
Movement in member shares	-	-	4,330	4,330
Balance at 30 June 2026	<u>3,044,857</u>	<u>-</u>	<u>257,540</u>	<u>3,302,397</u>

Note 20. Dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	Consolidated 2026 \$	Consolidated 2025 \$
Franking credits available for subsequent financial years based on a tax rate of 30% (2025: 25%)	<u>28,235,234</u>	<u>27,742,060</u>

Note 20. Dividends (continued)

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 21. Securitisation

The MTG MoveBank Repo Series No.1 Trust has been established to support the ongoing liquidity management of the Company. The Company has purchased the Residential Mortgage-Backed Securities (RMBS) issued by the MTG MoveBank Repo Series No.1 Trust. The senior RMBS held by the Company are eligible to be used as collateral in repurchase agreements with the Reserve Bank of Australia (RBA). These arrangements enable the Company to raise funds from the RBA utilising its loans and advances as underlying security.

The Company has retained substantially all the risks and rewards of ownership of the relevant loans and advances as it has retained the credit risk and interest rate risk. Due to the retention of substantially all the risks and rewards of ownership, the Company continues to recognise the transferred loans and advances.

The Company collects the cash receipts relating to the loans and advances and passes those receipts onto the MTG MoveBank Repo Series No.1 Trust. The trust uses these receipts to pay for on-going operation of the trust and to fund any future loan transfers from the Company to the trust.

The following table sets out the carrying amounts of the transferred assets and the associated liabilities at the reporting date:

	Consolidated	
	2026	2025
	\$	\$
Carrying amount of transferred assets	120,900,000	81,779,646
Carrying amount of associated liabilities	120,900,000	81,779,646
For those liabilities that have recourse only to the transferred assets:		
Carrying amount of transferred assets	120,900,000	81,779,646
Carrying amount of associated liabilities	120,900,000	81,779,646

The Company assigns the rights and benefits of a parcel of mortgage secured loans to a securitisation entity, the MTG MoveBank Repo Series No.1 Trust. The total assigned mortgage secured loans to the securitised entity amounted to \$120,900,000 as at 30 June 2026 (2025: \$81,779,646).

The Company acts in a custodian and servicer capacity for the securitisation entity in respect of the day-to-day operation of the mortgage loans and receives fees for these functions based on a percentage of the loan balances outstanding. The Company receives an excess distribution as the income unit holder of the trust, which is the surplus income from the securitisation entity after deducting funding and operating costs. The Company also receives interest in relation to notes which fund the trust.

Recognition and measurement of securitisation

The Group enters into transactions whereby it transfers assets recognised on its consolidated Statement of Financial Position but retains substantially all the risks and rewards of ownership of the transferred assets. The assignment of loans does not satisfy the de-recognition criteria prescribed in AASB 9, and accordingly the loans are recognised in the Statement of Financial Position. The Group continues to recognise the transferred assets as loans and advances and the transfer is accounted for as a secured financing transaction.

Note 22. Financial Risk Management

Financial risk management objectives

The Group's activities principally relate to the use of financial instruments. The Group accepts deposits and provides loans at both fixed and floating rates for various periods. Surplus liquidity is invested in high-quality assets. Accordingly, the activities of the Group expose it to the following key financial risks; market risk (including interest rate risk), credit risk and liquidity risk.

Treasury risk management is carried out by an appropriately skilled and trained management team and is monitored by the Board Risk Management Committee, under Board mandated and approved risk policies. The management team identifies, evaluates and if deemed appropriate, hedges financial risk. The Board approves written principles for overall risk management, as well as detailed policies covering specific areas, such as mitigating interest and credit risk, specific large credit exposures and management of delinquent loans.

Risk management

The Group has appointed a Chief Risk Officer ('CRO') whose responsibilities include maintaining and continuously reviewing the Group's risk management framework. Oversight of risk management is the responsibility of the Board's Risk Management Committee operating in accordance with formal risk policies approved by the Board.

The Risk Management Committee, which meets regularly, comprises independent non-executive Directors. It recommends to the Board the risk management policies which the Board's Audit and Compliance Committee monitor. This includes the identification, assessment and reporting of risks. It also ensures that contingency plans are in place to achieve business continuity in the event of serious disruptions to business operations.

The Audit and Compliance Committee, which comprises independent non-executive Directors, oversees the testing and assessment of internal controls implemented by management to manage material risk. The internal audit program is approved by this committee, and it considers the outcome of both internal and external audit reports.

The Audit and Compliance Committee monitors compliance with Board policies as well as prudential and statutory requirements.

The Committee reviews annual financial statements prior to sign off by the Board and oversees breach reporting to regulatory bodies such as APRA and ASIC.

The Chair of the Board and the Chair of the Risk Management Committee annually certify to APRA that senior management and the Board have identified key risks facing the Group, established systems to monitor those risks, including setting and requiring adherence to a series of prudential limits and adequate, timely reporting processes, and they ensure that these risk management systems are operating effectively and are adequate having regard to the risks they are designed to control. Any breaches in compliance are reported to the Board in a timely manner in accordance with the applicable policy.

Market risk

Market risk is the potential adverse change in the Group's income or the value of the Group's net worth arising from movements in interest rates. The objective of the Group is to manage and control market risk exposure in order to minimise risk and optimise return. The Group is not exposed to currency risk or any other significant price risk. The Group does not trade in the financial instruments it holds on its books and is only exposed to interest rate risk arising from changes in market interest rates.

The management of market risk is the joint responsibility of the Chief Financial Officer ('CFO') and Chief Executive Officer ('CEO'). Market risk is also monitored by management through the Asset & Liability Committee ('ALCO') on a monthly basis.

Market risk is measured and reported using a variety of techniques, according to the appropriateness of the technique to the exposure concerned. The techniques used to measure interest rate risk include interest rate repricing gap analysis, sensitivity analysis and interest rate risk management profiles which are conducted by management using a system developed by an independent risk management consultancy. Refer to the interest rate risk section below for the details of these policies and for quantitative disclosures in respect of interest rate risk.

Credit risk

Credit risk is the risk of financial loss as a result of a default by counterparties to discharge contractual obligations. The Group assumes credit risk predominantly from its lending activities. Exposure also arises from investment activities and off-balance sheet financial instruments such as loan commitments.

Note 22. Financial Risk Management (continued)

Credit risk policy

Credit risk, being the most significant risk faced by the Group, is managed to ensure exposure is minimised while supporting sound growth.

Loans and advances

The method of managing credit risk is by way of strict adherence to the credit assessment policies before the loan is approved and close monitoring of defaults in the repayment of loans thereafter. The credit policy has been endorsed by the Board to ensure that loans are only made to borrowers who are considered capable of meeting loan repayments. A regular review of compliance with these policies is conducted as part of the scope of external audit.

Liquid investments

Credit risk in relation to liquid investments is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. Liquid investments comprise cash and cash equivalents of \$40,440,462 and financial assets measured at amortised cost of \$201,264,848, as presented in the Statement of Financial Position. These financial assets include deposits with other financial institutions, term deposits, floating rate notes, Commonwealth and State Government securities, and residential mortgage-backed securities ('RMBS'). Refer to the liquidity investments section below for further information regarding the Group's exposure to credit risk and the management of these investments.

Credit risk management

Loans and advances

Concentrations of risk arise when loans are extended to borrowers of similar risk characteristics, such as industry and geographic location. Credit risk is minimised by dealing with many individual members. A sizeable portion of the loan book is represented by residential mortgages. The primary means of reducing the risk on these loans is the acquisition of security, which is residential property in Australia.

The Group has a concentration in retail lending to members who are employees of Queensland Rail or Aurizon Holdings Limited ('Aurizon'). This concentration is considered acceptable as the Group was formed to service these members, and the employment concentration is not exclusive. Should members leave the industry, the loans continue, and other employment opportunities are available to the members to facilitate the repayment of the loans.

The Group allows its members with a secured loan or advance reasonable assistance and opportunity to rectify a breach prior to recovery procedures being initiated. However, if a counterparty has failed to make a payment when contractually due, various actions are triggered such as re-negotiation, enforcement of covenants or legal proceedings and the impairment and provisioning policies are actioned.

Concentrations of credit risk on loans greater than 10% of capital currently arise in the following categories:

2026	Maximum credit exposure	
	\$	%
Industry		
Aurizon	22,696,923	2.57%
Queensland Rail	66,097,463	7.48%
2025	Maximum credit exposure	
	\$	%
Industry		
Aurizon	26,772,186	3.55%
Queensland Rail	73,718,093	9.76%

At the reporting date, there were no concentrations of credit risk on loans to individual members (including associated members) greater than 10% of capital.

Liquid investments

To limit the concentration of risk, the Group uses the following credit rating limits:

Note 22. Financial Risk Management (continued)

Credit rating	Eligible capital base Investments in an individual counterparty Maximum	Eligible capital base Investments in a number of counterparties Maximum
AAA to A-	25%	-
BBB+ to BBB-	25%	100%
Unrated*	5%	15%

* Deposits with Indue Limited ('Indue') totalling \$14,762,581, are excluded from the calculation relevant to these limits. Indue provides transaction and settlement services and the Group must deposit with Indue a security amount calculated based on previous twelve month's average banking transactions provided by Indue to the Group.

The eligible capital base for the purposes of the exposures to individual counterparties is the Group's Tier 1 regulatory capital.

The maximum exposure limit to a number of counterparties rated BBB+ to BBB only applies when the Group's liquidity ratio is below 18%.

Measurement of credit risk

Loans and advances

Lending conditions are continually monitored to compare the position of the Group to the rest of the market to ensure that opportunities are maximised and the Group is prepared for downturns.

Comprehensive reports are tabled on a regular basis to the Board and senior executive dissecting the loan book balance into various risk profiles. For example, in relation to retail loans risk characteristics such as geographic distribution of loans, security type, occupancy type, loan to value ratios, and mortgage insurance percentages are detailed.

Stress testing is an integral tool in the management of credit risk exposure, by projecting financial impacts of movements in market conditions including economic downturn resulting in low business growth, increase in unemployment and reduction in property values. Recent stress testing has indicated that the Group is resistant to a downturn in the economy.

Liquid investments

During the year ended 30 June 2026, the Group commenced investing in Australian Government and semi-Government securities as part of its liquidity management strategy. These investments provide greater diversification of the Group's liquid asset portfolio and support the management of liquidity in accordance with the Group's regulatory liquidity requirements.

The Group uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposures.

Prior to placing an investment with an acceptable unrated ADI, Management must ensure sufficient due diligence is undertaken to satisfy itself that the unrated ADI is a financially viable and stable entity. As part of this process, Management will review the unrated ADI's most recent annual report, and such other financial information as may be available. Management will also ensure the unrated ADI is regulated by APRA.

Note 22. Financial Risk Management (continued)

The carrying values associated with liquidity investments held by the Group are as follows:

	2026 \$	2025 \$
Credit rating		
<i>Government and semi-Government exposures</i>		
AAA to A-	73,299,032	-
<i>ADI exposures</i>		
AAA to A-	69,003,559	80,469,940
BBB+ to BBB-	76,105,606	55,951,764
Unrated	20,883,199	11,359,229
<i>RMBS exposures</i>		
AAA to A-	2,413,914	3,717,361
Total	241,705,310	151,498,294

Impairment and provisioning policies

Loans and advances

The Group's approach to recognising an allowance for impairment losses is based on the requirements of the credit risk management prudential standard, which adopts the principles of AASB 9.

Refer to Note 11(b) for allowance for impairment of loans and advances.

Credit risk exposure

The Group's maximum exposure to credit risk, without taking into account the value of any collateral or other credit enhancements, represents the carrying amount of recognised financial assets as reported in the Statement of Financial Position, together with undrawn loan commitments. At 30 June 2026, the maximum credit risk exposure in respect of recognised financial assets was \$925,255,006 (2025: \$820,031,647). In addition, the Group had undrawn loan commitments of \$41,338,574 (2025: \$64,879,616), comprising loans approved but not yet advanced and undrawn overdraft limits. Accordingly, the Group's total maximum exposure to credit risk was \$966,593,580 (2025: \$884,911,263). Details of undrawn loan commitments are disclosed in Note 27. Details of collateral held as security are disclosed in Note 11(a).

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments e.g. borrowing repayments or member withdrawal demands. It is the policy of the Board that the Group maintains adequate cash reserves to meet the member withdrawal demands when requested.

Liquidity risk management

The Group manages liquidity risk by:

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

The Group has a long-standing arrangement with the industry liquidity support scheme, CUFSS, which can access industry funds to provide support to the Group should this be necessary at short notice.

The Company maintains the MTG MoveBank Repo Series No.1 Trust (refer Note 21). The senior RMBS held by the Company through the Trust are eligible for use as collateral for short-term funding from the Reserve Bank of Australia (RBA), supporting the Company's liquidity management framework.

Under APRA Prudential Standard APS 210 Liquidity, the Group is required to maintain a minimum holding of 9% (2025: 9%) of adjusted liabilities in eligible liquid assets. The Group maintains a higher internal operational minimum of 12.5% (2025: 12.5%) to provide an appropriate liquidity buffer and support its ability to meet member withdrawals and other obligations as they fall due.

Note 22. Financial Risk Management (continued)

The ratio is checked daily and should the liquidity ratio fall below this level, Management will take action to raise additional liquid funds from new deposits from members and/or access borrowing facilities available.

The ratio of liquid funds over the past year is set out below:

	2026	2025
Ratio to total adjusted liabilities: As at 30 June	20.03%	15.48%
Average for the year	17.59%	17.20%
Actual Minimum during the year	15.44%	15.48%
Ratio to total deposits: As at 30 June	20.45%	16.24%

Maturity profile of financial liabilities

The table shows the undiscounted cash flows on the Group's financial liabilities, including unrecognised loan commitments on the basis of the earliest possible contractual maturity.

The Group's expected cash flows on financial liabilities vary significantly from this analysis. For example, on-call deposits from members are expected to maintain a stable or increasing balance and any unrecognised loan commitments are not expected to be all drawn down immediately.

To manage the liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents and investment grade investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements.

The maturity profile of the Group's financial liabilities is shown in the following table:

2026	Carrying value \$	Within 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$	Over 5 years \$	Gross nominal outflows \$
<i>Financial liabilities</i>							
Deposits	1,056,277,274	595,907,811	106,066,342	351,981,381	14,133,688	-	1,068,089,222
Other payables	1,919,714	1,919,714	-	-	-	-	1,919,714
Total financial liabilities	1,058,196,988	597,827,525	106,066,342	351,981,381	14,133,688	-	1,070,008,936

Off balance sheet
items undrawn loan
commitments (Note
27)

-	41,338,574	-	-	-	-	-	-
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2025	Carrying value \$	Within 1 month \$	1-3 months \$	3-12 months \$	1-5 years \$	Over 5 years \$	Gross nominal outflows \$
<i>Financial liabilities</i>							
Deposits	835,013,269	580,354,863	129,338,313	125,740,964	4,417,087	-	839,851,227
Other payables	2,629,656	2,629,656	-	-	-	-	2,629,656
Total financial liabilities	837,642,925	582,984,519	129,338,313	125,740,964	4,417,087	-	842,480,883

Off balance sheet items
undrawn loan
commitments (Note 27)

-	64,879,616	-	-	-	-	-	-
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Note 22. Financial Risk Management (continued)

Interest rate risk

Interest rate risk is the risk or variability of the fair value of future cash flows arising from financial instruments due to the changes in interest rates.

The policy of the Group is to maintain a balanced 'on book' strategy by ensuring the net interest rate gaps between assets and liabilities are not excessive. The Group aims to limit any loss due to a change in interest rates to be no greater than 1.5% (2025: 1.5%) of regulatory capital.

The gap is measured monthly to identify any large exposures to the interest rate movements and to rectify the excess through targeted fixed rate interest products available through investment assets, and term deposit liabilities to rectify the imbalance to within acceptable levels. The Group can undertake derivative transactions to reduce the interest rate risks.

A review of the interest rate risk management profile is conducted by Management through the Asset & Liability Committee. The Board monitors interest rate risk through these reviews and other Management reports.

Based on calculations as at 30 June 2026, the profit before tax and equity impact for a 1% (2025: 1%) movement in interest rates would be as follows:

2026			
Movement in interest rates		Impact on profit before tax \$	Impact on equity \$
1% increase		2,800	1,960
1% decrease		(2,800)	(1,960)

2025			
Movement in interest rates		Impact on profit before tax \$	Impact on equity \$
1% increase		717,400	538,050
1% decrease		(717,400)	(538,050)

The method used in determining the sensitivity is to evaluate the profit impact based on the timing of the interest repricing on the banking book of the Group for the next 12 months. In doing the calculation the assumptions applied were that:

- The interest rate change would be applied equally to loans, term deposits and savings;
- The rate change would be as at the beginning of the 12-month period and no other rate changes would be effective during the period;
- The term deposits would all reprice to the new interest rate at the term maturity;
- Savings that are considered by the Group to be sensitive to interest rate changes would all reprice in the event of a rate change within 30 days;
- Savings that are not considered by the Group to be sensitive to interest rate changes and are as a consequence less likely to change in the future, would reprice no earlier than 1 year;
- Variable interest rate mortgage loans would all reprice to the new interest rate within 30 days;
- Fixed rate mortgage loans would all reprice at a new interest rate at the expiry of their fixed rate period.
- Variable interest rate personal loans would reprice to the new interest rate within 2 years;
- Fixed rate personal loans would not reprice as the rate is fixed for the duration of the loan;
- All loans would be repaid in accordance with the current average repayment rate (or contractual repayment terms);
- The value and mix of call savings to term deposits remains unchanged; and
- The value and mix of personal loans to mortgage loans remains unchanged.

There has been no significant change to the way the Group manages and measures interest rate risk in the reporting period.

Note 22. Financial Risk Management (continued)

Interest rate risk maturity profile

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value or cash flows will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate on classes of financial assets and financial liabilities, is set out below.

		Fixed interest rate maturing					
	Floating interest rate \$	Within 1 year \$	1-5 years \$	Over 5 Years \$	Non interest sensitive \$	Total \$	Effective interest rate %
2026							
Assets							
Cash and cash equivalents	32,537,820	7,902,642	-	-	-	40,440,462	3.89%
Investment securities	-	-	-	-	-	-	-
Other receivables	-	-	-	-	1,732,494	1,732,494	-
Financial assets at amortised cost	-	201,264,848	-	-	-	201,264,848	3.93%
Loans and advances	238,955,094	527,061,484	116,440,280	2,846,389	-	885,303,247	5.58%
Total assets	271,492,914	736,228,974	116,440,280	2,846,389	1,732,494	1,128,741,051	
Liabilities							
Deposits	530,764,099	512,417,766	13,095,409	-	-	1,056,277,274	3.24%
Other payables	-	-	-	-	1,919,714	1,919,714	-
Total liabilities	530,764,099	512,417,766	13,095,409	-	1,919,714	1,058,196,988	
	Floating interest rate \$	Within 1 year \$	1-5 years \$	Over 5 Years \$	Non interest sensitive \$	Total \$	Effective interest rate %
2025							
Assets							
Cash and cash equivalents	21,104,800	3,958,354	-	-	-	25,063,154	3.59%
Investment securities	-	-	-	-	348,840	348,840	-
Other receivables	-	-	-	-	979,891	979,891	-
Financial assets at amortised cost	-	126,435,140	-	-	-	126,435,140	3.40%
Loans and advances	316,046,660	398,186,714	37,067,067	4,998,609	-	756,299,050	5.19%
Total assets	337,151,460	528,580,208	37,067,067	4,998,609	1,328,731	909,126,075	
Liabilities							
Deposits	517,206,775	313,654,167	4,152,327	-	-	835,013,269	2.81%
Other payables	-	-	-	-	2,629,656	2,629,656	-
Total liabilities	517,206,775	313,654,167	4,152,327	-	2,629,656	837,642,925	

Operational risk

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

Note 22. Financial Risk Management (continued)

The Group's objective is to manage operational risk to balance the avoidance of financial losses through the implementation of controls, whilst avoiding procedures which inhibit innovation. These risks are managed through the implementation of policies and systems to monitor the likelihood of the events and minimise the impact, as outlined below.

- Systems of internal control are enhanced through: segregation of duties between employee duties and functions, including approval and processing duties;
- Documentation of the policies and procedures, employee job descriptions and responsibilities, to reduce the incidence of errors and inappropriate behaviour;
- Implementation of whistleblowing policies to promote a compliance culture and awareness of duty to report exceptions by staff;
- Education of members to review their account statements and report exceptions to the Group promptly;
- Effective dispute resolution procedures to respond to member complaints;
- Effective insurance arrangements to reduce the impact of losses;
- Contingency plans for dealing with loss of functionality of systems, premises or staff; and
- Use of a software system designed to manage controls and compliance related tasks.

Fraud

Fraud can arise from members' banking activities including where either Personal Identification Numbers (PINs) or passwords become compromised as a result of members failing to protect them adequately. It can also arise from other system failures.

The Group has systems in place which are considered to be robust enough to prevent any material fraud. However, in common with all retail ADIs, fraud is potentially a real cost to the Group. Fraud losses have arisen from Visa card transactions and internet banking activity.

IT Systems

The Group manages the majority of its IT environment with the contracted support of specialist organisations. The Group's investment in its IT environment and training of the IT staff is significant to ensure that the Group is able to meet member expectations and service requirements.

Other network suppliers are engaged on behalf of the Group by Indue Ltd to service the settlements with other financial institutions for direct entry, Visa cards, New Payments Platform and BPay.

Capital management

The Group is regulated by Australian Prudential Regulation Authority ('APRA'). As a result, the Group must, for capital adequacy purposes, hold the minimum levels of capital required by Australian Prudential Standard - APS 110 Capital Adequacy. As part of these requirements the Group must hold Tier 1 capital and may also include Tier 2 capital as part of its required capital holding up to certain prescribed limits.

Tier 1 capital comprises the highest quality components of capital that fully satisfy the following essential characteristics:

- (a) Provide a permanent and unrestricted commitment of funds;
- (b) Are freely available to absorb losses;
- (c) Do not impose any unavoidable servicing charge against earnings; and
- (d) Rank behind claims of depositors and other creditors in the event of winding up.

For the purpose of calculating the Group's capital base Tier 1 capital consists of retained earnings, realised reserves and current year earnings. The Group's Tier 1 capital consists entirely of common equity Tier 1 capital.

Tier 2 capital includes other components that, to varying degrees, fall short of the quality of Tier 1 capital, however, still contribute to the overall strength of the financial institution as a going concern.

Note 22. Financial Risk Management (continued)

Capital held by the Group comprises:

	Consolidated	
	2026	2025
	\$	\$
<i>Tier 1 capital</i>		
Current year earnings	1,683,177	2,261,211
General reserve net of provisions for future losses	70,556,186	68,437,043
Asset revaluation reserve	3,044,857	3,081,859
Asset fair value reserve	-	16,351
Capitalised loan origination and settlement costs	(2,415,992)	(2,033,650)
Prescribed deductions	(344,567)	(797,197)
Net Tier 1 capital	<u>72,523,661</u>	<u>70,965,617</u>
<i>Tier 2 capital</i>		
Provisions for future losses	743,693	567,981
Net Tier 2 capital	<u>743,693</u>	<u>567,981</u>
Total capital	<u>73,267,354</u>	<u>71,533,598</u>

In addition to the above, the Company as the holder of an Australian Financial Services ('AFS') licence, has additional financial requirements, in accordance with ASIC Regulatory Guide 166 'AFS licensing: Financial requirements'. Specifically, this includes having adequate financial resources to provide the financial services covered by the Company's AFS licence.

APRA requires authorised deposit-taking institutions ('ADIs') to maintain a minimum capital ratio of 8% of risk weighted assets at any given time in accordance with Prudential Standards. In addition, APRA imposes ADI specific minimum capital ratios.

The Group's capital ratios as at the end of the financial year for the past 5 years are as follows:

Year	Capital ratio
2026	17.62%
2025	19.53%
2024	21.12%
2023	23.58%
2022	21.71%

The level of capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. The Group measures the capital ratio on a monthly basis and monitors any major movements in asset levels.

Policies have been implemented which require reporting to the Board and APRA if the capital ratio falls below 15%. During the current and prior financial years, the Group has complied with its capital ratio requirements at all times.

The component of the AASB 9 provision that provides for future credit losses is classified as Tier 2 capital. Tier 1 capital includes the Group's General Reserve net of the provision for future losses. The general reserve in the Group's Statement of Changes in Equity is therefore the combined values of these Tier 1 and Tier 2 capital items.

Note 22. Financial Risk Management (continued)

Fair value of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts in the Statement of Financial Position, for the Group are as follows:

		2026		2025	
	Note	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<i>Financial assets</i>					
Cash and cash equivalents	8	40,440,462	40,440,462	25,063,154	25,063,154
Other receivables	9	1,732,494	1,732,494	979,891	979,891
Financial assets at amortised cost	10	201,264,848	201,397,235	126,435,140	126,435,140
Loans and advances	11	885,303,247	887,404,755	756,299,050	759,126,127
Investment securities	12	-	-	348,840	348,840
<i>Financial liabilities</i>					
Deposits	16	1,056,277,274	1,057,499,363	835,013,269	836,227,164
Other payables	17	1,919,714	1,919,714	2,629,656	2,629,656

The values reported have not been adjusted for any changes in credit ratings of the assets.

Note 23. Fair Value Measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the financial assets or financial liabilities.

The table below summarises the fair values of financial assets and liabilities at reporting date.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 2026				
Assets				
<i>Non-financial assets</i>				
Land and buildings	-	-	3,000,000	3,000,000
Total assets	-	-	3,000,000	3,000,000
Consolidated - 2025				
Assets				
<i>Financial assets</i>				
Investment securities	-	-	348,840	348,840
<i>Non-financial assets</i>				
Land and buildings	-	-	3,000,000	3,000,000
Total assets	-	-	3,348,840	3,348,840

Note 23. Fair Value Measurement (continued)

The table below categorises assets and liabilities not measured and recognised at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 \$	Level 2 \$	Level 3 \$	Total fair values \$	Total carrying amount \$
Consolidated - 2026					
<i>Financial assets</i>					
Loans and advances	-	887,404,755	-	887,404,755	885,303,247
<i>Financial liabilities</i>					
Deposits	-	1,057,499,363	-	1,057,499,363	1,056,277,274
Consolidated - 2025					
	Level 1 \$	Level 2 \$	Level 3 \$	Total fair value \$	Total carrying value \$
<i>Financial assets</i>					
Loans and advances	-	759,126,127	-	759,126,127	756,299,050
<i>Financial liabilities</i>					
Deposits	-	836,227,164	-	836,227,164	835,013,269

Transfers into and out of the different fair value hierarchy levels are recognised at the date the event or change in circumstances that caused the transfer to occur.

There were no transfers between levels during the financial year.

The carrying amounts of other receivables and other payables are assumed to approximate their fair values due to their short-term nature.

Level 3 financial assets and financial liabilities

Movements in level 3 investments in securities during the current and previous financial year are set out below:

	Total \$
Consolidated	
Balance at 1 July 2024	1,772,211
Proceeds from sale of investment securities	(3,234,935)
Gains recognised in profit or loss	1,811,564
Balance at 30 June 2025	348,840
Proceeds from sale of investment securities	(523,156)
Gains recognised in profit or loss	174,316
Balance at 30 June 2026	-
Total gains for the previous year included in profit or loss that relate to level 3 financial assets held at the end of the previous year	-

Valuation techniques used to derive level 3 fair values recognised in the financial statements

The fair value measurement for land and buildings has been categorised as a level 3 fair value based on the inputs to the valuation technique used. Details of the significant inputs used and the relationship between unobservable inputs and the fair values are:

Note 23. Fair Value Measurement (continued)

Description	Valuation approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Land and buildings	Sale price comparison approach undertaken by an external valuer. Sales prices of comparable land and buildings in a similar location are adjusted for differences in key attributes such as property size and standard. The valuation model is based on a price per square metre.	Sale prices	\$2,558 to \$5,935 per square metre	The greater the sales price per square metre of the property the greater the fair value.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 24. Key Management Personnel Disclosures

Directors

Key Management Personnel ('KMP') are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

As at the reporting date, KMP comprises 6 Directors (2025: 7) and 5 members of Management (2025: 5) responsible for the day-to-day financial and operational management of the Group.

	Directors 2026 \$	Directors 2025 \$	Consolidated Other KMP 2026 \$	Consolidated Other KMP 2025 \$
Short-term employee benefits	324,335	340,189	1,569,485	1,729,918
Termination payment	-	-	-	176,422
Post-employment benefits	38,920	38,946	132,207	139,465
Long-term benefits	-	-	39,599	13,893
	<u>363,255</u>	<u>379,135</u>	<u>1,741,291</u>	<u>2,059,698</u>

Note 24. Key Management Personnel Disclosures (continued)

Remuneration shown as short-term benefits means (where applicable) wages, salaries, sick leave, annual leave and the value of fringe benefits received, but excludes out of pocket expense reimbursements. Long service leave is not expected to be paid within 12 months of the reporting date.

Note 25. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Consolidated 2026 \$	2025 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	138,500	114,000
Audit or review for statutory compliance	46,000	50,750
	<u>184,500</u>	<u>164,750</u>
<i>Other Services</i>		
Consulting	24,825	-
	<u>24,825</u>	<u>-</u>
Total	<u>209,325</u>	<u>164,750</u>

Note 26. Contingent Liabilities

Credit Union Financial Support Scheme ('CUFSS')

The Group is a participant in CUFSS. The purpose of the CUFSS is to protect the interests of its mutual ADI members, increase stability in the industry and provide liquidity in excess of current borrowing limits in times of need. The balance of the debt at 30 June 2026 was nil (2025: nil).

Note 27. Commitments

	Consolidated 2026 \$	2025 \$
<i>Loan commitments</i>		
Loans and credit facilities approved but not funded or drawn at the reporting date:		
Loans approved but not funded	18,434,132	36,637,512
	<u>18,434,132</u>	<u>36,637,512</u>
Undrawn overdrafts	22,904,442	28,242,104
	<u>22,904,442</u>	<u>28,242,104</u>

Note 28. Related Party Transactions

Parent entity

MoveBank Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 31.

Key management personnel

Disclosures relating to key management personnel are set out in Note 24.

Note 28. Related Party Transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2026 \$	2025 \$
Interest income:		
Interest received from KMP and related parties	59,964	6,412
Interest expense:		
Interest paid to KMP and related parties	7,148	21,214

There are no benefits paid or payable to the close family members of the KMP. There are no service contracts to which KMP or their close family members are an interested party.

Receivable from and payable to related parties

There were no other receivables from or other payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2026 \$	2025 \$
Loans and advances*:		
Loan to KMP and their close family relatives	3,737,083	617,051
Other credit facilities to KMP	8,000	5,000
Term loans funded to KMP	2,721,490	660,000
Deposits:		
Term and savings deposits	642,151	712,989

* There are no loans that are impaired in relation to the loan balances with close family relatives of KMP.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, unless otherwise stated.

All loans disbursed to KMP were approved on the same terms and conditions applicable to members for each class of loan.

No KMP received a concessional rate of interest on their loans and facilities.

There are no benefits or concessional terms and conditions applicable to the close family members of the KMP.

Interest has been paid to all KMP on terms and conditions no more favourable than those available on similar transactions to members of the Group.

The Group's policy for receiving deposits from other related parties and in respect of other related party transactions, is that all transactions are approved, and deposits accepted on the same terms and conditions that apply to members for each type of deposit.

Note 29. Parent Entity Information

The parent entity transfers loans and advances to the MTG MoveBank Repo Series No.1 Trust, which is 100% (2025: 100%) controlled by the Company, and retains substantially all the risks and rewards of ownership of the relevant loans and advances as it has retained the credit risk and interest rate risk. Due to the retention of substantially all the risks and rewards of ownership, the parent entity continues to recognise the transferred assets within loans and advances and the transfer is accounted for as a secured financing transaction. As such, the parent entity and consolidated financial information are identical and have not been presented separately.

Note 30. Cash Flow Information

Reconciliation of profit after income tax to net cash from/(used in) operating activities

	Consolidated	
	2026	2025
	\$	\$
Profit after income tax expense for the year	1,683,177	2,261,211
Adjustments for:		
Depreciation and amortisation	1,072,813	425,931
Credit impairment loss	237,493	74,131
Net gain on disposal of shares	(174,316)	(1,811,564)
Change in operating assets and liabilities:		
Decrease/(increase) in other receivables	(752,603)	20,388
Increase in deferred tax assets	(214,779)	(296,355)
Decrease/(increase) in other assets	(2,833,926)	76,909
Increase in financial assets amortised cost	(74,829,707)	(18,206,828)
Increase in loans and advances	(129,241,690)	(92,785,089)
Increase/(decrease) in other payables	(600,199)	961,273
Increase/(decrease) in provision for income tax	(137,681)	556,231
Increase/(decrease) in other provisions	56,529	(49,287)
Increase in deposits	221,264,005	97,732,859
Net cash from/(used in) operating activities	<u>15,529,116</u>	<u>(11,040,190)</u>

Note 31. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 2:

Name	Principal place of business / Country of incorporation	Control	
		2026	2025
		%	%
MTG MoveBank Repo Series No.1 Trust	Australia	100%	100%

Note 32. Events after the Reporting Period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest	Tax residency
MoveBank Ltd	Body Corporate	Australia	N/A	Australia
MTG MoveBank Repo Series No.1 Trust	Trust	Australia	N/A	Australia

Basis of preparation

The Consolidated Entity Disclosure Statement ('CEDS') has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign tax resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financials years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the Group at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3B)(a) of the Corporations Act 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the Group has applied the following interpretations:

(a) Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

In the Directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- The attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Scott J Riedel
Chair



Thomas W (Bill) Armagnacq
Chair, Audit and Compliance Committee

30 September 2026
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the members of MoveBank Ltd (formerly Railways Credit Union Limited)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MoveBank Ltd (formerly Railways Credit Union Limited) (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of MoveBank Ltd (formerly Railways Credit Union Limited), is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



M Cutri
Director

Brisbane, 30 September 2026