Annual Report

for the year ended 30 June 2025



1974 to 2025

Celebrating 51 Years

www.geelongbank.com.au
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1300 361 555

Ford Co-operative Credit Society Limited ABN 74 087 651 456 trading as Geelong Bank | AFSL/Australian Credit Licence 244351 | BSB 803 199

Geelong Bank

Where we grow

OUR VISION & MISSION

Vision: To be the primary institution meeting the personal financial services needs of our members.

Mission: Provide financial products and services that return value to members, workplaces and the local community.

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CORPORATE DIRECTORY

Established:	Ford Co-operative Credit Society Limited was incorporated in Victoria under the Co-operative Act on 12 September 1974.
Registered Office:	Head Office: Suite 1 69-71 Moorabool Street, Geelong VIC 3220
External Auditors:	Crowe Melbourne, Level 42, 600 Bourke Street, Melbourne VIC 3000
Internal Auditors:	DBP Consulting Pty Ltd, Level 9, 24 Albert Road, South Melbourne VIC 3205
Legal Advisors:	Daniels Bengtsson, Level 4, 171 Clarence St, Sydney NSW 2000
Bankers:	Credit Union Services Corporation (Australia) Limited, 1 Margaret Street, Sydney NSW 2001
Corporate Insurers:	Adroit Insurance Group, 380 Latrobe Terrace, Geelong VIC 3220.

Ford Co-operative Credit Society Limited is prudentially regulated and approved as an Authorised Deposit-taking Institution (ADI). All ADIs are equally subject to the depositor-protection provisions of the Banking Act 1959 and overseen by the Australian Prudential Regulatory Authority (APRA).

Ford Co-operative Credit Society Limited is a public company limited by shares, incorporated and domiciled in Australia and registered under the Corporations Act 2001.

Chair's Report

On behalf of your Board of Directors I present my second report as Chair for the Ford Co-operative Credit Society, trading as Geelong Bank.

Operating Environment
Economic conditions have stabilised with the RBA making two cash rate cuts this year, offsetting the previous two increases in the first half of last year. Despite this, interest rates remain elevated compared to three years ago.

Property sales have remained subdued due to a cautious approach. Rising living costs and stricter regulations are making it harder for some members to meet lending criteria. Although house prices are recovering, sales have lagged due to higher interest rates and tax policies adopted by some state governments.

Consumer confidence has been influenced by global conditions, including ongoing conflicts in Ukraine and the Middle East as well as ongoing uncertainty due to changing global tariff policies. However, renewed buyer activity is signaling a shift in sentiment and growing confidence, with the Real Estate Institute of Victoria (REIV) reporting Geelong as the most popular destination for residents relocating from capital cities.
Competition for mortgage market share among banks continues to be strong.

Financial Overview
Core expenses have continued to rise, particularly in areas such as IT and salary related costs. During the year we employed a Chief Risk Officer – a necessary addition to our capabilities given the increasing complexity of the regulatory environment, and in particular the advent of APRA's CPS 230 Operational Risk regime. While we managed to steer clear of significant IT expenditure this year, there have been ongoing mandated upgrades to systems and products including

- Confirmation of Payee
- Various Open Banking Updates
- Upgrade to our current Mobile Banking App (required for Confirmation of Payee)

Key Financial results are as follows:
- Profit before tax was of $310k (2024 - $135K)
- Total assets at the end of the year totalled $170.242m (2024 - $178.170m)
- Capital adequacy was 23.70% (2024 – 21.14%)
- Liquidity was 25.21% (2024 – 21.74%)
- Loan portfolio was $124.970m (2024 - $133.200m)
- Net Interest Margin was 2.16% (2024 – 1.83%)

Sale of Property and Relocation

In November 2024, the Bank successfully completed the sale of its former premises located at 107 Gheringhap Street. Following the sale, we continued to operate as tenants at the site for a transitional period, ensuring uninterrupted service to our members.

After securing a new location at 69-71 Moorabool Street in the heart of Geelong's CBD, the Bank transitioned its operations to these freshly acquired premises. The new branch benefits from a prime position adjacent to the Westfield shopping mall and directly opposite GMHBA, offering greater accessibility and enhanced visibility within the community.

Retirement of CEO, Vivien Allen

The Board was informed by CEO Vivien Allen of her plan to retire at the end of her contract in July 2025. Vivien began working for Geelong Bank in 2017 and stepped into the CEO position two years later. Throughout her tenure as CEO, she steered the bank through the challenges of COVID, managed the sale of our premises, and oversaw our relocation to Moorabool Street, all while keeping members' needs at the forefront. We send Vivien our best wishes for her retirement and thank her for her contributions to Geelong Bank.

Graham Fryer will lead Geelong Bank's next phase as CEO and Managing Director, stepping down from his role as a member elected non-Executive Director. Graham has been appointed by the Board as Managing Director in accordance with our constitution. Graham's extensive banking and commercial experience and his familiarity with Geelong Bank will be invaluable in leading the organisation through this next exciting phase.

Proposed merger with Hume Bank

By early 2024, the Board identified a major opportunity to secure and strengthen the future of both Geelong Bank and the broader Geelong region by exploring a potential merger. With Geelong's population projected to grow by 36 percent by 2036[1], and the area remaining one of the fastest-growing regions in the country, the Board recognized that our current size and scale may limit our ability to fully capitalise on this growth potential for the benefit of our members and the community.

In this context, the Board resolved to explore a merger with a like-minded customer-owned bank, at a time where Geelong Bank is a robust and viable organisation. This proactive approach was designed to ensure that Geelong Bank could continue to deliver exceptional value to members, capitalise on the region's growth, and maintain a strong customer-owned banking presence in Geelong. Key criteria in our considerations included maximising member benefits, retaining the Geelong Bank branch, team and brand, ensuring financial strength, maintaining a strong regional commitment, and securing Board representation to advocate for the interests of Geelong members and the region.

The Board undertook a thorough process, identifying three prospective merger partners and inviting proposals from each. We were pleased to receive responses from all parties approached; after comprehensive evaluation, the Board determined that Hume Bank's proposal best aligned with our member-centric objectives. Consequently, a non-binding Memorandum of Understanding was executed in June 2025.

The merger process is comprehensive, involving detailed due diligence by both organisations to ensure alignment with the best interests of their respective members. In addition, the escalating demands of regulatory compliance, including enhanced IT, cyber security, and governance requirements, have been carefully considered throughout this process. Following due diligence, an application will be submitted to our primary regulator, the Australian Prudential Regulatory Authority (APRA), which will conduct its own assessment to ensure the proposed merger supports both member interests and the integrity of the Australian financial system. APRA will also review materials intended to be provided to members to verify their accuracy and completeness, thereby enabling informed decision-making regarding the proposal.

This regulatory process may extend over several months, after which, subject to APRA approval, the proposal will proceed to a vote by Geelong Bank members, who will make the final determination.

We anticipate convening a meeting of members in the first half of 2026. Members have already received information regarding the proposal and associated processes, and several meetings have been held to address questions and obtain feedback. Further opportunities for member engagement will be available as the process advances.

On behalf of the Board, I would like to acknowledge the hard work and dedication of all our team members. Our people are crucial to our ongoing success and in ensuring we always put our members first.
I would also like to thank our Board of directors for their contribution during another important year for the Company.

Finaly, I would like to thank our members. Customer owned banking offers a unique approach, and we are committed to delivering excellent service to our members.

1 Source: Census 2021 data



Allison Batten
Chair

Your Directors submit their report for the year ended 30 June 2025.

DIRECTORS

The names and qualifications of the Directors of the Ford Co-operative Credit Society Limited (the Bank) in office at the date of this report are:

Allison Batten
GAICD



Allison was appointed Chair of Geelong Bank in October 2023 having served on the Board since 2019. She is currently a member of the Governance Committee and has previously Chaired both the Audit and Risk Committees.

Allison is an experienced Board Director & Chair, Executive, and Business Advisor. With a background deeply rooted in the retail sector, she had a successful corporate career with senior executive roles at ASX-listed companies Target Pty Ltd and The Reject Shop Ltd. Since 2014, she has operated a private business consultancy supporting boards, CEOs, and C-Suite executives in delivering a broad range of projects, including strategy development and technology transformation.

Allison currently serves as Chair of the AICD Barwon South West Regional Forum and has previously served as an executive board member at Reject Shop Ltd and as a board advisor to NQR Pty Ltd.

Allison is a graduate of the AICD Company Directors Course, a graduate of the William & Mary Mason School of Business in strategic planning and management in retail, and a participant in the Senior Executive forum in leadership, strategy, and authenticity at AIM-UWA Business School in WA.

A lifelong resident of Geelong and a proud advocate for the region.

Mark Burrowes
B Ec, FAICD



Mark became a Director in October 2020. He is Deputy Chair of the Board, Chair of the Governance Committee and a member of the Risk Committee.

Mark is a Founding Director of Consigliere Pty Ltd, a family company advisory group. He is also a former Director of several Boards, including the Reach Foundation, the Starlight Children's Foundation, as well as Managing Director of Medibank Private, Chair of Hardings Hardware and most recently Chair of Scope (Aust) Pty Ltd.

He is a Fellow of the Australian Institute of Company Directors.

As well as his Board experience Mark has had a 40 year corporate career across the oil sector, banking and finance, health, and retailing. Most recently, he has been involved in company turnarounds and he continues to work in the field of Mergers and Acquisitions.

Mark is a resident in the Greater Geelong region.

Michael Carroll
BBus, MBA, CPA, FGIA, GAICD



Michael joined the Board as an Associate Director in 2016, before becoming a full Director in 2017. He is Chair of the Audit Committee.

Michael has held a number of senior roles at HCF, GMHBA Limited and business, finance and administration roles with St John of God Health Care and Woodside Petroleum in Melbourne and Perth.

Michael is an experienced Finance and Compliance executive with diverse industry experience across the Private Health Insurance, Health, Resources, and Investment Management sectors. His depth of experience extends across multiple disciplines including Accounting, Treasury, Company Secretarial, Commercial, and Administration.

John Connor

MSci (Hons), FIA, FIAA, CERA, MAICD



John joined the Board in 2021 as an observer before becoming a full Director in 2022. He is Chair of the Risk Committee.

John has over 20 years' experience in financial services. His specialist areas are banking and insurance with a focus on capital, compliance and risk management. John has worked as an actuarial consultant at PricewaterhouseCoopers and in leadership roles at companies such as ANZ, Genworth and Westpac. John is an entrepreneur and a successful co-founder of multiple fintechs giving him a unique view on security and the effective use of technology.

John has a first class Master's Degree in Physics. He is also a Fellow of the Institute of Actuaries Australia (FIAA), a fellow of the Institute Faculty of Actuaries UK (FIA), a Chartered Enterprise Risk Actuary (CERA) and recently completed a graduate diploma in international relations.

Graham Fryer
CA, B Ec (Acctg), M Management, GAICD



Graham joined the Board in 2023 as an observer before becoming a full Director in 2023. He is Chair of the Treasury Committee and a member of the Governance and Audit Committees.

Graham is an experienced senior finance and operations executive specialising in finance, business improvement and structuring. Demonstrated people leadership capability developed through hands-on business management across many industries including Higher Education, Finance, Government and utility services. He has held CFO and COO roles and positions in major corporations as well as Board and Committee appointments.

Theodora Elia-Adams
B Comm, CA, Mtax, MAICD



Theodora joined the Board in 2023 as an observer before becoming a full Director in 2023. She is a member of the Risk & Audit Committees.

Theodora is an experienced Non-Executive Director, Chair of Audit, Risk and Finance, and a highly accomplished Chartered Accountant and professional services executive having been a Senior Partner at Ernst & Young. She has been Non-Executive Director of ASX listed 4D Medical's wholly owned subsidiary, ALHI Pty Ltd, and BioMelbourne Network, and is currently a Non-Executive Director at Australian College of Optometry, AUSVEG Ltd, and Building 4.0 CRC.

Theodora is known for her strategic thinking and passion for constantly evolving and innovating, and for her ability to draw on both her executive and board experience to offer pertinent insights to strengthen an organisation's governance posture.

John Velegrinis
G Dip Bkg, FFin, MAICD



John joined the Board in 2024 as an observer before becoming a full Director in 2024. He is a member of the Risk & Treasury Committees.

John is also a director of Bravery Trust and has over 40 years' experience in financial services. John's experience includes a number of senior executive positions at ANZ Banking Group for 30 years in commercial banking, including senior roles in corporate and institutional banking, risk management both domestically and internationally.

Most recently John stepped down as CEO of State Trustees Ltd in July 2024 and prior to that CEO of Australian Scholarships Group where he oversaw the strategic transformation of activities to greater client centricity and digital focus for growth. This included significant experience and responsibility for Funds Management with a focus on member and client outcomes.

COMPANY SECRETARY

Mr Stephen Allinson, B. Comm. CPA, the Company's Finance and Administration Manager, has held the role of Company Secretary since July 2019 and continues to act in this capacity.

PRINCIPAL ACTIVITIES

The principal activities of the Bank during the year were the provision of retail financial services to members in the form of taking deposits and giving financial accommodation as prescribed by the Constitution.

No significant changes in the nature of these activities occurred during the year.

DIRECTOR BENEFITS

No Director has received or become entitled to receive during, or since the financial year, a benefit because of a contract made by the Bank, controlled by the Bank, or a related body corporate with a Director, a firm of which is a member or Bank in which a Director has a substantial financial interest, other than disclosed in Note 35 of the financial report.

OPERATING RESULTS

Profit after income tax for the financial year was $315k (2024: $98k).

REVIEW OF OPERATIONS

The results of the Bank's operations from its activities of providing financial services to its members did not change significantly from those of the previous year and a review of those operations are set out in the Chairman's Report.

DIVIDENDS

No dividends have been paid or declared since the end of the financial year and no dividends have been recommended or provided for by the Directors of the Bank.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Bank during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Except for matters noted in the Chair's Report and in the Likely Developments and Expected Results section below, there has been no matter or circumstance, that has arisen since the end of the financial year that has significantly affected or may significantly affect:

1. The operations of the Bank;
2. The results of those operations; or
3. The state of affairs of the Bank;

in subsequent financial years,

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In June 2025, the Bank entered into a Memorandum of Understanding with Hume Bank to explore the possibility of a merger. The proposed merger was announced to members on 19 August 2025. Both Banks are undertakeing due diligence and are continuing to work through the potential merger process. The proposed merger is conditional on a number of matters, including receipts of member approval and regulatory approvals. If these conditions are satisfied, the merger is expected to be completed in the first half of the 2026 financial year. Refer to Note 1 for further potential merger details.

INDEMNIFICATION AND INSURANCE

During the year, a premium was paid in respect of a contract insuring Directors and officers of the Bank against liability.

The officers of the Bank covered by the insurance contract include the Directors, executive officers, secretary and employees.

In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

No insurance cover has been provided for the benefit of the auditors of the Bank.

CORPORATE GOVERNANCE

The Bank is committed to achieving high standards of corporate governance. The Bank is directed and controlled by its Board of Directors, and through systems of delegation and policies, so as to achieve its business objectives responsibly and in accordance with high standards of accountability and integrity.

The Bank complies with the Australian Prudential Regulation Authority Standard CPS 510 *Governance,* CPS 520 *Fit & Proper* and CPS 511 *Remuneration*.

These disclosures can be viewed on the Bank's website: geelongbank.com.au/about-us/disclosures-publications.

DIRECTORS' MEETINGS

The numbers of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Board Meetings		Governance Committee Meetings		Risk Committee Meetings		Audit Committee Meetings		Treasury Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
A.R. Batten	11	10	3	3	2	2	1	1	3	3
M.W. Burrowes	11	11	3	3	4	4	-	-	-	-
M.J. Carroll	11	9	-	-	-	-	4	4	4	4
J.R. Connor	11	10	-	-	4	4	4	4	-	-
T. Elia-Adams	11	11	-	-	4	4	4	4	1	-
G. V. Fryer	11	11	3	3	-	-	-	-	4	4
J. Velegrinis	10	10	-	-	4	3	-	-	3	3

A – Number of meetings held during the time that the Director held office during the year.

B – Number of meetings attended.

Directors are appointed to Board Committees restricting attendance to Committee members unless otherwise invited to attend by the Chairman of the Committee.

In addition to the above meetings, as part of continuing professional development Directors also attend various Industry and Regulatory meetings and seminars.

ROUNDING

The amounts contained in this report and in the financial statements have been rounded off under the option available to the Bank under ASIC Corporations Instrument 2016/191. The Bank is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have received the following declaration from the Bank's auditor, which may be found on page 10.

Signed in accordance with a resolution of the Directors.

On behalf of the Board



Allison Batten
Chair



Michael Carroll
Director
Geelong, 2 October 2025

Ford Co-operative Credit Society Limited ("the Company") is a public company limited by guarantee with customer-owned banking institutions as members.

The Company does not have any controlled entities and is therefore not required by the Australian Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the Company.

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Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of Ford Co-operative Credit Society Limited (trading as Geelong Bank)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2025 there have been no contraventions of:

1) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

2) Any applicable code of professional conduct in relation to the audit.

Crowe

CROWE MELBOURNE

Jason Gilbert

JASON GILBERT
Partner

2 October 2025

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries. Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity.

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Board of Directors

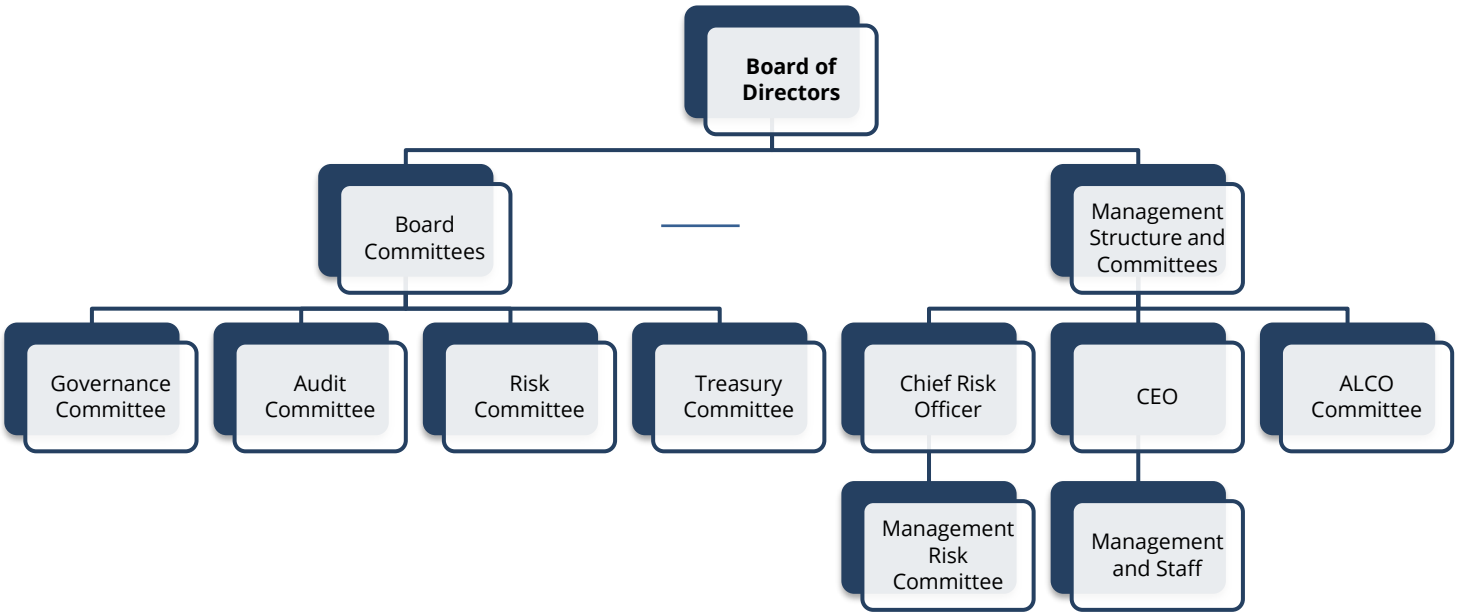
The Board of Directors is responsible for the corporate governance of the Bank. The Board guides and monitors the business and affairs of the Bank on behalf of the members by whom they are elected and to whom they are accountable. An important feature of the Board is to ensure compliance with the prudential and solvency requirements of the Australian Prudential Regulatory Authority (APRA) and the Australian Securities & Investments Commission (ASIC).

The key responsibilities of the Board include:

- Approving the strategic direction and related objectives and monitoring management performance in the achievement of these objectives;
- Adopting an annual budget and business plan and monitoring the financial performance of the Bank;
- Overseeing the establishment and maintenance of internal controls and effective monitoring systems;
- Ensuring all major business risks are identified and effectively managed; and
- Ensuring the Bank meets its legal and statutory obligations.

Structure of the Board

Non-Executive Directors of the Bank are considered to be independent and free from any business or other relationship that could interfere with, or could be perceived to materially interfere with the exercise of their unfettered and independent judgement.



Board Committees

The Board has established the following Committees that operate under a charter approved by the Board.

Governance Committee

The purpose of the Governance Committee is to assist the Board in the exercise of effective corporate governance, including oversight of the Bank's Governance and Fit & Proper Policies.

The purpose of the Governance Policy is to ensure strong Corporate Governance in the prudent management and financial soundness of the Bank and in maintaining public confidence in the financial system.

The purpose of the Fit & Proper – Responsible Person Policy is to manage the risk to its business or financial standing that persons acting in Responsible Person positions are fit and proper.

The Committee has also been appointed by the Board to fulfil the role of the Nominations and Remuneration Committees incorporating Board renewal, remuneration and nominations.

Audit Committee

The Audit Committee will assist the Board in fulfilling its oversight responsibilities and act as an interface between the Board and the internal and external auditors. The Audit Committee will review the:

- system of internal control;
- financial and regulatory/compliance reporting process; and
- audit process.

Risk Committee

The Risk Committee will assist the Board in fulfilling its oversight responsibilities and will be responsible for:

- oversight of the risk profile and risk management of the Bank within the context of the Board determined risk appetite (although ultimate responsibility for risk oversight and risk management rests with the Board, and the Committee will refer all matters of significant importance to the Board);
- making recommendations to the Board concerning the risk appetite and particular risks or risk management practices;
- reviewing management's plans for mitigation of the material risks faced by the Bank;
- oversight of the implementation and review of risk management and internal compliance and control systems; and
- promotion of awareness of a risk based culture and the achievement of a balance between risk and reward for risks accepted.

Treasury Committee

The Treasury Committee will assist the Board in fulfilling its oversight responsibilities and will be responsible for:

- reviewing the efficient allocation of financial resources;
- reviewing the Bank's management of liquid resources and compliance with regulatory requirements;
- reviewing the management of Bank's capital and compliance with regulatory requirements;
- reviewing management's plans for mitigation of the Treasury risks faced by the Bank.

Management Committees

Assets & Liabilities Committee (ALCO)

ALCO is a Committee responsible for managing the financial assets and liabilities of the Bank. The Committee recommends policy, sets strategy and monitors risks related to the management of the Bank's assets and liabilities regarding:

- pricing of the financial assets and liabilities including interest rates and fees;
- interest margin;
- interest rate risk;
- funding and liquidity management;

- investment management; and
- profitability and capital management.

Management Risk Committee

The Management Risk Committee in conjunction with the CRO (appointed Aug 24) is responsible for periodically reviewing the Bank's risk profile, fostering a risk-aware culture and reporting to the Board Risk Committee (BRC) on the effectiveness of the risk management framework and of the Bank's management of its material business risks.

The primary function of the Committee is:

- the implementation and review of risk management and internal compliance and control systems;
- reporting to the BRC on management's plans for mitigation of the material risks faced by the Bank;
- making recommendations to the BRC concerning the risk appetite and particular risks or risk management practices; and
- promotion of awareness of a risk based culture amongst staff and the achievement of a balance between risk and reward for risks accepted.

Risk Management Objectives and Policies

The Board of Directors has implemented a Risk Management Policy which establishes the overall Risk Management Framework for managing operational risk. Specifically, the Risk Management Policy aims to:

- Contribute to profitable prudential performance by achieving an appropriate balance between realising opportunities while minimising losses;
- Maintain a comprehensive and up-to-date Risk Appetite Statement that addresses all material risks and sets the risk limits acceptable to the Board;
- Be concerned with risk as exposure to the consequences of uncertainty, or potential deviations from that which is planned or expected;
- Address Capital Management – refer Note 28; and
- Facilitate regular reporting to Senior Management, the Board and relevant Committees.

Risk Management Framework

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established separate Audit and Risk Committees which are responsible for developing and monitoring risk management processes. The Committees report regularly to the Board on their activities.

Risk management policies and procedures are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities.

The Audit and Risk Committees oversee how management monitors compliance with the Bank's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit and Risk Committees are assisted in its oversight role by Internal Audit. Internal Audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committees.

The Bank has undertaken the following strategies to minimise risks.

Market Risk

The Bank is not exposed to currency risk, and does not trade in the financial instruments it holds on its books.

Credit Risk – Loans

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. The Board policy is to maintain at least 85% of loans in well secured residential mortgages that carry an 80% Loan to Valuation Ratio or less. Note 11 (c) describes the nature of the security held against the loans as at the balance date.

The Bank has an exposure in the retail lending for members who comprise employees and family in the Ford Motor Company. This exposure is considered acceptable on the basis that the Bank 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 details of the geographical and industry concentrations are set out in Note 11(d).

Credit Risk – Liquid Investments

The risk of losses from the liquid investments undertaken is reduced by the nature and quality of the independent rating of the investee and the limits to concentration in one entity.

The Board policy is that investments shall be widespread to avoid any undue concentration of risk and all investments must be with financial institutions with a rating in excess of BBB- or higher.

Credit Risk – Equity Investments

All investments in equity instruments are solely for the benefit of service to the Bank. The Bank invests in entities set up for the provision of services such as IT solutions, treasury services etc. where specialisation demands quality staff which is best secured by one entity. Further details of the investments are set out in Note 12.

Liquidity Risk

The Bank has set out in Note 27 the maturity profile of the financial assets and financial liabilities, based on the contractual repayment terms.

The Bank is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 48 hours under the APRA Prudential standards. The Bank policy is to apply 15% of funds as liquid assets to maintain adequate funds for meeting member withdrawal requests. The ratio is checked daily. Should the liquidity ratio fall below this level the management and the Board are to address the matter and ensure that the liquid funds are obtained from new deposits and borrowing facilities available.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
Interest Revenue	2	**8,464**	8,041
Interest Expense	2	**4,699**	4,675
NET INTEREST REVENUE	2	**3,765**	**3,366**
Other Revenue	3(a)	**1,559**	314
TOTAL OPERATING INCOME		**5,324**	**3,680**
Employee Benefits Expense	3(b)	**1,335**	1,135
Loan Impairment Expense		**-**	-
Depreciation and Amortisation	3(b)	**267**	177
Impairment Expense		**287**	-
Other Expenses	3(b)	**3,125**	2,233
PROFIT BEFORE INCOME TAX		**310**	**135**
Income Tax (expense) / benefit	5(a)	**5**	(37)
PROFIT AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS		**315**	98
OTHER COMPREHENSIVE INCOME Items that will not be reclassified subsequently to profit or loss			
Asset revaluation reserve movement (net of tax)		**(32)**	-
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	24	**2**	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO MEMBERS		**285**	**101**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
ASSETS			
Cash and cash equivalents	6	**7,960**	4,817
Deposits with other financial institutions	7	**15,480**	10,480
Accrued receivables	8	**491**	457
Assets held for sale	9	**-**	3,896
Investment securities	10	**20,125**	23,808
Net loans and advances	11	**124,970**	133,130
Other financial assets	12	**90**	87
Property, plant and equipment	13	**114**	1,105
Intangible assets	15	**719**	-
Other assets		**189**	291
Deferred tax assets	14	**104**	99
TOTAL ASSETS		**170,242**	178,170
LIABILITIES			
Deposits from members	16	**153,570**	162,167
Payables	17	**1,478**	1,100
Tax liabilities	18	**572**	34
Employee benefits	19	**251**	226
Deferred tax liabilities	20	**22**	579
TOTAL LIABILITIES		**155,893**	164,106
NET ASSETS		**14,349**	14,064
MEMBERS' EQUITY			
Capital reserve account	21	**-**	139
Reserves	22	**3,000**	3,000
Asset revaluation reserve	23	**-**	2,508
Financial asset reserve	24	**57**	55
Retained profits	25	**11,292**	8,362
TOTAL MEMBERS' EQUITY		**14,349**	14,064

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

YEAR ENDED 30 JUNE 2025	Notes	Retained Profits $'000	Capital Reserve Account $'000	Asset Revaluation Reserve $'000	Reserves $'000	Financial Asset Reserve $'000	Total $'000
Total at 1 July 2023		8,165	136	2,508	3,102	52	13,963
Net Profit for the year		98	-	-	-	-	98
Less redeemed preference shares	21	(3)	3	-	-	-	-
Transfer from reserves		102	-	-	(102)	-	-
Revaluation increments	24	-	-	-	-	3	3
Total at 30 June 2024		8,362	139	2,508	3,000	55	14,064
Total at 1 July 2024		8,362	139	2,508	3,000	55	14,064
Net Profit for the year		**315**	**-**	**-**	**-**	**-**	**315**
Less redeemed preference shares	21	**139**	**(139)**	**-**	**-**	**-**	**-**
Transfer from Asset Revaluation Reserve		**2,476**	**-**	**(2,508)**	**-**	**-**	**(32)**
Revaluation increments/(decrements)	24	**-**	**-**	**-**	**-**	**2**	**2**
Total at 30 June 2025		**11,292**	**-**	**-**	**3,000**	**57**	**14,349**

The accompanying notes form part of these financial statements.

YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		**8,478**	8,029
Dividends received		**-**	11
Borrowing costs		**(4,558)**	(4,406)
Other non-interest income received		**377**	269
Personnel and occupancy costs paid		**(1,536)**	(1,264)
General expenses paid		**(2,330)**	(2,258)
Income tax paid / (received)		**(51)**	(16)
Net movement in loans, advances and other receivables		**8,159**	6,481
Net movement in deposits and shares		**(8,597)**	(11,352)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	31(a)	**(58)**	(4,506)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net movement in investments		**(1,683)**	1,147
Acquisition of property, plant and equipment and intangibles		**(288)**	(637)
Proceeds from sale of Head Office Building		**5,040**	-
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**3,069**	510
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		**-**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**3,011**	(3,996)
Cash and cash equivalents at beginning of year		**4,817**	8,813
CASH AND CASH EQUIVALENTS AT END OF YEAR	31(b)	**7,828**	4,817

The accompanying notes form part of these financial statements.

FOR THE YEAR ENDED 30 JUNE 2025

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

The Financial Statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. For the purpose of preparing the financial statements, the Bank is a for-profit entity.

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS ("AIFRS"). The financial statements of the Bank comply with IFRS and interpretations adopted by the International Accounting Standards Board, to the extent outlined below.

b) Basis of Preparation

The financial statements have been prepared on the basis of historical costs, unless stated otherwise.

The preparation of the financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Bank.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Bank presents its statement of financial position showing assets and liabilities in their broad order of liquidity because this presentation provides reliable and more relevant information than separate current and non-current classifications. For each asset and liability line item that combines amounts expected to be recovered and settled within:

- no more than 12 months after the reporting date; and
- more than 12 months after the reporting date,

The Bank discloses in the notes the amount expected to be recovered or settled after more than 12 months. The financial report was authorised for issue by the Directors on 15 September 2025.

Going Concern

In June 2025, the Bank entered into a Memorandum of Understanding with Hume Bank, a mutual bank, to explore the possibility of a merger. The proposed merger was announced to members on the 19th August 2025. Both Bank's are undertaking due diligence and are continuing to work through the potential merger process. The proposed merger is conditional on a number of matters, including receipts of members approval and regulatory approvals. If these conditions are satisfied, the merger is expected to be completed in the first half of the 2026 financial year.

c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts and short term investments under 30 days.

d) Classification of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of loans and receivables, which is presented within other expenses.

Classifications are determined by both:
- the entity's business model for managing the financial asset and
- the contractual cash flow characteristics of the financial assets.

Subsequent measurement of financial assets
Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Bank's cash and cash equivalents, trade receivables fall into this category of financial instruments and bonds.

Financial assets at Fair Value through Profit or Loss (FVPL)
Financial assets that are within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised as fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Financial assets at fair value through other comprehensive income (FVOCI)
Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities – Transaction Solutions Pty Limited trading as Experteq.

Impairment of the Bank's financial assets

The Bank's financial assets carried at amortised cost and those carried at fair value through other comprehensive income (FVOCI) are subject to AASB 9's three-stage expected credit loss model. The Bank measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for the following, for which they are measured as 12 months ECL.

- Debt investment securities that are determined to have a low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not significantly increased since initial recognition.

Loans to Members

Loans and advances' captions in the statement of financial position include:

- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method; and
- loans and advances mandatorily measured at FVPL or designated as at FVPL; these are measured at fair value with changes recognised immediately in profit or loss.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

'Loans and advances' were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and that the Bank did not intend to sell immediately or in the near term.

Loans and advances to customers included:

- those classified as amortised cost; and
- those designated as at FVPL;

Loans and advances were initially measured at fair value plus incremental direct transaction costs and subsequently measured at their amortised cost using the effective interest method.

Interest earned
Term loans - interest is calculated on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Overdraft – interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Nonaccrual loan interest – while still legally recoverable, interest is not brought to account as income where the Bank is informed that the member has deceased, or loan is impaired.

Loan origination fees and discounts
Loan establishment fees and discounts are initially deferred as part of the loan balance and are brought to account as income over the expected life of the loan as interest revenue.

Transaction costs
Transaction costs are expenses which are direct and incremental to the establishment of the loan. These costs are initially deferred as part of the loan balance and are brought to account as a reduction to income over the expected life of the loan and included as part of interest revenue.

Fees on loans
The fees charged on loans after origination of the loan are recognised as income when the service is provided or costs are incurred.

Net gains and losses
Net gains and losses on loans to members to the extent that they arise from the partial transfer of business or on securitisation, do not include impairment write downs or reversals of impairment write downs.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets. There were no changes to any of the Bank business models during the current year (Prior year: Nil).

Loan impairment

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss model' (ECL). Instruments within the scope of the requirements include loans and advances and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments.

The Bank considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.
In applying this forward-looking approach, a distinction is made between:

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment (loans in default) at the reporting date.

Measurement of ECL

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument. 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 Bank in accordance with the contract and the cash flows that the Bank 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 Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset 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 Bank on terms that the Bank 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 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 personal loan that is overdue for 90 days or more is considered impaired.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Bank 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 Bank's procedures for recovery of amounts due.

Other Financial Assets

AASB 9 requires the Bank's equity investments in other financial assets to be held at fair value. The Bank has elected for these to be held at fair value through other comprehensive income (FVOCI).

Subsequent movements in fair value are recognised in other comprehensive income and never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

Other Financial Assets (cont...)

loss, unless the dividend clearly represents return of capital. The Bank's other financial assets are equity investments in Transaction Solutions Pty Ltd.

e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Bank will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f) Receivables - related parties entities

Amounts receivable from related parties/entities are carried at amortised cost. Details of the terms and conditions are set out in Note 35.

g) Property, plant and equipment & intangible assets

The Bank recognises in the carrying amount of an item of property, plant and equipment (PPE) the cost of replacing part of such an item when that cost is incurred; if it is probable that the future economic benefits embodied within the item will flow to the Bank, and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

Cost and valuation

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 building.

Depreciation

Depreciation is provided on a straight line basis (except motor vehicles where the diminishing value method is used) over the estimated useful life of all property, plant and equipment, other than freehold land. The estimated useful life in the current and comparative periods is as follows:

Major depreciation periods are:

Freehold building:	40 years
Leasehold improvements:	2 years (lease term)
Plant and equipment:	3 to 7 years

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

Intangible Assets

Computer software held as intangible assets is amortised over the expected useful life of the software from the date installed ready for use. The expected useful life of computer software is 3-7 years.

Recoverable amount

The carrying amounts of the Bank's PPE are reviewed at each reporting date to determine whether there is any indicator of impairment. If any such indicator exists, then the assets recoverable amount is estimated. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate. Where carrying values exceed this recoverable amount, assets are written down. Land is not revalued to an amount above its recoverable amount.

h) Member Deposits

Member savings and term investments are quoted at the aggregate amount of money owing to depositors.

Interest on savings is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term deposit. Interest on savings is brought to account on an accrual basis in accordance with the interest rate terms and conditions of each savings and term deposit account as varied from time to time. The amount of the accrual is shown as part of amounts payable.

i) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the loans and borrowings using the effective interest method.

j) Provision for Employee Benefits

Provision is made for the Bank's liability for employee benefits arising from services rendered by employees to balance date.

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Bank expects to pay as a result of the unused entitlement. Annual leave is discounted when calculating the leave liability as the Bank does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits discounted using corporate bond rates.

Provision for long service leave is on a pro-rata basis from commencement of employment with the Bank based on the present value of its estimated future cash flows.

Annual leave is accrued in respect of all employees on pro-rata entitlement for part years of service and leave entitlement due but not taken at balance date.

Contributions are made by the Bank to an employee's superannuation fund and are charged to the statement of comprehensive income as incurred.

k) Goods and Services Tax

As a financial institution, the Bank is Input Taxed on all income except other income from commissions and some fees. An input taxed supply is not subject to GST collection, and similarly the GST paid on purchases cannot be recovered. As some income is charged GST, the GST on purchases is generally recovered using the safe harbour apportionment rate of 18% adopted per Practical Compliance Guide 2019/15 from 1 July 2019. In addition, certain prescribed purchases are subject to Reduced Input Tax Credits, of which 75% of the GST paid is recoverable.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included where applicable GST is collected. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

l) Revenue recognition

Account fees

A monthly service fee is applicable on savings accounts for maintaining a customer's deposit account. Many of the Bank's savings account contracts with members comprise a variety of performance obligations including, but not limited to processing of transfers, use of ATMs for cash withdrawals, the issue of original debit cards, and provision of account statements.
Under AASB 15, the Bank must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both of the following criteria are met:

- the customer benefits from the good or service either on its own or together with other readily available resources; and
- the Bank's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the Bank does not provide a significant service integrating, modifying or customising it).

Insurance commission

Insurance commission revenue is in the form of commission generated on successful referral of an insurance application to the insurer. This commission is recognised at a point in time on inception of the insurance policy with the insurer, which reflects when the Bank has fulfilled their performance obligation.

m) New or emerging standards not yet mandatory

Certain accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Changes that are not likely to impact the financial report of the Bank have not been reported.

n) New accounting standards applicable for the current year

The Bank has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

o) Use of estimates and judgements

In the process of applying the Bank's accounting policies management has used judgements and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgements and estimates are as follows:

(i) Impairment losses on loans and advances

The Bank reviews its individually significant loans and advances on a monthly basis to assess whether an impairment loss should be recorded in the statement of comprehensive income. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont....)

when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually and found not to be impaired, and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

Management have made critical accounting estimates when applying the Bank's accounting policies with respect to the measurement of expected credit loss (ECL) allowance. Key areas of judgement to be considered under the new standard include:

- Recognition of credit losses based on "Stage 1" 12 month expected losses and "Stage 2" and "Stage 3" lifetime expected credit losses.
- Determining criteria for significant increase in credit risk: An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.
- Choosing appropriate models and assumptions tor the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; when ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics.

(ii) Determination of fair values

A number of the Bank's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosures purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(iii) Property, plant and equipment

The fair value of land and buildings is based on a market approach. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Bank's land and buildings.

(iv) Equity and investing securities

The fair value of the investments held in Transaction Solutions Pty Limited trading as Experteq have been determined by calculating the net asset per share using the last published financial statements.

(v) Assets for sale

An asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, which is when the sale is highly probable, and it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Assets classified as held for sale are measured at the lower of the carrying amount upon classification and the fair value less costs to sell. Assets classified as held for sale and the associated liabilities are presented separately from other assets and liabilities in the Balance Sheet. Once assets are classified as held for sale, they are no longer subject to depreciation or amortisation.

p) Leases

The Bank as a lessee

The Bank has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets (defined by the Bank as $10,000). The Bank recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

On 24 March 2025, the Bank entered into a lease agreement for new branch location at 69-71 Moorabool Street, Geelong. The lease has a non-cancellable term of 2 years, expiring on 28 February 2027, with fixed annual lease payments of $50,000 (exclusive of GST).

The Bank has assessed the impact of this lease under AASB 16 Leases and determined that the associated right-of-use asset and lease liability are not material to the Bank's financial position or performance. Accordingly, the lease has not been recognised on the balance sheet. This assessment considered both quantitative and qualitative factors, including the nature of the leased asset, the lease term, and the relative size of the payments.

Management considers that excluding this lease from recognition does not result in the omission of material information or impair the usefulness of the financial statements to users. The Bank continues to monitor the lease annually for any changes that may warrant recognition in future periods

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
2. INTEREST REVENUE AND INTEREST EXPENSE			
Interest Revenue			
Deposits with other financial institutions		**1,450**	1,296
Investment securities		**110**	139
Loans and advances		**6,904**	6,606
		8,464	8,041
Interest Expense			
Deposits		**4,698**	4,674
Short term borrowings		**1**	1
		4,699	4,675
Net Interest Income		**3,765**	3,366
3. NON-INTEREST INCOME AND EXPENSES			
(a) Revenue from contracts with customers			
Fees and commissions			
- Loan fee income		**30**	30
- Other fee income		**85**	89
- Insurance commissions		**241**	76
- Other commissions		**9**	5
Total other revenue from contracts with customers		**365**	200
Other sources of income			
Dividends		**-**	11
Bad debts recovered		**16**	3
Income from property		**25**	100
Other income		**9**	-
Profit on disposal of other investments, plant and equipment		**1,144**	-
Total other sources of income		**1,194**	114
Total other income		**1,559**	314
(b) Other Operating Expenses			
Depreciation and amortisation			
- Plant and equipment		**25**	150
- Building		**-**	27
- Leasehold improvements		**8**	-
- Intangible assets		**234**	-
		267	177
Employee benefits expense			
- Personnel costs		**1,137**	960
- Provision for employee benefits		**24**	28
- Contributions to accumulation superannuation funds		**174**	147
		1,335	1,135
Other Expenses			
- Loss on sale of investments		**373**	-
- IT/Software		**1,005**	974
- General and administration		**1,747**	1,259
		3,125	2,233
Total other operating expenses		**4,727**	3,545

FOR THE YEAR ENDED 30 JUNE 2025

3. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER SOURCES OF INCOME (cont...)

Further details with regards to the revenue from contract with customers under AASB 15 is disclosed below:

	Nature and timing of satisfaction of performance obligations	Revenue recognition under AASB 15
Fee income		
Loan fees	Loan fees and charges includes fees for ongoing loan account management, as well as late repayment fees and other penalty charges. These fees and charges are charged to the customer's account as incurred.	Loan fees and charges are recognised at the point in time when the transaction takes place.
Electronic transaction fees / Visa card fees / Other fees	The Bank provides financial services to members. Fees for ongoing account management are charged to the customer's account on a monthly basis. Transaction-based fees are charged to the customer's account when the transaction takes place.	Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.
Commission income		
Insurance	Commission income is generated via the issuing of 3rd party insurance policies to members. A financial contribution is also available to help cover the direct costs of projects and/or campaigns.	Commission income is recognised when the insurance policy is issued. Commission income for renewals is recognised on receipt, as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of a significant reversal in a subsequent period. The receipt of renewal commission income is outside the control of the Bank and is a key judgement area. Financial contributions are recognised in the year the campaign occurs.
Card/Bpay/payment	Commission is paid based on the volume of member generated BPAY transactions and card transactions.	Revenue is recognised at the point in time when it is received as that is when the service has occurred.
Other	Other commission includes Travelex and term life insurance.	Revenue is recognised at the point in time when it is received, as that is when the service has occurred.

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025 $'000	2024 $'000
4. PROFIT BEFORE INCOME TAX EXPENSE			
Profit before income tax expense does not include any items whose disclosure is not relevant in explaining the financial performance of the Bank.			
5. INCOME TAX			
(a) The prima facie tax payable on operating profit is reconciled to the income tax expense in the accounts as follows:			
Profit from operations before tax		**597**	135
Prima facie tax payable on operating profit before income tax at 25%		**149**	34
Add tax effect of expenses not deductible			
- Other non-deductible expenses		**(16)**	19
		133	53
Add			
- Deferred Tax Expense Movements		**(592)**	(12)
- CGT on sale of assets		**454**	-
Less			
- Franking Rebate		**-**	(4)
Income tax expense attributable to operating profit		**(5)**	37
(b) Franking Credits The amount of franking credits held by the Bank after adjusting for franking credits that will arise from the payment of income tax payable as at the end of the financial year is:		**3,342**	3,291
6. CASH AND CASH EQUIVALENTS			
Cash on hand		**210**	220
Deposits at call		**7,750**	4,597
		7,960	4,817
7. DEPOSITS WITH OTHER FINANCIAL INSTITUTIONS			
Interest earning deposits		**15,480**	10,480
Maturity Analysis			
Not longer than 3 months		**11,050**	6,050
Longer than 3 and not longer than 12 months		**1,000**	1,000
Longer than 1 and not longer than 5 years		**3,430**	3,430
		15,480	10,480

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
8. ACCRUED RECEIVABLES			
Interest receivable		**207**	221
Other		**284**	236
		491	457
9. ASSETS HELD FOR SALE			
Land		**-**	2,875
Buildings		**-**	1,021
		-	3,896

The assets held for sale were the head office location of the Bank.
Settlement was 1st November 2024.

10. INVESTMENT SECURITIES			
Government and semi government securities/bonds		**1,000**	9,272
Floating rate notes		**19,125**	14,536
		20,125	23,808
Maturity Analysis			
Not longer than 3 months		**1,000**	1,000
Longer than 3 and not longer than 12 months		**9,000**	2,500
Longer than 1 and not longer than 5 years		**10,125**	20,308
Longer than 5 years		**-**	-
		20,125	23,808
11. LOANS AND ADVANCES			
Overdrafts		**28**	33
Term loans		**125,012**	133,167
		125,040	133,200
Provision for impairment	11(e)	**(70)**	(70)
Total loans and advances (net)		**124,970**	133,130
(a) Aggregate amounts receivable from related parties:			
Directors and Director-related entities			
– Directors		**277**	330
(b) Maturity Analysis			
Overdrafts		**28**	33
Not longer than 3 months		**2**	2
Longer than 3 and not longer than 12 months		**74**	128
Longer than 1 and not longer than 5 years		**2,355**	2,090
Longer than 5 years		**122,581**	130,947
		125,040	133,200
c) Credit Quality – Security Dissection			
Secured by mortgage		**120,001**	129,551
Secured other		**3,404**	3,476
Unsecured		**1,635**	173
		125,040	133,200

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
11. LOANS AND ADVANCES (Cont...)			
It is not practicable to value all collateral as at the balance date due to the variety of assets and conditions. A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:			
- loan to valuation ratio of less than 80%		**115,173**	121,725
- loan to valuation ratio of more than 80% but mortgage insured		**3,409**	4,670
- loan to valuation ratio of more than 80% but not mortgage insured		**1,419**	3,156
		120,001	129,551
(d) Concentration of Risk			
The Bank has an exposure to groupings of individual loans which concentrate risk and create exposure to particular segments as follows:			
(i) Geographic			
- Victorian residents		**100,725**	107,329
- Other		**24,315**	25,871
		125,040	133,200
(ii) Industry			
- Employed by Ford Motor Company Limited		**9,154**	7,034
The Bank's loan portfolio includes four loans totalling $7,982k which represents 10% or more of capital.			
(e) Provision on Impaired Loans			
(i) Loan Provisions Comprise:			
- Expected credit loss allowance		**70**	70
		70	70

FOR THE YEAR ENDED 30 JUNE 2025

11. LOANS AND ADVANCES (Cont...)

Reconciliation of allowance for impairment
The reconciliations from the opening to the closing balance of the allowance for impairment by class of financial instrument is shown in the table below:

Credit risk exposure under expected credit loss - 2025	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loan category	**2025 $'000**	**2025 $'000**	**2025 $'000**	**2025 $'000**
Mortgages loans – secured by residential or commercial property				
Up to 30 days	**117,014**	**-**	**-**	**117,014**
More than 30 days, but less than 90 days	**-**	**1,466**	**-**	**1,466**
More than 90 days	**-**	**-**	**1,521**	**1,521**
Personal loans – secured				
Up to 30 days	**3,278**	**-**	**-**	**3,278**
More than 30 days, but less than 90 days		**44**	**-**	**44**
More than 90 days	**-**	**-**	**82**	**82**
Personal loans - unsecured	**1,635**	**-**	**-**	**1,635**
Total carrying amount – gross				
Less expected credit loss allowance	**(62)**	**(5)**	**(3)**	**(70)**
Total carrying amount – net	**121,865**	**1,505**	**1,600**	**124,970**
Security analysis - Stage 2 & Stage 3				
Estimated collateral – after discount	**N/A**	**3,061**	**1,900**	**4,961**

Reconciliation of allowance for impairment
The reconciliations from the opening to the closing balance of the allowance for impairment by class of financial instrument is shown in the table below:

2025:

	Stage 1 12 month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Movement category	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2024	**65**	**3**	**2**	**70**
Transfers between stages	**(3)**	**2**	**1**	**-**
Movement due to increase in loans & advances	**-**	**-**	**-**	**-**
Movement due to change in credit risk	**-**	**-**	**-**	**-**
Bad debts written off from provision	**-**	**-**	**-**	**-**
Changes in model/risk parameters	**-**	**-**	**-**	**-**
Balance at 30 June 2025	**62**	**5**	**3**	**70**

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
11. LOANS AND ADVANCES (Cont...)			
Non-accrual loans		-	-
(g) Past due but not impaired			
As at 30 June 2025 loans and advances of $3,113,578 (2024: $2,689,059) were past due but not impaired. Adequate security is held to cover recovery of the debt. The ageing analysis is as follows:			
Past due up to 90 days (fully secured)		1,510	2,380
Past due 90 - 365 days (fully secured)		1,604	309
		3,114	2,689

Key assumptions in determining the provision for impairment

In the course of the preparation of the annual report, the Bank has determined the likely impairment loss on loans, which have not maintained the loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as industrial restructuring, job losses or economic circumstances. In identifying the impairment likely from these events, the Bank is required to estimate the potential impairment using the length of time the loan is in arrears, the historical losses arising in past years, and the security held. Given the relatively small number of impaired loans, the circumstances may vary for each loan over time resulting in higher or lower impairment losses. An estimate is based on the period of impairment.

Incorporation of forward-looking information

The Bank has taken into consideration several macro-economic factors including unemployment rate, gross domestic product, housing price index and interest rates. Through analysis it was determined that the unemployment rate showed a correlation with the Bank's arrears history, therefore the Probability of Default ('PD') will be reviewed and adjusted if a significant change in the unemployment rate is forecast or has occurred. Due to the anticipated near-term outlook, the PD at each stage has been reviewed and adjusted based on a forecasted increase in the unemployment rate.

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
12. OTHER INVESTMENTS			
Shares in Unlisted companies – at fair value			
- Transaction Solutions Pty Limited trading as Experteq		**87**	84
- Increase in fair value during the year		**3**	3
		90	87

None of the Bank's 'other investments' are traded in active markets and therefore the Bank is unable to base the fair value of its other investments on quoted market prices or broker price quotations. As such, the Bank determines fair values using other valuation techniques.

All 'other investments' trade infrequently and have little price transparency, as such fair value estimates require varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific investment.

The valuation technique for all 'other investments' includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Because of the inherent uncertainty of valuing these underlying investments arising from their illiquid nature, the values of these underlying investments may differ from the values that would have been used had a ready market for the investments existed.

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
13. PLANT AND EQUIPMENT			
Leasehold improvements			
At cost		**84**	-
Less Provision for depreciation		**(8)**	-
Total leasehold improvements		**76**	-
Plant and equipment			
At cost		**353**	2,618
Less Provision for depreciation		**(315)**	(1,513)
Total plant and equipment		**38**	1,105
Total plant and equipment			
At cost		**437**	2,618
Less Provision for depreciation		**(323)**	(1,513)
Total written down amount		**114**	1,105

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

30 June 2025	**Land**	**Bldgs.**	**Plant & Equip.**	**Leasehold Improv.**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at start of year	**-**	**-**	**1,105**	**-**	**1,105**
Additions	**-**	**-**	**7**	**84**	**91**
Less Disposals	**-**	**-**	**(6)**	**-**	**(6)**
Less Depreciation	**-**	**-**	**(25)**	**(8)**	**(33)**
Less Transfer to Intangibles	**-**	**-**	**(1,043)**	**-**	**(1,043)**
Carrying amount at end of year	**-**	**-**	**38**	**76**	**114**

30 June 2024	**Land**	**Bldgs.**	**Plant & Equip.**	**Leasehold Improv.**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at start of year	2,875	1,048	618	-	4,541
Additions	-	-	637	-	637
Less transfer to assets held for sale	(2,875)	(1,021)	-	-	(3,896)
Less Disposals	-	-	-	-	-
Less Depreciation	-	(27)	(150)	-	(177)
Carrying amount at end of year	-	-	1,105	-	1,105

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
14. DEFERRED TAX ASSETS			
Deferred Tax Assets comprise:			
Provisions for impairment on loans		**17**	17
Provisions for staff entitlements		**71**	62
Provisions for other liabilities		**16**	20
		104	99
15. INTANGIBLE ASSETS			
Computer software		**2,144**	-
Less Provision for amortisation		**(1,138)**	-
Less Provision for impairment		**(287)**	-
Total written down amount		**719**	-

	2024/25 Computer Software $'000	2023/24 Computer Software $'000
Carrying amount at start of year	**-**	**-**
Additions	**197**	**-**
Amortisation	**(234)**	**-**
Impairment	**(287)**	**-**
Transferred from Plant & Equip.	**1,043**	**-**
Carrying amount at end of year	**719**	**-**

During the financial year, the Bank relocated premises and undertook a comprehensive stocktake of its physical assets as part of the transition. This exercise prompted a review of the Bank's asset register and IT infrastructure, during which management reassessed the classification of certain software assets previously recognised within property, plant and equipment. This reassessment was also influenced by the Bank's broader digital transformation strategy, including a shift in IT architecture towards cloud-based and virtualised environments. As a result, several software assets were determined to be capable of operating independently and no longer directly associated with specific physical equipment. Consequently, these assets meet the recognition criteria for intangible assets under AASB 138 *Intangible Assets*.
Based on this updated judgement, a reclassification of $1,043k was made from property, plant and equipment to intangible assets. This change reflects a refinement in asset classification and does not constitute a change in accounting policy. It has therefore been accounted for prospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.
Comparative figures have not been restated. The reclassification had no impact on profit or the Bank's net asset position.

16. DEPOSITS FROM MEMBERS		
Call deposits	**102,273**	110,895
Term deposits	**51,275**	51,248
	153,548	162,143
Members withdrawable shares	**22**	24
	153,570	162,167
(a) Maturity Analysis		
On call	**102,273**	110,895
Not longer than 3 months	**21,115**	26,907
Longer than 3 and not longer than 12 months	**30,160**	24,341
No maturity specified	**22**	24
	153,570	162,167

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025 $'000	2024 $'000
16. DEPOSITS FROM MEMBERS (cont....)			
(b) Concentration of Deposits			
The Bank has an exposure to groupings of individual deposits which concentrate risk and create exposure to particular segments as follows:			
(i) Geographic			
- Victorian residents		**119,993**	119,431
- Other		**33,577**	42,736
		153,570	162,167
(ii) Industry			
- Employed by Ford Motor Company Limited		**1,915**	1,875
The Bank's deposit portfolio does not include any deposit which represents 10% or more of total liabilities.			
(c) Members withdrawable shares			
Since all member shares issued are withdrawable at the discretion of the member, on closure of their account, shares are recognised as liabilities rather than equity. All shares carry the same voting entitlements.			
Shares at beginning of the year		**24**	27
Shares issued in the year		**-**	-
Shares redeemed from share account		**(2)**	(3)
		22	24
17. PAYABLES			
Bank Overdraft		**132**	-
Trade creditors		**271**	163
Accrued interest payable		**977**	836
Other creditors		**98**	101
		1,478	1,100
18. TAX LIABILITIES			
Taxation payable		**572**	34
19. EMPLOYEE BENEFITS			
Annual leave		**97**	95
Long service leave		**154**	131
		251	226
Current			
Provision for annual leave		**73**	75
Provision for long service leave		**136**	108
		209	183
Non-Current			
Provision for annual leave		**24**	20
Provision for long service leave		**18**	23
		42	43

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025 $'000	2024 $'000
20. DEFERRED TAX LIABILITIES			
Deferred tax liabilities		**22**	579
Deferred income tax liability comprises			
Tax on revalued land & buildings held in equity		**-**	557
Tax on revalued of shares held in equity		**22**	22
		22	579
21. CAPITAL RESERVE ACCOUNT			
Balance at beginning of the year		**139**	136
Redeemed member shares		**-**	3
Transfer to Retained Profits		**(139)**	-
Balance at end of the year		**-**	139
In February 2024, Regulatory Guide 68 which required member share balances to be held in a separate reserve was repealed. As a result, the Bank has transferred the balance to retained earnings.			
22. RESERVES			
General Reserve		**3,000**	3,000
TOTAL RESERVES		**3,000**	3,000
General Reserve The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			
23. ASSET REVALUATION RESERVE			
Asset revaluation reserve – land & building			
The asset revaluation reserve accounts for the unrealised gains on assets due to revaluation to fair value.			
Balance at the beginning of the year		**2,508**	2,508
Less: tax effect on sale of property		**(32)**	-
Transfer to retained earnings on sale of property		**(2,476)**	
Balance at the end of the year		**-**	2,508
24. FINANCIAL ASSET RESERVE			
Financial asset reserve at the beginning of the financial year		**55**	52
Gain on the revaluation of equity instruments		**3**	4
Less: tax effect		**(1)**	(1)
Financial asset reserve at the end of the Financial Year		**57**	55

FOR YEAR ENDED 30 JUNE 2025		2025	2024
		$'000	$'000
25. RETAINED PROFITS			
Retained Profits at the beginning of the financial year		**8,362**	8,165
Add Profit for the year		**315**	98
Transfer (to)/from General Reserve for Credit Losses		**-**	102
Transfer (to)/from Reserve Capital account on redemption of shares		**139**	(3)
Transfer from Asset Revaluation Reserve		**2,476**	-
Retained Profits at the end of the Financial Year		**11,292**	8,362
26. CATEGORIES OF FINANCIAL INSTRUMENTS			
The following information classifies the financial instruments into measurement classes.			
Financial assets - carried at amortised cost			
Cash	6	**210**	220
Receivables	8	**284**	236
Receivables from financial institutions	6,7,8,10	**43,562**	39,106
Loans to members	11	**124,970**	133,130
Total loans and receivables carried at amortised cost		**169,026**	172,692
Equity investments	12	**90**	87
Total carried at FVOCI		**90**	87
TOTAL FINANCIAL ASSETS		**169,116**	172,779
Financial liabilities – carried at amortised cost			
Payables	17	**1,478**	1,100
Deposits from members	16	**153,570**	162,167
TOTAL FINANCIAL LIABILITES CARRIED AT AMORTISED COST		**155,048**	163,267
NET FINANCIAL ASSETS		**14,068**	9,512

FOR THE YEAR ENDED 30 JUNE 2025

27. MATURITY PROFILE OF FINANCIAL ASSETS AND LIABILITIES

Monetary assets and liabilities have differing maturity profiles depending on the contractual term and in the case of loans the repayment amount and frequency. The table below shows the period in which different monetary assets and liabilities held will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal outstanding will be repaid based on the remaining period to the repayment date assuming contractual repayments are maintained and is subject to change in event that current repayment conditions are varied. Financial assets and liabilities are at the undiscounted values (including future interest expected to be earned or paid). Accordingly, these values will not agree to the Statement of Financial Position.

2025	Within 1 month $'000	1-3 months $'000	3-12 months $'000	1-5 years $'000	After 5 years $'000	No Maturity $'000	TOTAL $'000
ASSETS							
Cash	**210**	**-**	**-**	**-**	**-**	**-**	**210**
Receivables from other financial institutions	**7,755**	**12,106**	**10,047**	**13,652**	**-**	**-**	**43,560**
Loans to members	**28**	**2**	**78**	**3,002**	**190,003**	**-**	**193,113**
Total financial Assets	**7,993**	**12,108**	**10,125**	**16,654**	**190,003**	**-**	**236,883**
LIABILITIES							
Borrowings	**132**	**-**	**-**	**-**	**-**	**-**	**132**
Creditors	**1,346**	**-**	**-**	**-**	**-**	**-**	**1,346**
Deposits from members							
- at call	**102,105**	**-**	**-**	**-**	**-**	**22**	**102,127**
Deposits from members							
- at term	**4,658**	**15,657**	**30,776**	**-**	**-**	**-**	**51,091**
Total deposits on Balance Sheet	**108,241**	**15,657**	**30,776**	**-**	**-**	**22**	**154,696**
Undrawn commitments	**2,481**	**-**	**-**	**-**	**-**	**-**	**2,481**
Total financial Liabilities	**110,722**	**15,657**	**30,776**	**-**	**-**	**22**	**157,177**

27. MATURITY PROFILE OF FINANCIAL ASSETS AND LIABLIITIES (Cont....)

2024	Within 1 month $'000	1-3 months $'000	3-12 months $'000	1-5 years $'000	After 5 years $'000	No Maturity $'000	TOTAL $'000
ASSETS							
Cash	220	-	-	-	-	-	220
Receivables from other financial institutions	4,600	7,097	3,524	23,885	-	-	39,106
Loans to members	33	2	135	2,641	199,955	-	202,766
Total financial Assets	4,853	7,099	3,659	26,526	199,955	-	242,092
LIABILITIES							
Creditors	1,100	-	-	-	-	-	1,100
Deposits from members							
- at call	110,895	-	-	-	-	24	110,919
Deposits from members							
- at term	5,306	21,313	24,524	50	-	-	51,193
Total deposits on Balance Sheet	117,301	21,313	24,524	50	-	24	163,212
Undrawn commitments	2,203	-	-	-	-	-	2,203
Total financial Liabilities	119,504	21,313	24,524	50	-	24	165,415

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000

28. CAPITAL MANAGEMENT

The Bank maintains an actively managed capital base to cover its risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking and adopted by APRA).

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise members' value.

The Bank has a capital management plan and an Internal Capital Adequacy Assessment Process (ICAAP) to ensure it maintains an appropriate capital base to cover the risks inherent in the business. The plan and ICAAP includes addressing the capital requirements prescribed by regulators, principally through the Bank's strategy for managing capital resources over time, its capital target, how the required capital is to be met and actions and procedures for monitoring compliance with minimum regulatory capital adequacy requirements. The strategy primarily focuses on building accumulated reserves from earnings but may include share issues and subordinated debt raisings.

Capital adequacy is determined as a ratio of the capital base to the Bank's risk weighted exposures. Risk weighted exposures comprises all assets and certain other credit commitments, and operational risk, discounted by regulatory prescribed factors as appropriate, to reflect the lower risk profile of certain assets, commitments and operational risk.

The Bank manages as capital the following:

Regulatory Capital Base	**14,348**	14,063
Less regulatory prescribed adjustments	**(408)**	(937)
Capital Base	**13,940**	13,126
Risk weighted exposures	**58,814**	62,090
Capital adequacy ratio	**23.70%**	21.14%

During the past year, the Bank has complied in full with all its externally imposed capital requirements and met its desired capital goals.

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025 $'000	2024 $'000
29. FINANCIAL COMMITMENTS			
(a) Outstanding loan commitments			
Loans approved but not funded	33 (b)	**835**	423
(b) Loan redraw facilities			
Loan redraw facilities available		**9,449**	9,986
(c) Undrawn loan facilities			
Loan facilities available to members for overdrafts and line of credit loans are as follows:			
Total value of facilities approved		**805**	812
Less: Amount advanced		**(28)**	(33)
Net undrawn value		**777**	779
These commitments are contingent on members maintaining credit standards and ongoing repayment terms on amounts drawn.			
Total financial commitments		**11,061**	11,188
30. DISCLOSURES ON DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL			
(a) Remuneration of Key Management Persons [KMP]			
KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any Director (whether executive or otherwise) of that Bank. Control is the power to govern the financial and operating policies of a Bank so as to obtain benefits from its activities.			
KMP have been taken to comprise the Directors (see Note 35) and the executive management being responsible for the day to day financial and operational management of the Bank. The aggregate compensation of KMP during the year comprising amounts paid or payable or provided for was as follows:			
Short-term employee benefits – salaries/annual leave/fees/non-monetary		**729**	600
Post-employment benefits - superannuation contributions		**68**	54
Other long-term benefits – long service leave		**16**	11
Total		**813**	665
(b) Loans to Directors and other KMP.			
Balance owing at 30 June		**593**	670
Summary of transactions:			
New loans advanced		**1,494**	69
Interest and fees charges		**72**	18
Repayments		**1,643**	98
Revolving credit facilities:			
Total value extended		**-**	-
Balance utilised at 30 June		**-**	-
Savings and term deposit services:			
Amounts deposited at 30 June		**505**	514

Loans and revolving credit facilities are made to KMP in the course of ordinary business on normal commercial terms and conditions. These include secured and unsecured loans. Loans must be repaid and paid out in cash. No loan or revolving credit is impaired and no loan has been written off as a bad debt. Savings and term deposit services are extended to KMP in the course of ordinary business on normal commercial terms and conditions. The KMP declare that they have no influence over, or are influenced by, close family members or other related parties that have lending or banking relationships with the Bank. These close family members or related parties conduct transactions with the Bank on normal terms and conditions offered to all other members.

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
31. STATEMENT OF CASH FLOWS			
(a) Reconciliation of the operating profit after tax to the net cash flows from operations			
Profit after tax		**315**	98
Depreciation and amortisation of property, plant & equipment & intangibles		**267**	177
Impairment expense		**287**	-
(Profit)/Loss on disposal of other investments, land & buildings		**(803)**	-
Changes in assets and liabilities			
(Increase)/Decrease in other financial assets		**102**	(194)
(Increase)/Decrease in accrued receivables		**(34)**	(34)
(Increase)/Decrease in deferred tax asset		**(5)**	(13)
(Increase)/Decrease loans and advances		**8,160**	6,481
Increase/(Decrease) in tax provision		**538**	34
Increase/(Decrease) in deferred tax liability		**(557)**	-
Increase/(Decrease) in payables		**244**	271
Increase/(Decrease) in provision for employee benefits		**25**	26
Increase/(Decrease) in member deposits		**(8,597)**	(11,352)
Net cash flow from operating activities		**(58)**	(4,506)
(b) Reconciliation of cash			
Cash balance comprises:			
– Cash		**210**	220
– Other short-term liquid assets		**7,750**	4,597
– bank overdraft		**(132)**	-
Closing cash balance		**7,828**	4,817

(c) Cash flows arising from the following activities are presented on a net basis in the Statement of Cash Flows:
(i) customer deposits to and withdrawals from deposit accounts;
(ii) borrowings and repayments on loans, advances and other receivables;
(iii) purchases of and proceeds from redemption of investments.

(d) Bank Overdraft Facility

The Bank has an overdraft facility available to the extent of $1,000,000 (2024 $1,000,000).

The overdraft facility is provided by Credit Union Services Corporation (Australia) Limited and is secured by way of cash security deposits.

32. EXPENDITURE COMMITMENTS

Capital expenditure commitments

Estimated capital expenditure contracted for at balance date but not provided for is nil (2024: nil).

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000

33. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

In the normal course of business, the Bank enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of customers.

The Bank uses the same credit policies and assessment criteria in making commitments and conditional obligations for off-balance sheet risks as it does for on-balance sheet loan assets. The Bank holds collateral supporting these commitments where it is deemed necessary.

(a) Contingent Liabilities

Credit Union Financial Support System Limited

With effect from 1 July 1999, Ford Co-operative Credit Society Limited is a party to the Credit Union Financial Support System (CUFSS). CUFSS is a voluntary scheme in which all Credit Unions that are affiliated with Credit Union Services Corporation (Australia) Limited (Cuscal) have agreed to participate.

CUFSS is a company limited by guarantee, each Credit Union's guarantee being $100.

As a member of CUFSS, the Bank:

- May be required to advance funds of up to 3% (excluding permanent loans) of total assets capped at a maximum of $100m to another Credit Union requiring financial support;
- Agrees, in conjunction with other members, to fund the operating costs of CUFSS.

(b) Credit related commitments

Binding commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Approved but undrawn loans and unused continuing credit facilities. 29 (a) **835** 423

FOR THE YEAR ENDED 30 JUNE 2025	Notes	2025	2024
		$'000	$'000
34. AUDITOR'S REMUNERATION			
Amounts received or due and receivable by the auditors of Ford Co-operative Credit Society Limited trading as Geelong Bank for:			
– an audit or review of the financial statements of the Bank		**61**	57
– other services in relation to the Bank		**17**	16
		78	73

35. RELATED PARTY DISCLOSURES

(a) The Directors of Ford Co-operative Credit Society Limited during the financial year were:

A.R. Batten;
M.W. Burrowes;
M.J. Carroll;
J.R. Connor;
T. Elia-Adams;
G.V. Fryer; and
J Velegrinis.

(b) The following related party transactions occurred during the financial year:

Transactions with the Directors of the Bank
Loans and advances to Directors:
Loans and advances amounting to $276,751 (2024 $329,967) have been provided and repayments amounting to $1,605,212 (2024 $45,205) have been received by the Bank. The terms and conditions of all loans and advances to Directors are on the same basis as members and have not been breached.

36. SEGMENT INFORMATION

The Bank operates predominantly in the finance industry within the regions of Geelong, Melbourne and Sydney. The operations mainly comprise the acceptance of deposits and the provision of loans. Specific segmentation of loans and deposits are set out in Notes 11 & 16.

FOR THE YEAR ENDED 30 JUNE 2025

37. OUTSOURCING ARRANGEMENTS

The Bank has entered into contracts with, and has outsourcing arrangements with, the following organisations and service providers:

(a) Credit Union Services Corporation (Australia) Limited.
This company is the national services company for affiliated Credit Unions and Mutual Banks within Australia. This company operates the payment switch used to link Visa Debit Cards operated through approved ATM and EFTPOS suppliers to the Bank's information system. The Bank has entered into an agreement with this entity for licences to operate computer software, support for software, rights to Visa Debit Cards, and the provision of central banking facilities.

(b) TransAction Solutions Limited trading as Experteq
This company owns and operates the information system utilised by the Bank on a bureau basis and provides computer disaster recovery facilities.

(c) Ultradata Australia Pty Limited
Provides and maintains the application software utilised by the Bank to deliver its banking services.

(d) Other Relationships
Relationships also exist with Ford Motor Company of Australia and with other service providers for a range of other services to members, including BPay, Bridges & Associates, and Convera.

FOR THE YEAR ENDED 30 JUNE 2025

38. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The Bank's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest Bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
			1 year or less		1 - 5 years		More than 5 years							
	2025 $'000	2024 $'000	**2025 $'000**	2024 $'000	**2025 $'000**	2024 $'000	**2025 $'000**	2024 $'000	**2025 $'000**	2024 $'000	**2025 $'000**	2024 $'000	**2025 %**	2024 %
(i) Financial assets														
Cash and liquid assets	**7,750**	4,597	**-**	-	**-**	-	**-**	**-**	**210**	220	**7,960**	4,817	**3.55%**	4.11%
Deposits with other financial institutions	**-**	-	**15,480**	10,480	**-**	-	**-**	**-**	**-**	-	**15,480**	10,480	**4.47%**	4.94%
Loans and advances - related parties/entities	**277**	330	**-**	-	**-**	-	**-**	**-**	**-**	-	**277**	330	**7.24%**	7.64%
Unlisted shares	**-**	-	**-**	-	**-**	-	**-**	**-**	**90**	87	**90**	87	**N/A**	N/A
Government and semi-government bonds	**-**	-	**1,000**	9,272	**-**	-	**-**	**-**	**-**	-	**1,000**	9,272	**1.20%**	2.14%
Floating rate notes	**-**	-	**19,125**	14,536	**-**	-	**-**	**-**	**-**	-	**19,125**	14,536	**4.50%**	4.45%
Loans and advances	**124,694**	132,800	**-**	-	**-**	-	**-**	**-**	**-**	-	**124,694**	132,800	**5.50%**	5.27%
Total financial assets	**132,721**	137,727	**35,605**	34,288	**-**	-	**-**	**-**	**300**	307	**168,626**	172,322		-
(ii) Financial liabilities														
Deposits from members	**102,105**	110,894	**51,443**	51,248	**-**	-	**-**	**-**	**22**	24	**153,570**	162,166	**2.75%**	2.89%
Payables	**-**	-	**-**	-	**-**	-	**-**	**-**	**1,478**	1,100	**1,478**	1,100	**N/A**	N/A
Total financial liabilities	**102,105**	110,894	**51,443**	51,248	**-**	-	**-**	**-**	**1,500**	1,124	**155,048**	163,266	**-**	-

N/A - not applicable for non-interest bearing financial instruments

FOR THE YEAR ENDED 30 JUNE 2025

38. FINANCIAL INSTRUMENTS (Cont...)

(b) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows.

	Total carrying amount as per the statement of financial position		Aggregate net fair value	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Financial assets				
Cash and cash equivalents	**7,960**	4,817	**7,960**	4,817
Deposits with other financial institutions	**15,480**	10,480	**15,480**	10,480
Government and semi government bonds	**1,000**	9,272	**1,000**	9,272
Floating rate notes	**19,125**	14,536	**19,125**	14,536
Loans and advances	**124,970**	133,130	**124,970**	133,130
Unlisted shares	**90**	87	**90**	87
Total financial assets	**168,625**	172,322	**168,625**	172,322
Financial liabilities				
Deposits from members	**153,570**	162,166	**152,167**	161,015
Payables	**1,478**	1,100	**1,478**	1,100
Total financial liabilities	**155,048**	163,266	**153,645**	162,115

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

The fair value is required to be disclosed where the financial instruments are not measured at fair value in the statement of financial position. Disclosure of fair value is not required when the carrying amount is a reasonable approximation of fair value.

Assets where the fair value is lower than the book value have not been written down in the accounts of the Bank on the basis that they are held to maturity, or in the case of loans, all amounts due are expected to be recovered in full.

The Bank has assessed that at balance date, the carrying amount of all financial instruments approximates fair value. The description of the valuation techniques and assumptions are detailed below:

Cash and Liquid assets due from other financial institutions

The carrying values of cash and liquid assets and receivables due from other financial institutions redeemable within 12 months approximates their fair value as they are short term in nature and are receivable on demand.

Loans and advances

The majority of the Bank's loans are variable rate loans. The carrying amount of these loans is considered to approximate fair value. The net fair values of any non-variable rate loans are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending arrangements. The net fair value of impaired loans was calculated by discounting expected cash flows using a rate that includes a premium for the uncertainty of the flows.

Unlisted shares

The Bank's 'unlisted shares are not traded in active markets and therefore fair values are determined using other valuation techniques. A full description of the valuation techniques used is included in Note 12.

FOR THE YEAR ENDED 30 JUNE 2025

38. FINANCIAL INSTRUMENTS (Cont...)

(b) Net fair values (cont....)

Deposits from members

The fair value of call and variable rate deposits, and fixed rate deposits repricing within 12 months, is the amount shown in the statement of financial position. Discounted cash flows were used to calculate the fair value of other term deposits, based upon the deposit type and the rate applicable to its related period to maturity. The maximum term for fixed term deposits accepted by the Bank is 2 years.

The Bank has assessed its own credit risk in regard to the fair value of deposits, and has assessed that no material valuation adjustment is required based on the capital management system utilised by the Bank as outlined at Note 28.

Short-term borrowings

The carrying amount approximates fair value because of their short-term to maturity.

Long-term borrowings

The fair values of long-term borrowings are estimated using discounted cash flow analysis, based on current incremental borrowing rates for similar types of borrowing arrangements.

Other financial liabilities

This includes interest payable and trade and other payables for which the carrying amount is considered a reasonable approximation of fair value given the short-term nature.

(c) Interest rate risk

Fair value sensitivity analysis for fixed rate instruments

The Bank does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis

The Bank is exposed to interest rates arising from mismatches in the repricing dates between financial assets and financial liabilities. As at 30 June 2025, it is estimated that a general decrease of 1.00% in interest rates would decrease the Bank's profit before tax by approximately $257,570 (2024 $74,556).

A general increase of 1.00% in interest rates would have an equal but opposite effect to the amounts shown above.

FOR THE YEAR ENDED 30 JUNE 2025

38. FINANCIAL INSTRUMENTS (Cont...)

(d) Credit risk exposures

The Bank's maximum exposures* to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

Concentrations of credit risk

The Bank minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of customers within the specified categories. Refer also to Note 36 – Segment information.

Concentrations of credit risk on loans receivable arise in the following categories:

	Maximum credit risk exposure* for each concentration			
	Percentage of total loans receivable (%)		**$'000**	
Geographic/Industry	**2025**	2024	**2025**	2024
Victorian Residents	**81%**	**81%**	**107,329**	**107,329**
Other non-concentrated	**19%**	**19%**	**25,801**	**25,801**
Total	**100%**	**100%**	**133,130**	**133,130**
Employed by Ford Motor Company	**7%**	**5%**	**9,154**	**7,034**
Other non-concentrated	**93%**	**95%**	**115,816**	**126,096**
Total	**100%**	**100%**	**124,970**	**133,130**

Credit risk in loans receivable is managed in the following ways:
- a risk assessment process is used for all customers; and
- lenders' mortgage insurance is obtained for customers with high loan to value ratio securities.

* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

The following table highlights the Bank'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 of liabilities that the entity can access at the measurement date.
Level 2: Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

FOR THE YEAR ENDED 30 JUNE 2025

39. FAIR VALUE MEASUREMENT

2025

Assets measured at fair value	**Level 2 $**		**Level 3 $**
Land & Buildings	**-**	Shares	**90**
Assets held for sale	**-**	Total Assets	**90**

2024

Assets measured at fair value	Level 2 $		Level 3 $
Land & Buildings	-	Shares	87
Assets held for sale	3,896		-
Total Assets	3,896	Total Assets	87

The Bank has assessed that at balance date, the carrying amount of all financial instruments approximates fair value. Refer to Note 38(b).

Valuation techniques for fair value measurements:

Land and Buildings have been valued based on similar assets, location and market conditions.

Shares are unlisted equity investments. Given there are no quoted market prices and fair value cannot be reliable measured, investments are held at cost less impairment.

There have been no transfers between levels during the current financial year.

	Land & Buildings held for sale $	Shares $
Balance as at 1 July 2023	3,950	84
Additions	-	-
Losses recognised in other comprehensive income	-	-
Revaluation increment through comprehensive income		
Balance as at 30 June 2024		

	Land & Buildings held for sale $	**Shares $**
Balance as at 1 July 2024	**3,950**	**87**
Disposals	**(3,950)**	**-**
Losses recognised in other comprehensive income	**-**	**-**
Revaluation increment through comprehensive income	**-**	**3**
Balance at 30 June 2025	**-**	**90**

The Bank's unlisted shares are not traded in active markets and therefore fair values are determined using other valuation techniques. A full description of the valuation techniques used is included in Note 12.

FOR THE YEAR ENDED 30 JUNE 2025

40. EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matter or circumstances, other than the proposed merger with Hume Bank that was announced to members on the 19 August 2025 and disclosed in Note 1(b), since the end of the financial year which has significantly affected or may significantly affect the operations of the Bank.
There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Bank, the results of those operations, or the state of affairs of the Bank in subsequent financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Ford Co-operative Credit Society Limited, we state that:
In the opinion of the Directors:

(a) the financial statements and notes of the Bank are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Bank's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and *Corporations Regulations 2001.*

(b) the financial statements and notes of the Bank also comply with International Financial Reporting Standards as disclosed in Note 1 to the Financial Statements;

(c) there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they become due and payable.

and

(d) the information disclosed in the consolidated entity disclosure statement is true and correct.

On behalf of the Board



Allison Batten
Chair



Michael Carroll
Director
Geelong, 2 October 2025

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Geelong Bank

Independent Auditor's Report to the Members of Ford Co-operative Credit Society Limited (trading as Geelong Bank)

Opinion

We have audited the financial report of Geelong Bank ("the Bank"), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Geelong Bank is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Bank's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Bank in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – potential merger

We draw attention to the 'basis of preparation' section of Note 1, which describes the potential merger with Hume Bank. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report information contained in the Bank's annual report for the year ended 30 June 2025, 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, 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 Bank are responsible for the preparation of

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Bank 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 Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe

CROWE MELBOURNE

Jason Gilbert

JASON GILBERT
Partner

2 October 2025

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