

2024/2025

Annual Report and Year in Review





The Celebration, Monica Turner-Collins

We acknowledge the Kaurna peoples as the traditional custodians of the Adelaide plains region, where our branch and Head Office is based. We respect their spiritual relationship with their Country and acknowledge Elders past and present.



Contents

Foreword	04	Service Milestones	30
The Year at a Glance	06	15 Years of Credit Union SA	32
Our Strategic Focus	09	2024/25 Highlights	36
Embracing Innovation	10	Looking Forward	38
XL Home Loan	13	Director's Report	40
RAP Innovate Launch	14	Statements of Financial Position	46
Supporting Education	16	Statements of Profit or Loss and Other Comprehensive Income	47
School Impact Program	18	Statements of Changes in Equity	48
Extending our Port-nership	20	Statements of Cash Flows	50
My Art, My SA	22	Notes to the Financial Statements	51
Community Impact	24	Consolidated Entity Disclosure Statement	104
Foodbank	26		
People and Culture	28		



Foreword

From the Chair

It is a pleasure to present the 2024/25 Annual Report and Year in Review.

This year we reached a significant milestone in that we now manage more than two billion dollars in assets. This is a powerful sign that the people of South Australia – our members – trust us to help them achieve their financial goals. Your continued support tells us that we are on the right track.

This year we are continuing to invest in our people, and in the systems and technologies that are so important in modern banking. We will never be complacent when it comes to improving your experience with us. We will push ourselves to be more innovative - while at the same time strengthening our foundational systems to enhance the financial security of our members and protect the privacy of your information.

And we will continue to support the communities in which we all live, work, and play. Your on-going support of Credit Union SA directly benefits the broader South Australian community – whether it be by providing better products and services to members; attractive employment opportunities; or support for important community groups.

Our Board is grateful to our team for their hard-work and commitment to building a truly great South Australian financial institution – one that I hope our members are proud to be part of. If you are proud to be part of Credit Union SA – if our team has helped you meet your financial goals – please tell your friends and family. We exist to help South Australians thrive and we want to be of service to more people across our State.

On behalf of the Credit Union SA Board, I extend my sincere thanks for your on-going support.



Julie Cooper

CHAIR

Our Board of Directors



Nicholas Anderson



Paul Dewsnap



Philip Riquier

From the CEO

This year, we celebrated 16 years of Credit Union SA. Which means 16 years of meaningful impact across our state, supporting South Australians through life's moments, big and small. From first homes and new cars to holiday celebrations and savings for a rainy day, we've walked alongside our community every step of the way.

Our members remain at the heart of everything we do, and I'm incredibly proud of how our team lives that ethos every day. It's reflected in our products, our partnerships and most importantly, our people. We are committed to delivering exceptional experiences that make a real difference.

As we step into a new financial year, I'm excited to continue this journey and help South Australians reach their financial goals. I extend my sincere thanks to our Board, our team, our partners and our stakeholders for their ongoing trust and support. Most of all, I thank you, our members, for choosing Credit Union SA.



Todd Roberts

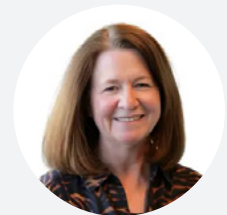
CHIEF EXECUTIVE OFFICER



Louise Small



Matthew Walsh



Kathryn Hawkins



The year at a glance

Financial Results



\$8.181m

Net Profit after Tax



\$2.058b

Total Asset Position

We Welcomed

3,049

New Credit Union SA members

655

New members from within the
education community





We helped...



278

Members with a
personal loan



1,655

Members with a
home loan



164

Members purchase
their first home



430

Home owners
refinance their home



342

Education members
with a home loan



520

Members find and
finance a new home



Together, we...



Significantly reduced our call centre waiting times, allowing you to get the help you need quickly



Welcomed new staff across the organisation, expanding our diversity and experience



Introduced call surveys and achieved a satisfaction rating of 89%



Donated over 22,000 meals to FoodBank SA



Launched our new lending platform LendFast



Launched our new XL Home Loan with terms up to 40 years



Accredited new female brokers as part of the Thriving Orange program



Introduced our Business+ Account tailored to businesses and not-for-profit organisations



Expanded our support of existing partners and built new relationships to continue our positive impact on the South Australian community



Supported the residential construction of 56 new homes with local developers

Our Strategic focus

We exist to deliver on our purpose which applies to our members, our staff and the broader South Australian community. If we all thrive, we all benefit.

We use our profit for purpose and our focus is on our ability to consistently achieve sustainable results over the long term.

Helping South Australians
THRIVE

**Our Purpose is helping
South Australians Thrive**

Our goal is to be the financial institution that more South Australians choose.

Our Strategic Themes



Support our members' aspirations



Inspire and grow our people



Enhance member experiences



Strengthen the Organisation

Our Values



People First



Strive to Achieve



Be Our Best



Embracing innovation

Helping South Australians Thrive

At Credit Union SA, innovation isn't just a buzzword, it's a commitment to doing things differently for the benefit of our members.

This year, we proudly introduced a new CEO Award category dedicated to innovation, recognising individuals and teams who challenge the status quo and create meaningful change.

One of the standout innovations this year was the launch of our XL Home Loan, a product designed to help more South Australians enter the housing market. With a loan term of up to 40 years, the XL Home Loan offers lower monthly repayments, making home ownership more accessible.

The product was developed with purpose: to support members who may not qualify for traditional 30-year loans. It's a solution that reflects our ethos of helping South Australians thrive, and it's already making a difference. Our Residential Development team has also played a key role in funding new housing projects, further expanding opportunities for home ownership across the state.

These innovations are more than just products or services - they're proof of our commitment to listening, evolving, and delivering solutions that matter.



Innovation workshops run by Advisory Committee for the Executive and Senior Leadership team – sparking creativity and innovation

Over two workshops we dove into interactive sessions and brainstorming activities that challenged our thinking and sparked new problem-solving approaches. From breakout sessions and design thinking exercises, the workshops were packed with fun activities that ignited creative thought and encouraged action. Our collective efforts led to a heap of innovative ideas, some already being woven into our strategic roadmap.

These include improved digital transformation strategies, new ways to engage and retain members, and creative product and process improvements.

We can't wait to see these innovative ideas shape our organisation's future. A huge thank you to the Advisory Committee, the Executive and Senior Leadership teams, and everyone who made these workshops a smashing success.

Emerging Leaders

Our Emerging Leaders Program is designed to develop the skills required to be a leader in our organisation through in-person training that supports career aspirations and growth.

Our current cohort is due to graduate in November 2025 after presenting their final projects to the Executive team.

17
Graduates in 2024

12
New participants in 2025



COBA 2024

This year's COBA Conference was one to remember, hosted right here in our home state of South Australia. With the event so close to home, we were thrilled to have strong representation from across our Board, Executive, Senior and Emerging Leaders. Our team's diverse mix of experience and fresh thinking made for a dynamic presence and ensured we got the most out of every session.

We were proud to highlight our ongoing partnership with Zahra at the conference, showcasing the important work being done together to support community well-being and drive positive change. The event provided a fantastic opportunity for us to connect with others who share our commitment to this cause and to further champion Zahra's inspiring initiatives throughout our network.

COBA 2024 reinforced the importance of working together across all leadership levels to keep our organisation at the forefront of innovation and collaboration. The whole team came away energised and ready to put new ideas into action. We're excited to continue our work alongside Zahra and look forward to what next year brings!



Get your home ownership dream off the ground

credit
union**sa**



XL Home Loan

Conditions, fees and lending criteria apply and are available on request. Credit Union SA
Ltd ABN 36 087 651 232 AFSL/Australian Credit License Number 241066

credit
union**sa**



XL Home Loan

Helping More South Australians Thrive

In 2025, Credit Union SA proudly launched the XL Home Loan, a product designed to help more South Australians achieve their dream of home ownership. With housing affordability continuing to challenge many, especially first-time buyers, the XL Home Loan offers a fresh and innovative solution tailored to meet the needs of those who might otherwise be priced out of the market.

The XL Home Loan was developed in response to a growing need: helping members get a “yes” when traditional lending options fall short. By extending the loan term up to 40 years—a decade longer than most standard home loans—Credit Union SA is making monthly repayments more manageable, easing the financial pressure for many.

This product is not just about numbers; it’s about empowering members to take confident steps toward home ownership. It reflects our commitment to innovation and our mission to help South Australians thrive.

Member Story: Courtney’s Journey

One of the first members to benefit from the XL Home Loan was Courtney, a 26-year-old single applicant who shared her story with us.

“I previously applied for a loan with another lender and assumed 30 years was the maximum term banks could offer. When my broker told me about Credit Union SA’s new 40-year home loan, I applied straight away. With the cost of living and interest rates, the XL Home Loan helped lower my repayments and removed a lot of pressure off buying my first home. It made the whole process more manageable and allowed me to buy my house with confidence. I’m excited to be moving into my very own home next month!”

Courtney’s story is a powerful example of how the XL Home Loan is making a real difference in people’s lives.

Key features

Lower monthly costs:

Helps ease financial stress, especially for first-time buyers.

Flexibility:

Extra repayments are allowed, and refinancing to a shorter term is possible.





RAP Innovate launch

**Our Commitment to
Reconciliation: Launching
the Innovate RAP**

We proudly launched our Innovate Reconciliation Action Plan (RAP) - a meaningful next step in our reconciliation journey. Building on the foundations of our Reflect RAP, which was embedded in 2023, the Innovate RAP signals a deeper commitment to creating lasting change through relationships, respect and opportunities.

This two-year plan outlines clear actions and deliverables, developed in consultation with Aboriginal and Torres Strait Islander peoples, community members, and our staff. It's a public commitment to reconciliation, formally endorsed by Reconciliation Australia, and designed to be a living document that evolves with our organisation and community.

The Innovate RAP reflects our growth in understanding and our readiness to move from reflection to action. It empowers us to:

- Strengthen relationships with Aboriginal and Torres Strait Islander communities.
- Pilot strategies that embed reconciliation into our everyday work.
- Expand our influence and impact across South Australia.

The launch event was a powerful moment of connection and pride. We were honoured to host a Welcome to Country by Cliffy Wilson, and to partner with Block Ya Dot Catering, a 100% Aboriginal-owned business

The event also celebrated 'The Celebration', a stunning artwork pictured alongside, created by young Aboriginal artists Monica (Nungarrayi) Turner-Collins, Hamish, and Kobe Collins. The piece reflects Emu and Rock Wallaby Dreaming and symbolises community gatherings on Kaurna Country. It now hangs proudly in our staff café and features throughout our RAP document.



Guided by Community

Our RAP was shaped with the guidance of Kellie Graves, CEO of the Tjindu Foundation, and supported by our internal RAP Committee. Their leadership and insight have helped us create a plan that is both ambitious and grounded in respect.

Our CEO, Todd Roberts, and Board Chair, Julie Cooper, shared how meaningful this milestone is for Credit Union SA, and reaffirmed our commitment to reconciliation as a continuous journey, not a one-time event.

"We acknowledge that the foundation has commenced, and as an organisation we are committed to embedding First Nations products, services, perspectives, collaborations and protocols wherever possible in all areas of the business."

- Todd Roberts, CEO

Over the next two years, we will focus on:

- Building respectful relationships.
- Enhancing cultural awareness.
- Embedding reconciliation into our operations and culture.

We thank Reconciliation Australia and Reconciliation SA for their ongoing support, and we look forward to continuing this journey with our members, partners and communities. This always was and always will be Aboriginal land.



Supporting education

Knowledge Counts

Our commitment to shaping our state started over 65 years ago, when we were founded by teachers, for teachers.

Our Knowledge Counts banking benefits provide the South Australian education community and their eligible family members with exclusive offers, discounts, and banking products.

It is our way of saying thank you for the amazing work they do educating the next generation of South Australians.



Awarding and celebrating excellence in Education

We continue to celebrate educators who are instrumental in shaping lives and communities. We are proud to support the education community by sponsoring events, gatherings and awards that recognise our amazing educators.

In 2024 we continued our Platinum Sponsorship of the Public Education Awards by sponsoring the Equity in Education Award, Major Sponsor on World Teachers Day and continue building our Partnerships within Schools, Universities and Education Associations.





\$5K Giveaway

To encourage our education community to find out more about Credit Union SA's banking products, we introduced a \$5,000 incentive in 2025. Mike from West Beach Primary School was the lucky winner of our first prize.

He took his family on an exciting ski holiday interstate, simply by visiting our stand at one of the 88 conferences that was supported by Credit Union SA this past year.



Education Associations Grant

We offer South Australian education associations registered with Educators SA a chance to receive funding for professional development.

This year a record number of associations applied for sponsorships of up to \$2,000 for a range of activities including workshops, conferences, and events.

Our community sponsorship lead, Debbie, was acknowledged on World Teacher's Day in October 2024 for the lifelong contribution to supporting education associations through Credit Union SA.





School Impact Program

We believe that thriving schools are the future of our state.

That's why we've launched our School Impact Program – providing up to 50 schools per year across metro and regional SA the opportunity to access up to \$20,000 in funding for vital projects.

Our first year of the School Impact Program has confirmed what we already knew. Our South Australian Educators do a fantastic job in guiding the next generation of South Aussie, but the need for additional funding to support programs for their students is strong and hard to raise.

We are proud to say since the launch of the School Impact Program, we have seen an immediate impact on local schools who have been awarded the funding.

The funding was used for playground upgrades, creation of learning spaces for children in hospital, agricultural programs, smoothie bikes, school attendance programs and much more!



"This year, the School Impact Program has delivered on its promise of putting funding in the hands of our education leaders, as they know what their community really needs to be able to thrive."

"Witnessing firsthand the impact this funding has had on those successful school communities has been a wonderful experience for not only myself, but all the staff at Credit Union SA,"

– Todd Roberts, CEO



An independent panel, made up of four Credit Union SA team members and one Department for Education representative, meticulously reviewed each application to ensure that the funds were allocated where they would have the greatest impact.

This year's share of \$116k demonstrates that Credit Union SA is well on its way to achieving its goal of providing \$1m to South Australian schools over 10 years as part of the program.



"The funding we have received from the School Impact Program will cover half the running costs for our attendance bus program in 2025. This bus service is so important to enable our students to attend school daily, when transport is a challenge for

some families, as well as support class excursions for families who struggle to afford the cost. It really helps all students engage in school fully and we are so grateful to Credit Union SA for their funds."

**– Jess Morris, Principal
Victor Harbour Primary School**



Extending our Port-nership



Credit Union SA is delighted to announce that we have extended our partnership with Port Adelaide across the AFL, AFLW and Power Community Limited programs for the 2025 season.

The new deal expands our support of Port Adelaide into the club's not-for-profit arm, Power Community Limited (PCL).

Credit Union SA's support focuses on the charity's gender-based violence prevention programs to help expand its reach and drive much needed change in schools across the state.

In addition, the partnership will continue to provide exclusive deals, offers and prizes to both the club's AFL and AFLW members, and Credit Union SA members.



Miles and Jenny go viral!

When Miles Bergman dropped into the Credit Union SA branch to film some fun content with our Member Support Officer, Jenny, the internet took notice and their video went viral, racking up over **400,000 views** across social media! This was a great way to promote our partnership with the club both on and off the field.



Empower – Power Community Limited

In 2025 we partnered with Power Community Limited to extend the reach of their Empowered Program in secondary schools. This program provides young women with the tools to understand healthy relationships and develop a positive sense of self. It is run with the AFLW players, to help students understand the impacts of gendered expectations and family violence.



Meet Mandy

Mandy, a proud Credit Union SA member for over 15 years, was the first winner of our “Win a MG” promotion for Port Adelaide Home Loan members.

With her car over 22 years old, the moment Tom Jonas and Todd Roberts pulled into her driveway was truly life-changing for Mandy and her family.



Community Raffle

Recognising the fundraising challenges faced by grassroots footy clubs, Port Adelaide and Credit Union SA partnered to launch the Community Raffle in Match 2025, with 100% of profits going directly back to participating clubs.

As part of this initiative, clubs were invited to attend the Credit Union SA Junior Footy Round, helping make a day at the footy more accessible for all South Australians.

Credit Union SA proudly supported these communities—firing up the BBQs and connecting with young players at the footy clinics.

\$35k

Raised for community footy clubs around SA

100s

of raffle prize winners connected to these clubs

18

clinics delivered at local clubs

2,000+

Kids involved in PAFC clinics through the Footy Raffle

600

Kids involved in experiences during the Junior Footy Round



My Art, My SA.

Supporting the Hospital School SA through the School Impact Program

"Every brush stroke tells a South Australian story, and we're proud to help share them."

– Todd Roberts, CEO



A heartfelt collaboration between Credit Union SA and the Hospital School Foundation, extending on a special relationship built through our School Impact Program.

The exhibition was launched in our King William Street office on 30th of May 2025 with a special event. It showcases powerful and moving artworks created by students from the Hospital School, offering a platform for self-expression and storytelling.

Each piece reflects the unique journey of its artist, capturing moments of resilience, imagination and hope.

My Art, My SA is a tribute to the students, their families, and the educators who support them every day – shining a spotlight on the importance of creative expression in healing and learning.

"We're thrilled to see our students' creativity celebrated through the My Art, My SA exhibition at Credit Union SA. Just as Hospital School SA supports young people across the state, Credit Union SA's support of our school community has been deeply appreciated."

It's a powerful moment for our students to see their artwork on display—sharing their perspectives and talents with South Australia."

– Matthew McCurry, Principal Hospital School SA



"We're so pleased to co-host this upcoming exhibition that explores South Australian stories and talent. It was only fitting that we support an exhibition that explores what it means to live in this beautiful state and makes us proud of the place we call home."

The team behind Hospital School SA does a sensational job of continuing normalcy for their students who are facing health challenges. Artwork is a great creative outlet for these students and I'm really looking forward to seeing what they have produced,"

- Todd Roberts, CEO



Our launch celebration was filled with colour, emotion and connection. It was a privilege to stand alongside our partners, staff and community in support of such a meaningful cause.

We were so proud to expand our support by donating a further \$10,000 to the Hospital School Foundation on the night to help them with the incredible work they do.



Community impact

At Credit Union SA, we pride ourselves on getting involved with and supporting our local South Australian community. To maximise the effectiveness of our Social Responsibility program, we always choose to support South Australian organisations helping their communities through a local or an education focus.

For example, every time someone takes out a car loan with us, we make a donation to **St John's Youth Services Driving Program**. Each donation helps at-risk young people get their driver's licence – giving them opportunities to find work, access education and gain independence.



Driving lessons provided to at-risk youth through St. John's Youth Services

Young Blood

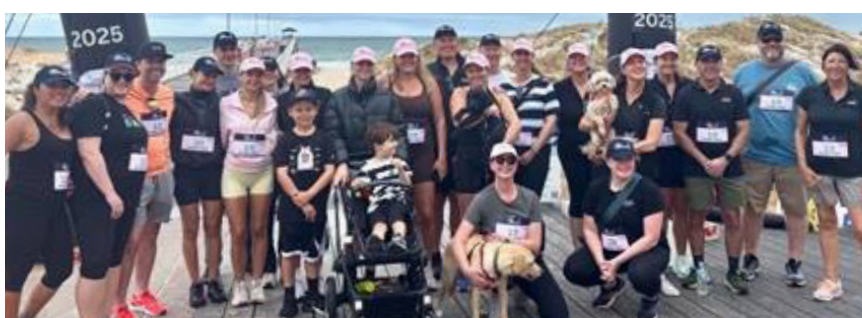
Young Blood is a local SA podcast which provides an authentic, honest space for young men to publicly share their lived experience stories relating to mental health. Their stories demonstrate that no matter what you're going through, you're not alone and there's always hope.



Zahra Foundation's Next Steps event

We were proud to be the major sponsor for the Zahra Foundation's "The Next Steps" event for the tenth year in a row in 2025.

By joining members of the public and supporters of the foundation to walk from Grange Jetty to Henley Jetty and back, we helped raise over \$34.5k and spread awareness for women and families impacted by domestic and financial abuse.



We also worked together to:



Raise
\$35,000 
For Soup & Sleep

"This charity is a necessity, and acts as a powerful reminder of the influence we wield as a united community. This strikes at the core of Credit Union SA, in our commitment to provide all South Australian's a better quality of life"

- Todd Roberts, CEO

Save **3,170**



paper cups from landfill
using our dedicated
paper cup collector



Raise funds for Cancer Council
through Daffodil Day



Continue our commitment to
**reconciliation
in SA**

Through our membership of
Reconciliation SA, our Reflect RAP
and ongoing partnerships





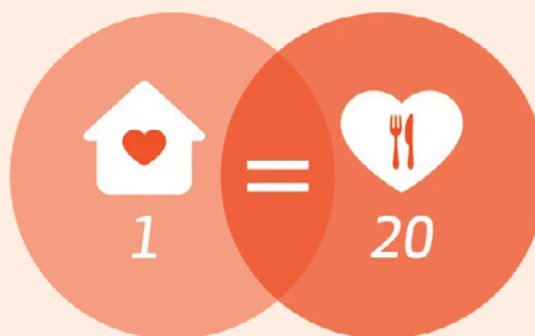
Foodbank

Your home loan matters, for you and our community.

Since the beginning of 2024, we have donated 20 meals to Foodbank SA for every home loan settled with us.

We continued our staff volunteering program, with our staff working at the Edwardstown Foodbank Food Hub to stock hampers, sort products and deliver to Australians in need.

**Thanks to our members,
we've donated over 22,280
meals to Foodbank SA
since 1 July 2024.**





Hamper packing

We continued our staff volunteer program this year, working for and with Foodbank to help source and deliver food for Australians in need.

The Foodbank team is small and relies heavily on volunteers to help them get food to the people that need it. That's why we really wanted to roll up our sleeves and get involved. We put a call out to our amazing team and were overwhelmed by the positive response.

Since the volunteering began, our nominated staff have been volunteering at the Edwardstown Foodbank Food Hub across the year to help pack hampers, sort products and bag fruit and vegetables.

With more than 135,000 South Australians relying on Foodbank's services every month, we hope to continue supporting the incredible team at Foodbank to help meet this demand.



Volunteering at the Royal Adelaide Show

Our team volunteered to represent Foodbank SA across different shifts during the 2024 Adelaide Royal Show, handing out goodies along the Yellow Brick Road!

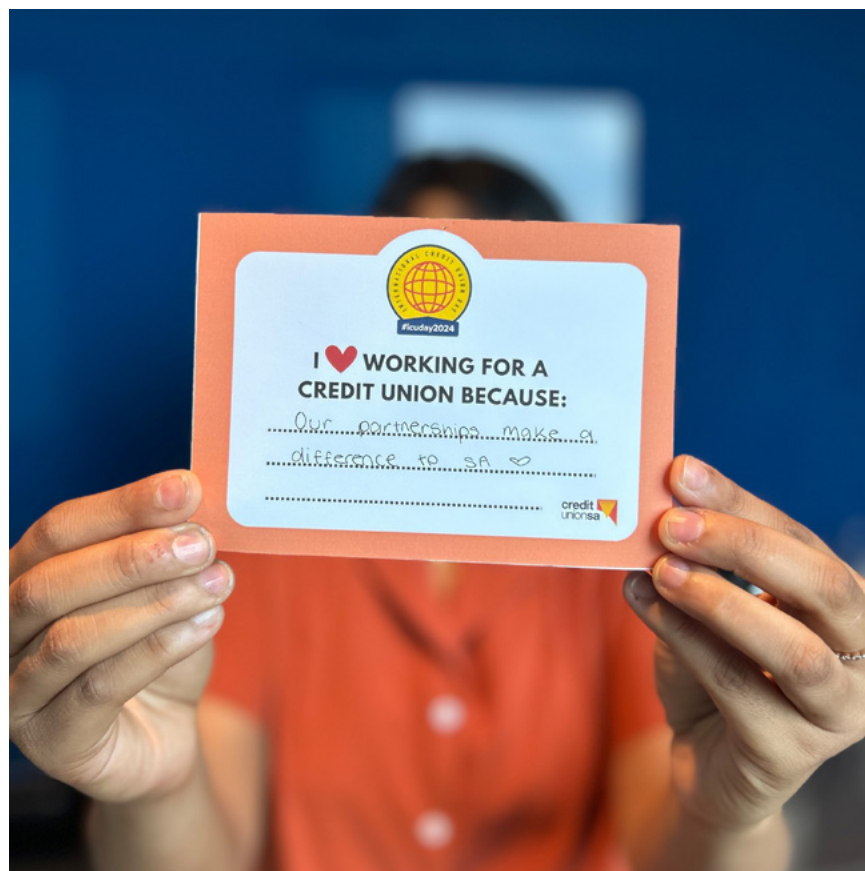


People and Culture

For us, a thriving South Australia starts with our team. More than just specialists in their fields, our people are dedicated to our community and they care as much about our state as we do.

We know it's important to support our people inside and outside of the office. It's why we continue to focus on learning, development, wellness, diversity and our culture.

Here are some of the ways we have given and received thanks with each other and our members.



ICU Day

The 3rd Thursday of October is globally marked as ICU Day (International Credit Union Day) It's a way of honouring the history, achievements, and community spirit of credit unions worldwide.

We joined millions around the world to celebrate this special day and asked our Credit Union SA members and team to share why they love banking with, or working for, a credit union.

Comments like these are what inspires us every day and reminds us why we do what we do!

Random acts of kindness

We are proud to encourage our team to share hand-written cards with members who may be experiencing difficult times, as this demonstrates our values of personal service to all our members.

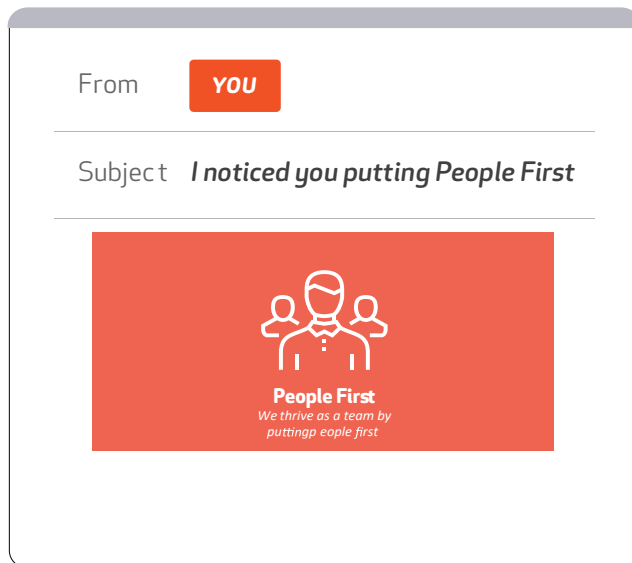
An example of this is when we received a call from a man to express his heartfelt gratitude for the personalised card he received in the mail from Credit Union SA as it had a profound impact on him.

He shared that the message inside the card moved him to tears because a company has never gone out of their way to do anything like this for him before.

He wanted us to know that this small act of kindness made a real difference to him and that he was extremely grateful.

Ecards

We know that we have a fabulous team that does great work every day. That's why we have e-cards that everyone can use to tell someone that you noticed them bringing our purpose and values to life.



272 cards sent noticing others for Being their Best

157 cards sent noticing others for Putting People First

89 cards sent noticing others for Bringing Our Purpose to Life

96 cards sent noticing others Striving to Achieve

614
Ecards sent in total



A bundle of thanks to our team

Mary from our branch was completely surprised when she received a delivery of a bouquet of flowers as thanks from a member who appreciated her wonderful service.

Coincidentally, Cosi from South Aussie with Cosi, was filming in our branch on this day and was so delighted to see our team receive the positive feedback he hears of out in the community.



Service Milestones

2024/2025



7 staff celebrated their **5 year** milestone...

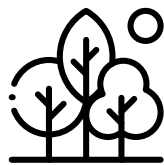
6 staff celebrated their **10 year** milestone...

1 staff celebrated their **15 year** milestone...

1 staff celebrated their **25 year** milestone...

39

Trees planted,
representing each
new staff starting
with us



and... 1 staff celebrated a
massive **45 years**
working at Credit
Union SA!

18

Significant
birthdays





3

Weddings

Congratulations
everyone!



855

Hours of
Birthday leave



3,344

Hours of
Thrive leave



69

Social Club
Members

5

Babies
Born



2

Graduations





15 Years of Credit Union SA



On August 2nd, Credit Union SA staff came together to celebrate our 15 years as an organisation, and the CEO awards for 2024. Mc'd by Cosi from South Aussie with Cosi, it was a moment to connect and reflect as a team.



CEO Awards

Celebrating our Annual CEO awards night on the 21st of June, staff, executive and board members recognised our achievements for the year, with our annual CEO award winners awarded. These staff members have demonstrated our values and commitments to South Australia and our members, and are nominated for this recognition by their peers.



Risk

Andrew Crook, Beau Chapman, Brett Crabb, Damien Fry, Julie Llewelyn, LJ Strauss



Inclusion

Hayley Newbold



Purpose

Stephen Szymanskyj



Community

Sharon Miller



Innovation

Janak Adhikari, Wei Hsien



Member Experience & Overall Winner

Eliza Pryce

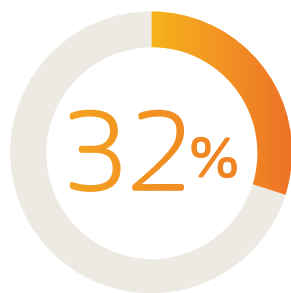




of our leaders
are female



of our staff
are over 60



of our staff
are under 35



Find out more about our
commitment to closing
the gender pay gap

creditunionsa.com.au/gender-pay-gap-statement



We represent over **24** Nationalities

and speak over
30
languages



2024/25 highlights

July

- Donated 100 care bags to the Zahra Foundation to support participants in the 'Pathways to Empowerment' program.
- Launched our first WIN AN MG offer in partnership with Port Adelaide Football Club.
- Retired cheque services and RediCARD as part of our digital transformation to be replaced with newer digital banking services.

August

- Rolled out Lending the Credit Union SA Way, a three-stage training program focused on our lending policies, procedures, and systems.
- Celebrated 15 years of Credit Union SA at the CEO Award Night.
- Attended the Educator SA Ball as platinum sponsors and unveiled our new Knowledge Counts package.

September

- Sponsored the Corporate Cup for the fourth year, with over 50 of our team members participating.
- Our School Impact Program was featured on South Aussie with Cosi, highlighting its positive impact on SA schools.

October

- Successfully launched our new lending platform, thanks to cross-team collaboration.
- Hosted a cyber safety escape room, led by our IT team, enhancing our knowledge of cybersecurity to protect our members.



November

- Proudly sponsored the Public Education Awards, where Todd Roberts presented the 'Excellence and Equity in Education Award' to a packed room of 1,000 educators.
- Karen Beard joined the Zahra Foundation's Change Maker panel, advocating for women affected by financial abuse.

December

- Partnered with Young Blood podcast to support conversations around men's mental health.
- Awarded Springton Primary School \$5,000 School Impact Program funding, to create a closed outdoor learning space.
- Surprised the social media winner of our South Aussie with Cosi Christmas competition with \$1,000 cash, helping Shazy cover bills and create a joyful holiday for her family.

January

- We joined Port Adelaide Football Club's 2025 AFL team photo day, proudly representing Credit Union SA.



February

- Brought Credit Union SA magic to Port Adelaide Football Club's Family Day, engaging with the community.
- Attended the 2025 International Women's Day Breakfast, where our Chair Julie Cooper led a powerful panel on the theme "March Forward: Turning Promises into Progress."



March

- Marked 10 years of supporting the Zahra Foundation's The Next Steps walk, standing in solidarity with women and children rebuilding their lives.
- Drew the winner of the MG ZS Excite giveaway—congratulations to Mandy from Woodville!
- Rolled out Mimecast CyberGraph, a new security system to help detect and prevent phishing and impersonation threats.

April

- Introduced enhanced payment warnings in our banking app, adding a tick-box confirmation for new payees.
- Launched "Fridays live in your school" with Nova's Jodie and Haysey, to promote our education member offers to school teachers.

May

- Hosted My Art, My SA, an inspiring art show featuring work from students at Hospital School SA.
- Ran innovation workshops with our Advisory Committee to spark ideas and drive strategic growth.
- Had a strong presence at the Santos Aboriginal Power Cup with Port Adelaide Football Club.



June

- Held our first Port Adelaide Football Club community BBQ at local football clubs, with over 70 kids participating.
- As major sponsors of Food on the Table, our team slept outside to raise awareness for homelessness and raised over \$30,000.
- Volunteered at Foodbank alongside generous brokers, repacking 300 water bottles to support families across SA and the NT.



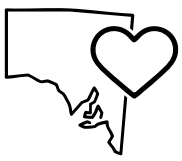
Looking forward

Over the next 12 months we will continue to provide more seamless experiences for our members as we continue on our transformation journey. Our commitment to the Education sector remains steadfast with the continuing support of Education Associations and the Public Education Awards.

Acknowledging our heritage, we will continue to provide workplace banking to SA Power Network employees and other selected South Australian Businesses.

Building upon our financial and risk foundations, we are prepared for our ongoing growth.

Our key focus areas for the year ahead:



We want to be the financial institution that more South Australians choose, and be there for our members in the moments that matter for them.



Our focus on the South Australian Community will deliver positive impact through our partnerships and relationships.



Deliver on our digital experience with an updated website, mobile banking app and online banking.



Embrace our heritage with the Education Sector through continued engagement and compelling offers.



Deliver consistently high levels of service and member experience that creates positive member growth in the year ahead.



Directors' Report

The Directors present their report together with the financial report of Credit Union SA Ltd (the "Credit Union") and of the Group, being the Credit Union and its controlled entities, for the financial year ended 30 June 2025 and the Auditor's report thereon.

Directors

The Directors at any time during or since the end of the financial year, including details of their qualifications, experience and special responsibilities are:

Name, qualifications and special responsibilities:

Julie Anne COOPER

GD.Mgt, BA, FAICD

Independent Non-Executive Director since February 2019

Chair of the Board since 29 May 2024

Member, Board Governance Committee

Member, Board Risk Committee

Paul Carl DEWSNAP

PGDDigBus, DipElecEng, MAICD

Independent Non-Executive Director since February 2019

Member, Board Risk Committee

Philip Leon Fernand RIQUIER

MBA, B Bus, FAICD, FCPA, FFIN, Chartered Banker

Independent Non-Executive Director since February 2018

Chair, Board Risk Committee

Member, Board Audit Committee

Nicholas Chapman ANDERSON

BAcc, FCA, GAICD

Independent Non-Executive Director since February 2021

Chair, Board Audit Committee

Member, Board Risk Committee

Experience

Company Director

Other Board Memberships:

Shearn and Co Pty Ltd (Director); Nova Aerospace Pty Ltd (Director); Adelaide Crows Foundation Ltd (Adelaide Football Club) (Director); Sarah Group Holdings Advisory Board (Member)

Company Director/Consultant

Other Board Memberships:

Data Action Pty Ltd (Director); Digital Resilience Pty Ltd (Director); My Security Adviser Pty Ltd (Director); Buzz ER Pty Ltd Advisory Board (Member); Affiniti Solutions Advisory Board (Chair); Australia India Chamber of Commerce – South Australian Chapter (Committee Member); J2P2 Pty Ltd (Director); Origin8 Enterprises Pty Ltd (Director); PV Enterprises Pty Ltd (Director); PV Super Pty Ltd (Director); VEP Enterprises Pty Ltd (Director); Avonet Technologies Pty Ltd (Director); Trustee position with private trusts

Company Director

Other Board Memberships:

Lutheran Homes Group Incorporated (Director); Capital Prudential Pty Ltd Investment Funds (Investment Committee Member); My Venue Pty Ltd (Director); Guava Lime Capital Pty Ltd (Director); Oz Premium Finance Pty Ltd (Director); True Vault Pty Ltd (Director)

Company Director

Other Board Memberships:

BDO Australia Ltd (Partner); The Ross McDonald Foundation Ltd (Director); Samex Australia Meat Co Pty Ltd (Director); Multiple Officer and Trustee positions with private companies and trusts

Directors' Report continued

Name, qualifications and special responsibilities:

Louise Helen SMALL

GAICD, Australian Coaching Accreditation (Intermediate) CertIV
in Finance Broking
Independent Non-Executive Director since 1 October 2021
Chair, Board Governance Committee

Matthew Peter WALSH

MBA, BAppSc, GAICD
Independent Non-Executive Director since February 2024
Member, Board Governance Committee

Kathryn HAWKINS

MAICD
Independent Non-Executive Director since 1 July 2024
Member, Board Audit Committee

Directors were in office (including Board Committee membership) from the beginning of the financial year until the date of this report, unless stated otherwise.

Experience

Company Director

Other Board Memberships:
South Australian Football Commission (Director);
South Australian Housing Trust (Director)

Company Director

Other Board Memberships:
Defence Health Limited (Director); Matt Walsh Consulting Pty
Ltd (Director); Recovr Pty Ltd Advisory Board (Member); Xframe
Ltd (Chair); Trustee position with private trust

Company Director

Other Board Memberships:
Comunet Pty Ltd (Chair)

Company Secretary

Ms Nicole Santinon LLB (Hons), BlntSt, GDLP, Prof Cert SMSF, GAICD was appointed Company Secretary effective 13 December 2021. Ms Santinon is a corporate & commercial lawyer and corporate governance professional who formerly practised as a tax and superannuation lawyer both in private legal practice and as in-house senior legal counsel. Ms Santinon was appointed Chief Risk Officer in November 2024 and resigned as Company Secretary effective 30 September 2024.

Ms Jacqui Bullock LLB (Hons), B.Arts (Psychology), GDLP was appointed Company Secretary effective 30 September 2024. Ms Bullock is a lawyer with private practice experience in banking and litigation and formerly practised as in-house senior legal counsel at another authorised deposit taking institution.

Directors' meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors during the 2025 financial year are:

Director	Director Type	Board		Audit Committee		Risk Committee		Governance Committee	
		A(*)	B	A	B	A(^)	B	A	B
J Cooper (Chair)	ME	13	13			6	6	4	4
N Anderson	BA	13	12	4	4	6	6		
P Dewsnap	ME	13	13			6	6		
L Small	BA	13	12					4	4
P Riquier	ME	13	13	4	4	6	6		
M Walsh	BA	13	12					4	4
K Hawkins	ME	13	12	4	4				

(*) Eleven scheduled Board meetings [one (1) Board Strategy Planning meeting and one (1) special purpose meeting]

(^) Five scheduled Risk Committee meetings [one (1) special purpose meeting]

A Number of meetings held during the period the Director was a member of the Board or Board Committee.

B Number of meetings attended by the Director

ME Member Elected Directors

BA Board Appointed Directors



Directors' interests

No Director has declared any interest in existing or proposed contracts with the Group during the financial year ended 30 June 2025, and to the date of this report.

Principal activities

During the financial year ended 30 June 2025, the principal activities of the Group were the provision of financial services to its members, including accepting members' deposits, advancing loans to members and acting as a general insurance agent. There were no significant changes to these activities during the year.

Review of operations

The Group recorded a profit after tax for the year ended 30 June 2025 of \$8.181 million (2024: \$5.211 million). Total assets of the Group as at 30 June 2025 were \$2.058 billion (2024: \$1.845 billion) including members' net loans and advances of \$1.727 billion (2024: \$1.539 billion).

Change in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Dividends

The Constitution of the Group prevents the distribution of dividend payments on member shares.

Events subsequent to the reporting date

Other than the current disclosures, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results, or the state of affairs of the Group in future financial years.

Likely developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

The Group has considered the impact of rapidly increasing interest rates on future financial performance and has incorporated the impact in its future operating plans. In particular, the Group has heightened monitoring of its exposure to credit losses.

Environmental regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those requirements as they apply to the Group.

Indemnification and insurance of Directors and officers

During the period, the Group paid a premium in relation to Directors and officers liability insurance policy, indemnifying the Directors and its Executives against certain liabilities. The Directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contract, as such disclosure is prohibited under the terms of the contract.

Lead auditor's independence declaration under Section 307C of the Corporations Act

The Lead Auditor's Independence Declaration is set out on page 43 and forms part of the Directors' Report for the year ended 30 June 2025.

Rounding off

The Credit Union is a registered company of a kind referred to in 'ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 dated 24 March 2016', relating to the "rounding off" of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

Signed at Adelaide this 24th day of September 2025 in accordance with a resolution of the Board of Directors of Credit Union SA Ltd.



Julie Cooper
Chair of the Board



Nicholas Anderson
Chair of the Audit Committee

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Credit Union SA Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Credit Union SA Ltd for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



A handwritten signature in black ink, appearing to read "Paul Cenko".

Paul Cenko

Partner

Adelaide

24 September 2025

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Independent Auditor's Report



To the Members of Credit Union SA Ltd

Opinion

We have audited the consolidated Financial Report of Credit Union SA Ltd (the Group Financial Report). We have also audited the Financial Report of Credit Union SA Ltd (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report gives a true and fair view, including of the Group's and of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the Corporations Act 2001, in compliance with Australian Accounting Standards and the Corporations Regulations 2001. The respective Financial Reports comprises:

- Statements of financial position as at 30 June 2025;
- Statements of profit or loss and other comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025;
- Notes, including material accounting policies; and
- Directors' Declaration.

The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Credit Union SA Ltd's annual report which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Reports does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Reports, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Reports in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group and the Company, and in compliance with Australian Accounting Standards and the Corporations Regulations 2001;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group and Company, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Reports 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 Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Reports is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Paul Cenko

Partner

Adelaide

24 September 2025

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Directors' declaration

For the year ended 30 June 2025

In the opinion of the Directors of Credit Union SA Ltd
("the Credit Union"):

- a) the financial statements and notes set out on pages 46 to 103 are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Credit Union's and the Group's financial position as at 30 June 2025 and of their performance, for the financial year ended on that date;
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b) the Consolidated Entity Disclosure Statement as at 30 June 2025 set out in page 104 is true and correct;
- c) the financial statements also comply with the International Financial Reporting Standards as disclosed in Note 2; and;
- d) there are reasonable grounds to believe that the Credit Union will be able to pay its debts as and when they become due and payable.

Signed at Adelaide this 24th day of September 2025, in accordance with a resolution of the Board of Directors of the Credit Union.



Julie Cooper
Chair of the Board



Nicholas Anderson
Chair of the Audit Committee



Statements of Financial Position

As at 30 June

		Consolidated		Credit Union	
	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets					
Cash and cash equivalents	8	67,789	60,975	48,813	48,617
Investment in debt securities	9	243,675	224,096	243,675	224,096
Trade and other receivables	10	4,309	2,127	4,718	2,642
Net loans and advances	11, 12	1,726,799	1,539,342	1,726,799	1,539,342
Other investments	27	-	-	253,500	283,500
Other financial assets	13	-	9,012	-	9,012
Property, plant and equipment	14	4,070	987	4,070	987
Derivative assets	26	784	-	784	-
Net deferred tax assets	7	2,241	1,346	2,241	1,346
Intangible assets	15	6,447	4,430	6,447	4,430
Other assets	16	2,287	2,813	2,268	2,800
Total assets		2,058,401	1,845,128	2,293,315	2,116,772
Liabilities					
Members' deposits	17	1,744,899	1,592,592	1,744,899	1,592,592
Interest-bearing liabilities	18	153,347	111,101	153,347	111,101
Borrowings	27	-	-	234,619	266,510
Derivative liabilities	26	3	227	3	227
Trade and other payables	19	19,232	12,887	19,527	18,021
Income received in advance		22	46	22	46
Income tax payable	7	1,827	529	1,827	529
Provisions	20	3,433	3,127	3,433	3,127
Total liabilities		1,922,763	1,720,509	2,157,677	1,992,153
Net assets					
		135,638	124,619	135,638	124,619
Equity					
Retained earnings	21	134,376	122,111	134,376	122,111
Fair value reserves	21	416	2,671	416	2,671
Cash flow hedge reserve	21	781	(227)	781	(227)
Redeemed member shares	21	65	64	65	64
Total equity		135,638	124,619	135,638	124,619

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

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

		Consolidated		Credit Union	
	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Income					
Interest revenue	4	108,133	88,410	120,412	102,447
Interest expense	4	(65,784)	(51,174)	(79,245)	(66,757)
Net interest revenue		42,349	37,236	41,167	35,690
Non-interest revenue	5	8,754	5,092	9,900	6,556
Total income		51,103	42,328	51,067	42,246
Expenses					
Impairment losses on loans and advances	12	(453)	(49)	(453)	(49)
Other expenses	6	(40,441)	(35,103)	(40,405)	(35,021)
Total expenses		(40,894)	(35,152)	(40,858)	(35,070)
Profit before tax					
Income tax expense	7	(2,028)	(1,965)	(2,028)	(1,965)
Profit for the year		8,181	5,211	8,181	5,211
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Cash flow hedge reserve		1,008	(756)	1,008	(756)
Changes in the fair value of investment in debt securities at fair value through other comprehensive income (FVOCI)		1,132	811	1,132	811
Items that will not be reclassified to profit or loss					
Changes in the fair value of other financial assets at FVOCI		698	744	698	744
Other comprehensive income for the year, net of tax		2,838	799	2,838	799
Total comprehensive income for the year		11,019	6,010	11,019	6,010

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



Statements of Changes in Equity

As at 30 June

Consolidated

	Retained earnings	Fair value reserves	Cash flow hedge reserve	Redeemed member shares	Total
Notes	\$'000	\$'000	\$'000	\$'000	\$'000

2025

Opening equity	122,111	2,671	(227)	64	124,619
Profit for the year	8,181	-	-	-	8,181
Changes to the fair value of cash flow hedges	-	-	1,008	-	1,008
Other comprehensive income for the year	-	1,830	-	-	1,830
Transfers to/(from) retained earnings	4,085	(4,085)	-	-	-
Redeemed member shares	(1)	-	-	1	-
Closing equity	134,376	416	781	65	135,638

2024

Opening equity	116,901	1,116	529	63	118,609
Profit for the year	5,211	-	-	-	5,211
Changes to the fair value of cash flow hedges	-	-	(756)	-	(756)
Other comprehensive income for the year	-	1,555	-	-	1,555
Redeemed member shares	(1)	-	-	1	-
Closing equity	122,111	2,671	(227)	64	124,619

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

Statements of Changes in Equity continued

As at 30 June

Credit Union

	Retained earnings	Fair value reserves	Cash flow hedge reserve	Redeemed member shares	Total
Notes	\$'000	\$'000	\$'000	\$'000	\$'000

2025

Opening equity	122,111	2,671	(227)	64	124,619
Profit for the year	8,181	-	-	-	8,181
Changes to the fair value of cash flow hedges	-	-	1,008	-	1,008
Other comprehensive income for the year	-	1,830	-	-	1,830
Transfers to/(from) retained earnings	4,085	(4,085)	-	-	-
Redeemed member shares	(1)	-	-	1	-
Closing equity	134,376	416	781	65	135,638

2024

Opening equity	116,901	1,116	529	63	118,609
Profit for the year	5,211	-	-	-	5,211
Changes to the fair value of cash flow hedges	-	-	(756)	-	(756)
Other comprehensive income for the year	-	1,555	-	-	1,555
Redeemed member shares	(1)	-	-	1	-
Closing equity	122,111	2,671	(227)	64	124,619

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



Statements of Cash Flows

For the year ended 30 June

		Consolidated		Credit Union	
	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash flows from operating activities					
Interest received		107,748	88,106	120,133	102,102
Interest paid		(64,586)	(46,909)	(78,047)	(62,491)
Increase in members loans and advances		(187,910)	(187,838)	(187,910)	(187,838)
Increase in member deposits	17	152,307	182,394	152,307	182,394
Non-interest income received		6,396	5,205	7,542	6,668
Non-interest expenses paid		(36,159)	(32,507)	(40,956)	(30,809)
Income tax paid	7(c)	(3,482)	(2,277)	(3,482)	(2,277)
Net cash flow from operating activities	8(b)	(25,686)	6,174	(30,413)	7,749
Cash flow from investing activities					
Increase in investment in debt securities	9	(18,881)	(38,181)	(18,881)	(38,181)
Decrease/(Increase) in notes receivable		-	-	30,000	10,000
Dividends from other financial assets		2,966	208	2,966	208
Proceeds from other financial assets		11,038	-	11,038	-
Payments for property, plant, equipment and intangibles	14,15	(4,164)	(3,565)	(4,164)	(3,565)
Proceeds from property, plant, equipment and intangibles		3	-	3	-
Net cash flow used in investing activities		(9,038)	(41,538)	20,962	(31,538)
Cash flow from financing activities					
Payment of lease liabilities	23	(708)	(1,511)	(708)	(1,511)
Proceeds from interest-bearing liabilities	18	42,246	49,086	42,246	49,086
Proceeds from borrowings		-	-	-	19,557
Repayments of borrowings		-	(42,607)	(31,891)	(67,274)
Net cash flow from/(used in) financing activities		41,538	4,968	9,647	(142)
Net increase/(decrease) in cash and cash equivalents					
		6,814	(30,396)	196	(23,931)
Cash and cash equivalents at beginning of the year		60,975	91,371	48,617	72,548
Cash and cash equivalents at end of the year	8(a)	67,789	60,975	48,813	48,617

Cash flows arising from the following activities are presented on a net basis:

- i) member deposits to and withdrawals from deposit accounts
- ii) borrowings and repayments on loans, advances and other receivables
- iii) dealings with other financial institutions

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

Notes to the Financial Statements

Note 1	General Information	52
Note 2	Basis of Preparation	52
Note 3	Statement of Material Accounting Policies	53
Note 4	Interest Revenue and Interest Expense	54
Note 5	Non-Interest Revenue	55
Note 6	Other Expenses	56
Note 7	Income Tax	57
Note 8	Cash and Cash Equivalents	61
Note 9	Investment in Debt Securities	62
Note 10	Trade and Other Receivables	63
Note 11	Loans and Advances	64
Note 12	Impairment of Loans and Advances	65
Note 13	Other Financial Assets	70
Note 14	Property, Plant and Equipment	71
Note 15	Intangible Assets	74
Note 16	Other Assets	77
Note 17	Member Deposits	77
Note 18	Interest-Bearing Liabilities	78
Note 19	Trade and Other Payables	78
Note 20	Provisions	79
Note 21	Equity	81
Note 22	Financing Facilities	81
Note 23	Commitments, Contingent Liabilities and Contingent Assets	82
Note 24	Key Management Personnel	85
Note 25	Financial Risk Management	87
Note 26	Fair Value of Financial Instruments	96
Note 27	Securitisation	100
Note 28	Related Party Disclosures	101
Note 29	Auditors' Remuneration	102
Note 30	Franking Account	103
Note 31	Segment Information	103
Note 32	Economic Dependency	103
Note 33	Subsequent Events	103



Notes to the Financial Statements

Note 1. General information

Reporting entity

Credit Union SA Ltd (the "Credit Union"), is a company domiciled in Australia. These consolidated financial statements comprise the Credit Union and its controlled entities (together referred to as the "Group").

Credit Union SA Ltd's registered office and its principal place of business is as follows:

400 King William St, Adelaide
South Australia, 5000.

Principal activities

During the financial year ended 30 June 2025, the principal activities of the Credit Union were the provision of financial services to its members, including accepting members' deposits, advancing loans to members and acting as a general insurance agent. There were no changes to these activities during the year and no changes are anticipated for the coming year.

Note 2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board. The Credit Union is a for-profit entity for the purposes of preparing the financial statements.

The financial report was authorised for issue by the Directors on 24 September 2025.

The accounting policies, including changes during the year, are contained within the notes to the financial statements.

(b) Basis of measurement

The financial report has been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss, or at fair value through other comprehensive income (FVOCI).

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Credit Union's functional currency. The Credit Union is a registered company of a kind referred to in 'ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191' relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial statements have been rounded to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

(d) Use of estimates and judgments

The preparation of a financial report 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 experience 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.

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.

(e) Basis of consolidation

The Group operates a securitisation vehicle under its self-securitisation programme. In considering whether it has control the Group considers whether it significantly affects the key

decisions that manage the vehicle's returns. As a result, the Group has concluded that it controls the securitisation vehicle.

(f) Other accounting policies

(i) Impairment of financial assets

Financial assets within the scope of AASB 9 expected credit loss (ECL) requirements comprise all financial debt instruments measured at either amortised cost or FVOCI. These include cash and cash equivalents, investment in debt securities, trade and other receivables, loans and advances, derivative assets, and other financial assets.

The ECL represents the present value of expected cash shortfalls following the default of a financial instrument. A cash shortfall is the difference between the cash flows due in accordance with the contractual terms of the financial instrument and the cash flows the Group expects to receive.

The allowance for ECLs is based on assessment of the probability of default, exposure at default and loss given default, discounted at the effective interest rate to give a net present value. The estimation of ECLs is unbiased and probability weighted, taking into account all reasonable and supportable information, including forward looking economic assumptions and a range of possible outcomes. ECLs are calculated from initial recognition of the financial asset.

For investment in debt securities, the Group has applied the AASB 9 'low credit risk' exemption given their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

For financial assets measured at amortised cost, the allowance for ECLs is offset against the carrying value so that the amount presented in the statements of financial position is net of impairment provisions. Please refer to Note 12 for further details on the impairment of loans and advances.

For financial assets classified as FVOCI, any credit losses are recognised in the fair value reserve.

(ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss, unless an asset has previously been revalued, in which case the impairment loss is first recognised as a reversal to the extent of that previous revaluation, with any excess recognised through profit or loss.

(iii) Reversal of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss no longer exists and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

When an impairment loss is reversed, it is reversed through the profit or loss.

Note 3. Statement of material accounting policies

New standards and interpretations adopted

The Group did not adopt any new standards or interpretations for the year ended 30 June 2025, as none were applicable.

Similarly, a number of new accounting standards, interpretations and amendments are effective from annual periods beginning after 1 July 2025 and early application is permitted. However, the group has not adopted any of these as they are not applicable to the group.



Note 4. Interest revenue and interest expense

Net interest revenue is recognised on the amortised cost basis using the effective interest method.

Loan origination fees and direct costs integral to the establishment of loans and advances are deferred and amortised to interest income over the effective life of the loan using the effective interest method.

The following tables show the amount of interest revenue or expense for each of the major categories of interest-bearing assets and liabilities.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Interest revenue				
Cash and cash equivalents	2,693	3,765	1,898	3,118
Investment in debt securities	10,539	8,848	10,539	8,848
Loans and advances	83,582	70,428	83,582	70,428
Notes receivable	-	-	13,074	14,684
Derivatives	11,319	5,369	11,319	5,369
	108,133	88,410	120,412	102,447
Interest expense				
Interest-bearing liabilities	5,434	5,595	5,434	5,595
Member deposits	48,666	40,717	48,666	40,717
Borrowings	-	-	13,461	15,583
Derivatives	11,684	4,862	11,684	4,862
	65,784	51,174	79,245	66,757

Note 5. Non-interest revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Loan fees and other commission revenue include fees other than those that are integral part of the effective interest rate (EIR).

Loan fees revenue relating to deposit or loan accounts is either transaction-based and, therefore, recognised when the performance obligation related to the transaction is fulfilled or is related to performance obligations carried out over a period of time and therefore, recognised on a systematic basis over the life of the agreement as the services are provided. Transaction fees and provision of services are defined within the product terms and conditions.

Other commission revenue, predominantly in relation to insurance protection products, is recognised when the performance obligation is satisfied and only at the point that the income is highly probable and not expected to be reversed in future periods.

Other fee revenue and commission revenue are brought to account in accordance with AASB 15 Revenue from contracts with customers with revenue recognised in alignment with the associated performance obligations. The Group recognises revenue when it transfers control over a service to a customer.

Income from sub-leasing right-of-use assets is recognised in accordance with AASB 16 Leases. Lease payments received under operating leases are recognised as income on a straight-line basis over the lease term.

Dividends from other financial assets are recognised at the date when the right to receive the dividend has been established.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Non-interest revenue				
Distribution from MTG CUSA Trust Repo Series No. 1 (Note 27)	-	-	908	1,197
Loan fees	2,258	1,760	2,258	1,761
Bad debts recovered	43	62	43	62
Dividends received	2,966	208	2,966	208
Income from sub-leasing right-of-use assets	36	3	36	3
Other fee revenue	778	578	778	578
Other commission revenue	2,440	2,476	2,440	2,476
Other revenue	233	5	471	271
Total non-interest revenue	8,754	5,092	9,900	6,556



Note 6. Other expenses

Expenses are recognised when incurred.

Employee benefits

Salaries, annual leave and other employee entitlements expected to be paid or settled within 12 months of employees rendering service are measured at their nominal amounts using remuneration rates that the Group expects to pay when the liabilities are settled.

Refer to Note 20 Provisions for balances of employee benefit related provisions.

		Consolidated		Credit Union	
	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Administration expenses					
Staff					
Employee benefits		16,112	15,454	16,112	15,454
Contributions to defined contribution plans		1,868	1,623	1,868	1,623
Occupancy					
Expenses relating to leases of low-value assets		160	169	160	169
Information technology					
Information technology expenses		6,040	4,357	6,040	4,357
Finance costs					
Interest on lease liabilities		241	31	241	31
Other					
Administrative expenses		3,785	2,997	3,767	2,936
Depreciation of property, plant & equipment and right-of-use assets	14	1,050	1,372	1,050	1,372
Amortisation of intangibles	15	1,174	704	1,174	704
Distribution channel costs		4,733	4,605	4,733	4,605
Marketing expenses		2,422	1,766	2,422	1,766
Write-off of property, plant & equipment and intangibles		236	10	236	10
Other		2,620	2,015	2,602	1,994
Total non-interest operating expenses		40,441	35,103	40,405	35,021

Notes to the Financial Statements continued

Note 7. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Consolidated	2025 %	2025 \$'000	2024 %	2024 \$'000
(a) Reconciliation between tax expense and pre-tax profit				
Profit before tax		10,209		7,176
Income tax expense	30.00%	3,063	30.00%	2,153
Increase/(decrease) in income tax expense due to:				
Non-allowable expenses	0.34%	35	0.38%	27
Non-assessable income	(8.27%)	(844)	(0.87%)	(62)
Research and development tax offset	(2.21%)	(226)	-	-
Over provision from prior years	-	-	-	(153)
Income tax expense on pre-tax net profit	19.86%	2,028	29.51%	1,965
(b) Tax expense recognised in profit or loss comprises:				
Current tax expense in respect of the current year		3,047		2,236
Research and development tax offset		(632)		-
Adjustments to prior years		-		(153)
		2,415		2,083
Deferred tax expense relating to the origination and reversal of temporary differences		(387)		(118)
Total tax expense		2,028		1,965
(c) Income tax payable				
Movements during the year were as follows:				
Balance at beginning of the year		529		723
Income tax paid		(3,482)		(2,277)
Current year income tax liability on operating profit		3,047		2,236
Capital gains tax on sale of other financial assets		2,592		-
Research and development tax offset		(859)		-
Over provision in prior years		-		(153)
Income tax payable		1,827		529



Notes to the Financial Statements continued

Note 7. Income tax (continued)

Credit Union

	2025 %	2025 \$'000	2024 %	2024 \$'000
(a) Reconciliation between tax expense and pre-tax profit				
Profit before tax		10,209		7,176
Income tax expense	30.00%	3,063	30.00%	2,153
Increase/(decrease) in income tax expense due to:				
Non-allowable expenses	0.34%	35	0.38%	27
Non-assessable income	(8.27%)	(844)	(0.87%)	(62)
Research and development tax offset	(2.21%)	(226)	-	-
Over provision from prior years	-	-	-	(153)
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Current tax expense in respect of the current year		3,047		2,236
Research and development tax offset		(632)		-
Adjustments to prior years		-		(153)
		2,415		2,083
Deferred tax expense relating to the origination and reversal of temporary differences		(387)		(118)
Total tax expense		2,028		1,965
(c) Income tax payable				
Movements during the year were as follows:				
Balance at beginning of the year		529		723
Income tax paid		(3,482)		(2,277)
Current year income tax liability on operating profit		3,047		2,236
Capital gains tax on sale of other financial assets		2,592		-
Research and development tax offset		(859)		-
Over provision in prior years		-		(153)
Income tax payable		1,827		529

Notes to the Financial Statements continued

Note 7. Income tax (continued)

(d) Movement in deferred tax balances

Consolidated	Opening balance \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	Closing balance \$'000
2025				
Employee benefits	924	91	-	1,015
Loans and advances	432	125	-	557
Property, plant and equipment	384	55	-	439
Lease liabilities	181	1,005	-	1,186
Undeducted capital expenditure	9	1	-	10
Other	47	78	-	125
Deferred tax assets	1,977	1,355	-	3,332
Other financial assets	(508)	-	508	-
Right-of-use assets	(123)	(968)	-	(1,091)
Deferred tax liabilities	(631)	(968)	508	(1,091)
Net deferred tax assets (liabilities)	1,346	387	508	2,241
2024				
Employee benefits	857	67	-	924
Loans and advances	443	(11)	-	432
Property, plant and equipment	227	157	-	384
Lease liabilities	576	(395)	-	181
Undeducted capital expenditure	10	(1)	-	9
Other	41	6	-	47
Deferred tax assets	2,154	(177)	-	1,977
Other financial assets	(508)	-	-	(508)
Right-of-use assets	(418)	295	-	(123)
Deferred tax liabilities	(926)	295	-	(631)
Net deferred tax assets (liabilities)	1,228	118	-	1,346



Notes to the Financial Statements continued

Note 7. Income tax (continued)

Credit Union	Opening balance \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	Closing balance \$'000
2025				
Employee benefits	924	91	-	1,015
Loans and advances	432	125	-	557
Property, plant and equipment	384	55	-	439
Lease liabilities	181	1,005	-	1,186
Undeducted capital expenditure	9	1	-	10
Other	47	78	-	125
Deferred tax assets	1,977	1,355	-	3,332
Other financial assets	(508)	-	508	-
Right-of-use assets	(123)	(968)	-	(1,091)
Deferred tax liabilities	(631)	(968)	508	(1,091)
Net deferred tax assets (liabilities)	1,346	387	508	2,241
2024				
Employee benefits	857	67	-	924
Loans and advances	443	(11)	-	432
Property, plant and equipment	227	157	-	384
Lease liabilities	576	(395)	-	181
Undeducted capital expenditure	10	(1)	-	9
Other	41	6	-	47
Deferred tax assets	2,154	(177)	-	1,977
Other financial assets	(508)	-	-	(508)
Right-of-use assets	(418)	295	-	(123)
Deferred tax liabilities	(926)	295	-	(631)
Net deferred tax assets (liabilities)	1,228	118	-	1,346

(e) Unrecognised deferred tax asset

The Credit Union has previously carried forward capital losses of \$0.930 million which were not recognised as a deferred tax asset because it was uncertain that future capital gains will be available from which the Credit Union can utilise the benefit. During the year ended 30 June 2025, The Credit Union has utilised these capital losses to offset the capital gains tax recognised as part of the sale of shares held in CUSCAL Ltd (refer to Note 13). No remaining capital losses are unrecognised as at 30 June 2025 (2024: \$0.930 million).

Notes to the Financial Statements continued

Note 8. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits at call placed with other financial institutions and are initially measured at fair value then subsequently at amortised cost.

For the purposes of the statements of cash flows, cash and cash equivalents include cash and investment with other financial institutions that are highly liquid, readily convertible to known amounts of cash within three months and are subject to an insignificant risk of changes in value. They are held for the purposes of meeting short-term cash commitments rather than for investment or other purposes.

(a) Reconciliation of cash for statements of cash flows

	Consolidated		Credit Union	
	2025	2024	2025	2024
	₪'000	₪'000	₪'000	₪'000
Cash and cash equivalents	24,724	20,614	5,748	8,256
Investments with other financial institutions	43,065	40,361	43,065	40,361
Total cash for statements of cash flows	67,789	60,975	48,813	48,617

(b) Reconciliation of profit for the year to net cash flow from operating activities

Profit for the year	8,181	5,211	8,181	5,211
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Add/(deduct) non-cash items

Provisions for impairment	418	(36)	418	(36)
Depreciation of property, plant and equipment	1,050	1,372	1,050	1,372
Amortisation of intangible assets	1,174	704	1,174	704
Bad debts written off	34	-	34	-
Net loss/(gain) on disposal and write-off of property, plant and equipment	236	10	236	10
Total adjustments for non-cash items	2,913	2,050	2,913	2,050

Add/(deduct) changes in assets or liabilities during the financial year

Increase in loans and advances	(187,910)	(187,753)	(187,910)	(187,753)
Increase in member deposits	152,307	182,394	152,307	182,394
Increase in accrued interest receivable	(385)	(305)	(279)	(345)
Increase in accrued interest payable	1,198	4,265	1,198	4,265
(Increase)/decrease in other assets	(3,715)	279	(3,709)	272
Increase/(decrease) in other liabilities	1,322	346	(3,517)	1,968
Increase/(decrease) in income tax payable	1,298	(195)	1,298	(195)
Increase in deferred tax assets	(895)	(118)	(895)	(118)
Total changes in assets or liabilities	(36,780)	(1,087)	(41,507)	488
Net cash from/(used in) operating activities	(25,686)	6,174	(30,413)	7,749



Note 9. Investment in debt securities

Investment in debt securities are classified at amortised cost when they are held in a business model with the objective of collecting contractual cash flows or at fair value through other comprehensive income (FVOCI) when they are held in a business model with the objective of collecting cash flows and realising the asset through sale.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deposits with Cuscal Ltd	15,250	15,250	15,250	15,250
Deposits with other financial institutions	111,981	98,308	111,981	98,308
Deposits with other financial institutions - FVOCI	116,444	110,538	116,444	110,538
	243,675	224,096	243,675	224,096
Not longer than 3 months until maturity	112,222	115,201	112,222	115,201
Longer than 3 months but not longer than 12 months until maturity	51,819	49,035	51,819	49,035
Longer than 1 year but not longer than 5 years until maturity	79,634	59,860	79,634	59,860
	243,675	224,096	243,675	224,096

No ECL provision has been recognised for the investment in debt securities as at 30 June 2025 (2024: nil).

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
 - o how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
 - o the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Note 10. Trade and other receivables

Trade and other receivables comprise non-interest bearing debtors, and are initially recognised at fair value and subsequently measured at amortised cost. Receivables with a short duration are not discounted.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Interest receivable	2,198	1,813	2,607	2,328
Finance lease receivable (Note 23)	594	72	594	72
Other	1,517	242	1,517	242
	4,309	2,127	4,718	2,642



Notes to the Financial Statements continued

Note 11. Loans and advances

Loans and advances comprise term and revolving credit facilities provided to members and member overdrawn savings accounts and are initially recorded at fair value including incremental direct transaction costs. They are subsequently measured at amortised cost, using the effective interest method, less impairment losses (refer to Note 12).

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the loan or advance to the net carrying amount of the loan or advance. When estimating the future cash flows, the Group considers all contractual terms of the loan or advance excluding any future credit losses. Included in this calculation are all fees paid or received that are integral to the contract.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000

Loans and advances carried at amortised cost

Revolving credit facilities	19,471	20,096	19,471	20,096
Term loans - secured	1,708,973	1,520,420	1,708,973	1,520,420
Term loans - unsecured	211	265	211	265
Gross loans and advances	1,728,655	1,540,781	1,728,655	1,540,781

Specific provision for impairment	(343)	(216)	(343)	(216)
Expected credit loss provision for impairment	(1,513)	(1,223)	(1,513)	(1,223)
Net loans and advances	1,726,799	1,539,342	1,726,799	1,539,342

Loans and advances by maturity

Lines of credit (including unsecured overdrafts)	19,361	20,096	19,361	20,096
Not longer than 3 months	10,977	1,613	10,977	1,613
Longer than 3 months but not longer than 12 months	34,547	11,426	34,547	11,426
Longer than 1 year but not longer than 5 years	21,800	28,236	21,800	28,236
Longer than 5 years	1,641,970	1,479,410	1,641,970	1,479,410
Gross loans and advances	1,728,655	1,540,781	1,728,655	1,540,781

Loans and advances by security

Secured by mortgage	1,694,262	1,498,344	1,694,262	1,498,344
Secured by other	23,811	31,986	23,811	31,986
Unsecured	10,582	10,451	10,582	10,451
Gross loans and advances	1,728,655	1,540,781	1,728,655	1,540,781

Loans and advances by purpose

Residential	1,645,536	1,479,955	1,645,536	1,479,955
Personal	33,681	42,235	33,681	42,235
Commercial	49,438	18,591	49,438	18,591
Gross loans and advances	1,728,655	1,540,781	1,728,655	1,540,781

Concentration of risk

The Credit Union's loans are predominantly concentrated in South Australia. This creates an exposure to a particular segment as follows:

South Australian residents	1,617,088	1,435,868	1,617,088	1,435,868
Other residents	111,567	104,913	111,567	104,913
Gross loans and advances	1,728,655	1,540,781	1,728,655	1,540,781

Note 11. Loans and advances (continued)

The Group has a significant exposure to groupings of individual loans which concentrate risk and create exposure to the employment sector of educators in both the government and non-government South Australian school systems. As at 30 June 2025, loans to members of the education community of South Australia totalled \$514.150 million (2024: \$461.640 million). This represents approximately 29.8% of the total loan portfolio (2024: 30.0%).

As at 30 June 2025, the Group had no loan facilities with an outstanding balance in excess of 10% of its total capital (2024: nil).

Note 12. Impairment of loans and advances

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for loans and advances. Exposures are assessed on a collective basis in each stage unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on estimated future cash flows. Where such evidence exists, the exposure is assessed on an individual basis.

Stage and Measurement basis:

- 12-months ECL - Performing (Stage 1) The portion of lifetime ECL associated with the probability of default events occurring within the next 12 months.
- Lifetime ECL - Underperforming (Stage 2) ECL associated with the probability of default events occurring throughout the life of a loan where the loan has seen a significant increase in credit risk.
- Lifetime ECL - Non-performing (Stage 3) Lifetime ECL where the loan has met the technical definition of default, however, has not been assessed on an individual basis.

Impaired loans assessed on an individual basis are held in a specific provision lifetime ECL.

At each reporting date, the Group assesses the credit risk of exposures in comparison to the risk at initial recognition, to determine the stage that applies to the associated ECL measurement.

When determining whether credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available

without undue cost or effort. This includes both quantitative and qualitative information based on the Group's historical experience and credit assessment including forward-looking information. Furthermore, when determining whether the risk of default has increased significantly since initial recognition, the Group considers the arrears of each individual loan. The Group does not rebut the presumption that instruments that are 30 days past due have experienced a significant increase in credit risk (SICR) but this is used as a backstop rather than the primary indicator. In addition, the deferral of payments by customer in hardship arrangements is generally treated as an indication of a SICR.

If the credit risk of a loan has increased significantly since initial recognition, the asset will migrate to Stage 2. Should an asset become impaired (90 days past due) it will be transferred to Stage 3. 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. Credit exposures will migrate back to Stage 1 and 2 should signs of increased credit risk and impairment be reversed which includes but not limited to consistently good payment behaviour over a period of time.

In the preparation of the ECL provisioning, the Group considered the impact of the rapidly increasing interest rate environment and the general deterioration in the economic environment. The economic uncertainty represents a material downside risk to the economy and the Group incorporated estimates, assumptions and judgments including an event risk overlay to account for forecast changes to account for the significant risk factors in the portfolio.

Modified financial assets

A loan that is restructured or renegotiated is derecognised if the existing agreement is cancelled and a new agreement made on substantially different terms or if the terms of an existing agreement are modified such that the restructured loan is a substantially different instrument. Where such loans are derecognised, the restructured contract is a new loan and is assessed in accordance with the Group's credit policy.



Notes to the Financial Statements continued

Note 12. Impairment of loans and advances (continued)

ECL calculation

The ECL is calculated using three main parameters i.e. a probability of default (PD), a loss given default (LGD) and an exposure at default (EAD) combined with historical, current and forward-looking information, including macro-economic data.

- For accounting purposes, the 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of loan.
- The LGD represents expected loss conditional on default, taking into account the mitigating effect of collateral, and its expected value when realised.
- The EAD represents the expected exposure at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a facility.

The 12-months ECL is equal to the discounted sum over the next 12-months of monthly PD multiplied by LGD and EAD. Lifetime ECL is calculated using the discounted sum of monthly PD over the full remaining life multiplied by LGD and EAD.

The reported ECL is an unbiased and probability weighted amount based on three economic scenarios, a business as usual, economic upturn and economic downturn. The economic scenarios are driven by a single key macroeconomic factor, the South Australian unemployment rate which takes into account the current and forecast economic environment. Given the Group's high geographic concentration to South Australia, the Group's loan performance is highly correlated to this macroeconomic factor.

The Group formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Australia.

ECL sensitivity analysis

The uncertainty of the impact of the current economic environment created significant estimation uncertainty in relation to the measurement of the Group's expected credit losses. The volatility in the interest rate environment could impact the credit quality of the Group's exposures and has been allowed for in the ECL provision.

The Group's ECL was calculated with a probability weighting of 60% for the base scenario (2024: 60%), 5% for the upside scenario (2024: 5%) and 35% for the downside scenario (2024: 35%).

The table below illustrates the sensitivity of ECL to key factors

	2025		2025	2024		2024
	%		\$'000	%		\$'000
	Unemployment rate	Increase/(decrease) in ECL		Unemployment rate	Increase/(decrease) in ECL	
100% upside scenario	3.93% to 4.33%	(155)		3.55% to 3.85%	(106)	
100% base scenario	4.63% to 4.63%	(60)		4.25% to 4.25%	(41)	
100% downside scenario	5.23% to 6.63%	125		4.85% to 6.25%	85	

Write-off policy

The Group writes off a loan balance when it is determined that the loan is uncollectible. This determination is reached after considering information such as occurrence of a significant change in the borrower's financial position such that the borrower can no longer repay the obligation under the terms of the contract, or that the proceeds from collateral will not be sufficient to cover the entire exposure. Any subsequent recoveries of these loan write-offs are recognised through profit or loss.

Notes to the Financial Statements continued

Note 12. Impairment of loans and advances (continued)

		Consolidated		Credit Union	
	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
(a) Provisions for impairment					
Specific provision	11	343	216	343	216
Expected credit loss provision					
Stage 1: 12-months ECL - not credit impaired	11	492	308	492	308
Stage 2: Lifetime ECL - not credit impaired	11	602	590	602	590
Stage 3: Lifetime ECL - credit impaired	11	419	325	419	325
Total provision for impairment		1,856	1,439	1,856	1,439
(b) Impairment losses on loans and advances					
Individually assessed provisions for impairment increase/(decrease)		127	(163)	127	(163)
Expected credit loss provision for impairment increase		290	127	290	127
Bad debts written off directly to profit and loss		36	85	36	85
Charge to profit and loss		453	49	453	49
(c) Impaired loans and advances					
Non-accrual loans					
Balance		6,811	7,430	6,811	7,430
Restructured loans					
Balance		9,141	9,203	9,141	9,203
Interest revenue on non-accrual and restructured loans		-	-	-	-
Interest foregone on non-accrual and restructured loans		(102)	(118)	(102)	(118)
Net interest foregone		(102)	(118)	(102)	(118)



Note 12. Impairment of loans and advances (continued)

The table below represents the reconciliation from the opening balance to the closing balance of the ECL allowance for loans and advances:

Consolidated and Credit Union

2025

	Stage 1 12-months ECL not credit impaired collective provision	Stage 2 lifetime ECL not credit impaired collective provision	Stage 3 lifetime ECL credit impaired collective provision	Specific provision lifetime ECL	Total
Balance at 1 July 2024	308	590	325	216	1439
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-months ECL	(7)	6	1	-	-
Transferred to collective provision Stage 2	112	(114)	1	1	-
Transferred to collective provision Stage 3	-	103	(103)	-	-
Net remeasurement of loss allowance	2	(58)	338	208	490
New loans and advances originated	117	228	-	-	345
Loans discharged	(40)	(153)	(141)	(15)	(349)
Bad debts written off	-	-	(2)	(67)	(69)
Charge to income statement	184	12	94	127	417
Balance at 30 June 2025	492	602	419	343	1,856

Note 12. Impairment of loans and advances (continued)

Consolidated and Credit Union

2024

	Stage 1 12-months ECL not credit impaired collective provision	Stage 2 lifetime ECL not credit impaired collective provision	Stage 3 lifetime ECL credit impaired collective provision	Specific provision lifetime ECL	Total
Balance at 1 July 2023	527	17	552	379	1,475
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-months ECL	-	-	-	-	-
Transferred to collective provision Stage 2	(202)	253	(51)	-	-
Transferred to collective provision Stage 3	(2)	-	1	1	-
Net remeasurement of loss allowance	(16)	164	(188)	(101)	(141)
New loans and advances originated	71	158	33	19	281
Loans discharged	(70)	(2)	(20)	(54)	(146)
Bad debts written off	-	-	(2)	(28)	(30)
Charge to income statement	(219)	573	(227)	(163)	(36)
Balance at 30 June 2024	308	590	325	216	1,439

Impact of movements in gross carrying amount on provision for expected credit losses

The impairment provision comprises collective provisions measured using the three-stage approach (12-months ECL and lifetime ECL) and a specific provision (lifetime ECL) held for exposures assessed individually. The following paragraphs describe how significant changes in the gross carrying amount of loans and advances during the financial year have contributed to the changes in the impairment provision for the Group under the expected credit loss model.

Overall, the total impairment provision increased by \$0.417 million (2024: decreased by \$0.036 million) compared to the balance at the beginning of the year. Specific provisions increased by \$0.127 million to \$0.343 million (2024: decreased by \$0.163 million) primarily due to lower volume of individually assessed impairment in unsecured loans.



Note 13. Other financial assets

Equity investments that are not held for sale are classified as other financial assets that are measured at fair value through other comprehensive income (FVOCI) with fair value determined by reference to the fair value hierarchy. The Group's investments in Cuscal Ltd and Data Action Pty Ltd were classified as level 3 in both current and previous financial years. The Group determines fair value by referencing independent external valuations and considering net tangible assets and net assets.

The Group classified its equity investment in Cuscal Ltd and Data Action Pty Ltd as other financial assets at FVOCI as the assets were not held for trading and it recognises only dividend income in profit and loss. Changes to the fair value of its equity investments were recognized in the other comprehensive income and are never reclassified to profit or loss.

The Group received dividends from Cuscal Ltd of \$0.263 million for the year ended 30 June 2025 (2024: \$0.208 million). The Group received dividends from Data Action Pty Ltd of \$2.703 million for the year ended 30 June 2025 (2024: nil).

In March 2025 the Group sold 100% of the shares held in Data Action Pty Ltd and in May 2025 the Group sold 100% of the shares held in Cuscal Ltd. On the basis these equity investments were held as financial assets measured at fair value through other comprehensive income the sales did not result in any impact to the profit and loss but the revaluation reserve related to these equity investments was reclassified to retained earnings.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Unlisted shares at fair value				
Cuscal Ltd	-	4,821	-	4,821
Data Action Pty Ltd	-	4,191	-	4,191
	-	9,012	-	9,012

Note 14. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment (PP&E) are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of PP&E have different useful lives, they are accounted for as separate items of PP&E.

Gains and losses on disposal of an item of PP&E are determined by comparing the proceeds from disposal with the carrying amount of PP&E and recognised net within other income in the profit or loss.

Depreciation

All PP&E, except land, have limited useful lives and are depreciated using the straight-line method over their estimated useful lives.

The depreciation rates used for each class of assets for the current and comparative period are as follows:

Depreciable assets

Building works	2.5%
Right-of-use-assets	20.00%
Plant and equipment	10.0% to 33.3%

Please refer to Note 23(a) for the accounting policy for right-of-use assets.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually and adjusted if appropriate.



Notes to the Financial Statements continued

Note 14. Property, plant and equipment (continued)

Reconciliations of the carrying amounts for property, plant and equipment are set out below:

Consolidated	Freehold land \$'000	Buildings \$'000	Right-of-use- assets \$'000	Plant & equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2023						
Cost	162	112	5,331	4,210	-	9,815
Accumulated depreciation	(162)	(112)	(3,936)	(3,602)	-	(7,812)
Net book amount at 1 July 2023	-	-	1,395	608	-	2,003
Additions	-	-	-	366	-	366
Disposals/write-off - cost	-	-	-	(88)	-	(88)
Disposals/write-off - accumulated depreciation	-	-	-	78	-	78
Depreciation	-	-	(984)	(388)	-	(1,372)
Net book amount at 30 June 2024	-	-	411	576	-	987
Cost	162	112	5,331	4,488	-	10,093
Accumulated depreciation	(162)	(112)	(4,920)	(3,912)	-	(9,106)
Net book amount 30 June 2024	-	-	411	576	-	987
At 30 June 2025						
Opening net book amount	-	-	411	576	-	987
Additions	-	-	3,393	753	-	4,146
Disposals/write-off - cost	(162)	(112)	-	(270)	-	(544)
Disposals/write-off - accumulated depreciation	162	112	-	257	-	531
Depreciation	-	-	(761)	(289)	-	(1,050)
Net book amount at 30 June 2025	-	-	3,043	1,027	-	4,070
At 30 June 2025						
Cost	-	-	8,724	4,971	-	13,695
Accumulated depreciation	-	-	(5,681)	(3,944)	-	(9,625)
Net book amount at 30 June 2025	-	-	3,043	1,027	-	4,070

Notes to the Financial Statements continued

Note 14. Property, plant and equipment (continued)

Credit Union	Freehold land \$'000	Buildings \$'000	Right-of-use- assets \$'000	Plant & equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2023						
Cost	162	112	5,331	4,210	-	9,815
Accumulated depreciation	(162)	(112)	(3,936)	(3,602)	-	(7,812)
Net book amount at 1 July 2023	-	-	1,395	608	-	2,003
Additions	-	-	-	366	-	366
Disposals/write-off - cost	-	-	-	(88)	-	(88)
Disposals/write-off - accumulated depreciation	-	-	-	78	-	78
Depreciation	-	-	(984)	(388)	-	(1,372)
Net book amount at 30 June 2024	-	-	411	576	-	987
Cost	162	112	5,331	4,488	-	10,093
Accumulated depreciation	(162)	(112)	(4,920)	(3,912)	-	(9,106)
Net book amount 30 June 2024	-	-	411	576	-	987
At 30 June 2025						
Opening net book amount	-	-	411	576	-	987
Additions	-	-	3,393	753	-	4,146
Disposals/write-off - cost	(162)	(112)	-	(270)	-	(544)
Disposals/write-off - accumulated depreciation	162	112	-	257	-	531
Depreciation	-	-	(761)	(289)	-	(1,050)
Net book amount at 30 June 2025	-	-	3,043	1,027	-	4,070
At 30 June 2025						
Cost	-	-	8,724	4,971	-	13,695
Accumulated depreciation	-	-	(5,681)	(3,944)	-	(9,625)
Net book amount at 30 June 2025	-	-	3,043	1,027	-	4,070

As at 30 June 2025, property, plant and equipment includes right-of-use assets with a carrying value of \$3.043 million (2024: \$0.411 million) related to the head office lease.



Note 15. Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated from the date the asset becomes operational over the cost of the asset, or any other amount substituted for cost, less its residual value.

Amortisation is recognised in the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software	3-5 years
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 15. Intangible assets (continued)

Consolidated	Software \$'000	Work in progress \$'000	Total \$'000
At 30 June 2023			
Cost	2,488	767	3,255
Accumulated amortisation and impairment	(1,320)	-	(1,320)
Net book amount	1,168	767	1,935

Year ended 30 June 2024

Opening net book amount	1,168	767	1,935
Additions	344	2,855	3,199
Amortisation	(704)	-	(704)
Closing net book amount	808	3,622	4,430

At 30 June 2024

Cost	2,832	3,622	6,454
Accumulated amortisation and impairment	(2,024)	-	(2,024)
Net book amount	808	3,622	4,430

Year ended 30 June 2025

Opening net book amount	808	3,622	4,430
Additions	-	3,414	3,414
Transfers	6,492	(6,492)	-
Disposals/derecognition - cost	(2,056)	(205)	(2,261)
Disposals/derecognition - accumulated amortisation	2,038	-	2,038
Amortisation	(1,174)	-	(1,174)
Closing net book amount	6,108	339	6,447

At 30 June 2025

Cost	7,268	339	7,607
Accumulated amortisation and impairment	(1,160)	-	(1,160)
Net book amount	6,108	339	6,447



Note 15. Intangible assets (continued)

Credit Union	Software \$'000	Work in progress \$'000	Total \$'000
At 30 June 2023			
Cost	2,488	767	3,255
Accumulated amortisation and impairment	(1,320)	-	(1,320)
Net book amount	1,168	767	1,935
Year ended 30 June 2024			
Opening net book amount	1,168	767	1,935
Additions	344	2,855	3,199
Amortisation	(704)	-	(704)
Closing net book amount	808	3,622	4,430
At 30 June 2024			
Cost	2,832	3,622	6,454
Accumulated amortisation and impairment	(2,024)	-	(2,024)
Net book amount	808	3,622	4,430
Year ended 30 June 2025			
Opening net book amount	808	3,622	4,430
Additions	-	3,414	3,414
Transfers	6,492	(6,492)	-
Disposals/derecognition - cost	(2,056)	(205)	(2,261)
Disposals/derecognition - accumulated amortisation	2,038	-	2,038
Amortisation	(1,174)	-	(1,174)
Closing net book amount	6,108	339	6,447
At 30 June 2025			
Cost	7,268	339	7,607
Accumulated amortisation and impairment	(1,160)	-	(1,160)
Net book amount	6,108	339	6,447

Note 16. Other assets

Other assets are comprised of non-interest bearing receivables and prepayments and are initially recognised at fair value and subsequently measured at amortised cost less impairment losses. Receivables with a short duration are not discounted.

Software as a Service ('SaaS') arrangements are service contracts providing the Group with the right to access a cloud provider's application service software over the contractual period. Fees for the use of application software and customisation costs are recognised as an operating expense over the term of the service contract. Any configuration costs, data conversion and migration costs, testing costs and training costs are recognised as an operating expense as the service is received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition and recognition criteria of an asset are recognised as other assets.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Prepayments	1,801	2,593	1,782	2,580
Software as a Service	486	220	486	220
	2,287	2,813	2,268	2,800

Note 17. Member deposits

Member deposits are brought to account at fair value less attributable incremental direct transaction costs and subsequently measured at amortised cost. Interest and yield related fees are recognised in profit or loss based on the effective interest rate basis.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Withdrawable shares	64	67	64	67

Deposits carried at amortised cost:

At call deposits	1,067,296	999,840	1,067,296	999,840
Term deposits	677,539	592,685	677,539	592,685
Total member deposits	1,744,899	1,592,592	1,744,899	1,592,592

The Group has an exposure to groupings of individual deposits which concentrate risk and create exposure to the employment sector of educators in both the government and non-government school systems. As at 30 June 2025, deposits from members of the education community of South Australia totalled \$344.979 million (2024: \$319.359 million). This represents approximately 19.8% of total deposits (2024: 20.1%).

As at 30 June 2025, deposits from members currently residing in South Australia totalled \$1,552.501 million (2024: \$1,408.263 million). This represents approximately 89.0% of total deposits (2024: 88.4%).

As at 30 June 2025, the Group has no individual or group of deposit facilities with an outstanding balance in excess of 10.0% of its total liabilities (2024: nil).



Note 18. Interest-bearing liabilities

Interest-bearing liabilities are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Negotiable Certificate of Deposit (NCD) – Wholesale funding	118,347	93,601	118,347	93,601
Subordinated debt – Tier-2 capital instrument	17,500	17,500	17,500	17,500
Wholesale Deposits	17,500	-	17,500	-
	153,347	111,101	153,347	111,101

Note 19. Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Trade payables are non-interest bearing and are normally settled within 30 days.

The average credit period in relation to trade and other payables is less than 30 days.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade creditors	1,754	913	1,754	913
Accrued interest payable on member deposits	10,729	9,848	10,729	9,848
Accrued interest payable on interest-bearing liabilities	1,060	1,023	1,060	1,023
Derivative interest accrued	288	8	288	8
Lease liability	3,952	628	3,952	628
Other creditors and accruals	1,449	467	1,744	5,601
	19,232	12,887	19,527	18,021

Note 20. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(a) Employee entitlements

The provisions for employee entitlements to wages, salaries, annual leave and long service leave represent the amounts which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date. The liability for employees' entitlements to annual leave and long service leave has been calculated at nominal amounts based on expected wage and salary rates and includes related on-costs. The liability for employees' entitlements to other long term benefits represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' services provided up to reporting date. The discount rate is the yield at reporting date on high quality corporate bonds that have a maturity date approximating the Group's obligations.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Group contributes to a number of employee superannuation plans for the provision of benefits to employees on retirement, death or disability. Benefits provided under the plans are based on contributions for each employee. Employees contribute various percentages of their gross income to their nominated fund. Further contributions are made by the Group for the benefit of its employees. Other than superannuation guarantee commitments, there is no legally enforceable obligation on the Group to contribute to the superannuation plans.

As the funds are accumulation funds, adequate funds are held to satisfy all benefits payable in the event of termination of the plan and voluntary or compulsory termination or retirement of each employee.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(b) Make good provision

The Group is required to restore the leased premises of its head office and branch to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements.



Note 20. Provisions (continued)

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Provision for leases				
Opening balance	46	46	46	46
Provision created	1	-	1	-
Provision utilised	-	-	-	-
Closing balance	47	46	47	46
Provision for long service leave				
Opening balance	1,848	1,796	1,848	1,796
Provision created	332	289	332	289
Provision utilised	(131)	(237)	(131)	(237)
Closing balance	2,049	1,848	2,049	1,848
Provision for annual leave				
Opening balance	1,233	1,061	1,233	1,061
Provision created	1,304	464	1,304	464
Provision utilised	(1,200)	(292)	(1,200)	(292)
Closing balance	1,337	1,233	1,337	1,233
Total provisions	3,433	3,127	3,433	3,127
Number of employees				
Number of full-time equivalent employees at year end	146	151	146	151

Note 21. Equity

(a) Retained earnings

Retained earnings comprise the accumulated profits of the Group net of transfers to the redeemed member shares and transfers from the fair value reserve. Retained earnings are held in order for the Group to meet its prudential requirements.

(b) Redeemed member shares

Under the Corporations Act 2001, redeemed member shares (member's \$2 shares) may only be redeemed out of the Group's profit or through a new issue of shares for the purpose of the redemption. The value of member shares for existing members is disclosed as a liability in Note 17.

(c) Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments used in cash flow hedges pending subsequent recognition in the profit or loss as the hedged cash flows affect the profit or loss.

(d) Fair value reserves

Fair value reserves comprise the revalued component of financial assets that are categorised as FVOCI under AASB 9 Financial Instruments.

Note 22. Financing facilities

The Group has access to the following lines of credit:

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Total facilities available				
Overdraft facilities	5,000	5,000	5,000	5,000
	5,000	5,000	5,000	5,000
Facilities not utilised at balance date				
Overdraft facilities	5,000	5,000	5,000	5,000
	5,000	5,000	5,000	5,000

For the financial year ended 30 June 2025, the above facilities are secured against a security deposit held with Cuscal Ltd. Interest charged on these facilities and received on the security deposit are at prevailing market rates.



Note 23. Commitments, contingent liabilities and contingent assets

(a) Lease commitments

Leases as lessee

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group leases its head office and branch. The lease term for the head office building and branch is 6 years. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

The Group's lease of head office and branch contains extension options. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Information about leases for which the Group is a lessee is presented below.

(a) Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property, plant and equipment (refer to Note 14). A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at the amount equal to the lease liability, adjusted by the amount of any direct establishment costs, prepaid or accrued lease payments.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. In addition, the right-of-use assets are reviewed for impairment and adjusted for certain remeasurements of the lease liabilities.

Consolidated and Credit Union	2025 \$'000	2024 \$'000
Opening balance as at 1 July	411	1,395
Depreciation charge for the year	(761)	(984)
Addition to right-of-use assets	3,393	-
Balance as at 30 June	3,043	411

Refer to Note 25 for maturity analysis of lease liabilities as at 30 June 2025.

Note 23. Commitments, contingent liabilities and contingent assets (continued)

Consolidated and Credit Union	2025 \$'000	2024 \$'000
(b) Amounts recognised in profit or loss		
Interest expense on lease liabilities	241	31
Interest income on finance lease receivable	36	3
(c) Amounts recognised in statements of cash flows		
Principal portion of lease liability	949	1,515
Interest portion of lease liability	(241)	(31)
Total cash inflow from lease liability	708	1,484
Principal portion of sub-lease	(153)	(169)
Interest portion of sub-lease	36	3
Total cash inflow from sub-lease	(117)	(166)

Leases as lessor

The Group sub-lets office space relating to the lease it holds as a lessee presented above as right-of-use asset. The Group assessed the classification of the sub-lease contract with reference to the right-of-use asset rather than the underlying assets and concluded that it is a finance lease under AASB 16 Leases.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

(a) Finance lease under AASB 16 Leases

Consolidated and Credit Union	2025 \$'000	2024 \$'000
Less than one year	160	73
Between one and two years	165	-
Between two and three years	170	-
Between three and four years	161	-
Total undiscounted lease receivables	656	73
Unearned finance income	(62)	(1)
Net investment in the sub-lease	594	72



Notes to the Financial Statements *continued*

(b) Capital commitments

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments	308	1,078	308	1,078

(c) Outstanding loan commitments

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Loans approved but not yet funded				
Residential	34,539	15,201	34,539	15,201
Personal	50	10	50	10
	34,589	15,211	34,589	15,211

(d) Members' unused credit facilities

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revolving credit and redraw facilities	217,302	221,974	217,302	221,974

(e) Contingent liabilities

At reporting date, the Group had no secured financial guarantees in place. All financial guarantees (previously held with the beneficiary of ANZ Banking Group Ltd and Cuscal Ltd) were terminated on 3 August 2023.

Note 24. Key management personnel

(a) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director of the Group.

The names of persons who were key management personnel of the Group at any time during the financial year are as follows:

Non-executive Directors:

J.A. Cooper, K. Hawkins, L.H. Small, M.P. Walsh, N.C. Anderson, P.C. Dewsnap, P.L.F. Riquier

Executive Management Committee:

C.A. Ryan (ceased 18 November 2024), J. Bullock (from 27 January 2025), K.L. Beard, L. Reinhardt, N. Santinon, S.M. Dyda, T.M. Roberts, T.M.E. Prowse

The aggregate compensation of the key management personnel of the Group is set out below:

	2025 \$	2024 \$
Short-term employee benefits	2,757,550	2,705,829
Payments to defined contribution plans	247,990	233,654
Other long-term benefits	12,308	123,333
Termination benefits	-	-
	3,017,848	3,062,816

The Group does not pay share-based payments to key management personnel.



Note 24. Key management personnel (continued)

(b) Loans to key management personnel

	2025 \$	2024 \$
Aggregate loans to key management personnel outstanding at reporting date:		
Mortgage and personal loans	3,843,821	1,751,882
Lines of credit (including unsecured overdrafts)	-	-
	3,843,821	1,751,882
Aggregate amount of loans made during the year to key management personnel:		
Total loans made during the year	2,874,691	746,431
Aggregate amount of interest charged during the year to key management personnel:		
Mortgage and personal loans	133,330	96,858
Aggregate amount of repayments made during the year from key management personnel:		
Mortgage and personal loans	916,082	1,347,527
Net movement in lines of credit (including unsecured overdrafts) including interest charged	-	-

The key management personnel who held loan accounts with the Group during the year were K.L. Beard, L. Reinhardt, T.M. Roberts and T.M.E. Prowse.

Loans to key management personnel may include joint loans with partners where both parties are jointly and severally liable. All loans were subject to normal terms and conditions and there were no breaches of these terms and conditions during the year. All key management personnel hold a withdrawable share as members of the Group.

As at 30 June 2025, the loans to key management personnel are allocated to Stage 1 of the ECL model and have a loss allowance of \$946 (2024: \$362). No impairment loss was recognised in profit or loss in respect of these balances (2024: nil).

Note 25. Financial risk management

(a) Financial risk management

This note presents information about the Group's exposure to each of the above risks, the Groups' objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Group has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Credit risk
- Market risk

The Credit Union's Board of Directors is ultimately responsible for the sound and prudent management of the Group. The Board of Directors has established a Risk Committee that is responsible for establishing an effective risk management framework to manage the Group's exposure to risk. It is also responsible for ensuring that risks are managed within approved limits and for overseeing compliance to relevant policies. The Risk Committee reports regularly to the Board of Directors on its activities.

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

The Credit Union's Board of Directors has established an Audit Committee to assist the Board of Directors in fulfilling its responsibilities relating to internal controls and the accounting and reporting practices of the Credit Union. It serves as an independent and objective party to review the financial information and associated risks presented by management to members, regulators and the general public. The Audit Committee is responsible for reviewing the effectiveness of internal controls and risk management systems established by management to enable compliance with legislation, prudential standards, accounting standards and Board Policies. The Audit Committee is assisted in its oversight role by Internal Audit. The Audit Committee reports to the Board of Directors on its activities.

(b) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its payment obligations as they fall due, including repaying member deposits, or that the Group has insufficient capacity to fund

increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations and is closely monitored by the Group.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity available to meet its liabilities and cash flow demands as they fall due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Treasury's risk management function performs a daily cash flow projection to determine future net funding requirements, reflective of expected and alternative market and business conditions.

Treasury maintains a liquidity portfolio which is held in accordance with APRA's Prudential Standard APS210 Liquidity which requires the Group to hold high quality liquid assets (HQLA) to 9% (2024: 9%) of adjusted liabilities as a minimum liquidity holding (MLH). MLH portfolio forms part of the investment in debt securities as disclosed in Note 9. The Group prudently, under its liquidity risk policy, has an MLH of 10% (2024: 10%) which it terms an MLH ratio. The Group's Board liquidity risk policy requires the MLH ratio to be managed between 12% and 15%, allowing for surplus liquidity above the 15% upper limit to be invested in non-MLH investments. The MLH and total liquidity ratios are reported to Executive management daily, discussed at Pricing Committee fortnightly as part of overall funding and liquidity management, and reported to the Board of Directors monthly.

The Group relies on deposits from members as its primary source of funding. Members deposits generally have maturities less than one year. A large proportion of member deposits are contractually payable on demand, however most of these display the operational behaviour of more stable longer term funding sources. To manage its funding and liquidity risk profile, the Group pursues through its funding and liquidity management strategy, a well-diversified funding base in terms of products, maturity terms and funding segment (both retail and wholesale). These parameters are set through policy design and are subject to annual review and are monitored daily and reported to Executive management and to the Board of Directors monthly.

Treasury also source funding as required in wholesale markets to meet the daily net funding requirements of the Group.

In addition to the liquidity portfolio, the Group also has a \$5.000 million (2024: \$5.000 million) overdraft facility (refer to Note 22) and a self-securitisation programme with which it can access emergency liquidity through an RBA repo facility (refer to Note 27).



Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

A contingency funding plan forms an integral part of the framework that enables the Group to proactively manage its liquidity risk profile under all conditions. All liquidity policies are subject to oversight and approval by the Executive management and ultimately to the Board of Directors.

The Group's MLH ratio and total liquidity ratio as at the end of the reporting period and comparative period were as follows:

	Consolidated		Credit Union	
	2025	2024	2025	2024
	%	%	%	%
As at 30 June:				
Liquidity holding - MLH	15.16	15.85	15.16	15.85
Liquidity holding - non MLH	0.08	0.11	0.08	0.11
Liquidity holding - Total	15.24	15.96	15.24	15.96

The tables below summarise the maturity profile of the Group's financial liabilities as at reporting date based on contractual undiscounted repayment obligations. The Credit Union expects that many members will not request repayment on the earliest date the Credit Union could be required to pay and the tables do not reflect the cash flows indicated by the Credit Union's deposit retention history.

Consolidated	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

2025

Financial liabilities

Member deposits including accrued interest	1,755,628	1,767,989	1,067,360	335,431	339,934	25,264	-
Interest-bearing liabilities including accrued interest	154,406	167,005	-	104,386	34,943	5,815	21,861
Derivative liabilities including accrued interest	291	155	-	30	81	44	-
Lease liabilities	3,952	4,371	-	259	783	3,329	-
Trade and other payables	3,203	3,203	-	3,203	-	-	-
	1,917,480	1,942,723	1,067,360	443,309	375,741	34,452	21,861

2024

Financial liabilities

Member deposits including accrued interest	1,602,440	1,615,873	999,907	212,722	395,292	7,952	-
Interest-bearing liabilities including accrued interest	112,124	126,428	-	85,387	11,161	6,190	23,690
Derivative liabilities including accrued interest	235	110	-	42	68	-	-
Lease liabilities	628	745	-	447	298	-	-
Trade and other payables	1,380	1,380	-	1,380	-	-	-
	1,716,807	1,744,536	999,907	299,978	406,819	14,142	23,690

Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

Credit Union	Carrying amount \$'000	Contractual cash flows \$'000	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000
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2025

Financial liabilities

Member deposits including accrued interest	1,755,628	1,767,989	1,067,360	335,431	339,934	25,264	-
Interest-bearing liabilities including accrued interest	154,406	167,005	-	104,386	34,943	5,815	21,861
Borrowings	234,619	234,619	-	-	-	-	234,619
Derivative liabilities including accrued interest	291	155	-	30	81	44	-
Lease liabilities	3,952	4,371	-	259	783	3,329	-
Trade and other payables	3,498	3,498	-	3,498	-	-	-
	2,152,394	2,177,637	1,067,360	443,604	375,741	34,452	256,480

2024

Financial liabilities

Member deposits including accrued interest	1,602,440	1,615,873	999,907	212,722	395,292	7,952	-
Interest-bearing liabilities including accrued interest	112,124	126,428	-	85,387	11,161	6,190	23,690
Borrowings	266,510	266,510	-	-	-	-	266,510
Derivative liabilities including accrued interest	235	110	-	42	68	-	-
Lease liabilities	628	745	-	447	298	-	-
Trade and other payables	6,514	6,514	-	6,514	-	-	-
	1,988,451	2,016,180	999,907	305,112	406,819	14,142	290,200

(c) Credit risk management

Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligation to the Group.

The largest exposure to credit risk is in the area of loans and advances and investment in debt securities.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's credit risk policies which are set by the Risk Committee in accordance with the Risk Appetite Statement and strategic objectives. Formal approval of the credit policy is retained by the Board.

The Board has delegated responsibility for the management of credit risk to the Executive management that includes the following:

- ensuring appropriate policies, systems, people, and controls are in place to manage credit risk in accordance with the Board approved Risk Appetite Statement and strategic objectives;
- actively considering credit risk as part of the decision-making processes and strategic and business planning;
- promoting a compliant culture by encouraging an open and supportive environment in which compliance with approved policy by all staff is recognised;
- reporting of compliance breaches, or possible breaches, and utilising these opportunities to enhance its future overall performance;



Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

The Group holds collateral against loans and advances to members in the form of mortgage interests over real property and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

Details of the Group's impaired loans and advances as at the reporting date are disclosed below and in Note 12.

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Exposure to credit risk				
Individually impaired				
Gross amount	6,811	7,430	6,811	7,430
Less allowance for impairment	(343)	(216)	(343)	(216)
	6,468	7,214	6,468	7,214
Stage 1: 12-months ECL				
Current	1,629,971	1,273,229	1,629,971	1,273,229
1-29 days	7,410	7,203	7,410	7,203
30-59 days	-	-	-	-
60-89 days	-	-	-	-
	1,637,381	1,280,432	1,637,381	1,280,432
Less Stage 1 ECL	(492)	(308)	(492)	(308)
	1,636,889	1,280,124	1,636,889	1,280,124
Stage 2: Lifetime ECL				
Current	77,504	245,036	77,504	245,036
1-29 days	3,304	4,619	3,304	4,619
30-59 days	559	749	559	749
60-89 days	-	-	-	-
90 days or greater	1,231	1,088	1,231	1,088
	82,598	251,492	82,598	251,492
Less Stage 2 ECL	(602)	(590)	(602)	(590)
	81,996	250,902	81,996	250,902
Stage 3: Lifetime ECL				
1-29 days	28	62	28	62
30-59 days	1,343	1,367	1,343	1,367
60-89 days	(4)	(2)	(4)	(2)
90 days or greater	498	-	498	-
	1,865	1,428	1,865	1,428
Less Stage 3 ECL	(419)	(325)	(419)	(325)
	1,446	1,103	1,446	1,103
Net loans and advances	1,726,799	1,539,342	1,726,799	1,539,342

The majority of past due loans are mortgage loans secured by property with no loss expected. The Group's cash and cash equivalents, investment in debt securities, trade and other receivables, derivative assets and notes receivable are neither past due nor impaired.

Notes to the Financial Statements *continued*

Note 25. Financial risk management (continued)

The Group limits its credit exposure to other financial institutions by investing its liquidity portfolio in accordance with APRA's minimum investment grade criteria and limits its counterparties to Australian domiciled ADI's (per the Board liquidity policy requirements).

The Group does not expect any counterparty to fail to meet its obligations.

The Group's maximum exposure to credit risk at the reporting date (without taking into account the value of any collateral or other security in the event other parties fail to perform their obligations under financial instruments) in relation to each class of recognised financial asset is the carrying amount of those assets (net of any provision for impairment).

The Group's maximum exposure to credit risk at the reporting date was:

	Notes	Consolidated		Credit Union	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash and cash equivalents	8	67,789	60,975	48,813	48,617
Investment in debt securities	9	243,675	224,096	243,675	224,096
Trade and other receivables	10	4,309	2,127	4,718	2,642
Loans and advances	11, 12	1,726,799	1,539,342	1,726,799	1,539,342
Notes receivable	27	-	-	253,500	283,500
Derivative assets	25(g)	784	-	784	-
Total maximum exposure		2,043,356	1,826,540	2,278,289	2,098,197

(d) Market risk management

Market risk is the risk to the Group's earnings that arise from fluctuations in interest rates and credit spreads (the Group is not exposed to equity, foreign currency or commodity price movements). The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The principal risk to which non-trading portfolios are exposed to is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The Group is predominately exposed to interest rate risk. Interest rate risk is managed principally through monitoring the sensitivity of the Group's financial assets and liabilities, measured as discounted cash-flows, against interest rate movement scenarios and the use of derivatives. Derivatives, in the form of interest rate swaps, are utilised to manage the repricing mismatch between assets and liabilities. The Group is exposed to changes in interest rates. An analysis of the Group's sensitivity, both as dollars and as a percentage of capital, to a 100 basis point parallel (increase)/decrease in market rates is as follows:

	Consolidated		Credit Union	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue sensitivity:				
As at 30 June	658	568	658	568
Average for the period	838	624	838	624
Maximum for the period	1,089	1,061	1,089	1,061
Minimum for the period	521	85	521	85



Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

	Consolidated		Credit Union	
	2025	2024	2025	2024
	%	%	%	%
Revenue sensitivity as a percentage of total capital:				
As at 30 June	0.47%	0.46%	0.47%	0.46%
Average for the period	0.64%	0.50%	0.64%	0.50%
Maximum for the period	0.85%	0.85%	0.85%	0.85%
Minimum for the period	0.37%	0.07%	0.37%	0.07%

To manage exposure to interest rate risk, the Group has quantified acceptable risk parameters, and has put in place a third party interest rate risk management system to monitor performance against those parameters. In addition, a risk management framework is periodically reviewed by the Board and Risk Committee, together with reporting of results to the Board and Risk Committee.

The following summarises the Group's interest rate gap position (before discounting cash flows) and the effective interest rates of financial assets and financial liabilities for the Group. Financial instruments are classified by the date at which the applicable rate will next be reset.

Consolidated	< 1 month	1 month to 12 months	1 year to 5 years	6 years to 10 years	Non-interest earning/bearing	Total carrying value	Weighted average rate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
2025							
Financial assets							
Cash and cash equivalents	67,789	-	-	-	-	67,789	3.36%
Investment in debt securities	52,731	190,944	-	-	-	243,675	4.29%
Loans and advances	1,619,239	35,848	66,245	7,132	191	1,728,655	5.85%
Other financial assets	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	4,309	4,309	-
Derivative assets	-	513	271	-	-	784	3.87%
	1,739,759	227,305	66,516	7,132	4,500	2,045,212	5.57%
Financial liabilities							
Member deposits	765,022	578,281	22,964	-	378,632	1,744,899	2.81%
Interest-bearing liabilities	22,290	113,557	-	17,500	-	153,347	4.81%
Trade and other payables	-	-	-	-	19,232	19,232	-
Derivative liabilities	-	3	-	-	-	3	3.49%
	787,312	691,841	22,964	17,500	397,864	1,917,481	2.94%
Interest rate swaps – notional principal	(445,000)	410,000	35,000	-	-	-	-
	507,447	(54,536)	78,552	(10,368)	(393,364)	127,731	-

Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

Consolidated	< 1 month	1 month to 12 months	1 year to 5 years	6 years to 10 years	Non-interest earning/bearing	Total carrying value	Weighted average rate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%

2024

Financial assets

Cash and cash equivalents	40,361	-	-	-	20,614	60,975	3.70%
Investment in debt securities	77,544	146,552	-	-	-	224,096	4.69%
Loans and advances	1,329,945	114,663	84,498	11,593	82	1,540,781	5.06%
Other financial assets	-	-	-	-	9,012	9,012	-
Trade and other receivables	-	-	-	-	2,127	2,127	-
Derivative assets	-	-	-	-	-	-	14.70%
	1,447,850	261,215	84,498	11,593	31,835	1,836,991	5.15%

Financial liabilities

Member deposits	718,284	534,673	7,240	-	332,394	1,592,591	3.05%
Interest-bearing liabilities	44,418	49,183	-	17,500	-	111,101	5.27%
Trade and other payables	-	-	-	-	12,887	12,887	-
Derivative liabilities	-	227	-	-	-	227	13.31%
	762,702	584,083	7,240	17,500	345,281	1,716,806	1.54%
Interest rate swaps – notional principal	(170,000)	170,000	-	-	-	-	-
	515,148	(152,868)	77,258	(5,907)	(313,446)	120,185	-

Credit Union

	< 1 month	1 month to 12 months	1 year to 5 years	6 years to 10 years	Non-interest earning/bearing	Total carrying value	Weighted average rate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%

2025

Financial assets

Cash and cash equivalents	48,813	-	-	-	-	48,813	3.36%
Investment in debt securities	52,731	190,944	-	-	-	243,675	4.29%
Loans and advances	1,619,239	35,848	66,245	7,132	191	1,728,655	5.85%
Other financial assets	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	4,718	4,718	-
Notes receivable	253,500	-	-	-	-	253,500	4.52%
Derivative assets	-	513	271	-	-	784	3.87%
	1,974,283	227,305	66,516	7,132	4,909	2,280,145	5.47%

Financial liabilities

Member deposits	765,022	578,281	22,964	-	378,632	1,744,899	2.81%
Interest-bearing liabilities	22,290	113,557	-	17,500	-	153,347	4.81%
Borrowings	234,619	-	-	-	-	234,619	5.79%
Trade and other payables	-	-	-	-	19,527	19,527	-
Derivative liabilities	-	3	-	-	-	3	3.49%
	1,021,931	691,841	22,964	17,500	398,159	2,152,395	3.25%
Interest rate swaps – notional principal	(445,000)	410,000	35,000	-	-	-	-
	507,352	(54,536)	78,552	(10,368)	(393,250)	127,750	-



Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

Credit Union

2024

Financial assets

	< 1 month \$'000	1 month to 12 months \$'000	1 year to 5 years \$'000	6 years to 10 years \$'000	Non-interest earning/ bearing \$'000	Total carrying value \$'000	Weighted average rate %
Cash and cash equivalents	40,361	-	-	-	8,256	48,617	3.60%
Investment in debt securities	77,544	146,552	-	-	-	224,096	4.69%
Loans and advances	1,329,945	114,663	84,498	11,593	82	1,540,781	5.06%
Other financial assets	-	-	-	-	9,012	9,012	-
Trade and other receivables	-	-	-	-	2,642	2,642	-
Notes receivable	283,500	-	-	-	-	283,500	5.02%
Derivative assets	-	-	-	-	-	-	14.70%
	1,731,350	261,215	84,498	11,593	19,992	2,108,648	5.13%

Financial liabilities

Member deposits	718,284	534,673	7,240	-	332,395	1,592,592	3.05%
Interest-bearing liabilities	44,418	49,183	-	17,500	-	111,101	5.27%
Borrowings	266,510	-	-	-	-	266,510	5.67%
Trade and other payables	-	-	-	-	18,021	18,021	-
Derivative liabilities	-	227	-	-	-	227	13.31%
	1,029,212	584,083	7,240	17,500	350,416	1,988,451	3.67%
Interest rate swaps – notional principal	(170,000)	170,000	-	-	-	-	-
	532,138	(152,868)	77,258	(5,907)	(330,425)	120,196	-

Notes to the Financial Statements *continued*

Note 25. Financial risk management (continued)

(e) Capital management

The Group's capital management approach is designed to best serve the interests of its members and adhere to the minimum capital requirements set by APRA under its capital adequacy standard APS 110. The Group ensures compliance with regulatory capital requirements through its internal capital adequacy assessment process (ICAAP). The ICAAP, which forms a component of the capital management policy and represents an annual review of capital adequacy, considers both current capital levels and future capital requirements.

In accordance with the Basel III capital framework, the Group has adopted a standardised approach to the calculation of credit risk when determining the capital adequacy ratio.

There have been no material changes in the Group's management of capital during the period. Details of the Group's capital adequacy ratio as at the reporting date were as follows:

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Total qualifying capital	140,670	124,733	140,670	124,733
Risk weighted assets	789,568	722,647	789,568	722,647
	2025	2024	2025	2024
	%	%	%	%
Capital adequacy ratio				
As at 30 June	17.82	17.26	17.82	17.26

(f) Financial liabilities

Financial instruments are initially recognised at fair value plus any attributable transaction costs. Subsequently financial instruments are required to be classified into measurement categories which determine the accounting treatment of the item. The Group has the following categories:

- derivative liabilities measured at fair value through other comprehensive income (FVOCI)
- other liabilities measured at amortised cost, using the effective interest rate method

The Group derecognises financial instruments when the contractual rights to the cash flows of the financial asset expire, or in the case of financial liabilities when the contractual obligations are discharged, cancelled or expire.



Notes to the Financial Statements continued

Note 25. Financial risk management (continued)

(g) Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statements of financial position.

The Credit Union designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Credit Union formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Credit Union makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated.

The Credit Union only utilises cash flow hedging relationships which are outlined below.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively. However, if the derivative is novated to a central counterparty by both parties as a consequence of laws or regulations without changes in its terms except for those that are necessary for the novation, then the derivative is not considered as expired or terminated.

The Credit Union uses interest rate swaps to hedge its exposure to interest rate risks arising from operational and financing activities. The Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates. The Group enters into interest rate swap contracts for the sole purpose of managing interest rate exposures in the statements of financial position and not for speculative purposes.

The notional value of the derivatives held as cash flow hedges as at 30 June 2025 is \$465.000 million (2024: \$170.000 million).

The following table details the Group's fair values and notional principal amounts at the remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Fair value		Notional principal amount	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Less than 1 year	510	(227)	430,000	170,000
1 to 2 years	271	-	35,000	-
2 to 5 years	-	-	-	-
Closing balance	781	(227)	465,000	170,000

Note 26. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument.

A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

Note 26. Fair value of financial instruments (continued)

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The following methods and assumptions were used to determine the fair values of financial assets and financial liabilities:

Cash and cash equivalents:

The carrying amount equates to fair value due to the short-term nature of these financial instruments.

Investment in debt securities:

These financial assets represent the Group's liquidity portfolio and are comprised of minimum liquidity holdings (MLH) investments and term deposits held with Australian domiciled ADIs. Where the MLH investments have an original tenor of greater than 12 months they are reported at fair value through other comprehensive income. The fair value of investment in debt securities held at FVOCI is estimated using discounted cash flow analysis, based on current market rates for similar arrangements. The fair value of all other investments are reported at amortised cost.

Loans and advances:

Fair value has been determined through the discounting of future cash flows which represents a difference between existing loan interest rates and current market interest rates. For fixed rate loans the discount factor is based on the applicable benchmark bank bill swap rate. For variable rate loans, which are repriced at the discretion of the Group, fair value is equivalent to the carrying value.

Derivatives:

Fair value for the Credit Union's interest rate swaps has been determined by discounting future cash flows which are based on current implied forward rates as at the reporting date.

Other financial assets:

Other financial assets are classified as fair value through other comprehensive income. In determining fair value, the Group considers a range of valuation techniques including recent transaction prices (where available), discounted cashflows, comparable multiples, net tangible assets and net assets.

Trade and other receivables:

These financial assets are substantially short-term in nature and predominantly comprise individual assets with variable interest rates, consequently carrying value approximates fair value because

of the short-term repricing opportunity. For those financial assets that will be repriced beyond twelve months, the aggregate fair value has been determined by calculating the net present value of future cash flows using market rates as at reporting date.

Other investments:

Other investments are carried at fair value which approximates the fair value of the assets that back the financial instrument (refer Note 27).

Accounts payable and other liabilities:

These financial liabilities are substantially short-term in nature and predominantly comprise individual liabilities with variable interest rates, consequently carrying value approximates fair value because of the short-term repricing opportunity. For those financial liabilities that will be repriced beyond twelve months, the aggregate fair value has been determined by calculating the net present value of future cash flows using market rates as at reporting date.

Members' deposits:

Fair value has been determined through the discounting of future cash flows which represents a difference between existing deposit interest rates and current market interest rates. For fixed term deposits the discount factor is based on the applicable benchmark bank bill swap rate. For at-call deposits, which are repriced at the discretion of the Group, fair value is equivalent to the carrying value.

(a) Fair value hierarchy

The level in the fair value hierarchy within which a fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy is as follows:

- i. Level 1: Financial instruments that have been valued by reference to unadjusted quoted prices for identical financial assets or financial liabilities in active markets.
- ii. Level 2: Financial instruments that have been valued through valuation techniques incorporating inputs other than quoted prices within Level 1 that are observable for the financial asset or financial liability, either directly (as prices) or indirectly (derived from prices).
- iii. Level 3: Financial instruments that have been valued through valuation techniques incorporating inputs that are not based on observable market data. Unobservable inputs are those not readily available in an active market due to market liquidity or complexity of the product.



Note 26. Fair value of financial instruments (continued)

(b) Fair values

The aggregate fair value of financial assets and financial liabilities at the reporting date of the Group, are as follows:

	Total carrying amount as per statements of financial position		Aggregate fair value		Fair value hierarchy
Consolidated	2025	2024	2025	2024	
	\$'000	\$'000	\$'000	\$'000	
Financial assets					
Cash and cash equivalents	67,789	60,975	67,789	60,975	Level 1
Investment in debt securities	243,675	224,096	243,675	224,096	Level 2
Net loans and advances	1,726,799	1,539,342	1,726,617	1,538,769	Level 3
Other financial assets	-	9,012	-	9,012	Level 3
Trade and other receivables	4,309	2,127	4,309	2,127	Level 2
Derivative assets	784	-	784	-	Level 2
	2,043,356	1,835,552	2,043,174	1,834,979	
Financial liabilities					
Member deposits	1,744,899	1,592,592	1,752,882	1,594,418	Level 3
Interest-bearing liabilities	153,347	111,101	153,467	111,101	Level 2
Accounts payable and other liabilities	19,232	12,887	19,232	12,887	Level 2
Derivative liabilities	3	227	3	227	Level 2
	1,917,481	1,716,807	1,925,584	1,718,633	
Credit Union					
Financial assets					
Cash and cash equivalents	48,813	48,617	48,813	48,617	Level 1
Investment in debt securities	243,675	224,096	243,675	224,096	Level 2
Net loans and advances	1,726,799	1,539,342	1,726,617	1,538,769	Level 3
Other financial assets	-	9,012	-	9,012	Level 3
Trade and other receivables	4,718	2,642	4,718	2,642	Level 2
Other investments	253,500	283,500	253,500	283,500	Level 2
Derivative assets	784	-	784	-	Level 2
	2,278,289	2,107,209	2,278,107	2,106,636	
Financial liabilities					
Member deposits	1,744,899	1,592,592	1,752,882	1,594,418	Level 3
Interest-bearing liabilities	153,347	111,101	153,467	111,101	Level 2
Accounts payable and other liabilities	19,527	18,021	19,527	18,021	Level 2
Borrowings	234,619	266,510	234,619	266,510	Level 2
Derivative liabilities	3	227	3	227	Level 2
	2,152,395	1,988,451	2,160,498	1,990,277	

Note 26. Fair value of financial instruments (continued)

The table below analyses the Group's financial instruments carried at fair value.

Consolidated and Credit Union	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
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2025

Investment in debt securities - FVOCI	-	116,444	-	116,444
Derivative assets	-	784	-	784
Derivative liabilities	-	(3)	-	(3)

2024

Investment in debt securities - FVOCI	-	110,538	-	110,538
Other financial assets	-	-	9,012	9,012
Derivative liabilities	-	(227)	-	(227)

Valuation methodology used as the basis for the level 3 allocation of other financial assets is as noted in Note 13.

There have not been any changes in the classification between levels during the year (2024: nil).



Note 27. Securitisation

In the ordinary course of business, the Credit Union enters into transactions that result in the transfer of financial assets to a special purpose entity that consists of loans and advances to members.

In October 2017, the Credit Union established a residential mortgage-backed securitisation (RMBS) program for the purpose of self-securitisation and established the MTG CUSA Trust Repo Series No. 1 (the "Trust") to purchase mortgage loans it originated. Notes issued by the Trust to the Credit Union are recorded as Other Investments, amounting to \$253.500 million (2024: \$283.500 million).

The Credit Union transferred loans totalling \$21.953 million (2024: \$19.557 million) during the financial year as part of its ongoing self-securitisation program. In accordance with APRA's requirement, the Credit Union has reduced its self-securitisation programme to 12.5% of total deposits (2024: 17.8%). The outstanding balance of the loans transferred as at 30 June 2025 was carried at \$234.619 million (2024: \$266.509 million), which approximates to its fair values.

The Group has not transferred substantially all of the risks and rewards associated with these loans and accordingly these loans are carried on the Group's balance sheet.

Note 28. Related party disclosures

a) The Credit Union engages Data Action Pty Ltd to provide software and technology hosting services. Data Action Pty Ltd provides the software and technology services at arms' length. Refer to Note 13.

b) The Credit Union holds a controlling interest in a special purpose vehicle with which securitisation transactions are entered into under normal commercial terms at arm's length (refer to Note 27). These transactions are eliminated upon consolidation.

Ownership interest

	Notes	2025 %	2024 %
Data Action Pty Ltd	13	-	15.90
MTG CUSA Trust Repo Series No1.	27	100.00	100.00

Aggregate amounts included in profit before income tax expense that resulted from transactions with the non-key management personnel related parties:

	2025 \$	2024 \$
Technology services	2,465,600	3,243,465
Management fee	-	-
Interest expense	60,103	78,425

Aggregate amounts payable to non-key management personnel related party:

At call deposits	-	-
Term deposits	-	2,000,000



Note 29. Auditors' remuneration

	Consolidated		Credit Union	
	2025	2024	2025	2024
	\$	\$	\$	\$
Audit services				
Auditors of the Credit Union				
KPMG Australia:				
- Audit of financial statements	162,625	160,996	162,625	160,996
- Other regulatory audits	39,980	37,113	39,980	37,113
	202,605	198,109	202,605	198,109
Non-audit services				
Auditors of the Credit Union				
KPMG Australia:				
- Tax and other services	98,319	31,552	98,319	31,552
Total auditor remuneration	300,924	229,661	300,924	229,661

Fees for non-audit services have been determined on a time and material basis.

Note 30. Franking account

The Credit Union has generated franking credits through paying income tax since the 1994/95 financial year.

The balance of the consolidated franking account, adjusted for franking credits which will arise from the payment of income tax provided for in the financial statements is \$37.713 million (2024: \$32.775 million).

Note 31. Segment information

The Group operates predominately in the retail financial services industry within South Australia.

Specific segmentation of loans and deposits is set out in Notes 11 and 17.

Note 32. Economic dependency

The Group has an economic dependency on the following suppliers of services.

Cuscal Ltd

As a provider and aggregator of financial service products to the financial services industry, this entity supplies the Credit Union with access to payment and settlement facilities in the form of BPay, Direct Entry and Chequing as well as access to acquiring and settlement facilities for electronic fund services via the ATM, EFTPOS and NPP networks. Cuscal Ltd also provides the Credit Union with VISA card services. In addition, Cuscal Ltd supplies transactional banking and money market services to the Credit Union. Cuscal Ltd also provides the electronic link between automatic teller machines, Bank@Post terminals, point of sale terminals and BPay transactions to members' accounts. The Credit Union invests a proportion of its high quality liquid assets with Cuscal Ltd. The Credit Union was a shareholder of Cuscal Ltd (refer to Note 13).

Data Action Pty Ltd

The Credit Union was a shareholder in Data Action Pty Ltd (refer to Note 13), who provides the Credit Union with computer software solutions and hosted technology services.

Note 33. Subsequent events

Other than the current disclosures, there have been no events subsequent to reporting date which would have a material impact on the Group's 30 June 2025 financial statements.



Consolidated Entity Disclosure Statement

For the year ended 30 June

Investment in controlled entities

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements. All controlled entities are domiciled in Australia. Investment in controlled entities and tax residency comprises:

	Place of Incorporation	Body corporate, partnership, or trust	2025 %	2024 %	Australian or foreign residency	Jurisdiction for foreign tax resident
Credit Union SA Ltd	Australia	Body Corporate	100.00	100.00	Australia	N/A
MTG CUSA Trust Repo Series No1.	Australia	Trust	100.00	100.00	Australia	N/A

Note 1. Basis of preparation

The Company has determined that each entity included in its Consolidated Entity Disclosure Statement (CEDS) is an Australian tax resident. In determining Australian tax residency, the Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxations public guidance in Tax Ruling TR 2018/5. Australian tax law does not contain specific residency tests for trusts. Generally, those entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treats trusts as residents for certain purposes, but this does not mean the Trust itself is an entity that is subject to tax.

Credit Union SA Ltd



ABN 36 087 651 232

AFSL/Australian Credit Licence Number 241066

Principal registered office in Australia

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South Australia 5000, Australia

Telephone

13 8777

Facsimile

08 8410 0812

Annual General Meeting

The Annual General Meeting of Credit Union SA Ltd will be held on Wednesday 12 November 2025 commencing at 4:30pm (ACDT). This year's AGM will again be webcast online.

Members will be able to participate in the meeting, including asking questions and voting online in real time.

Please refer to the Notice of Meeting available on our website at www.creditunionsa.com.au/agm

Bankers

Cuscal Limited
ANZ Limited

Auditors

KPMG

Tax Agent

KPMG

CEO

Todd Roberts
FCA, FAICD, FGLF





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