credit unionsa

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

## 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.

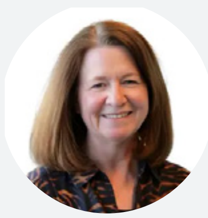
As we step into a new financial year, I'm excited to continue this journey and help South Australians reach their financial goals. I extend my sincere thanks to our Board, our team, our partners and our stakeholders for their ongoing trust and support. Most of all, I thank you, our members, for choosing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


## XL Home Loan

credit
unionsa

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

# 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.

### 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.

### 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.


# 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 a 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 Suport 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 ALFW 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.

72

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

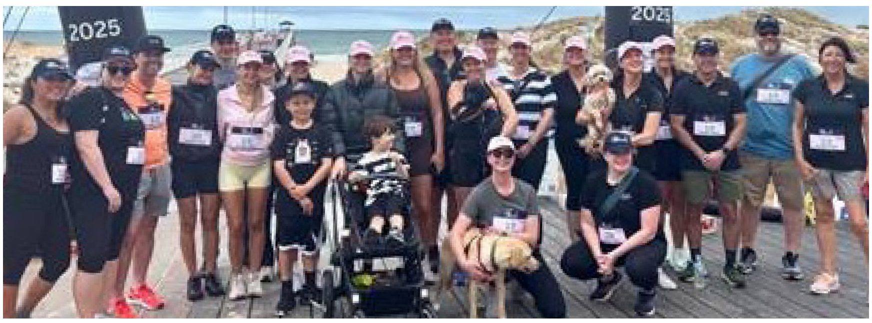
## Young Blood

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

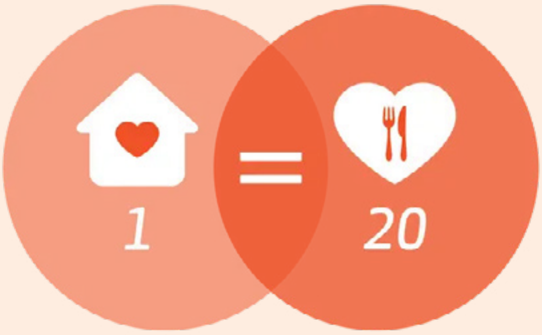

# Foodbank

## 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

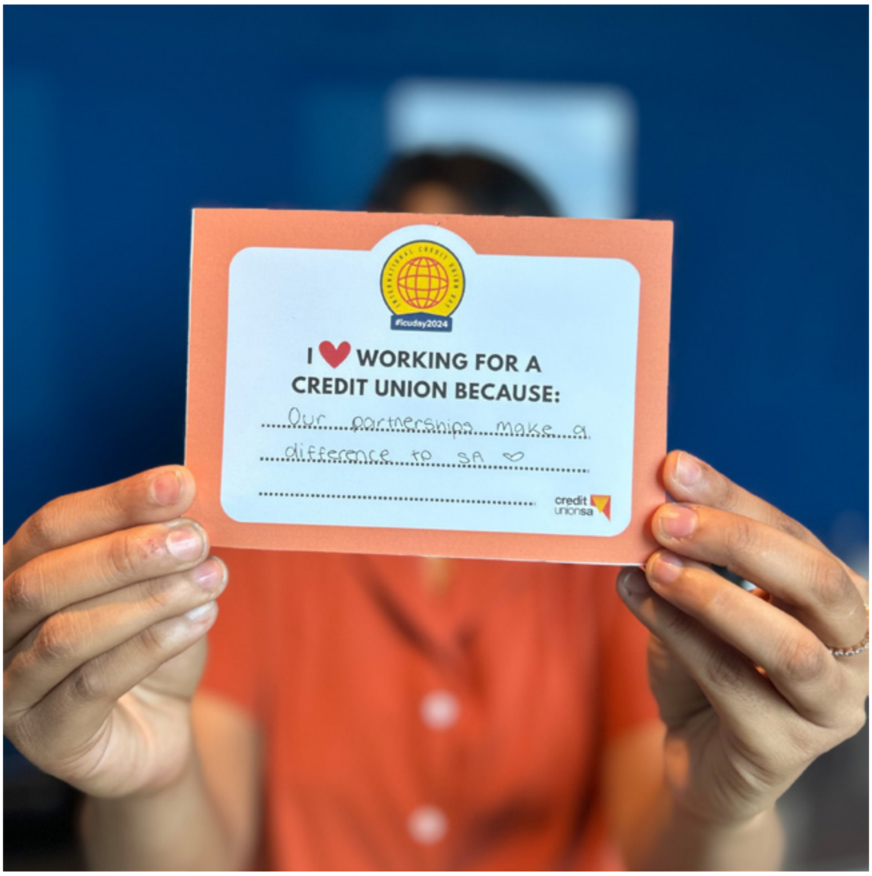
Our team volunteered to represent Foodbank SA across different shifts during the 2024 Adelaide Royal Show, handing out goodies along the Yellow Brick Road!

# 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.

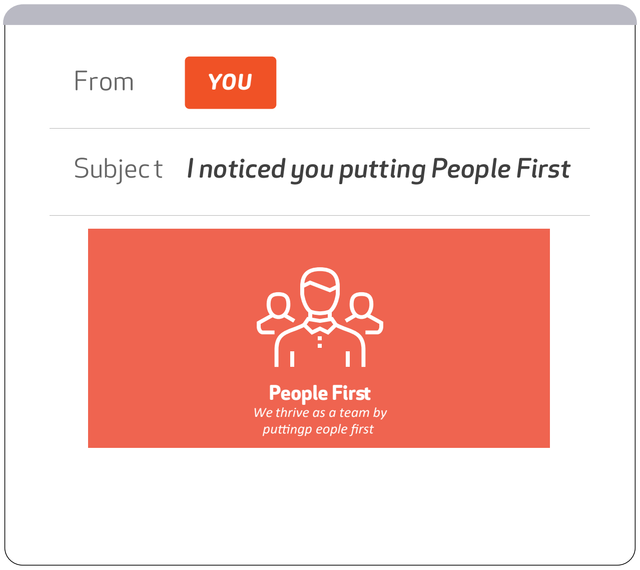
An example of this is when we received a call from a man to express his heartfelt gratitude for the personalised card he received in the mail from Credit Union SA as it had a profound impact on him.

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...

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

**39**

Trees planted, representing each new staff starting with us

**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**

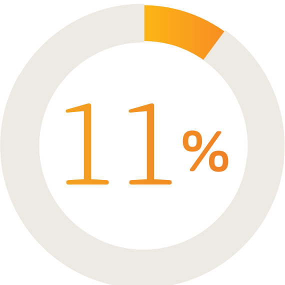
Janak Adhikari, Wei Hsien

**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 committment 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: | Experience |
|---|---|
| **Julie Anne COOPER**<br>GD.Mgt, BA, FAICD<br>Independent Non-Executive Director since February 2019<br>Chair of the Board since 29 May 2024<br>Member, Board Governance Committee<br>Member, Board Risk Committee | **Company Director**<br>Other Board Memberships:<br>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) |
| **Paul Carl DEWSNAP**<br>PGDDigBus, DipElecEng, MAICD<br>Independent Non-Executive Director since February 2019<br>Member, Board Risk Committee | **Company Director/Consultant**<br>Other Board Memberships:<br>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 |
| **Philip Leon Fernand RIQUIER**<br>MBA, B Bus, FAICD, FCPA, FFIN, Chartered Banker<br>Independent Non-Executive Director since February 2018<br>Chair, Board Risk Committee<br>Member, Board Audit Committee | **Company Director**<br>Other Board Memberships:<br>Lutheran Homes Group Incorporated (Director); Capital Prudential Pty Ltd Investment Funds (Investment Committee Member); My Venue Pty Ltd (Director);<br>Guava Lime Capital Pty Ltd (Director); Oz Premium Finance Pty Ltd (Director); True Vault Pty Ltd (Director) |
| **Nicholas Chapman ANDERSON**<br>BAcc, FCA, GAICD<br>Independent Non-Executive Director since February 2021<br>Chair, Board Audit Committee<br>Member, Board Risk Committee | **Company Director**<br>Other Board Memberships:<br>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:** | **Experience** |
|---|---|

**Louise Helen SMALL**

GAICD, Australian Coaching Accreditation (Intermediate) CertIV in Finance Broking

Independent Non-Executive Director since 1 October 2021

Chair, Board Governance Committee

**Company Director**

Other Board Memberships:

South Australian Football Commission (Director);

South Australian Housing Trust (Director)

**Matthew Peter WALSH**

MBA, BAppSc, GAICD

Independent Non-Executive Director since February 2024

Member, Board Governance Committee

**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

**Kathryn HAWKINS**

MAICD

Independent Non-Executive Director since 1 July 2024

Member, Board Audit Committee

**Company Director**

Other Board Memberships:

Comunet Pty Ltd (Chair)

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

# Company Secretary

Ms Nicole Santinon LLB (Hons), BIntSt, 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.

KPMG

KPMG

**Paul Cenko**
*Partner*
Adelaide
24 September 2025

# 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/apzlwn0y/ar3_2024.pdf. This description forms part of our Auditor's Report.

KPMG

**KPMG**

**Paul Cenko**

*Partner*

Adelaide

24 September 2025

# 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 | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Notes | $'000 | $'000 | $'000 | $'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

| | Notes | Consolidated 2025 $'000 | Consolidated 2024 $'000 | Credit Union 2025 $'000 | Credit Union 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** | | 10,209 | 7,176 | 10,209 | 7,176 |
| 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*

| | Notes | Retained earnings $'000 | Fair value reserves $'000 | Cash flow hedge reserve $'000 | Redeemed member shares $'000 | Total $'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** | 21 | **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** | 21 | **122,111** | **2,671** | **(227)** | **64** | **124,619** |

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

## As at 30 June

| Credit Union | Notes | Retained earnings $'000 | Fair value reserves $'000 | Cash flow hedge reserve $'000 | Redeemed member shares $'000 | Total $'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** | 21 | **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** | 21 | **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

| | Notes | Consolidated 2025 $'000 | Consolidated 2024 $'000 | Credit Union 2025 $'000 | Credit Union 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

# 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** $'000 | **2024** $'000 | **2025** $'000 | **2024** $'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 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'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 | |
|---|---|---|---|---|---|
| | | **2025** | **2024** | **2025** | **2024** |
| | **Notes** | $'000 | $'000 | $'000 | $'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** |

## 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** |

## 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) |
| **Income tax expense on pre-tax net profit** | **19.86%** | **2,028** | **29.51%** | **1,965** |

| | | 2025 $'000 | | 2024 $'000 |
|---|---|---|---|---|
| **(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** |

| | | 2025 $'000 | | 2024 $'000 |
|---|---|---|---|---|
| **(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** |

# 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** |

## 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).

## 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 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'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

| | Consolidated 2025 | Consolidated 2024 | Credit Union 2025 | Credit Union 2024 |
|---|---|---|---|---|
| **Profit for the year** | **8,181** | **5,211** | **8,181** | **5,211** |
| *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 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'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<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'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** |

## 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 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'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.

# 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.

## Note 12. Impairment of loans and advances (continued)

| | | Consolidated | | Credit Union | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Notes | $'000 | $'000 | $'000 | $'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's 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.

## 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** |

## 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 |

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

## Note 15. Intangible assets (continued)

| Consolidated | Software<br>$'000 | Work in progress<br>$'000 | Total<br>$'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<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'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<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'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 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'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<br>$'000 | 2024<br>$'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** |

## (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<br>$ | 2024<br>$ |
|---|---|---|
| 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<br>$ | 2024<br>$ |
|---|---|---|
| **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).

## 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 d te 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** |

## 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 |
|---|---|---|---|---|---|---|---|
| **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;

## 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 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'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.

## 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:

| | | Consolidated | | Credit Union | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Notes | $'000 | $'000 | $'000 | $'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 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'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 |

## 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** | **-** |

## Note 25. Financial risk management (continued)

| Consolidated | < 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 % |
|---|---|---|---|---|---|---|---|
| **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 $'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 % |
|---|---|---|---|---|---|---|---|
| **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** | **-** |

## Note 25. Financial risk management (continued)

| **Credit Union** | **< 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** % |
|---|---|---|---|---|---|---|---|
| 2024 | | | | | | | |
| **Financial assets** | | | | | | | |
| 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** | **-** |

# 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<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'000 |
| Total qualifying capital | 140,670 | 124,733 | 140,670 | 124,733 |
| Risk weighted assets | 789,568 | 722,647 | 789,568 | 722,647 |
| | 2025<br>% | 2024<br>% | 2025<br>% | 2024<br>% |
| 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.

## 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 incoporates 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<br>$'000 | Level 2<br>$'000 | Level 3<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **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

Level 3, Credit Union SA
400 King William St, Adelaide
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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