Financial Statements

2024/2025

Bank of us is a trading name of B&E Ltd ABN 32 087 652 088
AFSL & Australian Credit Licence 236870.

DIRECTORS' REPORT

For the year ended 30 June 2025

The Directors of B&E Ltd (trading as 'Bank of us') present their report, together with the financial statements of the Consolidated Entity, being B&E Ltd (the 'Company') and its controlled entities (together, the 'Group') for the financial year ended 30 June 2025.

Information on Directors

The Directors of the Company in office at any time during or since the end of the year are:

Helen GALLOWAY, BCom BIS FCPA GAICD (Chair)

Ms Galloway is currently Chair and Director of The Star Sydney and a Director of Hydro Tasmania, where she also serves as Chair of the Board Audit Committee. Ms Galloway is also a Director of Hockey Australia. Previously she has held senior executive roles at large corporate organisations with industry experience in tourism, hospitality, gaming, retail and entertainment.

Ms Galloway was appointed Chair in October 2022 and has been a Director since November 2019. She is the Chair of the Board Remuneration Committee and Chair of the Board Corporate Governance Committee.

Scott NEWTON, BBus (L.Ec) FAPI CPV GAICD

Mr Newton is currently Head of Elders Property in Tasmania and was previously CEO of Knight Frank Tasmania. He has worked in the property industry for over 35 years and previously served as the National Director of Opteon Property Group and State President of the Australian Property Institute.

Mr Newton has been a Director since October 2014, serving as Chair for two years from 2020 to 2022. He is a member of the Board Corporate Governance Committee and Board Remuneration Committee.

Kathryn McCANN, BCom BA

Ms McCann is the General Manager Marketing, Public Affairs and Social Impact for the Tasmania Football Club and is also a Director of the Tasmanian Development Board. Ms McCann has previous senior executive experience across the public, private and not-for-profit sectors.

Ms McCann was appointed as a Director in November 2021. She is a current member of the Board Corporate Governance Committee and Board Risk Committee.

Robert KING, BSc MBA GAICD

Until April 2017 Mr King was the Chief Executive Officer of Intech Bank and a Group Executive of Bank Australia, one of Australia’s leading mutuals. Over a thirty-year career he has worked in senior leadership roles for a range of banking institutions including ME Bank, Citibank, Rothschild and Newcastle Permanent Building Society.

Mr King was appointed as a Director in November 2017. He is a member of the Board Audit Committee and is Chair of the Board Risk Committee.

DIRECTORS' REPORT (continued)
For the year ended 30 June 2025

Mark NUGENT BCom CPA GAICD
Mr Nugent is Chief Financial Officer and Corporate Services Manager of Fairbrother Pty Ltd. He is also a Director of Lifeline Tasmania, Fairbrother Pty Ltd, Degree C Pty Ltd and several other Fairbrother related entities. He has more than 25 years of experience in management, accounting and administration in both the private and public sectors.

Mr Nugent was appointed as a Director in February 2012 and is a member of the Board Remuneration Committee and is Chair of the Board Audit Committee.

Danny MCCARTHY BEc FCA
Mr McCarthy specialises in Audit and Advisory Services, with over 30 years' experience as a company auditor. He was a Partner of WLF Accounting and Advisory from 1989 until December 2022. He is a fellow of Chartered Accountants Australia and New Zealand.

Mr McCarthy was appointed as a Director in October 2023 and is a member of the Board Risk Committee and Board Audit Committee.

COMPANY SECRETARY
Sarah-Jayne HALL BA, LLB, GAICD
Ms Hall joined the Company in September 2023 and also holds the position of General Counsel. Ms Hall has extensive corporate and finance law experience both domestically and internationally and currently serves on the University of Tasmania Council.

	BOARD OF DIRECTORS MEETINGS		MEETINGS OF COMMITTEES							
			Risk		Audit		Remuneration		Corporate Governance	
Meetings held:	**10**		**5**		**4**		**2**		**3**	
Attended by	Eligible to attend	No. attended	Eligible to attend	No. attended	Eligible to attend	No. attended	Eligible to attend	No. attended	Eligible to attend	No. attended
H Galloway	10	10	-	-	-	-	2	2	3	3
S Newton	10	8	-	-	-	-	2	2	3	3
K McCann	10	10	5	5	-	-	-	-	3	2
R King	10	10	5	5	4	4	-	-	-	-
M Nugent	10	10	-	-	4	4	2	2	-	-
D McCarthy	10	9	5	3	4	2	-	-	-	-

Principal Activities
The principal activities of the Group during the course of the financial year remained unchanged and were the provision of financial services to clients through a range of saving, investment, loan and insurance products.

Operating Results
Consolidated profit for the financial year, after providing for income tax, was $5,862,631 (2024: $6,969,513)

DIRECTORS' REPORT (continued)

For the year ended 30 June 2025

Significant Changes in 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.

Review of Operations

The year under review recorded strong results in all areas of business operations with another year of strong improvement in loans, with loan approvals of $500.98 million during the year (2024: $398.8 million) while the total loan portfolio grew by $241.6 million (2024: $175.3 million) to $1,686.7 million (2024: $1,445.1 million). Bank of us is currently accredited by the Tasmanian Government to provide lending services under the MyHome Shared Equity Program. During the year this program contributed $135.2 million of loan approvals (2024: $98.5 million).

Profit before income tax for the year was $8.5 million (2024: $10.1 million). The profit result for the year was supported by strong loan book growth but down from the prior year due to a reduced net interest margin arising from higher funding costs.

Total assets increased 16.38% to $2,019 million (2024: increased 11.4% to $1,734 million). At 30 June 2025 the Group's market share of owner-occupied home lending by dollar value in Tasmania had increased to 13.5% (2024: 11.9%).

Events Subsequent to Balance Date

During July 2025 the Group issued subordinated debt to the value of $5,000,000 to provide additional Tier 2 capital. This subordinated debt was issued on similar terms to existing subordinated debt, but with a margin of 275 basis points.

The Group's head office relocated to Level 4, 89-93 Cimitiere Street, Launceston Tasmania 7250 from 28 July 2025.

Apart from the above matters, 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 substantially the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments

There are no known likely developments at the date of this report that will impact the operations of the Group in a material way.

Environmental Issues

The Group’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIRECTORS' REPORT (continued)

For the year ended 30 June 2025

Indemnification and Insurance of Officers and Auditors

The Directors and Officers of the Group have been indemnified against personal losses arising from their respective positions within the Group.

The Group has the benefit of a Directors' and Officers' Insurance policy. In accordance with common commercial practice the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

No liability has arisen under these indemnities as at the date of this report.

The Group has not provided any insurance for the auditor.

Auditor's Independence

An Auditor’s Independence Declaration as required under section 307C of the *Corporations Act 2001* has been received by the Directors, and a copy of the declaration is set out on page 61.

Signed in accordance with a resolution of the Directors

Helen Galloway
Chair
B&E Ltd
Signed at Hobart on 23 September 2025

DIRECTORS' DECLARATION

For the year ended 30 June 2025

In the opinion of the Directors of B&E Ltd:

a. the financial statements and notes of B&E Ltd are in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2025 and of its performance for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001* ; and

b. there are reasonable grounds to believe that B&E Ltd will be able to pay its debts as and when they become due and payable.

c. the financial statements comply with International Financial Reporting Standards.

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

Signed in accordance with a resolution of the Directors:

Helen Galloway
Chair
B&E Ltd
Signed at Hobart on 23 September 2025

Financial Statements
For the year ended 30 June 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

	Notes	2025 $	2024 $
Interest revenue	3	107,171,637	90,146,910
Interest expense	3	(68,873,440)	(54,920,425)
Net interest income		38,298,197	35,226,485
Non-interest income	4	3,280,601	3,375,650
		3,280,601	3,375,650
Non-interest expenses			
Fees and commission expense		(4,109,724)	(3,508,568)
Loans and advances impairment writeback / (expense)		(288,242)	92
Marketing expense		(1,184,545)	(590,630)
Employee expense	5	(18,673,645)	(16,042,721)
Communications and information technology expense		(2,791,320)	(2,911,063)
Occupancy expense		(2,109,517)	(1,767,036)
Administrative expense		(3,877,320)	(3,723,932)
		(33,034,313)	(28,543,858)
Profit before income tax		8,544,485	10,058,277
Income tax expense	6	(2,681,854)	(3,088,764)
Profit after income tax		5,862,631	6,969,513
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain / (Loss) on fair value revaluation of equity investments		-	(152,219)
Income tax attributable to revaluation of equity investments		-	45,666
Gain / (Loss) on revaluation of land and buildings		(246,549)	-
Income tax attributable to revaluation of land and buildings		73,965	-
		(172,584)	(106,553)
TOTAL COMPREHENSIVE INCOME		5,690,047	6,862,960

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2025

	Notes	2025 $	2024 $
ASSETS			
Cash	7	116,632,325	100,484,231
Trade and other receivables	8	1,348,036	1,391,369
Current tax assets	18(b)	507,156	-
Investment securities	9	189,750,312	170,162,086
Customer loans and advances	10	1,686,700,359	1,445,096,896
Assets held for sale	11	8,687,500	-
Prepayments		906,731	485,603
Other investments		270,170	270,170
Property, plant and equipment	12	5,362,367	6,905,478
Investment property	13	-	4,715,001
Right-of-use assets	19	7,107,455	3,844,299
Deferred tax assets	18(a)	1,299,666	1,048,408
TOTAL ASSETS		2,018,572,077	1,734,403,541
LIABILITIES			
Deposits from customers	14	1,432,865,913	1,263,927,816
Trade and other payables	15	26,619,805	18,248,227
Deposits from wholesale investors	16	432,696,177	334,601,982
Employee benefits provisions	17	3,219,542	2,825,351
Current tax liabilities	18(b)	-	720,428
Lease liabilities	19	7,094,241	4,234,136
Other provisions		679,845	-
Borrowings	20	5,000,000	5,000,000
Deferred tax liabilities	18(b)	1,209,791	1,348,885
TOTAL LIABILITIES		1,909,385,314	1,630,906,825
NET ASSETS		109,186,763	103,496,716
EQUITY			
Reserves		109,186,763	103,496,716
TOTAL EQUITY		109,186,763	103,496,716

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	Retained earnings $	Asset revaluation reserve $	General reserve $	Credit asset impairment reserve $	Financial asset reserve $	Total $
Balance at 1 July 2024		-	3,120,494	97,900,856	2,345,513	129,853	103,496,716
Net profit for the period		5,862,631	-	-	-	-	5,862,631
Other comprehensive income		-	(172,584)	-	-	-	(172,584)
Transfers to and from reserves							
General reserve		(5,862,631)	-	5,862,631	-	-	-
Increases to Credit asset impairment reserve		-	-	(119,144)	119,144	-	-
Credit asset impairment reserve		-	-	2,464,657	(2,464,657)	-	-
Asset Revaluation Reserve		-	(2,947,910)	2,947,910	-	-	-
Equity as at 30 June 2025	21	-	-	109,056,910	-	129,853	109,186,763

For the Year ended 30 June 2024

	Notes	Retained earnings $	Asset revaluation reserve $	General reserve $	Credit asset impairment reserve $	Financial asset reserve $	Total $
Balance at 1 July 2023		-	3,120,494	91,164,678	2,112,178	236,406	96,633,756
Net profit for the period		6,969,513	-	-	-	-	6,969,513
Other comprehensive income		-	-	-	-	(106,553)	(106,553)
Transfers to and from reserves							
General reserve		(6,969,513)	-	6,969,513	-	-	-
Credit asset impairment reserve		-	-	(233,335)	233,335	-	-
Equity as at 30 June 2024	21	-	3,120,494	97,900,856	2,345,513	129,853	103,496,716

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2025

	Notes	2025 $	2024 $
Cash flows from operating activities:			
Interest received		107,214,970	89,838,112
Interest paid		(65,300,605)	(49,449,068)
Payments to suppliers		(12,449,720)	(11,738,159)
Other receipts		3,280,601	3,506,382
Payments to employees		(18,279,454)	(15,499,208)
Income taxes paid		(4,225,825)	(4,326,631)
	23(a)	10,239,967	12,331,428
(Increase)/decrease in operating assets:			
Net movement in loans and advances		(241,891,705)	(175,275,975)
Net movement in wholesale deposits		98,094,195	75,776,604
Net movement in customer deposits		172,020,009	124,255,313
Net movement in investment securities		(19,588,226)	(3,923,118)
Net cash provided by operating activities	23(a)	18,874,240	33,164,252
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		-	102,544
Acquisition of property, plant and equipment		(2,324,785)	(942,460)
Net cash used in investing activities		(2,324,785)	(839,916)
Cash flows from financing activities:			
Repayment of borrowings		-	(33,495,906)
Repayment of lease liabilities		(401,361)	(417,772)
Net cash used in financing activities		(401,361)	(33,913,678)
Net increase/(decrease) in cash		16,148,094	(1,589,342)
Cash at beginning of year		100,484,231	102,073,573
Cash at end of year	7	116,632,325	100,484,231

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the year ended 30 June 2025

1 Material Accounting Policy Information

(a) Reporting entity
B&E Ltd (the 'Company' trading as 'Bank of us') is a company limited by shares and guarantee, incorporated and domiciled in Australia. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

These consolidated financial statements ('financial statements') comprise B&E Ltd, the ultimate parent company and its subsidiary (together, the 'Group'). The Group is primarily involved in retail banking.

(b) Statement of compliance
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards ('AASBs') and interpretations adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* . The financial statements of the Group also comply with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The financial statements were authorised for issue by the Directors on 23 September 2025.

(c) Basis of preparation
The financial statements are presented in Australian dollars.

The financial statements are prepared on an accrual basis and are based on historical costs unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

(d) Basis of consolidation
The consolidated entity's financial statements report the assets, liabilities and results of the Company and its controlled entities for the financial year.

RBA repurchase securitisation trust consolidation
The Company initiated the creation of a Trust on 25 July 2018, which holds rights to a portfolio of secured loans to enable the Company to secure funds from the Reserve Bank of Australia, if required, to meet emergency liquidity requirements. The Company continues to manage these loans and receives all residual benefits from the trust and bears all losses should they arise. Accordingly:

a) the Trust meets the definition of a controlled entity; and

b) as prescribed under the accounting standards, since the Company has not transferred all risk and rewards to the Trust, the assigned loans are retained on the books of the Company and not de-recognised.

The Company has elected to present one set of financial statements to represent both the Company and the consolidated group on the basis that the impact of consolidation is not material to the Company.

The subsidiary member of the Group is known as the Tamar Trust Repo Series No 1 ('Tamar Trust').

1 Material Accounting Policy Information (continued)

(e) New accounting standards

New accounting standards not yet mandatory

There are no new accounting standards or interpretations expected to have any significant impact on the Group's financial report that are issued and not yet applicable. Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

New accounting standards applicable for the current year

The Group has adopted all standards which became effective during the year ending 30 June 2025. The adoption of these standards has not caused any material adjustments to the reported financial position, performance, or cash flow of the Group.

(f) Goods and services tax

As a financial institution, the Group is input taxed on all income, except for income from commissions, rents and some fees. Input taxed supplies are not subject to GST, and similarly the GST paid on related or apportioned purchases cannot be recovered. As some income is charged GST, the GST on purchases are generally recovered on a proportionate basis, using the safe harbour apportionment rate of 18% adopted per Practical Compliance Guide 2017/15 from 1 July 2017. In addition, certain prescribed purchases are subject to reduced input tax credits (RITC), of which 75% of the GST paid is recoverable.

(g) Registered office

87 Brisbane Street, Launceston, Tasmania 7250.

2 Accounting estimates and judgements

The preparation of financial statements in accordance with Australian Accounting Standards requires the exercise of judgement in the selection and application of accounting policies, as well as certain estimates and assumptions that affect amounts reported in the financial statements.

Areas of the financial statements involving a higher degree of judgement or complexity, or areas where reliance on estimates or assumptions are significant include:

- estimates and judgement when applying the Group's accounting policies with respect to the measurement of ECL allowance (refer note 10);
- land and building and investment property valuation assumptions (refer to notes 12, 13 and 32) up to the point that these property assets were transferred to assets held for sale as at 30 June 2025;
- assets held for sale valuation assumptions used in the calculation of fair value less costs of sale (refer to note 11); and
- estimation of lease terms and determination of the appropriate rate to discount lease payments as well as costs to make good of leased premises (note 19).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the financial statements are reasonable. Actual results in the future may differ from those reported.

Notes to the Financial Statements
For the year ended 30 June 2025

3 Interest revenue and expense

	2025 $	2024 $
Interest revenue		
Financial assets at amortised cost		
Customer loans and advances	93,954,729	78,199,026
Placements with other financial institutions	8,277,575	7,945,493
Cash at bank and at call deposits	4,939,333	4,002,391
Total interest revenue	107,171,637	90,146,910
Interest expense		
Deposits	68,198,657	54,236,669
Lease liabilities	335,325	218,694
Borrowings	339,458	465,062
Total interest expense	68,873,440	54,920,425
Net interest income	38,298,197	35,226,485

Accounting policy

Interest revenue and interest expense

Interest revenue arising from at call deposits, term deposits, negotiable certificates of deposit, overdrafts and floating rate notes, and interest expenses arising from member deposits, interest bearing liabilities and the unwinding of discounts on make good or other provisions is recognised in profit or loss using the effective interest rate method under AASB 9 *Financial Instruments.*

4 Non-interest income

	2025 $	2024 $
Revenue from contracts with customers		
Transaction fees	1,343,564	1,273,267
Loan fees	534,715	490,098
Insurance and other commission	691,303	702,170
Total revenue from contracts with customers	2,569,582	2,465,535
Other income		
Rental income - investment property	380,548	354,146
Rental income - other	-	10,089
Gain on disposal of property, plant and equipment	-	93,938
Bad debts recovered	27,247	27,762
Vendor incentive income	200,000	300,000
Other revenue	103,224	124,180
Total other income	711,019	910,115
Total non-interest income	3,280,601	3,375,650

Notes to the Financial Statements
For the year ended 30 June 2025

5 Specific expenses

	2025 $	2024 $
Depreciation and amortisation		
Plant and equipment	403,113	353,511
Owner occupied buildings	61,177	64,774
Leasehold improvements	76,738	76,739
Intangible assets - capitalised software	-	88,013
Right-of-use assets	560,367	430,469
	1,101,395	1,013,506
Personnel costs		
Long service leave	158,157	140,186
Annual leave	1,215,388	1,134,204
Superannuation contributions	1,706,064	1,355,000
Salaries and wages	13,946,096	12,140,667
Payroll tax	998,429	778,018
Other	649,511	494,646
	18,673,645	16,042,721
Non-lending losses		
Fraud from payment channels	31,107	25,125
Property, plant and equipment expenses		
Loss on revaluation of investment properties	155,001	-
Estimated selling costs of assets held for sale	100,000	-
Loss on disposal of plant and equipment	7,175	-
	262,176	-

6 Income tax expense

	2025 $	2024 $
The components of tax expense comprise:		
Current tax expense	3,008,216	3,381,656
Deferred tax expense	(326,362)	(292,892)
	2,681,854	3,088,764
Reconciliation of income tax expense		
Prima facie tax payable on profit before income tax at 30% (2024: 30%)	2,563,346	3,017,483
Tax effect of:		
- non-deductible expenses	12,707	11,540
- other temporary differences	105,801	59,741
	2,681,854	3,088,764

Accounting policy

Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date. At 30 June 2025 this rate was 30% (2024: 30%).

Notes to the Financial Statements
For the year ended 30 June 2025

	2025 $	2024 $
7 Cash		
Cash on hand	1,642,673	1,696,157
Cash at bank and at call deposits	114,989,652	98,788,074
Total Cash	116,632,325	100,484,231

Accounting policy

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits held at call with banks net of bank overdrafts. Where bank overdrafts are held, they are shown within borrowings on the Statement of Financial Position.

Cash and cash equivalents comprises deposits held at call with other financial institutions. All other deposits, including those with original maturity of less than three months, are treated as investment securities.

8 Trade and other receivables

	2025 $	2024 $
Trade and other receivables	239,300	238,859
Accrued interest receivable	1,108,736	1,152,510
	1,348,036	1,391,369

9 Investment Securities

	2025 $	2024 $
Investment securities measured at amortised cost		
Deposits with other financial institutions	9,005,871	7,002,340
State government bonds	17,941,656	11,000,000
Bank bills and negotiable certificates of deposit	162,802,785	152,159,746
Total investment securities	189,750,312	170,162,086

Credit quality

The Group uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposures, where applicable, using the credit quality assessment scale in APS 112 *Capital Adequacy: Standardised Approach to Credit Risk.*

The exposure values associated with each credit rating level (long term credit ratings) for Authorised Deposit-taking Institutions (ADI's) are as follows:

	2025 $	2024 $
ADI's rated credit rating grade 1	17,947,527	16,000,000
ADI's rated credit rating grade 2	26,711,761	5,938,688
ADI's rated credit rating grade 3	136,091,024	141,223,398
ADI's unrated	9,000,000	7,000,000
Total investment securities	189,750,312	170,162,086

Accounting policy

Investment securities

Term deposits, bank bills, semi-government investments and negotiable certificates of deposit are held at amortised cost, using the effective interest rate method.

Notes to the Financial Statements
For the year ended 30 June 2025

10 Customer loans and advances

	2025 $	2024 $
Overdrafts and revolving credit facilities	6,401,975	6,393,135
Personal loans	15,110,527	14,844,305
Commercial loans	36,501,200	29,965,065
Residential loans	1,626,681,032	1,392,605,484
Gross loans and advances	1,684,694,734	1,443,807,989
Provision for expected credit losses	(169,627)	(69,898)
Net loans and advances before deferred fees and costs	1,684,525,107	1,443,738,091
Deferred break fees	(42,639)	(154,634)
Deferred broker costs	2,557,954	1,729,964
Deferred loan application fees	(340,063)	(216,525)
Net loans and advances	1,686,700,359	1,445,096,896

Loans and advances are measured at their amortised cost using the effective interest rate method. The accounting policy for loans and advances is included in note 25.

(a) Concentration of risk

Exposure to groupings of individual loans which concentrate risk within particular geographical segments are as follows:

	2025 $	2024 $
- Tasmania	1,619,970,925	1,392,184,048
- Other	64,723,809	51,623,941
Gross loans and advances	1,684,694,734	1,443,807,989

The Group does not have any significant exposure to any particular industry sectors or other groupings of customers, other than the loans that are predominantly for residential housing purposes.

The loans above do not include any loans to individual clients representing 10% or more of total loan assets.

(b) Securitised loans

	2025 $	2024 $
The value of securitised loans which are not qualifying for derecognition as the conditions do not meet the criteria in AASB 9	362,103,263	253,886,485

(c) Security held against loans and advances

	2025 $	2024 $
Secured by mortgage over residential property	1,628,856,284	1,393,964,289
Secured by mortgage over commercial property	36,501,200	29,965,065
Total loans and advances secured by real estate	1,665,357,484	1,423,929,354
Partly secured by goods mortgage	13,465,464	12,260,761
Wholly unsecured	5,871,786	7,617,874
	1,684,694,734	1,443,807,989

	2025 $	2024 $

10 Customer loans and advances (continued)

(d) Credit quality of loans

A majority of the portfolio of the loan book is secured by residential property in Tasmania. Therefore the Group is exposed to risks should the property market be subject to a decline. The risk of losses from loans is primarily reduced by the nature and quality of the security obtained.

It is not practical to value all collateral as at balance date due to the variety of assets and their nature and condition. A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:

	2025 $	2024 $
LVR less than 80%	1,443,126,894	1,250,772,988
LVR more than 80% but mortgage insured	79,022,419	65,529,486
LVR more than 80% and not mortgage insured	106,706,971	77,661,815
	1,628,856,284	1,393,964,289

(e) Assets acquired through enforcement of security

During the year B&E Ltd sold two residential properties via an enforcement of security (2024: nil). The underlying loans were secured by residential property and the value received in sale was sufficient for the loan balances to be fully recovered. The fair value of properties acquired through enforcement of security was $720,000 (2024: nil)

(f) Amounts arising from ECL

The loss allowance as of the year end by class of exposure/asset are summarised in the table below. Carrying values are shown exclusive of any deferred fees and/or costs.

Current year (2025)	**Gross carrying value $**	**ECL allowance $**	**Carrying value $**
Residential owner-occupied loans	1,385,270,651	(24,618)	1,385,246,033
Residential investment loans	241,410,381	(4,083)	241,406,298
Commercial loans	36,501,200	(1,699)	36,499,501
Personal loans	15,110,527	(89,659)	15,020,868
Overdrafts/revolving credit facilities	6,401,975	(49,568)	6,352,407
Total	1,684,694,734	(169,627)	1,684,525,107

Prior year (2024)	**Gross carrying value $**	**ECL allowance $**	**Carrying value $**
Residential owner-occupied loans	1,165,770,508	(14,188)	1,165,756,320
Residential investment loans	226,834,976	(2,272)	226,832,704
Commercial loans	29,965,065	(301)	29,964,764
Personal loans	14,844,305	(44,737)	14,799,568
Overdrafts/revolving credit facilities	6,393,135	(8,400)	6,384,735
Total	1,443,807,989	(69,898)	1,443,738,091

Notes to the Financial Statements
For the year ended 30 June 2025

10 Customer loans and advances (continued)

(f) Amounts arising from ECL (continued)

An analysis of the Group credit risk exposure per class of financial assets and 'stage' without reflecting the effects of any collateral or other credit enhancements is demonstrated in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

	Stage 1 12 month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Current year (2025)				
Residential owner occupied loans	1,369,199,689	15,538,785	532,177	1,385,270,651
Residential investment loans	239,846,845	1,563,536	-	241,410,381
Commercial loans	36,362,708	128,432	10,060	36,501,200
Personal loans	14,944,981	165,546	-	15,110,527
Overdrafts/ revolving credit facilities	6,359,293	41,140	1,542	6,401,975
Total	1,666,713,516	17,437,439	543,779	1,684,694,734

	Stage 1 12 month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Prior year (2024)				
Residential owner occupied loans	1,154,514,329	10,496,525	759,654	1,165,770,508
Residential investment loans	225,547,538	572,911	714,527	226,834,976
Commercial loans	29,906,755	58,310	-	29,965,065
Personal loans	14,694,543	78,337	71,425	14,844,305
Overdrafts/revolving credit facilities	6,336,575	56,212	348	6,393,135
Total	1,430,999,740	11,262,295	1,545,954	1,443,807,989

Notes to the Financial Statements
For the year ended 30 June 2025

10 Customer loans and advances (continued)

(f) Amounts arising from ECL (continued)

The reconciliation from the opening to the closing balance of the allowance for credit losses is shown in the tables below.

	Stage 1 12 month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Current year (2025)				
Balance at 1 July 2024	49,636	6,300	13,962	69,898
Changes in the loss allowance				
- Net movement due to change in ECL model parameters	-	6,038	193	6,231
- Other movements due to credit risk changes	102,869	(1,800)	180,942	282,011
Net impairment expense movements	102,869	4,238	181,135	288,242
- Write-offs	-	-	(188,513)	(188,513)
Balance at 30 June 2025	152,505	10,538	6,584	169,627

	Stage 1 12 month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Total $
Prior year (2024)				
Balance at 1 July 2023	134,629	18,809	21,631	175,069
Changes in the loss allowance				
- Net movement due to change in ECL model parameters	-	(2,747)	(2,044)	(4,791)
- Other movements due to credit risk changes	(84,993)	(9,762)	99,454	4,699
Net impairment expense movements	(84,993)	(12,509)	97,410	(92)
- Write-offs	-	-	(105,079)	(105,079)
Balance at 30 June 2024	49,636	6,300	13,962	69,898

10 Customer loans and advances (continued)

(f) Amounts arising from ECL (continued)

Accounting policy

Loan impairment

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1');

- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (under-performing loans) ('Stage 2'); and

- financial assets that have objective evidence of impairment (loans in default) at the reporting date (non-performing loans) ('Stage 3').

12-month expected credit losses are recognised for Stage 1 assets, while 'lifetime expected credit losses' are recognised for Stages 2 and 3. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Grouping of similar assets

As the Group's loans are homogenous in terms of borrower type and contractual repayment terms, the portfolio is currently managed through the dissection of the portfolio arrears reports. The Group has grouped exposures into the following segments on the basis that loans within the segments share similar risk characteristics:

- Residential owner occupied mortgages;
- Residential investment mortgages;
- Commercial loans;
- Personal loans; and
- Other – representing credit cards and overdrafts.

Exposures are assessed on a collective basis in Stage 1, and on an individual basis in Stages 2 and 3.

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data.

10 Customer loans and advances (continued)

(f) Amounts arising from ECL (continued)

Accounting policy (continued)

Significant increase in credit risk

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. If the credit risk of an exposure has increased significantly since initial recognition, the asset will migrate to Stage 2. If no significant increase in credit risk is observed, the asset will remain in Stage 1. Should an asset become impaired it will be transferred to Stage 3.

The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative factors. These include loans more than 30 days past due, loans with approved hardship or modified terms, and other exposures more than 14 days past due.

In assessing financial assets under the ECL model, the Group defines default as occuring when a loan obligation is 90 days past due.

Measurement of ECL

The key inputs into the measurement of ECL include the following:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

These parameters are generally derived from internal analysis, management judgements and other historical data. They are adjusted to reflect forward-looking information as described below. ECL is calculated by multiplying the EAD by the PD and LGD.

PD estimates are calculated based on arrears over 90 days and other loans and facilities where the likelihood of future payments is low. The definition of default is consistent with the definition of default used for internal credit risk management and regulatory reporting purposes. Instruments which are 90 days past due are generally considered to be in default.

10 Customer loans and advances (continued)

(f) Amounts arising from ECL (continued)

Accounting policy (continued)

Measurement of ECL (continued)

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD percentage applied considers the structure of the loan, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, Loan to Value Ratios (LVR) are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and future expectations.

Where appropriate, in calculating the ECL, future cash flows are discounted at the original effective interest rate of the exposure.

Sensitivity analysis and forward looking information

The Group has calculated the ECL using a probability-weighted approach, taking into consideration the following individual scenarios across the Group's loan portfolio. The scenarios, including its underlying indicators, have been developed using a combination of publicly available data, internal forecasts and third-party information to form the base case scenario.

Base Case – the scenario was prepared using reasonable and supportable information that is relevant and available without undue cost or effort at balance date. The scenario incorporates a reasonable level of portfolio stress driven by RBA forecast unemployment rates, and allows for a degradation of personal loan security values. This scenario has been probability-weighted at 70%.

Worse than Base case – this scenario considered a deterioration of borrower's capacity to repay and expected default of borrowers, a future increase in unemployment rates, and a price shock to the property market compared to the base case. This scenario has been probability-weighted at 10%.

Better than Base case - this scenario considered an improvement in the borrower's capacity to repay and expected default of borrowers, a future decrease in unemployment rates, and an improvement to the property market compared to the base case. This scenario has been probability-weighted at 20%.

10 Customer loans and advances (continued)

(f) Amount arising from ECL (continued)

Accounting policy (continued)

Sensitivity analysis and forward looking information (continued)

The results of the sensitivity analysis performed, taking into consideration a probability weighted average of each different scenario eventuating, showed that the effect was not material compared to the Group’s base case allowance for expected credit losses. The Group has elected to use the weighted average approach to measure its ECL allowance at 30 June 2025.

Given the economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possibilities.

Consideration has been given to other external factors including cost of living pressures, inflation and interest rate changes and the impact that these have on the financial circumstances of borrowers. There is a level of uncertainty and volatility in the market concerning inflation and interest rate movements and further rate decreases may be experienced in attempt to control inflation which may result in reduced mortgage stress. There has been no material observable impact arising from economic conditions which we would expect to result in forward looking indicators of impairment. Potential risks in the loan portfolio are significantly offset by the loan protfolio being well secured.

The current economic environment results in some estimation uncertainty in relation to the measurement of the Group’s allowance for ECL which could result in an understatement or overstatement.

11 Assets held for sale

	2025 $	2024 $
Opening balance	-	-
Transfer from land and buildings	4,227,500	-
Transfer from Investment property	4,560,000	-
Less expected costs of sale	(100,000)	-
Total available for sale assets	8,687,500	-

Assets held for sale comprise of land and buildings used to house the Group's corporate head office and suites that the Group currently leases to external parties for rental income. The asset held for sale consists of one property and location. The asset was reclassified to asset held for sale at 30 June 2025 following a decision by the Directors to relocate the Group's corporate head office and make the land and buildings used to house the existing head office available for sale. The property is expected to be fully realised through an orderly sale prior to 30 June 2026.

11 Assets held for sale (continued)

Accounting policy

Assets held for sale

Assets held for sale are carried at their fair value less costs to sell, being the amount expected to be received in an arm's length transaction with knowledgable and willing parties. The amount expected to be received in sale was derived using third party valuations and suitably qualified property sale agents.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on valuations by external valuers at frequencies not exceeding three years, less subsequent depreciation for buildings. The fair value is assessed on an annual basis by the Directors.

Valuations of assets held for sale

Properties are independently valued at frequencies not exceeding three years. Opteon Property Group was engaged to conduct an independent valuation of the Group's properties as at 28 August 2024. The valuations were performed by:

Mark Youngman B.Bus (Acc), Dip Val, Dip Fin Inv, CA, AAPI, CPV
Ian O'Shea B.Bus, GradDipPropVal, AAPI, CPV

The basis of the valuation of land and buildings was fair value, being the amounts for which the assets could be exchanged between willing parties in an arms length transaction. In estimating the fair value of properties, the highest and best use of the properties is their current use. The fair value was based on a capitalisation of income supported by direct comparison to comparable properties on a rate per square metre. During the 2025 financial year the land and buildings were revalued immediately prior to being transferred to assets held for sale. The result of this valuation was a small reduction in value since the previous Opteon valuation dated June 2023 was due to softening of the market. Valuers observed that an increase to rental yields would likely result in a reduction of value to land and buildings if all other variables remained constant. Due to the market reaching historically low yields recently, future increases are anticipated which are expected to result in a decline in value of this property.

Subsequent to the full independent valuation in August 2024, a director assessment was completed in June 2025 to assess the value of the land and buildings immediately prior to their transfer to assets held for sale. The increased rental yields between the Opteon valuation and year end, as well as prevailing market conditions and expected sale prices provided by third party property agents, supported that there had been a minor decline in value to 30 June 2025.

Revaluation decrements on land and buildings and investment property prior to transfer to assets held for sale is further explained in notes 12 (b) and 13.

Notes to the Financial Statements
For the year ended 30 June 2025

12 Property, plant and equipment

(a) Summary of property, plant and equipment

	2025 $	2024 $
Land and buildings		
Freehold land		
At fair value	-	2,500,000
	-	2,500,000
Buildings		
At fair value	-	2,100,000
Accumulated depreciation	-	(64,774)
	-	2,035,226
Total Land and buildings	-	4,535,226
Plant and equipment		
Plant and equipment		
At cost	5,442,309	5,430,574
Accumulated depreciation	(3,755,503)	(3,511,197)
	1,686,806	1,919,377
Leasehold improvements		
At cost	1,111,335	1,111,335
Accumulated amortisation	(812,186)	(735,448)
	299,149	375,887
Capital works in progress		
At cost	3,376,412	74,988
Total property, plant and equipment	5,362,367	6,905,478

Accounting policy

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or impairment losses. Except land and buildings which are carried at fair value less costs of sell.

Property

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the Statement of Profit or Loss and Other Comprehensive Income and are accumulated in the Asset Revaluation Surplus in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in other comprehensive income. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Notes to the Financial Statements
For the year ended 30 June 2025

12 Property, plant and equipment (continued)

Accounting policy (continued)

Plant and equipment
Plant and equipment, including leasehold improvements and capital work-in-progress, is measured on the cost basis less depreciation and impairment losses.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

Buildings	40 years
Plant and equipment	2 to 15 years
Leasehold improvements	Lesser of useful life or remaining lease life

Assets costing less than $2,000 are not capitalised.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Notes to the Financial Statements
For the year ended 30 June 2025

12 Property, plant and equipment (continued)

(b) Movements in carrying amounts

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Work in progress $	Total $
Current year (2025)						
Carrying amount at beginning of year	2,500,000	2,035,226	375,887	1,919,377	74,988	6,905,478
Additions	-	-	-	-	3,479,699	3,479,699
Transfers between property, plant & equipment	-	-	-	177,718	(177,718)	-
Revaluation decrement	(125,000)	(121,549)	-	-	-	(246,549)
Disposals	-	-	-	(7,176)	(557)	(7,733)
Depreciation and amortisation expense	-	(61,177)	(76,738)	(403,113)	-	(541,028)
Transfer to Asset Held for Sale	(2,375,000)	(1,852,500)	-	-	-	(4,227,500)
Carrying amount at end of year	-	-	299,149	1,686,806	3,376,412	5,362,367

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Work in progress $	Total $
Prior year (2024)						
Carrying amount at beginning of year	2,500,000	2,100,000	452,626	1,302,383	124,281	6,479,290
Additions	-	-	-	-	942,460	942,460
Transfers between property, plant & equipment	-	-	-	990,153	(990,153)	-
Disposals	-	-	-	(19,648)	(1,600)	(21,248)
Depreciation and amortisation expense	-	(64,774)	(76,739)	(353,511)	-	(495,024)
Carrying amount at end of year	2,500,000	2,035,226	375,887	1,919,377	74,988	6,905,478

Notes to the Financial Statements
For the year ended 30 June 2025

13 Investment property

At fair value

	2025 $	2024 $
Balance at beginning of year	4,715,001	4,715,001
Net gain/(Loss) on revaluation	(155,001)	-
Transfer to assets held for sale	(4,560,000)	-
Balance at end of year	-	4,715,001

The fair value model is applied to all investment property. Investment properties are revalued by the Directors annually and adjustments recorded where material. Values are based on an active liquid market and formal valuations are received by a registered independent valuer at least triennially. Details of the most recent independent valuations are contained in note 11.

Accounting policy

Investment property

Investment properties are held to earn rentals and/or capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

14 Deposits from customers

	2025 $	2024 $
Call deposits	556,807,340	507,387,724
Term deposits	876,058,573	756,540,092
Total deposits from customers	1,432,865,913	1,263,927,816

Accounting policy

Deposits from customers and wholesale investors

Deposits are measured at amortised cost, generally being the nominal balance outstanding to the credit of the depositor at balance date.

Concentration of deposits from customers

	2025 $	2024 $
Tasmanian residents	1,360,379,955	1,125,397,656
Other	72,485,958	138,530,160
	1,432,865,913	1,263,927,816

The deposits above do not include any deposits from individual clients representing 10% or more of total liabilities.

Notes to the Financial Statements
For the year ended 30 June 2025

15 Trade and other payables

	2025 $	2024 $
Creditors and other liabilities	6,920,043	2,003,510
Accrued interest	19,699,762	16,244,717
Total trade and other payables	26,619,805	18,248,227

Accounting policy

Trade and other payables

Creditors and other liabilities represent the liability outstanding at the end of the reporting period for goods and services received that remain unpaid. Balances are normally settled within 30 days of recognition of the liability.

Member transaction clearing represents amounts that have been paid to the Group by our payment provider but have not yet settled to our customers. These balances are normally settled within 48 hours of recognition of the liability.

Accrued interest is interest expense that has been recognised on an accrual basis using the effective interest rate method, but not yet charged to the deposit or payable.

16 Deposits from wholesale investors

	2025 $	2024 $
Term deposits	198,540,350	155,038,615
Negotiable certificates of deposit	199,155,827	148,563,367
Floating rate notes	35,000,000	31,000,000
Total deposits from wholesale investors	432,696,177	334,601,982

Concentration of deposits from wholesale investors

	2025 $	2024 $
Banks and other ADI's	205,172,364	151,448,312
Community service organisations	18,626,698	8,671,943
Commonwealth general government	10,832,107	20,861,811
Insurance corporations	15,729,261	4,172,139
Registered finanical corporations	67,983,462	60,165,251
State, territory and local government	107,000,000	76,332,722
Other private non-finanical corporations	7,352,285	12,949,804
	432,696,177	334,601,982

The accounting policy for wholesale deposits is included in note 14.

17 Employee benefits provisions

	2025 $	2024 $
Accrued employee entitlements	1,330,253	1,149,751
Annual leave	1,080,742	971,101
Long service leave	808,547	704,499
Total employee benefits provisions	3,219,542	2,825,351

Included in employee benefits is a non-current amount of $525,354 (2024: $492,814) relating to long service leave.

Notes to the Financial Statements

For the year ended 30 June 2025

17 Employee benefits provisions (continued)

Accounting policy

Provision for employee benefits

Provision is made for the Group's liability for employee benefits. Those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

18 Tax

	2025 $	2024 $
(a) Asset		
Deferred tax assets comprise:		
Provision for impairment	50,888	20,671
Accrued expenses not deductible until paid	313,932	395,232
Leases (net impact)	197,254	118,715
Employee entitlements provisions	566,787	502,680
Securitisation and other	170,805	11,110
	1,299,666	1,048,408
Current year tax refundable comprises:		
Opening balance	(720,428)	-
Add payments made in current year	4,225,825	-
Liability for income tax in current year	(2,998,241)	-
	507,156	-
(b) Liabilities		
Current year tax payable comprises:		
Opening balance	-	1,665,403
Under/(over) provision for tax in prior year	-	33,226
Less payments made in current year	-	(4,326,631)
Liability for income tax in current year	-	3,348,430
	-	720,428
Deferred tax liability comprises:		
Property, plant and equipment	1,157,583	1,296,677
Other investments	52,208	52,208
	1,209,791	1,348,885

19 Leases

(a) Group as a lessee

Nature of the leasing activities

The Group leases 7 sites in Tasmania which are used as retail stores and corporate offices.

During the year a lease agreement was signed in respect to the Group's head office relocation to Level 4, 89-93 Cimitiere Street, Launceston Tasmania 7250. The lease is for a period of 10 years commencing 1 January 2025 and contains 2 options for a 5-year extension. The lease includes a rent-free period of 6 months from commencement date to 30 June 2025 and a 20% reduction of rent during the initial term of the lease.

Terms and conditions of leases

The leases for the 7 sites in Tasmania have initial terms of between 5 and 15 years.

The leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception, or a fixed rate designed to estimate a CPI movement.

Lease liabilities

	2025 $	2024 $
Current		
Not later than 1 year	914,257	597,413
Non-current		
Later than 1 year and not later than 5 years	3,159,495	614,045
Later than 5 years	3,020,489	3,022,678
Total lease liabilities	7,094,241	4,234,136

Right-of-use assets

	2025 $	2024 $
At cost	9,664,493	5,840,971
Accumulated depreciation	(2,557,038)	(1,996,672)
Total right-of-use assets	7,107,455	3,844,299

19 Leases (continued)

(a) Group as a lessee (continued)

Right-of-use assets

Reconciliation of the carrying amount of each class of right-of-use assets is set out below:

	2025 $	2024 $
Opening balance	3,844,299	4,116,146
Depreciation charge	(560,367)	(430,469)
Additions to right-of-use assets	2,987,850	-
Disposals of right-of-use assets	-	(15,046)
Considerations for make good provision	679,845	-
Changes in right-of-use assets due to changes in lease liability	155,828	173,668
Closing balance	7,107,455	3,844,299

All right-of-use assets relate to leased land and buildings.

As at 30 June 2025 an initial recognition of a make good provision of $679,845, has been included given the material increase in the assessed provisions due to the addition of the new lease of Level 4, 89-93 Cimitiere Street, Launceston Tasmania 7250.

The maturity analysis of leases liabilities based on contractual undiscounted cash flows is shown in the table below.

	2025 $	2024 $
Not later than 1 year	931,390	614,045
Later than 1 year and not later than 5 years	3,468,073	2,316,328
Later than 5 years	6,942,870	2,591,295
Total	11,342,333	5,521,668

The Group does not face a significant liquidity risk with regards to its lease liabilities.

Extension options

A number of the building leases contain extension options which allow the Group to extend the lease term beyond the non-cancellable period. These option periods range from 1 year to 15 years across these leases.

The Group includes options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises. At commencement date, and at each subsequent reporting date, the Group assesses the extension options on leases.

When it is reasonably certain that options will be exercised, the potential lease payments are included in lease liabilities. All extension periods have been included in the assessed lease term for all leases.

19 (a) Group as a lessee (continued)

Statement of Profit or Loss and Other Comprehensive Income and Cash Flow Statement

The amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income relating to leases where the Group is a lessee are shown below:

	2025 $	2024 $
Statement of Profit or Loss and Other Comprehensive Income Items		
Interest expense on lease liabilities	(335,325)	(218,694)
Rental expense relating to low-value assets	(16,217)	(10,910)
Income from sub-leasing right-of-use assets	28,142	10,089
Statement of Cash Flows Items		
Cash outflow for lease liability reduction (excluding interest)	(401,361)	(417,772)

Key assumptions used in calculations

The calculation of the right-of-use assets and lease liabilities are dependent on the following critical accounting judgements:

Assessment of lease term – as discussed above, this considers extension options on a lease by lease basis.

Determination of the appropriate rate to discount the lease payments – AASB 16 requires lessees to discount lease payments using the rate implicit in the lease or, if that rate is not available, the incremental borrowing rate which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. As the Group has no implicit rates within its leases, the Group has used an incremental borrowing rate determined based on consideration of reference rates for commercial lending, lease terms and a lease specific adjustment considering the 'secured borrowing' element of the leases.

(b) Group as a lessor

OPERATING LEASES

Nature of leasing activities

The Group receives rental income from tenants who lease part of the land and buildings owned by the Group. These leases have been classified as operating leases for financial reporting purposes and the assets were included as investment properties, before the reclassification to assets held for sale on 30 June 2025 in the Statement of Financial Position.

	2025 $	2024 $

19 (b) Group as a lessor

Terms and conditions of leases

These operating lease contracts contain extension options at the right of the lessee. All contracts contain market review clauses in the event that the lessee exercises its options to renew.

The Group manages the risk associated with the underlying investment property via appropriate insurance coverage and use of real estate agents where appropriate.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income relating to operating leases where the Group is a lessor (i.e. investment properties) are shown overleaf:

Item	2025 $	2024 $
Lease/rental income	380,548	354,146
Total investment property lease/rental income	380,548	354,146
Direct operating expenses	3,400	2,314
Total direct investment property operating expenses	3,400	2,314

Lease/rental income excludes variable lease payment not dependent on an index or rate. Direct operating expenses includes repairs and maintenance arising from investment properties that generated rental income during the period.

Maturity Analysis

	2025 $	2024 $
Not later than 1 year	318,821	303,663
Later than 1 year and not later than 5 years	84,149	303,538
Later than 5 years	-	-
Total undiscounted lease payments	402,970	607,201

Maturity analysis of lease payments receivable showing the undiscounted lease payments to be received after reporting date for operating leases. The maturity analysis includes lease payments expected to be received under the current lease agreements for all properties, which includes assets held for sale. Assets held for sale are expected to be realised 6 months after end of financial year, at which time the leases will transfer to the buyer of the property.

FINANCE LEASES

Nature of the leasing activities

The Group is not the lessor in any arrangements assessed as finance leases.

Accounting policy

Leases - Lessee accounting

Any non-lease components included in lease agreements have been separated and are recognised as an expense as incurred.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis, and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements
For the year ended 30 June 2025

	2025 $	2024 $

19 (b) Group as a lessor (continued)

Accounting policy (continued)

Leases - Lessor accounting

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Leases - Exceptions to lease accounting

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

20 Borrowings

	2025 $	2024 $
RBA Term Funding Facility:		
Balance at the beginning of the year	-	33,495,906
Add: Funding obtained	-	-
Less: Repayments	-	(33,495,906)
Balance at the end of the year	-	-
Subordinated Debt:		
Balance at the beginning of the year	5,000,000	5,000,000
Add: Funding obtained	-	-
Less: Repayments	-	-
Balance at the end of the year	5,000,000	5,000,000
Total borrowings	5,000,000	5,000,000

Borrowings are recorded at their amortised cost using the effective interest rate method. The accounting policy for borrowings is included in note 25.

Subordinated Debt

The Company has issued $5,000,000 subordinated floating rate notes for a period of ten years maturing on 22 October 2031 with an option to redeem at par value after 5 years subject to APRA approval.

Interest is paid quarterly in arrears based on the 3 month Bank Bill rate plus a margin of 250 basis points.

The subordinated debt is a hybrid financial liability containing an exposure held at amortised cost and an embeddded derivative. The derivative component could be separated and measured at fair value through profit or loss however the probability for write off of this component is considered remote and any value assigned to it would be insignificant. As a result, the entire instrument is accounted for using the amortised cost method.

20 Borrowings (continued)

RBA Term Funding Facility (TFF)

The TFF was established by the RBA in 2020 to provide low-cost funding to ADI's to support operations during COVID-19 related economic downturn. The TFF was fully repaid at 30 June 2024.

21 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records revaluations of land and buildings. During the 2025 financial year the assets which had been revalued within the reserve were transferred to assets held for sale. As such, the balance of the asset revaluation reserve was transferred to the general reserve as at 30 June 2025.

(b) General reserve

The general reserve records funds set aside for future expansion of the Group.

(c) Financial asset reserve

The financial asset reserve relates to the revaluation of equity investments (other financial assets) classified as fair value through other comprehensive income.

(d) Credit asset impairment reserve

In addition to the expected credit loss provision (refer note 10) management had recognised an allocation from retained earnings to ensure there was adequate protection for members against the prospect that some members will experience loan repayment difficulties in the future. Management have determined the reserve was no longer required. This reserve was accordingly, transferred to retained earnings at 30 June 2025.

22 Segment information

The Group operates in predominantly one business and geographical segment, being the finance industry in Australia, primarily in the State of Tasmania.

23 Cash flow information

(a) Operating cash flows reconciliation

Net profit after income tax is reconciled to net cash flows from operations as follows:

	2025 $	2024 $
Net profit	5,862,631	6,969,513
Non-cash flows in profit		
Depreciation/amortisation of PPE and right-of-use assets	1,101,395	925,493
Amortisation of intangibles	-	88,013
Loss/(Gain) on disposal of property, plant & equipment and right-of-use assets	7,733	(81,296)
Lease interest expense - non-cash portion	117,790	-
Loss on revaluation of investment properties	155,000	-
Selling costs applied to assets held for sale	100,000	-
Impairment expense/(reversal of impairment expense)	288,242	(92)
Changes in assets and liabilities		
Trade and other receivables	43,333	(178,066)
Prepayments	(421,128)	(79,467)
Deferred tax	(390,352)	(292,900)
Employee benefits	394,191	414,463
Trade and other payables	679,707	39,385
Accrued interest - deposits	3,455,045	5,471,357
Current tax payable/(receivable)	(1,153,620)	(944,975)
	10,239,967	12,331,428
Net increase in loans and advances	(241,891,705)	(175,275,975)
Net movement in wholesale deposits	98,094,195	75,776,604
Net movement in customer deposits	172,020,009	124,255,313
Net movement in deposits to other financial institutions	(19,588,226)	(3,923,118)
Net cash flow from operating activities	18,874,240	33,164,252

(b) Credit standby arrangements

There were no standby credit arrangements in place at year end (2024: nil).

(c) Cash flows presented on a net basis

Cash flows arising from the following activities are presented on a net basis in the Statement of Cash Flows:

(i) customer deposits to and withdrawals from deposit accounts;
(ii) borrowings and repayments on loans, advances and other receivables: and
(iii) movements in investment securities.

24 Transfer of financial assets

The Group has established arrangements for the transfer of loan contractual benefits of interest and repayments to support ongoing liquidity facilities. These arrangements are with the Tamar Trust for securing the ability to obtain liquid funds from the Reserve Bank of Australia ('RBA') in the event of a liquidity crisis. These loans are not de-recognised as the Group retains the benefits of the Trust until such time as a drawing is required. The Trust was created on 25 July 2018 and was approved by the RBA on 24 July 2018.

Only residential mortgage-backed securities (RMBS) that meet specified criteria are eligible to be transferred to the Trust.

Securitised loans retained on the Consolidated Statement of Financial Position (not de-recognised)

The values of securitised loans which are not qualified for de-recognition as conditions do not meet the accounting standards criteria are set out below. At least 98% of the loans must be variable interest rate loans, hence the book value of the loans transferred equates to the fair value of these loans. The associated liabilities are equivalent to the book value of the loans reported.

	2025 $	2024 $
Statement of Financial Position of the Trust		
Cash at bank	18,265,912	6,077,666
Intercompany receivable (securitised loans)	362,103,263	253,886,485
Other receivables	140	96
RMBS Class A and B notes	(378,500,000)	(258,500,000)
Other liabilities	(1,869,195)	(1,464,127)
Net assets	120	120
Carrying amounts of loans not derecognised as at the time of transfer	201,635,729	54,994,880

As the loans in the Trust pool are repaid, the funds remain in the Trust until such time a top-up is required to replace the funds with additional loans to maintain the balance of the Class A notes. In the 2025 financial year, the Trust completed 4 substitutions (2024: 4), with $74.1m (2024: $55.0m) worth of loans sold to the Trust and the Company receiving the same value from the Trust.

During September 2024 there was an increase to the securitised loan pool of $127.4m (2024: nil) as part of an in-specie issue of an additional $115.0m Class A units and $5.0m Class B units to the Company.

Repurchase obligations Tamar Trust

The Tamar Trust is a trust established by the Company to facilitate liquidity requirements of APRA's prudential standards. The trust has an independent Trustee. For Tamar Trust, the Company receives notes eligible to be sold to the Reserve Bank Australia should the liquidity needs not be satisfied by normal operational liquidity. The notes are secured over residential mortgage-backed securities (RMBS).

24 Transfer of financial assets (continued)

Repurchase obligations Tamar Trust (continued)

The Company has financed the loans and receives the net gains or losses from the Trust after trustee expenses. The Company is obliged to manage the loan portfolio in the trust and to maintain the pool of eligible secured loans at the value equivalent to the value of the notes received. The Company retains the credit risk of losses arising from the loan default or security decline and the interest rate risk from movements in market interest rates.

If a portion of the value of the portfolio in the Tamar Trust fails to meet the Trust's criteria, the Company is obliged to repurchase those loans and may substitute equivalent qualifying loans into the trust.

25 Financial risk management

(a) Risk management objectives and policies

The Group's activities expose it to a variety of financial risks including; market and interest rate risk, credit risk, liquidity risk, capital and operational risk. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk. The independent risk control process does not include business risk such as changes in the environment, technology and industry. The Group's policy is to monitor those business risks through the Group's strategic planning process.

The Group manages these risks on a daily basis through the operational responsibilities of Executives and Senior Management. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherences to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(b) Capital management

The Group is bound by the prudential standards as set by the prudential regulator, APRA. Under the standards governing capital, ADIs are required to hold capital equivalent to 10.25% of its risk weighted assets as measured under the relevant prudential standards. The Board has established a target capital ratio with a preferred range of 14.76% - 17.00%.

	2025	2024
	$	$

25 Financial risk management (continued)

(b) Capital management (continued)

The Group has to date sourced capital from profits generated from the business, general reserves, asset revaluation reserves, and subordinated debt. In an organic environment, the Group will endeavour to manage its capital ratio via normal operating conditions. Those will include initiatives such as:

- Improving the Group's profitability;
- Managing the Group's asset portfolio to ensure that the Group is not over exposed in higher risk weighted assets;
- Prudent management of the Group's interest rates to ensure products are priced adequately to reflect the various levels of risk associated with the product;
- Ensure that the Group is adequately protected from market risk;
- Ensure that other risks facing the Group are effectively monitored and managed; and
- Managing the rate of growth.

The Group prepares an annual budget together with a three year financial plan. The plan includes planned growth, projected projects and financial projections for the next three years and predicts capital adequacy for each of these periods.

Management review the budgeted profit levels to ensure the Group receives a return on assets which keeps capital adequacy above internal limits.

On a monthly basis, management review actual accounting results against budgeted results. Management will also review the capital adequacy ratio on a monthly basis. Such results are provided to the Board each month.

During July 2025 the Group issued a further $5.0m subordinated debt which provided an equal increase in tier 2 capital. Refer to note 29 for further details regarding this subordinated debt issue.

During the past year the Group has complied in full with all its externally imposed capital requirements. The relevant amounts at 30 June were:

Capital adequacy ratio calculation

	2025	2024
Net tier 1 capital	106,741,341	100,881,034
Net tier 2 capital	5,169,126	7,401,449
Total capital	111,910,467	108,282,483

The capital ratio as at the end of the financial year and the past 4 years is as follows:

2025	2024	2023	2022	2021
14.49%	15.75%	16.39%	15.51%	14.40%

The capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets.

The capital ratio for financial years ending 30 June 2023 onwards are calculated using the revised APS 110 *Capital Adequacy* standard which commenced from 1 January 2023. Prior years were calculated using the previous APS 110 *Capital Adequacy* standard.

Notes to the Financial Statements

For the year ended 30 June 2025

25 Financial risk management (continued)

(c) Market risk

Market risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group is primarily exposed to market risk arising from changes in market interest rates due to mismatches between repricing terms of financial assets and liabilities. The Group predominantly maintains an 'on book' strategy by ensuring the net difference between asset and liability maturities are not excessive. Financial instruments held by the Group do not give rise to any material direct exposure to currency or equity price risk.

The management of market risk is the responsibility of the Assets and Liability Committee.

Value at risk model

The Group monitors its interest rate risk exposure by the use of the value at risk model (VaR). VaR is a simulation model used to assess changes in the market value of financial instruments based on historical data from the past six years. It should be noted that because the VaR is driven by actual historical observations, it is not an estimate of the maximum loss that the Group could experience from an extreme market event. As a result of this limitation, the Group utilises a number of other risk measures (e.g. stress testing) and risk sensitivity limits to measure and manage interest rate risk.

The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of the 99% confidence level means that, within a one-day horizon, losses exceeding the VaR figure should occur, on average under normal market conditions, not more than once every hundred days.

The Group's risk appetite statement states that as a percentage of capital the Group's preferred 20-day VaR is <2%. The following table shows the VaR for the Group over different holding periods at a 99% confidence level.

2025

Holding Period	VaR at 99% confidence level	99% as a Proportion of Capital
1 Day	(458,940)	-0.41%
20 Days	(2,052,443)	-1.83%

2024

Holding Period	VaR at 99% confidence level	99% as a Proportion of Capital
1 Day	(359,915)	-0.33%
20 Days	(1,609,590)	-1.49%

Notes to the Financial Statements
For the year ended 30 June 2025

25 Financial risk management (continued)

(c) Market risk (continued)

Interest rate exposure

The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt. Management periodically reviews its interest rate exposure and consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Board has approved a policy to use interest rate swaps in order to hedge exposures should the need arise. No interest rate swaps have been utilised across the 2025 financial year (2024: nil)

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Board's objective in setting the credit risk appetite is to reduce risk to as low as reasonably practicable to achieve the desired strategic goals. The Board's risk appetite is incorporated in the Risk Appetite Statement and reflected in the Credit Risk Policy and the procedures and controls implemented to support the policy in each business unit.

Credit risk - loans

The method of managing credit risk is by way of strict adherence to the credit assessment policies before the loan is approved and close monitoring of defaults in the repayment of loans thereafter on a weekly basis. The Credit Policy has been endorsed by the Board to ensure that loans are only made to clients that are creditworthy (capable of meeting loan repayments).

The Group has established policies over the:

- Credit assessment and approval of loans and facilities covering acceptable risk assessment and security requirements;
- Limits of acceptable exposure over the value to individual borrowers, non mortgage secured loans, commercial lending and concentrations to geographic and industry groups considered at high risk of default;
- Reassessing and review of the credit exposures on loans and facilities;
- Establishing appropriate provisions to recognise the impairment of loans and facilities;
- Debt recovery procedures; and
- Review of compliance with the above policies.

Collateral Securing Loans

A sizeable portfolio of the loan book is secured on residential property in Australia. Therefore, the Group is exposed to risks in the reduction of the Loan to Value (LVR) cover should the property market be subject to a decline.

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. Note 10 describes the nature and extent of the security held against the loans held as at the reporting date.

25 Financial risk management (continued)

(d) Credit risk (continued)

Concentration risk - individuals

Concentration risk is a measurement of the Group's exposure to an individual counterparty (or group of related parties). If prudential limits are exceeded as a proportion of the Group's regulatory capital a large exposure is considered to exist. No capital is required to be held against these but APRA must be informed. APRA may impose additional capital requirements if it considers the aggregate exposure to all loans over the 10% capital benchmark, to be higher than acceptable.

The Group holds no significant concentrations of exposures to members. Concentration exposures to counterparties are closely monitored with annual reviews being prepared for all exposures over 5% of the capital base.

Concentration risk - industry

There is no concentration of credit risk with respect to loans and receivables as the Group has a large number of customers dispersed in areas of employment.

Credit Risk - liquid investments

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group.

The risk of losses from the liquid investments undertaken is reduced by the nature and quality of the independent rating of the investee and the limits to concentration on one entity. The Board policy is to maintain counterparty limits with A1+, A1 and A2 rated institutions to maximum of 50% of capital and other A3 or unrated institutions to a maximum of 25% of capital.

Maximum exposure to credit risk

The Group's maximum exposure to credit risk, including both on balance sheet and off-balance sheet exposure is:

	2025 $	2024 $
On-balance sheet exposure		
Cash at bank and on hand	116,632,325	100,484,231
Customer loans and advances (gross)	1,684,694,734	1,443,807,989
Investment securities	189,750,312	170,162,086
Trade receivables	1,348,036	1,391,369
Other assets	270,170	270,170
Total on-balance sheet exposure	1,992,695,577	1,716,115,845

Notes to the Financial Statements
For the year ended 30 June 2025

25 Financial risk management (continued)

(d) Credit risk (continued)

	2025 $	2024 $
Off-balance sheet exposures		
Loans approved not yet funded	88,742,464	92,419,393
Undrawn overdraft and revolving credit limits	989,839	1,359,906
Undrawn credit card limits	7,751,921	7,185,746
Redraw facilities on term loans	159,211,481	135,999,155
Undrawn line of credit	1,608,942	1,701,853
Total off-balance sheet exposures	258,304,647	238,666,053
Maximum exposure to credit risk	2,251,000,224	1,954,781,898
Security held against off-balance sheet exposures		
Secured by mortgage over residential property	248,585,214	234,136,298
Partly secured by goods mortgage	1,701,571	55,942
Secured by funds	-	35,728
Unsecured	8,017,862	14,368,127
Total	258,304,647	248,596,095

(e) Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group manages liquidity risk by:
- continuously monitoring actual daily cash flows and longer term forecast cash flows;
- monitoring the maturity profiles for financial assets and liabilities;
- maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- monitoring the prudential liquidity ratio daily.

The Group is required to maintain at least 9% of total adjusted liabilities as liquid assets (Minimum Liquidity Holdings 'MLH') capable of being converted to cash within 48 hours under the APRA prudential standard 'APS 210 Liquidity'. In order to ensure compliance with the requirements of APS 210 the Group became a non-transaction RITS (Reserve Bank Information and Transfer System) member with the RBA. RITS is Australia's high-value payment system which is used by authorised deposit taking institutions (ADI's) to settle payment obligations on a real time gross settlement basis. This membership also enables the Group to enter into a repurchase (or repo) agreement with the RBA. A repo agreement is the purchase or sale of securities with an agreement to sell or buy back the securities at an agreed date and price in the future. This facility therefore ensures that the Group has the ability to liquidate MLH assets within 48 hours as required by APS 210.

25 Financial risk management (continued)

(e) Liquidity Risk (continued)

The Group's policy is to apply a minimum of 10.5% of funds as MLH assets to maintain adequate funds for meeting client withdrawal requests. The ratio is checked daily. Should the liquidity ratio fall below this level Management and the Board are to address the matter and ensure that additional MLH funds are obtained from new deposits and available borrowing facilities.

In accordance with the Group's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group.

The total liquidity ratio at 30 June 2025 was 14.43% (2024: 14.63%). The MLH ratio as at 30 June 2025 was 13.52% (2024: 14.19%).

Credit Union Financial Support Scheme

The Group is a party to the Credit Union Financial Support Scheme (CUFSS) and has executed an Industry Support Contract (ISC) with CUFSS. The purpose of the CUFSS scheme is to provide members with emergency liquidity support in accordance with the terms of the ISC, a contract which has been certified by APRA under the *Banking Act 1959* .

As a member of CUFSS, the Group can access emergency liquidity funding via CUFSS drawing upon its available member-contributed funding pool (currently totaling in excess of $900 million), plus additional voluntary liquidity support from CUFSS members via funds from the Reserve Bank of Australia in accordance with the terms of a “Special Loan Facility”, as defined in the ISC.

Internal securitisation and RBA repurchase

Securitisation risk is the risk of potential loss associated with securitisation activities. The Group maintains an internal securitisation facility to enable it to secure funds from the Reserve Bank of Australia ('RBA'), if required, to meet emergency liquidity requirements. As at 30 June 2025, the Group held $350,000,000 (2024: $235,000,000) of securities available to be used for RBA repurchase to meet emergency liquidity requirements.

In addidtion to the above, in September 2024 there was an increase of The Group's securitised loan pool of $127.4m (2024: nil) as part of an in-specie issuance of an additional $115.0m Class A units and $5.0m Class B units payable in the Trust.

In accordance with *APS 120 Securitisation* , no additional capital will be held for the risks posed by the securitisation activity, as this is an internal securitisation activity. The Group remains exposed to the credit risk arising from the assets (securitised loans).

Maturity analysis of financial instruments

Monetary assets and liabilities have differing maturity profiles depending on the contractual term and in the case of loans the repayment amount and frequency. The table on the following page shows the period in which different monetary assets and liabilities held will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal outstanding will be repaid based on the remaining period to the repayment date assuming contractual repayments are maintained, and is subject to change in the event that current repayment conditions are varied. Financial assets and liabilities are at the undiscounted values (including future interest expected to be earned or paid) and include any interest accrued but not yet paid which is disclosed as part of trade debtors or trade creditors. Accordingly these values will not agree to the statement of financial position.

Notes to the Financial Statements
For the year ended 30 June 2025

25 Financial risk management (continued)

(e) Liquidity risk (continued)

Maturity analysis of financial instruments (continued)

2025 **Financial liabilities**	Carrying amount * $	Contractual cash flows $	Within 1 month $	1-3 months $	3-12 months $	1-5 years $	Later than 5 years $	No maturity $
Call deposits	556,807,340	556,807,340	556,807,340	-	-	-	-	-
Retail term deposits	890,368,580	902,871,781	201,490,349	252,607,529	440,700,597	8,073,306	-	-
Wholesale term deposits	202,510,263	206,878,468	36,003,236	58,197,064	96,012,798	16,665,371	-	-
Negotiable certificates of deposit	200,371,055	201,500,000	64,500,000	123,500,000	13,500,000	-	-	-
Floating rate notes	35,143,452	36,571,583	-	407,942	36,163,641	-	-	-
Borrowings	5,060,427	7,175,070	79,357	-	229,576	1,265,226	5,600,911	-
Trade and other payables	6,920,043	6,920,043	6,920,043	-	-	-	-	-
On-balance sheet	1,897,181,160	1,918,724,285	865,800,325	434,712,535	586,606,612	26,003,903	5,600,911	-
Undrawn credit commitments	258,304,647	258,304,647	258,304,647	-	-	-	-	-
Total financial liabilities	2,155,485,807	2,177,028,932	1,124,104,972	434,712,535	586,606,612	26,003,903	5,600,911	-
Financial assets								
Cash	116,632,325	116,632,325	-	-	-	-	-	116,632,325
Trade and other receivables	239,300	239,300	239,300	-	-	-	-	-
Investment securities	190,813,600	192,001,969	48,359,364	119,465,197	8,460,799	15,716,608	-	-
Customer loans and advances	1,684,525,107	3,095,733,164	11,905,442	23,695,070	105,916,452	548,967,801	2,405,248,399	-
Other investments	270,170	270,170	-	-	-	-	-	270,170
Total financial assets	1,992,480,502	3,404,876,928	60,504,106	143,160,267	114,377,251	564,684,409	2,405,248,399	116,902,495

* Includes accrued interest adjustment where relevant

Notes to the Financial Statements
For the year ended 30 June 2025

25 Financial risk management (continued)

(e) Liquidity risk (continued)

Maturity analysis of financial instruments (continued)

2024 Financial liabilities	Carrying amount * $	Contractual cash flows $	Within 1 month $	1-3 months $	3-12 months $	1-5 years $	Later than 5 years $	No maturity $
Call deposits	507,387,724	507,387,724	507,387,724	-	-	-	-	-
Retail term deposits	769,521,315	781,912,034	125,032,757	218,609,509	433,208,351	5,061,417	-	-
Wholesale term deposits	157,032,818	160,632,053	31,740,119	55,071,709	55,179,187	18,641,037	-	-
Negotiable certificates of deposit	149,626,866	151,000,000	20,000,000	99,500,000	31,500,000	-	-	-
Floating rate notes	31,139,542	32,680,246	-	423,129	32,257,118	-	-	-
Borrowings	5,065,434	7,567,773	85,601	183,329	573,424	1,364,305	5,361,114	-
Trade and other payables	2,003,510	2,003,510	2,003,510	-	-	-	-	-
On balance sheet	1,621,777,209	1,643,183,340	686,249,711	373,787,676	552,718,080	25,066,759	5,361,114	-
Undrawn credit commitments	248,596,095	248,596,095	248,596,095	-	-	-	-	-
Total financial liabilities	1,870,373,304	1,891,779,435	934,845,806	373,787,676	552,718,080	25,066,759	5,361,114	-
Financial assets								
Cash	100,484,231	100,484,231	-	-	-	-	-	100,484,231
Trade and other receivables	238,859	238,859	238,859	-	-	-	-	-
Investment securities	171,314,596	174,117,834	45,405,571	100,682,475	20,515,716	7,514,072	-	-
Customer loans and advances	1,445,105,796	2,731,179,694	10,684,056	21,302,571	95,393,198	491,750,439	2,112,049,431	-
Other investments	270,170	270,170	-	-	-	-	-	270,170
Total financial assets	1,717,413,652	3,006,290,788	56,328,486	121,985,046	115,908,914	499,264,511	2,112,049,431	100,754,401

* Includes accrued interest adjustment where relevant

Notes to the Financial Statements

For the year ended 30 June 2025

25 Financial risk management (continued)

(e) Liquidity risk (continued)

Effective interest rates and repricing analysis

The below tables for the 2025 and 2024 financial years detail the exposure of the Group's assets and liabilities to interest rate risk. The amount shown represents the face vale of assets and liabilities. The table also includes the interest accrued impact on Term Deposits and investment securities to the reporting date.

The interest rate shown is the effective interest rate or weighted average effective interest rate in respect of a class of assets or liabilities. For floating rate instruments the rate is the current market rate; for fixed rate instruments the rate is a historical rate. The bandings reflect the earlier of the next contractual repricing date or the maturity date of the asset or liability.

2025 **Financial liabilities**	Weighted avg interest %	Carrying amount * $	Within 1 month $	1-3 months $	3-12 months $	1-5 years $	Later than 5 years $	Non-interest bearing $
Call deposits	3.14%	556,807,340	556,807,340	-	-	-	-	-
Retail term deposits	4.71%	890,368,580	200,033,882	250,106,914	432,689,438	7,538,346		-
Wholesale term deposits	4.67%	202,510,263	35,927,700	57,783,238	93,042,542	15,756,782	-	-
Negotiable certificates of deposit	4.26%	200,371,055	64,363,591	122,696,640	13,310,824	-	-	-
Floating rate notes	4.49%	35,143,452	-	35,143,452	-	-	-	-
Borrowings	6.44%	5,060,427	5,060,427	-	-	-	-	-
Trade and other payables	N/A	6,920,043	-	-	-	-	-	6,920,043
Total financial liabilities		1,897,181,159	862,192,940	465,730,245	539,042,803	23,295,128	-	6,920,043
Financial assets								
Cash	2.90%	116,632,325	114,989,652	-	-	-	-	1,642,673
Trade and other receivables	N/A	239,300	-	-	-	-	-	239,300
Investment securities	3.94%	190,813,600	58,291,462	124,433,325	8,044,651	44,163	-	-
Customer loans and advances	5.72%	1,684,525,107	1,643,650,049	1,730,985	10,932,450	28,211,623	-	-
Other investments	N/A	270,170	-	-	-	-	-	270,170
Total financial assets		1,992,480,502	1,816,931,163	126,164,310	18,977,100	28,255,786	-	2,152,143

* Includes accrued interest adjustment where relevant

Notes to the Financial Statements

For the year ended 30 June 2025

25 Financial risk management (continued)

(e) Liquidity risk (continued)

Effective interest rates and repricing analysis (continued)

2024 **Financial liabilities**	Weighted avg interest %	Carrying amount * $	Within 1 month $	1-3 months $	3-12 months $	1-5 years $	Later than 5 years $	Non-interest bearing $
Call deposits	1.31%	507,387,724	507,387,724	-	-	-	-	-
Retail term deposits	4.86%	769,521,315	124,590,624	216,649,487	423,522,584	4,758,620	-	-
Wholesale term deposits	5.12%	157,032,818	31,653,396	54,654,267	53,565,542	17,159,613	-	-
Negotiable certificates of deposit	4.91%	149,626,865	19,939,542	98,738,541	30,948,783	-	-	-
Floating rate notes	5.42%	31,139,542	-	31,139,542	-	-	-	-
Borrowings	0.89%	5,065,434	5,065,434	-	-	-	-	-
Trade and other payables	N/A	2,003,510	-	-	-	-	-	2,003,510
Total financial liabilities		1,621,777,209	688,636,720	401,181,837	508,036,910	21,918,233	-	2,003,510
Financial assets								
Cash	2.57%	100,484,231	98,788,074	-	-	-		1,696,157
Trade and other receivables	N/A	238,859	-	-	-	-	-	238,859
Investment securities	1.35%	171,314,596	55,389,558	106,628,334	9,012,271	284,433	-	-
Customer loans and advances	5.41%	1,445,105,796	1,321,601,910	18,189,079	59,141,361	46,167,355	-	6,092
Other investments	N/A	270,170	-	-	-	-	-	270,170
Total financial assets		1,717,413,652	1,475,779,542	124,817,413	68,153,632	46,451,788	-	2,211,278

* Includes accrued interest adjustment where relevant

25 Financial risk management (continued)

Accounting policy

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

All financial liabilities are measured at amortised cost using the effective interest method, with any gains or losses recognised within profit or loss. Additional information is included in note 32.

Classification of financial assets

On initial recognition, financial assets are classified into the following categories:

- amortised cost; or
- fair value through other comprehensive income (FVOCI).

Subsequent measurement of financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are measured at amortised cost using the effective interest method, less provision for impairment. Interest income and impairment are recognised in profit or loss. Treatment of financial assets at amortised cost is included in note 32.

Loan origination fees

Loan establishment fees, discounts and other fees that are deemed to be an integral part of the effective interest rate are initially deferred as part of the loan balance and are brought to account as income over the expected life of the loan or other relevant period. The amounts brought to account are included as part of interest revenue.

Transaction costs

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

25 Financial risk management (continued)

Accounting policy (continued)

Financial assets and liabilities (continued)

Financial assets through other comprehensive income (FVOCI)

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

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. There were no changes to any of the Group business models during the current year (2024: Nil).

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

Write-off

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

26 Financial commitments

(a) Credit commitments

The Group had binding commitments to extend credit, which are reflected as off-balance sheet exposures in note 25(d). These represent agreements to lend to a customer as long as there is no violation of any condition in the contract.

(b) Capital expenditure commitments

	2025 $	2024 $
Capital expenditure commitments contracted for purchase of:		
- Property, plant and equipment (not later than 1 year)	500,232	-
	500,232	-

There are no other capital commitments at 30 June 2025 (2024: nil)

27 Related party disclosures

(a) Names of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group and members of the executive management listed below, who are responsible for the day to day financial and operational management of the Group.

The following were key management personnel of the Group at any time during the reporting period and unless indicated otherwise were key management personnel for the entire period.

Directors

Helen Galloway (Chair)
Scott Newton
Danny McCarthy
Kathryn McCann
Robert King
Mark Nugent

Executives

Paul Ranson	Chief Executive Officer
Matthew Ciezki	Chief Financial Officer
Jillian Jetson-Shumbusho	Chief Customer & People Officer
Nicholas Bird	Chief Information Officer
Natasha Whish-Wilson	Chief Risk Officer

(b) Key management personnel compensation

The aggregate compensation of key management personnel during the year comprising amounts paid, payable or provided for was as follows:

	2025 $	2024 $
Short term benefits	1,998,524	2,057,835
Post Employment benefits	176,792	188,784
Other long term benefits	29,221	115,454
	2,204,537	2,362,073

27 Related party disclosures (continued)

(c) Loans to key management personnel

The Group has provided loans to a number of key management personnel. The aggregate amount of transactions in relation to these loans as at balance date are:

	2025 $	2024 $
Loans advanced during the year	914,905	1,539,401
Loan redraws during the year	177,343	498,665
Interest revenue recognised	240,425	190,903
Loan repayments received during the year	1,787,611	1,493,021
Balance of loans outstanding at year end	3,836,783	4,306,033

Key management personnel are entitled to the benefits package offered through the Group's staff benefits program on the same basis as available to all employees. There are no loans which are impaired in relation to the loan balances with any key management personnel.

There are no benefits or concessional terms and conditions applicable to close family members of key management personnel. There are no loans with close family members of key management personnel which are impaired.

(d) Deposits from key management personnel

The Group holds deposits from key management personnel. All transactions have been entered into on the same terms and conditions as those available to other members.

	2025 $	2024 $
Total balance of deposits	1,561,569	930,254
Interest expense recognised	27,406	10,775

There are no benefits or concessional terms and conditions applicable to close family members of key management personnel.

(e) Other transactions with related parties

The Group and/or borrowing clients have received services from entities related to Directors. Scott Newton is currently CEO of KF Tas (Property Services) Pty Ltd trading as Elders Tasmania, and IPST Pty Ltd, the ownership entity controlling Elders Tasmania. During the year the Group has leased premises and car parks from Nekon Pty Ltd via managing agent Elders Tasmania. All transactions have been entered into on terms and conditions no more favourable than those available to other suppliers.

	2025 $	2024 $
Rent expense and car parking lease - Nekon Pty Ltd	292,704	257,740

As at 30 June 2025 there were no amounts owing to Nekon Pty Ltd (30 June 2024: nil).

During the year ended 30 June 2025, Elders Tasmania have been appointed by management to act as agent in the sale of the assets held for sale, being the groups head office and investment properties. For further detail on the transaction, please refer to note 11. At reporting date, no transactions have occurred in relation to this appointment.

28 Auditors' remuneration

Amounts received or due and receivable by the external auditor (or related entity) of the Group (excluding GST) for:

	2025 $	2024 $
Audit of the financial statements of the Group	121,292	110,364
Other regulatory assurance services	35,922	30,080
Other services	-	8,115
	157,214	148,559

Other transactions between the external auditor (or related entity) and the Group (excluding GST):

	2025 $	2024 $
Mortgage broking commissions paid to related entity of external auditor	476	560

All transactions have been entered into on terms and conditions no more favourable than those available to other customers or suppliers.

29 Subsequent events

During July 2025 the Group issued subordinated debt to the value of $5,000,000 to support capital management and increase Tier 2 capital. This subordinated debt was issued on similar terms as the existing subordinated debt, discussed at note 20 but with a margin of 275 basis points.

The Group's head office relocated to Level 4, 89-93 Cimitiere Street, Launceston Tasmania 7250 from 28 July 2025.

Apart from the above matters, 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 substantially the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

30 Parent entity disclosures

As at 30 June 2025, and during the financial year, the parent of the Group was B&E Ltd.

The financial results of the parent entity are:

	2025 $	2024 $
Results of the parent entity		
Profit for the year	5,862,631	6,969,513
Other comprehensive income	(172,584)	(106,553)
Total comprehensive income for the year	5,690,047	6,862,960
Financial position of the parent entity		
Total assets	2,380,666,761	1,988,284,182
Total liabilities	2,271,479,999	1,884,787,467
Reserves	109,186,642	103,496,596
Commitments for the acquisition of property, plant & equipment and intangibles (not later than 1 year)	500,232	-

The parent entity prepares its statement of financial position on a liquidity basis and therefore current assets and liabilities are not identified.

Notes to the Financial Statements
For the year ended 30 June 2025

31 Contingent liabilities
The Group is a party to the Credit Union Financial Support Scheme (CUFSS) and has executed an Industry Support Contract (ISC) with CUFSS. The purpose of the CUFSS scheme is to provide members with emergency liquidity support in accordance with the terms of the ISC, a contract which has been certified by APRA under the Banking Act.

As a member of CUFSS, the Group may be called upon by CUFSS to contribute to emergency liquidity loans for one or more other CUFSS members up to a limit of 3% of the Groups' assets with a $100M maximum. At balance date there has been no direction received in relation to this guarantee.

32 Fair value measurement

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

Financial Instruments	Total carrying amount		Aggregate net fair value	
	2025 $	2024 $	2025 $	2024 $
Financial Liabilities				
Call deposits	556,807,340	507,387,724	556,807,340	507,387,724
Retail term deposits	890,368,580	769,521,315	877,296,811	755,997,005
Wholesale term deposits	202,510,263	157,032,818	203,357,115	157,390,086
Negotiable certificates of deposit	200,371,055	149,626,866	200,508,098	149,740,428
Floating rate notes	35,143,452	31,139,542	35,437,681	31,385,807
Borrowings	5,060,427	5,065,434	5,766,654	5,842,788
Trade & other payables*	6,920,043	2,003,510	6,920,043	2,003,510
Total Financial Liabilities	1,897,181,160	1,621,777,209	1,886,093,742	1,609,747,348
Financial Assets				
Cash	116,632,325	100,484,231	116,632,325	100,484,231
Trade & other receivables*	239,300	238,859	239,300	238,859
Investment securities	190,813,600	171,314,596	190,946,949	171,358,203
Loans and advances	1,684,525,107	1,445,105,796	1,685,394,916	1,439,665,099
Other investments	270,170	270,170	270,170	270,170
Total Financial Assets	1,992,480,502	1,717,413,652	1,993,483,660	1,712,016,562

** Interest receivable or interest payable is included as part of the fair value of the various financial instruments.*

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

Recognised financial instruments

Call deposits & term deposits
The carrying amount approximates fair value for call deposits as they are at call. The fair value of term deposits are estimated using discounted cash flow analysis based on current market rates for term deposits.

The Group has assessed its own credit risk in regards to the fair value of deposits, and has assessed that no material valuation adjustment is required based on the capital management system utilised by the Group as outlined in note 25(b).

Negotiable Certificates of Deposit and Floating Rate Notes
The fair value approximates their carrying amounts, with short-term maturities that closely match the estimated future cash flows.

Notes to the Financial Statements

For the year ended 30 June 2025

32 Fair value measurement (continued)

Recognised financial instruments (continued)

Borrowings

The carrying amount is equivalent to principal owing plus interest accrued but not paid. The fair value includes interest to be charged and has been estimated using the rates currently offered for similar liabilities with remaining maturities.

Trade & other payables

The carrying amount approximates fair value as they are short term in nature.

Cash & cash equivalents

The carrying amount approximates fair value because they have either a short term to maturity or are receivable on demand.

Trade & other receivables

The carrying amount approximates fair value as they are short-term in nature.

Investment securities

The fair value of investment securities that are not traded in an active market are determined using discounted cash flow analysis with terms to maturity that match, as closely as possible, the estimated future cash flows.

Customer loans & advances

The carrying value of customer loans is net of unearned income and impairment provision for doubtful debts. The net fair value for loans is calculated by utilising discounted cash flow models (i.e. the net present value of the portfolio of future principal and interest cash flows), based on the maturity of the loans. The discount rates applied were based on the current applicable rate offered for the average remaining term.

Other investments

The fair value of other investments is the expected net realisable value in an open market transaction less costs to sell.

Notes to the Financial Statements
For the year ended 30 June 2025

32 Fair value measurement (continued)

Fair value hierarchy
The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Notes	Fair Value as at 30 June 2025			
		Level 1 $	Level 2 $	Level 3 $	Total $
Assets measured at fair value					
Other investments		-	-	270,170	270,170
Assets held for sale	11	-	8,687,500	-	8,687,500
Total assets measured at fair value		-	8,687,500	270,170	8,957,670
Assets for which fair value is disclosed					
Financial assets at amortised cost					
Cash		-	116,632,325	-	116,632,325
Trade & other receivables		-	-	239,300	239,300
Investment securities		-	190,946,949	-	190,946,949
Customer loans and advances		-	-	1,685,394,916	1,685,394,916
Total assets for which fair value is disclosed		-	307,579,274	1,685,634,216	1,993,213,490
Liabilities for which fair values are disclosed					
Financial liabilities at amortised cost					
Call deposits		-	556,807,340	-	556,807,340
Retail term deposits		-	877,296,811	-	877,296,811
Wholesale term deposits		-	203,357,115	-	203,357,115
Negotiable certificates of deposit		-	200,508,098	-	200,508,098
Floating rate notes		-	35,437,681	-	35,437,681
Borrowings		-	5,766,654	-	5,766,654
Trade & other payables		-	-	6,920,043	6,920,043
Total liabilities for which fair values are disclosed		-	1,879,173,699	6,920,043	1,886,093,742

Notes to the Financial Statements
For the year ended 30 June 2025

32 Fair value measurement (continued)

Fair value hierarchy (continued)

	Notes	Fair Value as at 30 June 2024			
		Level 1 $	Level 2 $	Level 3 $	Total $
Assets measured at fair value					
Investment property	13	-	4,715,001	-	4,715,001
Land & buildings	12	-	4,535,226	-	4,535,226
Other investments		-	-	270,170	270,170
Total assets measured at fair value		-	9,250,227	270,170	9,520,397
Assets for which fair values are disclosed					
Financial assets at amortised cost					
Cash		-	100,484,231	-	100,484,231
Trade & other receivables		-	-	238,859	238,859
Investment securities		-	171,358,203	-	171,358,203
Customer loans and advances		-	-	1,439,665,099	1,439,665,099
Total assets for which fair value is disclosed		-	271,842,434	1,439,903,958	1,711,746,392
Liabilities for which fair values are disclosed					
Financial liabilities at amortised cost					
Call deposits		-	507,387,724	-	507,387,724
Retail term deposits		-	755,997,005	-	755,997,005
Wholesale term deposits		-	157,390,086	-	157,390,086
Negotiable certificates of deposit		-	149,740,428	-	149,740,428
Floating rate notes		-	31,385,807	-	31,385,807
Borrowings		-	5,842,788	-	5,842,788
Trade & other payables		-	-	2,003,510	2,003,510
Total liabilities for which fair values are disclosed		-	1,607,743,838	2,003,510	1,609,747,348

32 Fair value measurement (continued)

Assets measured at fair value categorised as Level 2

Land and buildings and investment property have been valued based on similar assets, locations and market conditions. These are determined using observable inputs including comparable rental values per square meter for similar properties with similar tenant profiles. The valuation methodology used is the income capitalisation method, which is based on yields determined in recent sales for similar properties, adjusted for items such as capital expenditure required to sustain the income, added value of other non-income producing assets and present value of differences between passing income and current market income. As the assets held for sale have remained at level 2 the income capitalisation method has still been used.

Assets measured at fair value based on Level 3 in the Statement of Financial Position

	2025 $	2024 $
Other financial assets		
Balance as at 1 July	270,170	422,389
Revaluation through other comprehensive income	-	(152,219)
Closing balance - at 30 June	270,170	270,170

Consolidated Entity Disclosure Statement
For the year ended 30 June 2025

	B&E Ltd t/as Bank of us	Tamar Trust Repo Series No. 1
Type of entity	Body corporate	Trust
Share capital held (%)	N/A	100%
Country of incorporation	Australia	Australia
Country of tax residency	Australia	Australia
Trustee, partner or participant in joint venture	No	No

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements.*

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Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of B&E Ltd

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

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

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

Crowe Tasmania

David Munday
Partner
Melbourne

23 September 2025

Crowe Tasmania
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Independent Auditor's Report

To the Members of B&E Ltd

Opinion

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

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

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

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

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report information contained in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

Crowe Tasmania

David Munday
Partner
Melbourne

23 September 2025