

Statutory Financial Statements for
the year ended 30 June 2025
Central Murray Credit Union Limited
T/as Central Murray Bank
ABN 69 087 651 812

Contents

Directors' report	1
Auditor's independence declaration	4
Consolidated Entity Disclosure Statement	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the financial statements	11
Directors' declaration	55
Independent audit report	56

Directors' report

The Directors present their report together with the financial statements of Central Murray Credit Union Limited t/as Central Murray Bank (CMB) for the year ended 30 June 2025 and the auditor's report thereon.

Information on Directors

The names and details of the Directors of CMB in office during the financial year and until the date of this report are:

John Gorman <ul style="list-style-type: none">- Independent Non-Executive- Member of Risk Committee- Member of Audit Committee	<ul style="list-style-type: none">- Director of CMB from 1984 until current- Solicitor
Michael O'Dwyer <ul style="list-style-type: none">- Independent Non-Executive- Chair of the Board- Chair of Marketing Committee- Member of Risk Committee	<ul style="list-style-type: none">- Director of CMB from 2002 until current- Marketing Manager (Retired)
Linda Douglas <ul style="list-style-type: none">- Independent Non-Executive- Member of Risk Committee- Chair of Audit Committee	<ul style="list-style-type: none">- Director of CMB from 2003 until current- Legal Assistant
Faith McCallum <ul style="list-style-type: none">- Independent Non-Executive- Chair of Risk Committee- Member of Audit Committee	<ul style="list-style-type: none">- Director of CMB from 2010 until current- Business Administrator
Joshua Vagg <ul style="list-style-type: none">- Independent Non-Executive- Deputy Chair of the Board- Member of Audit Committee- Member of Risk Committee- Member of Marketing Committee	<ul style="list-style-type: none">- Director of CMB from 2017 until current- Accountant
Jonathan Symes <ul style="list-style-type: none">- Independent Non-Executive- Member of Risk Committee	<ul style="list-style-type: none">- Director of CMB from 2024 until current- Chief Information Security Officer
Rebecca Hearn <ul style="list-style-type: none">- Independent Non-Executive- Member of Audit Committee	<ul style="list-style-type: none">- Director of CMB from 2025 until current- Management Accountant

All Directors were in office from the beginning of the financial year until the date of this report unless otherwise indicated. All Directors are considered independent, non-executive directors.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Board of Directors	Board Audit Committee	Board Risk Committee
Number of meetings held	12	8	12
Number of meetings attended:			
J Gorman	12	5	5
M O'Dwyer	12	–	5
L Douglas	11	6	–
F McCallum	10	6	9
J Vagg	11	8	12
G Scannell [^]	5	–	5
J Symes	10	–	–
R Hearn [*]	4	1	2

[^] Director resigned effective 20th November 2024

^{*} Director appointed on the 23rd March 2025

Company Secretary

Mr John Pattison, CMB's Chief Executive Officer, was appointed to the position of Company Secretary in February 1996 and continues to act in this capacity as at and since the end of the financial year.

Principal activities

The principal activity of CMB is to raise funds from CMB's members for the purpose of making loans to members. No significant change in the nature of the activity has occurred during the year.

Trading results

The operating profit for the financial year before income tax was \$121,590 (2024: \$595,770). Income tax expense was \$23,345 (2024: \$90,613).

Operating and financial review

Net loans and advances for the year have increased by \$1,159,304

Member deposits decreased during the year by \$1,862,327

Members' equity during the year has increased by \$262,022

Dividends

CMB does not have a permanent share capital and has therefore not paid or declared any dividends for the financial year.

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of CMB during the financial year under review.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of CMB, the results of those operations, or the state of affairs of CMB in subsequent financial years.

Likely developments

No material likely developments are foreseen at this time that may affect CMB's operations.

Further information about likely developments in the operations of CMB and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to CMB.

Environmental regulation

CMB's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that CMB has adequate systems in place for the management of its environmental requirements.

Directors' benefits

During or since the end of the financial year, no Director of CMB has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration paid or payable to the Directors as shown in the general purpose financial statements) by reason of a contract entered into by CMB (or an entity that CMB controlled, or a body corporate that was related to CMB when the contract was made, or when the Director received, or became entitled to receive, the benefit) with:

- a Director,
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest, except for those outlined in Note 26 to the financial statements.

Indemnification and insurance of Directors and Officers


During the year, a premium was paid in respect of a contract insuring Directors and Officers of CMB against liability. The Officers of CMB covered by the insurance contract include the Directors, Executive Officers, Secretary, and employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

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

Auditor's independence declaration

The Lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Directors.



M O'Dwyer
Chairperson



J Vagg
Vice Chairperson

Dated at Yarrawonga this 25th September 2025.

Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of Central Murray Credit Union Limited (trading as 'Central Murray Bank')

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

- 1) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- 2) Any applicable code of professional conduct in relation to the audit.

Crowe

CROWE ALBURY

Jason Gilbert

JASON GILBERT

Partner

25 September 2025
Albury

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Consolidated Entity Disclosure Statement

CMB does not have any controlled entities and is, therefore, not required by Australian Accounting Standards to prepare consolidated financial statements.

Section 295(3)(a) of the Corporations Act 2001 does not apply to CMB.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Interest revenue	5	5,942,794	5,809,007
Interest expense	5	(2,260,649)	(2,099,700)
Net interest income		3,682,145	3,709,307
Non-interest revenue	6	457,431	465,524
Other income	7	-	(7,221)
		4,139,576	4,167,610
Net impairment gain/(loss) on financial assets		21,868	(16,057)
Operating expenses	8	(4,039,854)	(3,555,783)
Profit from operations before income tax		121,590	595,770
Income tax expense	9	(23,345)	(90,613)
Profit after tax		98,245	505,157
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		163,777	8,102
Total comprehensive income for the year		262,022	513,259

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 11 to 54.

Statement of Changes in Equity

For the year ended 30 June 2025

	Retained profits \$	Member share redemption reserve \$	Lending risk reserve \$	Asset revaluation reserve \$	General reserve \$	Financial asset reserve \$	Total \$
Year ended 30 June 2024							
Opening balance at 1 July 2023	6,214,671	61,308	199,000	772,725	550,000	215,503	8,013,207
Profit after tax	505,157	-	-	-	-	-	505,157
Other comprehensive income for the period	-	-	-	-	-	8,102	8,102
Total recognised income and expense for the period	505,157	-	-	-	-	8,102	513,259
Transfer between reserves	(3,094)	3,094	-	-	-	-	-
Closing balance at 30 June 2024	6,716,734	64,402	199,000	772,725	550,000	223,605	8,526,466
Year ended 30 June 2025							
Opening balance at 1 July 2024	6,716,734	64,402	199,000	772,725	550,000	223,605	8,526,466
Profit after tax	98,245	-	-	-	-	-	98,245
Other comprehensive income for the period	-	-	-	-	-	163,777	163,777
Total recognised income and expense for the period	98,245	-	-	-	-	163,777	262,022
Transfer between reserves	196,369	2,366	-	-	-	(198,735)	-
Closing balance at 30 June 2025	7,011,348	66,768	199,000	772,725	550,000	188,647	8,788,488

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes set out on pages 11 to 54.

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
Cash and cash equivalents	11	18,429,689	14,681,320
Other receivables	12	185,634	106,111
Loans and advances	13	81,292,661	80,133,357
Other financial assets	15	11,354,894	14,398,517
Property, plant and equipment	16	2,049,552	1,930,120
Intangible assets	17	67,369	156,814
Deferred tax assets	10	103,895	123,444
Other assets	18	580,333	762,104
Income tax receivable	10	111,435	-
TOTAL ASSETS		114,175,462	112,291,787
LIABILITIES			
Member deposits	19	103,727,983	101,865,656
Trade and other payables	20	1,037,973	1,242,405
Employee benefits	21	298,870	277,565
Income tax payable	10	-	57,700
Deferred tax liabilities	10	322,148	321,995
TOTAL LIABILITIES		105,386,974	103,765,321
NET ASSETS		8,788,488	8,526,466
EQUITY			
Reserves		1,777,140	1,809,732
Retained profits		7,011,348	6,716,734
TOTAL EQUITY		8,788,488	8,526,466

The Statement of Financial Position is to be read in conjunction with the accompanying notes set out on pages 11 to 54.

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Interest received on loans and advances		5,935,219	5,789,408
Interest paid on member deposits		(2,173,046)	(1,832,382)
Dividends received		19,873	20,640
Other non-interest income received		694,283	770,699
Income tax paid/ (refund received)		(198,333)	(286,026)
Payments to employees and suppliers		(4,319,228)	(3,554,194)
		(41,232)	908,145
Net (increase) in loans and advances		(1,137,437)	(5,121,104)
Net increase/(decrease) increase in deposits		1,862,326	2,986,895
Net cash (used in) operating activities	23	683,657	(1,226,064)
Cash flows from investing activities			
Net proceeds from sale of investment securities		3,000,000	4,000,000
Acquisition of property, plant and equipment		(196,781)	(19,789)
Proceeds from sale of shares		261,493	-
Net cash from / (used in) investing activities		3,064,712	3,980,211
Net (decrease)/increase in cash and cash equivalents		3,748,369	2,754,147
Cash and cash equivalents at 1 July		14,681,320	11,927,173
Cash and cash equivalents at 30 June	11	18,429,689	14,681,320

The Statement of Cash Flows is to be read in conjunction with the accompanying notes set out on pages 11 to 54.

Notes to the Financial Statements

For the year ended 30 June 2025

1. Introduction

Central Murray Credit Union Limited trading as Central Murray Bank (CMB) is a company domiciled in Australia.

The financial statements were authorised for issuance by the Directors on 17 September 2025.

2. Statement of compliance

The Financial Statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*. They have been prepared under the assumption CMB operates on a going concern basis, which assumes CMB will be able to discharge its liabilities as they fall due.

Not-for-profit status

CMB has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as its prime objective.

3. Basis of preparation

The financial statements are presented in Australian dollars.

The financial statements have been prepared on an accruals basis and are based on historical costs except that the following assets and liabilities (if applicable) are stated at their fair value: land and buildings and equity investment securities designated as fair value through other comprehensive income.

Material accounting policy information adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

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

- No more than 12 months after the reporting date; and
- More than 12 months after the reporting date.

CMB discloses in the notes the amount expected to be recovered or settled after more than 12 months.

4. Material accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits at call and other short-term deposits with Approved Deposit-taking Institutions that can be readily converted into cash. This includes negotiable certificates of deposits. Negotiable certificates of deposits are held via the Austraclear system with the Reserve Bank of Australia, to enable conversion to cash. Cash and cash equivalents are recognised at the gross value of the outstanding balance.

(b) Loans and advances

Loans and advances are financial assets recognised initially at cost plus any directly attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any expected credit losses / impairment losses.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(c) Provision for impairment / expected credit losses of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the "expected credit loss model" (ECL).

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

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

Measurement of ECL

CMB applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets that are not measured at fair value through profit or loss.

- 12-months ECL (Stage 1) – The portion of lifetime ECL associated with the probability of default events occurring within the next 12 months.
- Lifetime ECL – not impaired (Stage 2) – ECL associated with the probability of default events occurring throughout the life of an instrument.
- Lifetime ECL – impaired (Stage 3) – Lifetime ECL, but interest revenue is measured based on the carrying amount of the instrument net of the associated ECL.

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

At each reporting date, CMB 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 credit-impaired it will be transferred to Stage 3.

Critical accounting estimates and judgments in the ECL

A number of significant judgments are required in applying the accounting requirements for measuring ECL, which are detailed below:

Assumptions used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, CMB defines default as occurring when a loan obligation is past 90 days due. The definition of default largely aligns with that applied by APRA for regulatory reporting purposes, and the criteria used for internal credit risk management purposes.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(c) Provision for impairment / expected credit losses of financial assets (continued)

Assessment of significant increase in credit risk

In determining whether the risk of default has increased significantly since recognition, CMB considers both quantitative and qualitative factors. These include:

- When a loan reaches 30 days past due;
- Loan with approved hardship or modified terms.

Incorporation of forward-looking information

CMB has taken into consideration several macro-economic factors including unemployment rate, gross domestic product, housing price index and interest rates. The affects these data points have on ECL are reviewed regularly.

CMB considers the ECL to represent its best estimate of the possible outcomes and is aligned with information used by CMB for other purposes, such as strategic planning and budgeting. Periodically, CMB carries out stress testing of more extreme shocks to calibrate its determination of other potential scenarios.

Grouping of loans for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. CMB has elected to use the following segments when assessing credit risk for Stage 1 of the ECL model:

- Mortgage loans – over 80% loan-to-valuation ratio, and no lenders mortgage insurance
- Mortgage loans – under 80% loan-to-valuation ratio or loans with lenders mortgage insurance
- Personal loans – secured and unsecured
- Secured by funds
- Overdrafts / overdrawn

(d) Other financial assets

AASB 9 requires CMB's equity investments in other financial assets to be held at fair value. CMB has elected for these to be held at fair value through other comprehensive income (FVOCI). Subsequent movements in fair value are recognised in other comprehensive income and never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss, unless the dividend clearly represents return of capital.

Investment securities are financial assets recognised initially at cost plus any directly attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any expected credit losses / impairment losses.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(e) Property, plant and equipment & intangible assets

Land and buildings

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, at least every 3-5 years, less subsequent depreciation and impairment for buildings.

Plant and equipment

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

Depreciation

Property, plant and equipment, excluding land, is depreciated on a straight-line basis over the asset's useful life to CMB, commencing when the asset is ready to use.

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

- | | |
|---------------------|---------------|
| • Buildings | 40 years |
| • Plant & Equipment | 2 to 20 years |

Disposals

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

Intangible assets

Software

Computer software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is recognised in profit and loss on a straight-line basis over the useful lives of intangible assets, from the date that they are available for use.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(f) Employee entitlements

Long term service benefits

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 flows to be made for those benefits. In determining the liability, consideration is given to future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to high quality corporate bonds at the balance date which have maturity dates approximating to the terms of CMB's obligations.

Short term benefits

Provision is made 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.

(g) Member Deposits

Member deposits are held at amortised cost.

(h) Accounts payable and other liabilities

These amounts represent liabilities for goods and services provided to CMB prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted.

(i) Revenue Recognition

Interest revenue

Interest income arising from financial assets held at amortised cost is recognised using the effective interest rate method. Fees and transaction costs that are integral to the lending arrangement are recognised in the profit and loss over the expected life of the instrument in accordance with the effective interest rate method.

The calculation of effective interest rate does not include expected credit loss. Interest income that is classified as impaired is recognised by applying the effective interest rate to the amortised cost carrying value, being the gross carrying amount after deducting the impairment loss.

Fee income

Loan, account, and transaction fee income relate to fees that are not deemed to be an integral part of the effective interest rate.

Fee income relating to deposit or loan accounts is either:

- Transaction based and therefore recognised when the performance obligation related to the transaction is fulfilled, or
- Related to performance obligations carried out over a period of time, therefore
- recognised on a systemic basis over the life of the agreement as the services are provided.

Transaction fees and provision of services are defined within product terms and conditions.

Refer to Note 6 for further details of the revenue recognition for fees income.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(i) Revenue Recognition (continued)

Commission income

Commission income which includes insurance and financial planning advice is recognised when the performance obligation is satisfied.

Refer to Note 6 for further details of the revenue recognition for fees income.

Dividend income

Dividend income is recognised when the right to receive income is established.

Income from property

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

(j) Leases

CMB as a lessee

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

As at 30 June 2024, CMB does not have any leases that require application and recognition under AASB 16 *Leases*.

CMB as a lessor

The lease over the investment property is classified as an operating lease.

The lease income from operating leases is recognised on a straight -line basis over the lease term.

(k) Income tax

Income tax for the periods presented comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance date.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(k) Income tax (continued)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance date.

(l) Goods and Services Tax

As a financial institution, CMB is input taxed on all income except for income from commissions and some fees. An input taxed supply is not subject to GST collection, and similarly the GST paid on related or apportioned purchases cannot be recovered. As some income is charged GST, the GST on purchases is generally recovered on a proportionate basis, using the safe harbour apportionment rate of 18% adopted per Practical Compliance Guide 2019/15 from 1 July 2019. In addition, certain prescribed purchases are subject to reduced input tax credits (RITCH), of which 75% of the GST paid is recoverable.

(m) Reserves

Member share redemption reserve

CMB has complied with Section 254K of the *Corporations Act 2001* via the creation of a member share redemption reserve. At the conclusion of each financial year CMB establishes the number of members that resigned during the financial year and transfers the equivalent monetary amount to a member share redemption reserve from retained profits as the law requires that the redemption of the shares be made out of profits. The balance represents the amount of redeemable preference shares redeemed by CMB since 1 July 1999. The reserve has a balance of \$66,768 as at 30 June 2025 (2024: \$64,402).

Lending risk reserve

CMB has a lending risk reserve of \$199,000 as at 30 June 2025 (2024: \$199,000). This reserve is calculated at a minimum rate of 0.5% of risk weighted assets.

Asset revaluation reserve

The asset revaluation reserve relates to the revaluation of owner-occupied land and buildings. The asset revaluation reserve as at 30 June 2025 is \$772,725 (2024: \$772,725).

General reserve

The general reserve represents a carry forward from a prior year equity transaction relating to CMB. The general reserve as at 30 June 2025 is \$550,000 (2024: \$550,000).

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. The financial assets reserve as at 30 June 2025 is \$188,647 (2024: \$223,605).

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

4. Material accounting policies (continued)

(n) Accounting estimates and judgements

Management has been involved in the development, selection and disclosure of CMB's critical accounting policies and estimates and the application of these policies and estimates. In particular, information about areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 (c) & Note 14 – Impairment of loans and advances with regards to the expected credit loss modelling and judgments, including:
 - Determining criteria for significant increase in credit risk: An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased CMB takes into account qualitative and quantitative reasonable and supportable forward-looking information;
 - Choosing appropriate models and assumptions for the measurement of expected credit loss; and
 - Establishing groups of similar financial assets for the purposes of measuring expected credit loss: When expected credit loss is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics.
- Note 16 – Fair value assumptions used for land and buildings; and
- Note 15 – Fair value assumptions used for Equity investment securities designated as fair value through other comprehensive income (FVOCI).

(o) New or amended accounting standards adopted

CMB has adopted all standards which become effective for the first time at 30 June 2025, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of CMB.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

5. Interest revenue and interest expense

	2025 \$	2024 \$
Interest revenue		
Investment securities	949,391	887,872
Loans and advances	4,993,403	4,921,135
	<u>5,942,794</u>	<u>5,809,007</u>
Interest expense		
Member deposits	2,260,649	2,099,700
	<u>2,260,649</u>	<u>2,099,700</u>

6. Non-interest revenue

Revenue from contracts with customers

Fees and commissions

• Loan fees income	80,356	70,227
• Other fees income	326,149	313,620
• Commissions – insurance	27,742	27,004
• Commissions – other	2,672	7,573

Total revenue from contracts with customers	<u>436,919</u>	<u>418,424</u>
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Timing of revenue recognition

Non-interest revenue recognised at a point of time	110,770	104,804
Non-interest revenue recognised over time	326,149	313,620
Total	<u>436,919</u>	<u>418,424</u>

Other sources of income

Dividends	19,873	20,640
Other income	639	26,460
Total non-interest revenue	<u>457,431</u>	<u>465,524</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

6. Non-interest revenue (continued)

Revenue recognition is summarised in the accounting policy at Note 4(i).

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

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

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

	2025 \$	2024 \$
7. Other income		
Gain/(Loss) on disposal of financial assets	-	(7,221)
8. Operating expenses		
Amortisation		
• Intangible assets	89,445	106,934
Depreciation		
• Buildings	17,250	16,885
• Plant and equipment	60,099	46,730
Fees and commissions	8,514	8,405
General and administration	2,573,809	2,227,483
Personnel costs		
• Wages and salaries	1,073,042	981,544
• Other associated personnel expenses	28,195	16,756
• Contributions to defined contribution superannuation plans	161,673	122,013
• Annual leave expense	8,225	9,110
• Long service leave expense	13,081	13,550
Rental on operating leases	6,521	6,373
Total operating expenses	4,039,854	3,555,783

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

9. Income tax

	2025	2024
	\$	\$
Profit before tax	121,590	595,770
Prima facie income tax expense calculated at effective rate of 25% (2024: 25%) on net profit	30,398	148,943
Increase/(decrease) in income tax due to:		
Imputation credits	(6,388)	(6,281)
Other adjustments from prior year	-	-
Non-assessable income	-	-
Other	(601)	7,080
Under/(over) provided for in prior years	(64)	(59,129)
Income tax expense	<u>23,345</u>	<u>90,613</u>
Current tax expense	58,173	198,212
Deferred tax expense	19,703	(45,769)
Adjustment for DTL on FOVI	(54,467)	(2,701)
Adjustment to prior year tax	(64)	(59,129)
Income tax expense	<u>23,345</u>	<u>90,613</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

10. Recognised deferred tax assets & liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Loans & advances	7,421	18,382	-	-	7,421	18,382
Other financial assets	-	-	(71,892)	(67,107)	(71,892)	(67,107)
Prepayments	-	-	(39,824)	(22,951)	(39,824)	(22,951)
Property, plant & equipment (i)	-	-	(210,432)	(231,937)	(210,432)	(231,937)
Accrued expenses	21,757	35,670	-	-	21,757	35,670
Employee benefits	74,717	69,392	-	-	74,717	69,392
	103,895	123,444	(322,148)	(321,995)	(218,253)	(198,551)

- (i) CMB's land and buildings includes some property that is exempt from Capital Gains Tax ('CGT'). As such, a deferred tax liability in relation to the revaluation has only been recognised on the property that is subject to CGT.

Income tax payable:

The current receivable for CMB of \$111,435 (2024: payable \$57,700) represents the amount of income taxes receivable or payable in respect of current and prior periods.

	2025	2024
	\$	\$
Income tax payable / (receivable)	(111,435)	57,700
Movement in Taxation Provision		
Balance at beginning of the year	57,700	194,783
Current year's income tax expense on profit before tax	30,398	148,943
Income tax paid – current year	(198,333)	(276,165)
Income tax refund/(paid) – prior year	(1,200)	(9,861)
Balance at the end of the year	(111,435)	57,700

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

11. Cash and cash equivalents

	2025	2024
	\$	\$
Cash on hand and at bank	2,730,708	1,987,393
Deposits at call	5,500,000	3,000,000
Term deposits and Negotiable Certificates of Deposits	10,198,981	9,693,927
	<u>18,429,689</u>	<u>14,681,320</u>
Maturity Analysis		
No maturity	8,230,708	4,987,393
Remaining maturity not longer than 3 months	7,458,981	9,693,927
Remaining maturity longer than 3 months and less than 6 months	2,740,000	-
	<u>18,429,689</u>	<u>14,681,320</u>
Credit rating of cash & cash equivalents		
Cuscal Limited – rated A-1	9,997,002	6,800,490
ADI's rated A-1+	-	-
ADI's rated A-1	-	-
ADI's rated A-2	5,180,248	5,183,425
ADI's rated A-3	-	-
Unrated	2,500,000	2,000,000
Cash on hand – N/A	752,439	697,405
	<u>18,429,689</u>	<u>14,681,320</u>

12. Other receivables

Accrued income	98,554	90,980
Other	87,080	15,131
	<u>185,634</u>	<u>106,111</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

13. Loans and advances

	2025 \$	2024 \$
Overdrafts	1,103,611	888,584
Term loans	80,218,733	79,318,302
Gross loans and advances	81,322,344	80,206,886
Provision for impairment	(29,683)	(73,529)
Net loans and advances	81,292,661	80,133,357
Maturity Analysis		
Overdrafts	1,103,611	888,584
Not longer than 3 months	688,278	826,480
Longer than 3 and not longer than 12 months	2,815,432	2,049,688
Longer than 1 and not longer than 5 years	13,633,907	10,480,680
Longer than 5 years	63,081,116	65,961,454
	81,322,344	80,206,886
Security held against loans		
Secured by mortgage over residential property	75,580,647	74,314,314
Secured by mortgage over commercial property	3,380,443	3,691,716
<i>Total loans secured by real estate</i>	78,961,090	78,006,030
Secured by funds	85,160	86,657
Partly Secured by goods mortgage	2,216,031	2,021,044
Wholly unsecured	60,063	93,155
	81,322,344	80,206,886

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

Loan to value ratio of 80% or less	70,169,006	70,606,989
Loan to value ratio of more than 80% but mortgage insured	6,835,955	5,900,208
Loan to value ratio of more than 80% not mortgage insured	1,956,130	1,498,833
	78,961,090	78,006,030

Concentration of risk

Significant individual exposures

Individual credit facilities greater than 10% of capital in aggregate	10,646,168	9,152,841
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Geographical concentrations

CMB has an exposure to groupings of individual loans which concentrate risk and create exposure to the geographical areas of North Eastern Victoria.

- Victoria	66,826,391	64,593,034
- New South Wales	13,598,754	14,676,772
- Other	897,199	937,080
	81,322,344	80,206,886

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

14. Impairment of loans and advances

	2025	2024
	\$	\$
Total provision comprises of		
Expected credit loss allowance	29,683	73,529
Total provision	29,683	73,529

The loss allowance for 2025 is calculated and disclosed under the expected credit loss regime as per Note 4 (c).

Amounts arising from expected credit loss:

An analysis of CMB's credit risk exposure per class of financial asset 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.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

14. Impairment of loans and advances (continued)

Credit risk exposure under expected credit loss - 2025	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loan category				
<i>Mortgages loans – secured by residential property</i>				
Not in arrears and up to 30 days	74,199,645	168,600	-	74,368,245
More than 30 days, but less than 90 days	174,422	-	-	174,422
More than 90 days, but less than 180 days	-	-	206,765	206,765
More than 180 days, but less than 270 days	-	-	-	-
More than 270 days, but less than 365 days	-	-	-	-
More than 365 days	-	-	-	-
<i>Mortgages loans – secured by commercial property</i>				
Not in arrears and up to 30 days	3,252,596	-	-	3,252,596
More than 30 days, but less than 90 days	-	-	-	-
More than 90 days, but less than 180 days	-	-	-	-
More than 180 days, but less than 270 days	-	-	-	-
More than 270 days, but less than 365 days	-	-	-	-
More than 365 days	-	-	-	-
<i>Personal loans – secured & under secured</i>				
Not in arrears and up to 30 days	2,216,689	-	-	2,216,689
More than 30 days, but less than 90 days	-	-	-	-
More than 90 days, but less than 180 days	-	-	-	-
More than 180 days, but less than 270 days	-	-	-	-
More than 270 days, but less than 365 days	-	-	-	-
More than 365 days	-	-	-	-
<i>Overdrafts</i>	1,103,599	-	28	1,103,627
Total carrying amount – gross	80,946,951	168,600	206,793	81,322,344
Less expected credit loss allowance	(25,751)	(1,015)	(2,917)	(29,683)
Total carrying amount – net	80,921,200	167,585	203,876	81,292,661
Security analysis –Stage 2 & Stage 3	-	-	-	-
Estimated collateral – after discount	-	147,000	199,500	346,500

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

14. Impairment of loans and advances (continued)

Credit risk exposure under expected credit loss - 2024	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loan category				
<i>Mortgages loans – secured by residential property</i>				
Not in arrears and up to 30 days	73,612,754	171,101	-	73,783,855
More than 30 days, but less than 90 days	-	-	-	-
More than 90 days, but less than 180 days	-	-	-	-
More than 180 days, but less than 270 days	-	-	-	-
More than 270 days, but less than 365 days	-	-	-	-
More than 365 days	-	-	-	-
<i>Mortgages loans – secured by commercial property</i>				
Not in arrears and up to 30 days	3,566,591	-	-	3,566,591
More than 30 days, but less than 90 days	-	-	-	-
More than 90 days, but less than 180 days	-	-	-	-
More than 180 days, but less than 270 days	-	-	-	-
More than 270 days, but less than 365 days	-	-	-	-
More than 365 days	-	-	-	-
<i>Personal loans – secured & under secured</i>				
Not in arrears and up to 30 days	1,967,856	-	-	1,967,856
More than 30 days, but less than 90 days	-	-	-	-
More than 90 days, but less than 180 days	-	-	-	-
More than 180 days, but less than 270 days	-	-	-	-
More than 270 days, but less than 365 days	-	-	-	-
More than 365 days	-	-	-	-
<i>Overdrafts</i>	828,875	-	59,709	888,584
Total carrying amount – gross	79,976,076	171,101	59,709	80,206,886
Less expected credit loss allowance	(18,790)	(964)	(53,775)	(73,529)
Total carrying amount – net	79,957,286	170,137	5,934	80,133,357
Security analysis –Stage 2 & Stage 3	-	-	-	-
Estimated collateral – after discount	-	147,000	-	147,000

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

14. Impairment of loans and advances (continued)

Reconciliation of allowance for impairment

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

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Movement category				
Balance at 1 July per 2024	18,790	964	53,775	73,529
Transfers between stages	6,961	51	(7,012)	-
Movement due to increase in loans & advances	-	-	(43,846)	(43,846)
Movement due to change in credit risk	-	-	-	-
Bad debts written off from provision	-	-	-	-
Changes in model/risk parameters	-	-	-	-
Balance at 30 June 2025	25,751	1,015	2,917	29,683

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Movement category				
Balance at 1 July per 2023	20,125	950	36,584	57,659
Transfers between stages	(1,335)	-	1,335	-
Movement due to increase in loans & advances	-	14	15,856	15,870
Movement due to change in credit risk	-	-	-	-
Bad debts written off from provision	-	-	-	-
Changes in model/risk parameters	-	-	-	-
Balance at 30 June 2024	18,790	964	53,775	73,529

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

14. Impairment of loans and advances (continued)

Sensitivity Analysis and Forward-Looking Information

CMB has prepared a sensitivity analysis over the allowance for expected credit losses taking into consideration individual scenarios across CMB'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.

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 CMB's base case allowance for expected credit losses. CMB has elected to use the base case to measure its expected credit loss 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 period, expected credit losses reported by CMB should be considered as a best estimate within a range of possibilities.

Loans restructured

During the year, some loans that were previously past due or impaired, have been restructured by CMB.

Loans restructured during the financial year - all

Balance at the end of the financial year

2025	2024
\$	\$
580,832	171,101
580,832	171,101

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

15. Financial Assets

Investment securities

Floating Rate Notes with other ADI's
Government Bonds

2025 \$	2024 \$
2,500,000	4,500,000
8,500,000	9,500,000
<u>11,000,000</u>	<u>14,000,000</u>

Equity investment securities designated as fair value through other comprehensive income (FVOCI) – held at fair value

- Shares in Cuscal Limited (a)
- Shares in Experteq Pty Ltd

313,792	358,919
41,102	39,598
<u>354,894</u>	<u>398,517</u>
<u>11,354,894</u>	<u>14,398,517</u>

Maturity Analysis of Investment Securities

No maturity
Remaining maturity not longer than 12 months
Remaining maturity longer than 12 months and no longer than 5 years

–	–
2,500,000	3,000,000
8,500,000	11,000,000
<u>11,000,000</u>	<u>14,000,000</u>

Credit rating of Investment Securities

ADI's and Government Authorities rated A and above
Unrated ADI's and Government Authorities

11,000,000	14,000,000
–	–
<u>11,000,000</u>	<u>14,000,000</u>

(a) Cuscal Limited

This company supplies services to the member organisations, which are all Credit Unions and Mutual Banks. On 1 July 2018, CMB designated its investment in CUSCAL equity securities as at FVOCI, as CMB considers these investments to be strategic in nature and not held for trading.

Management has used the share price as published by the ASX as at 30th June 2025.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

16. Property, plant and equipment

	2025	2024
	\$	\$
Land		
At fair value	1,200,000	1,200,000
	<u>1,200,000</u>	<u>1,200,000</u>
Buildings on freehold land		
At fair value	658,733	658,733
Accumulated depreciation	(71,073)	(53,823)
Work in progress	120,418	-
	<u>708,078</u>	<u>604,910</u>
Plant and equipment		
At cost	624,629	548,266
Accumulated depreciation	(483,155)	(423,056)
	<u>141,474</u>	<u>125,210</u>
Total property, plant and equipment at written down value	<u>2,049,552</u>	<u>1,930,120</u>

(a) Reconciliations

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

	Land	Buildings	Plant and equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2023	1,200,000	610,059	163,887	1,973,946
Additions	-	11,736	8,053	19,789
Revaluations	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	(16,885)	(46,730)	(63,615)
Amortisation	-	-	-	-
Balance at 30 June 2024	<u>1,200,000</u>	<u>604,910</u>	<u>125,210</u>	<u>1,930,120</u>
Balance at 1 July 2024	1,200,000	604,910	125,210	1,930,120
Additions	-	-	76,363	76,363
Revaluations	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	(17,250)	(60,099)	(77,349)
Work in progress	-	120,418	-	120,418
Amortisation	-	-	-	-
Balance at 30 June 2025	<u>1,200,000</u>	<u>708,078</u>	<u>141,474</u>	<u>2,049,552</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

16. Property, plant and equipment (continued)

(b) Valuations

The basis of land and buildings is fair value, being the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market. The freehold land and buildings located at 58 Belmore Street and 60 Belmore Street, Yarrowonga were independently valued on 21st June 2021 by Roger M Porter, AAPI (Val) and applied by CMB as at 30 June 2025.

The Directors have performed a review of the fair value and do not believe that there has been a material movement in fair value since the latest valuation performed by AAPI for these properties. The fair value was based on a capitalisation of income supported by direct comparison to comparable properties on a rate per square meter, which are materially consistent with those prevailing at the time of the last valuation. While the Director valuation does not indicate impairment of land and buildings, it does present estimation uncertainty regarding the valuation of the land and buildings by acknowledging that past cycles indicate a lag for property markets to react to economic events, and that the extent of any decline in value is presently uncertain. The fair value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that could not reasonably have been aware of as at the date of valuation). Refer to Note 4 (d), Note 4 (m) and Note 31 for further information on fair value measurement.

17. Intangible assets

Computer and software licenses

At cost

Accumulated amortisation

Reconciliations

Balance at beginning of the year

Additions

Amortisation

Balance at end of the year

2025 \$	2024 \$
446,104	446,104
(378,735)	(289,290)
<u>67,369</u>	<u>156,814</u>
156,814	263,748
-	-
(89,445)	(106,934)
<u>67,369</u>	<u>156,814</u>

18. Other assets

Prepayments

Accrued Income

211,921	136,967
368,412	625,137
<u>580,333</u>	<u>762,104</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

19. Member deposits

	2025	2024
	\$	\$
Call deposits	55,367,175	54,671,724
Term deposits	48,360,808	47,193,932
	<u>103,727,983</u>	<u>101,865,656</u>
Maturity analysis		
At call	55,367,175	54,671,724
Not longer than 3 months	19,481,071	22,409,325
Longer than 3 and not longer than 12 months	28,648,985	24,134,627
Longer than 1 and not longer than 5 years	230,752	649,980
	<u>103,727,983</u>	<u>101,865,656</u>

Concentration of deposits

Geographical concentrations

CMB operates in the geographic areas of North Eastern Victoria and Southern New South Wales and member deposits at balance date were principally received from members employed in these areas.

The geographical segment details are below:

- Victoria	74,368,406	71,184,316
- New South Wales	28,757,654	29,493,431
- Other	601,923	1,187,909
	<u>103,727,983</u>	<u>101,865,656</u>

Significant individual member deposits

As at 30 June 2025 CMB's deposit portfolio included \$8,698,671 deposit exposures which represented 5% or more of total liabilities (2024: \$10,633,446).

20. Trade and other payables

Accrued interest payable	740,497	652,893
Sundry creditors and accruals	297,477	589,512
	<u>1,037,973</u>	<u>1,242,405</u>

21. Employee benefits

Current

Liability for long service leave	150,669	126,793
Liability for annual leave	138,272	130,047

Non-current

Liability for long service leave	9,929	20,755
	<u>298,870</u>	<u>277,565</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

22. Leases

Mutual as a lessor

Operating Leases

Nature of the leasing activities

CMB received rental income from tenants who lease a portion of the land and buildings owned by CMB in Yarrawonga. These leases have been classified as operating leases for financial reporting purposes.

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 lessee does not have an option to purchase the property at the expiry of the lease period.

Income statement

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

	2025 \$	2024 \$
Lease/rental income (excluding variable lease payments not dependent on an index or rate)	-	1,506
Lease/rental income relating to variable lease payments not dependent on an index or rate	-	-
Total lease/rental income	-	1,506

Maturity analysis of lease payments receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	-	1,506
1 - 2 years	-	-*
2 - 3 years	-	-*
> 3 years	-	-
Total undiscounted lease payments receivable	-	1,506

* In agreement with the tenants the lease was terminated on the 17th July 2024. CMB is not looking to lease out the premises in the future.

Finance Leases

Nature of the leasing activities

CMB is not the lessor in any arrangements assessed as a finance lease.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

23. Reconciliation of cash flows from operating activities

(a) Cash flow from operating activities

Profit after income tax

Non cash flows in operating surplus/(deficit):

Impairment charge

Depreciation

Amortisation

Changes in assets and liabilities:

(Increase)/Decrease in receivables

(Increase)/Decrease in other assets

(Increase)/Decrease in deferred tax asset

Increase/(Decrease) in payables and accruals

Increase/(Decrease) in income tax payable

Increase/(Decrease) in employee benefits

Increase/(Decrease) in deferred tax liability

Net cash from revenue activities

Add/(deduct) non-revenue operations

(Increase)/decrease in loans and advances

Increase/(decrease) in deposits

Cash inflow/(outflow) from operating activities

2025

\$

98,245

(21,868)

77,349

89,445

(79,523)

181,770

19,549

(204,431)

(169,135)

21,305

(53,938)

(41,232)

(1,137,437)

1,862,326

683,657

2024

\$

505,157

16,057

63,615

106,934

(7,776)

313,992

(20,367)

73,058

(137,083)

22,660

(28,102)

908,145

(5,121,104)

2,986,895

(1,226,064)

(b) 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) member deposits to and withdrawals from deposit accounts;
- (ii) borrowings and repayments on loans, advances and other receivables;
- (iii) investment securities, including shares in special service providers.

(c) Bank overdraft facility

As at 30 June 2025, CMB does not have a bank overdraft facility. This is consistent with 2024.

(d) Special finance line – standby facility

As at 30 June 2025, CMB does not have a standby facility. This is consistent with 2024.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

23. Reconciliation of cash flows from operating activities (continued)

(e) CUSCAL – Settlement Security Deposit

In the 2025 financial year, CMCU lodged a Settlement Security Deposit (“SSD”) with CUSCAL. The SSD is a security deposit of \$2,740,000 (2024: \$2,740,000) held in a standard term deposit account with CUSCAL.

In accordance with the agreement between CUSCAL and CMB, CUSCAL need not repay the SSD:

- (a) until CUSCAL have received all money CMB owe them at any time or which CUSCAL determine CMB will or may owe them in the future; and
- (b) until CUSCAL are satisfied that they will not be asked to refund any such money (or any part of it) to a trustee in bankruptcy, a liquidator or any other person; and
- (c) other than in accordance with the terms applying to each deposit.

Further, CMB irrevocably authorised CUSCAL at any time to apply all or any part of any credit balance in any other deposits that CMB may have with them at that time by way of set-off or counterclaim in or towards payment of any liability (whether due now or later and whether actual or contingent) which CMB may owe to CUSCAL at that time.

CMB has classified the SSD as cash and cash equivalents in the statement of financial position and Note 11 on the basis of a determination made by the prudential regulator (APRA) that the Settlement Security Deposit is for the purpose of facilitating or securing settlement obligations, deposits relating to industry support schemes are to be utilised for a prudential purpose and thus can be included as part of CMB’s prudential liquidity holding. CMB has therefore included the SSD in its calculation of MLH disclosed in Note 29 Risk Management Objectives and Policies.

CMB has also treated the SSD in accordance with its accounting policy for cash and cash equivalents for the purpose of interest rate risk and the maturity profile of financial assets in Note 30 Financial Instruments notwithstanding the existence of these specific contractual encumbrances.

24. Contingent liabilities and credit commitments

In the normal course of business, CMB enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of customers. The total credit related commitments and the financial guarantees do not necessarily represent future cash requirements.

CMB uses the same credit policies and assessment criteria in making commitments and conditional obligations for off-balance sheet risks as it does for on-balance sheet loan assets.

Credit related commitments include approved but undrawn loans, credit limits and loan redraw facilities.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

24. Contingent liabilities and credit commitments (continued)

Security analysis of credit related commitments	Credit related commitments		Financial guarantees	
	2025 \$	2024 \$	2025 \$	2024 \$
Secured by mortgage over real estate	2,087,955	1,246,590	10,000	10,000
Secured by funds	-	-	-	-
Partly secured by goods mortgage	112,009	133,170	-	-
Fully unsecured	77,202	64,491	5,100	5,100
Guarantee	10,000	10,000	-	-
Total	2,287,166	1,454,251	15,100	15,100

Other contingent liabilities

CMB is a party to the Credit Union Financial Support System (CUFSS). CUFSS is a voluntary scheme that all Mutuals who are affiliated with Cuscal Limited have agreed to participate in. CUFSS is a company limited by guarantee with each Mutual's guarantee being \$100.

As a member of CUFSS, CMB:

- May be required to advance funds of up to 3% (excluding permanent loans) of total assets to another Mutual requiring financial support;
- May be required to advance permanent loans of up to 0.2% of total assets per financial year to another Mutual requiring financial support; and
- Agrees, in conjunction with other members, to fund the operating costs of CUFSS.

Other commitments

CMB has a number of Service Agreements with external parties for the supply of services into the future.

25. Outsourcing arrangements

CMB has outsourcing arrangements with Cuscal Limited for the provision of corporate banking services and facilities, settlement services with bankers for member cheques and access to the direct entry system.

CMB has outsourcing arrangements with Cuscal Limited for the provision of network transactions for automatic teller facilities, the provision of debit cards and personal identification numbers and access to the BPAY scheme and the New Payments Platform.

CMB has outsourcing arrangements with Experteq Pty Ltd for the provision of computer data processing services and Cuscal Limited for computer software services, rights to visa cards and the provision of central banking facilities.

Ultradata Australia provides and maintains the application software (Ultracs) utilised by CMB.

CMB has an outsourcing arrangement with AFS & Associates for the provision of internal audit services.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

26. Key management personnel

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

Non-executive directors

M O'Dwyer	Chairperson
J Vagg	Vice-Chairperson
L Douglas	
J Gorman	
F McCallum	
G Scannell (resigned 17th November 2024)	
J Symes	
R Hearn (appointed 23rd March 2025)	

Executive

J Pattison	Chief Executive Officer
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Transactions with key management personnel

In addition to their salaries, CMB also provides banking services and products to key management personnel as outlined below.

Key Management personnel compensation

The Key Management Personnel compensation included in "personnel costs" (see Note 8) are as follows:

	2025 \$	2024 \$
Short-term employee benefits	326,236	294,070
Other long-term benefits	6,871	3,565
Post employment benefits	4,612	40,816
	<u>337,719</u>	<u>338,451</u>

Loans and advances to key management personnel and other related parties

Details regarding the aggregate of loans and advances made, guaranteed or secured by CMB to Key Management Personnel and their related parties as at balance date are as follows:

Loans and advances to key management personnel	1,869,240	1,871,877
Loans and advances to other related parties	-	-
	<u>1,869,240</u>	<u>1,871,877</u>

All loans to Directors by CMB have been made in the normal course of business and on the normal commercial terms and conditions. A concessional loan rate facility is available to all staff.

Revolving credit facilities totalling \$nil (2024: \$nil) were made available to Directors and Key Management Personnel during the year. The aggregate amount receivable at 30 June 2025 was \$nil (2024: \$nil). Key Management Personnel, who are not Directors, receive a concessional rate of interest on their facilities. These benefits, where subject to fringe benefits tax, are included in the remuneration above. All other revolving credit facilities are at normal commercial terms and conditions.

There was \$nil concessional loan rate facilities funded during 2025 (2024: \$nil), excluding those disclosed separately as Key Management Personnel loans.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

26. Key management personnel (continued)

Loans to key management personnel and other related parties (continued)

Loans totalling \$nil (2024: \$707,6478) were made to Key Management Personnel and other related parties during the year. As at 30 June 2025 there was \$NIL (2024: \$NIL) of loans approved but not yet funded in relation to Key Management Personnel.

During the year, Ms L Douglas, Mr J Vagg, and Mr J Pattison (2024: Ms L Douglas, Mr J Vagg, Mrs B Skinner and Mr J Pattison) repaid \$2,061,529 (2024: \$2,432,978) of the balances outstanding on their loans and revolving credit facilities.

CMB's policy for lending to Key Management Personnel and their related parties is that all loans are approved on the same terms and conditions as is applied to members of each class of loan. Interest is payable monthly. All loans are secured by either a registered first mortgage over the borrowers' residences, or by goods mortgages, over security provided by the borrower.

Interest received on the loans to Key Management Personnel and other related parties totalled \$86,566 (2024: \$100,541). No amounts have been written down or recorded as allowances, as all balances outstanding are considered fully collectable.

There were no other amounts receivable at 30 June 2025 (2024: \$NIL).

Deposits from key management personnel and other related parties as at balance date

Total value term and savings deposits from key management personnel

Total value term and savings deposits from other related parties

Total interest paid on deposits to key management personnel

Total interest paid on deposits to other related parties

2025	2024
\$	\$
88,218	316,129
-	-
145	520
-	-

CMB's policy for receiving deposits from Key Management Personnel is that all transactions are approved and deposits accepted on the same terms and conditions which applied to members for each type of deposit.

Other key management personnel transactions with CMB

From time to time the Key Management Personnel of CMB and their related parties may conduct banking related transactions with CMB. These transactions are on the same terms and conditions as those entered into by other members.

No members of the Key Management Personnel of CMB, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. Each Director would hold at least 1 share in CMB.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

27. Concentration of assets and liabilities

CMB has cash and cash equivalents exposures in excess of 10% of member's equity in regards to a number of investment institutions. At 30 June 2025, these holdings are in accordance with the requirements of APS 221 *Large Exposures*.

One of the entities is Cuscal Limited, a Special Services Provider (SSP). The net investment totalling \$10,310,793 (2024: \$7,159,409) represents shares held in Cuscal Limited of \$313,792 (2024: \$358,919) and cash and investments with Cuscal Limited of \$9,997,001 (2024: \$6,800,490).

Other cash investments in excess of 10% of shareholders equity were also placed in APRA regulated deposit taking institutions at 30 June 2025.

Concentration of loans and advances and member deposits are detailed in Notes 13 and 19 respectively.

28. Auditor's remuneration

	2025	2024
	\$	\$
Amounts received or due and receivable by the External Auditor of Central Murray Bank (including GST) for:		
- audit of the financial statements of CMB	55,440	52,195
- other regulatory assurance services	24,860	57,475
- other services – taxation and other assistance	8,635	8,184
	88,935	117,854

Audit and related services were provided by Crowe Albury and taxation services by Findex. The above amounts exclude out of pocket expenses recovered.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies

Introduction

The Board of CMB has overall responsibility for the establishment and oversight of the risk management framework. The Board has endorsed a policy of compliance and risk management to suit the risk profile of CMB.

CMB's risk management focuses on the major areas of market risk, credit risk and operational risk. Authority flows from the Board to the Board Risk Committee and Board Audit Committee from there to the Management Risk Committee and from there to Internal Audit which are integral to the management of risk.

The main elements of risk governance are as follows.

- *Board*: This is the primary governing body. It approves the level of risk which CMB is exposed to and the framework for reporting and mitigating those risks.
- *Board Risk Committee*: Its key role in risk management is the overview of CMB's internal control framework and risk management systems.
- *Board Audit Committee*: Its key role in risk management is to consider and confirm that the significant risks and controls are to be assessed within the internal audit plan. The Committee receives the internal audit reports to assess compliance with the controls, and provides feedback to the Board for their consideration.
- *Management Risk Committee*: Its key role is to provide independent and objective challenge, oversight, monitoring and reporting to material risk arising from CMB's operations.
- *Internal Audit*: Internal audit has responsibility for implementing the controls testing and assessment as required by the Board Audit Committee:

Key risk management policies encompassed within the overall risk management framework include:

- Market risk management system;
- Liquidity risk management system;
- Credit risk management system;
- Large exposures risk management system;
- Operational risk management system;
- Business continuity management policy; and
- Outsourcing policy.

CMB has undertaken the following strategies to minimise the risks arising from financial instruments:

(a) Market risk

The objective of CMB's market risk management is to manage and control market risk exposures in order to optimise risk and return.

Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and volatilities will have an adverse effect on CMB's financial condition or results. CMB is exposed only to interest rate risk arising from changes in market interest rates within its own banking book. CMB is not exposed to currency risk or other significant price risk. CMB does not trade in the financial instruments it holds on its books.

The management of market risk is the responsibility of the Chief Executive Officer, who reports directly to the Board.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies (continued)

(a) Market risk (continued)

(i) Interest rate risk

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

Most financial institutions are exposed to interest rate risk within its treasury operations. CMB does not have a treasury operation and does not trade its financial instruments.

Interest rate risk in the banking book

CMB is exposed to interest rate risk in its banking book due to mismatches between the repricing dates of assets and liabilities.

The interest rate risk on the banking book is monitored and measured on a regular basis, including via the quarterly APRA reporting.

In the banking book the most common risk CMB faces arises from fixed rate assets and liabilities. This exposes CMB to the risk of sensitivity should the interest rate change.

The level of mismatch on the banking book is set out in Note 30 below. The table set out in Note 30 displays the period that each asset and liability will reprice as at the balance date. This risk is not considered significant to warrant the use of derivatives to mitigate this risk.

Method of managing risk

CMB manages its interest rate risk by the use of interest rate sensitivity analysis. The details and assumptions used are set out below.

Interest rate sensitivity

The policy of CMB to manage the risk is to maintain a balanced 'on book' strategy by ensuring that the net interest gap between assets and liabilities (the Gap) is not excessive.

The Gap is measured regularly to identify any large exposures to the interest rate movements and to rectify the excess through targeted fixed rate interest products available through investment assets, and term deposit liabilities to rectify the imbalance to within acceptable levels. The policy of CMB is not to undertake derivatives to match the interest rate risks.

Based on the calculations as at 30 June 2025, the net profit impact for a 1% increase in interest rates would be \$635,108 increase in profit (2024: \$622,120). A decrease of 1% in interest rates would have an equal but opposite effect.

CMB performs a sensitivity analysis to measure market risk exposures on an annual basis, as part of the annual budgeting process. The method used in determining the sensitivity was to evaluate the profit based on the timing of the interest repricing on the banking book of CMB for the next 12 months using a variety of assumptions.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies (continued)

(b) Liquidity risk

Liquidity risk is the risk that CMB will not be able to meet its financial obligations as they fall due. It is the policy of CMB 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 its reputation.

CMB manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flow needs;
- Monitoring the maturity profiles of financial assets and liabilities;
- Maintaining adequate reserves, and
- Monitoring the prudential ratio daily.

The liquidity strategy requires the holding of surplus funds in liquid assets which meet APRA's criteria for classification as eligible Minimum Liquidity Holdings ("MLH") the availability of appropriate standby lines of funding; maintenance of reliable sources of funding and daily liquidity projections.

CMB has a contractual arrangement with the Credit Union Financial Support Services (CUFSS) which can access industry funds to provide support for CMB in times of need. Further details of the CUFSS arrangements are included at Note 24.

APRA Prudential Standards place specific management and reporting requirements on ADIs in relation to liquidity risk. CMB uses the MLH basis to calculate liquidity. Under this calculation CMB is required to maintain at least 9% of total adjusted liabilities in specified eligible assets at all times. CMB maintains a required minimum liquidity level of at least 16% (2024: 16%) to meet adequate operational cash flow requirements. The ratio is monitored daily. Should the liquidity ratio fall below this level, management and the Board are to address the matter and ensure that liquid funds are obtained from new deposits.

The maturity profile of the financial assets and financial liabilities, based on the contractual repayment terms are set out in the notes to the financial statements.

The liquidity ratio as at the end of the financial year was:

	2025	2024
Minimum Liquidity Holdings (MLH)	22.33%	22.28%
Operational Liquid Assets (Non MLH)	3.02%	2.64%
Total	25.35%	24.92%

In order to ensure compliance with APS 210 *Liquidity*, CMB has set up an Austraclear Proxy and Settlement Services agreement with FIIG Securities Limited. This facility ensures that CMB has the ability to liquidate MLH assets within 48 hours as required by APS 210.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies (continued)

(c) Credit risk

Credit risk is the risk that members, financial institutions and other counterparties are unable to meet their obligations to CMB which may result in financial losses. Credit risk arises principally from CMB's loan book and investment assets.

(i) Credit risk – loans & advances:

All loans and facilities are within Australia. The geographic distribution is monitored and analysed, with details of the concentration detailed in Note 13.

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 risk management policy has been endorsed by the Board to ensure that loans are only made to members that are creditworthy and capable of meeting loan repayments.

CMB 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 of 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;
- Debt recovery procedures where appropriate; and
- Establishing appropriate provisions to recognise the impairment of loans and facilities.

A regular review of CMB's compliance with the credit risk management policy and associated policies and procedures is conducted as part of the internal audit program.

Past due and impaired

A financial asset is past due when the counterparty has failed to make a payment when contractually due. A past due classification can trigger various actions such as a renegotiation, enforcement of covenants, or legal proceedings.

For loans where repayments are doubtful, external agencies are engaged to conduct recovery action. The exposure to losses arises predominately in personal loans and facilities not secured by registered mortgages over real estate.

Details on the expected credit loss provision used by CMB for loans and advances are set out in Note 14.

Bad Debts

Amounts are written off when collection of the loan or advance is considered to be remote. All write offs are on a case-by-case basis, taking account of the exposure at the date of the write off.

On secured loans, the write off takes place on ultimate realisation of collateral value, or from claims on any lenders mortgage insurance.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies (continued)

(c) Credit risk (continued)

Collateral securing loans

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

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken.

CMB maintains a general policy to attract residential mortgages which carry an 80% loan to valuation ratio or less. Note 13 details the nature and extent of the security held against the loan held as at balance date.

Concentration risk

Concentration risk is a measurement of CMBs' exposure to an individual borrower or industry.

CMB has in place a large exposure policy limit of 10% of regulatory capital. CMB can lend above 10% of capital, however APRA must be consulted prior to undertaking the loan or facility. APRA may impose additional capital requirements on CMB if the aggregate of large exposures is deemed to be higher than prudentially acceptable.

Details of CMB's large exposures at balance date are set out in Note 13.

(ii) 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 CMB incurring a financial loss.

The risk of losses from the liquid investments undertaken is mitigated by the nature and quality of the independent rating of the investment bodies and the limits to concentration as approved by APRA from time to time.

CMB uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA prudential guidance AGN 112. The credit quality assessment scale within this standard has been compiled with.

Given the high quality of these investments, CMB does not expect any counterparty to fail to fulfil its obligations. The exposure values associated with each credit quality investment body are detailed in Notes 11 and 27.

External Credit Assessment for Institution Investments

CMB uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA prudential guidance AGN 112. The credit quality assessment scale within this standard has been compiled with. The exposure values associated with each credit quality step are detailed in Note 11.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies (continued)

(d) Operational risk

Operational risk is the risk of loss to CMB resulting from deficiencies in processes, personal technology and infrastructure, and from external factors other than credit, market and liquidity risks. Operational risks in CMB relate mainly from those risks arising from a number of sources including legal compliance, business continuity, information technology, outsource services failures, fraud and employee errors.

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

(e) Regulatory and Compliance risk

Regulatory and Compliance risk is the risk of failing to comply with regulatory requirements.

CMB's compliance program identifies the key legislative and regulatory obligations that impact CMB and identifies the measures in place to ensure compliance with them.

(f) Strategic risk

Strategic risk is the risk to current or prospective earnings and capital, resulting from unexpected or adverse changes in the business environment with respect to the economy, the political landscape, regulation, technology, social morals, the actions of competitors and business decisions.

Strategic risk is constantly considered through business strategy, i.e. planning and, where applicable, monitored via the quarterly risk report with additional commentary on emerging issues included in the monthly report.

(g) Capital risk

Capital risk is the risk that there is insufficient capital available to protect against unexpected loss. CMB's policy is to maintain a strong capital base and to maintain a balance between profitability and benefits provided to members by way of better interest rates, lower fees, convenient locations and superior service.

CMB's capital management objectives are to:

- Ensure there is sufficient capital to support CMB's operational requirements;
- Maintain sufficient capital to exceed internal and externally imposed capital requirements; and
- Safeguard CMB's ability to continue as a going concern in all types of market conditions.

CMB is subject to minimum capital requirements imposed by APRA based on the guidelines developed by the Basel Committee on Banking Supervision. CMB reports to APRA under Basel III capital requirements and uses the standardised approach for credit and operational risk.

APRA requires Authorised Deposit-taking Institutions ("ADIs") to have a minimum ratio of capital to risk weighted assets of 8%. In addition, APRA imposes ADI specific minimum capital ratios which may be higher than these levels.

The Board approved internal capital assessment process requires capital to be well above the regulatory required levels.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

29. Risk management objectives and policies (continued)

(g) Capital risk (continued)

	2025 \$	2024 \$
Capital adequacy calculation		
Tier 1 capital		
Net tier 1 capital	7,837,699	6,930,338
Tier 2 Capital		
Net tier 2 capital	224,902	217,790
Total Capital	8,062,601	7,148,128
Risk profile		
Credit Risk	36,820,762	36,074,241
Operational Risk	3,682,076	3,607,424
Total risk weighted assets	40,502,838	39,681,665
Capital adequacy ratio	19.91%	18.01%

The level of capital ratio can be affected by growth in assets relative to growth in capital and by changes in the mix of financial assets managed by CMB.

To manage CMB's capital, CMB reviews the ratio monthly and monitors major movements in the asset levels. Policies have been implemented to require reporting to the Board and APRA if the capital ratio falls below the internal trigger point of 16.00%. Further a 3-year budget projection of the capital levels is prepared annually to address how strategic decisions or trends may impact on the capital level.

Internal capital adequacy assessment process

CMB manages its internal capital levels for both current and future activities through the Board in its capacity as the primary governing body. The capital required for any change in CMB's strategic direction, forecasts, or unforeseen circumstances, are assessed by the Board.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

30. Financial instruments

(a) Interest rate risk

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

Financial instruments	Floating (variable) interest rate		Fixed interest rate maturing in:				Non-interest bearing		Total carrying amount as per the Statement of Financial Position		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years							
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 %	2024 %
<i>Financial assets:</i>												
Cash and cash equivalents	7,478	4,290	7,459	9,694	2,740	-	753	697	18,430	14,681	4.29	3.91
Other receivables	-	-	-	-	-	-	186	106	186	106	N/A	N/A
Loans and advances (gross)	81,322	79,612	-	595	-	-	-	-	81,322	80,207	5.90	6.39
Financial assets	3,000	3,000	-	-	8,000	11,000	355	399	11,355	14,399	1.83	2.04
Total financial assets	91,800	86,902	7,459	10,289	10,740	11,000	1,294	1,202	111,293	109,393		
<i>Financial liabilities:</i>												
Members deposits	55,333	54,636	48,130	46,544	231	650	34	36	103,728	101,866	2.25	2.44
Trade and other payables	-	-		-	-	-	1,038	1,242	1,038	1,242	N/A	N/A
Total financial liabilities	55,333	54,636	48,130	46,544	231	650	1,072	1,278	104,766	103,108		

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

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

30. Financial instruments (continued)

(b) Maturity profile of financial assets and liabilities

Monetary assets and liabilities have differing maturity profiles depending on the contractual terms, and in the case of loans the repayment amount and frequency. The table below shows the period in which different monetary assets and liabilities will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal and future interest 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 repayment conditions are varied. Financial assets and liabilities are at the undiscounted values (including future interest expected to be earned or paid). Accordingly, these values will not agree to the carrying amounts of the Statement of Financial Position.

Financial instruments	Within 3 months		From 3 to 12 months		From 1 to 5 years		More than 5 years		No maturity		Total cash flows		Total carrying amount as per the Statement of Financial Position	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Financial assets:														
Cash and cash equivalents	7,505	9,760	-	-	2,765	-	-	-	8,231	4,987	18,501	14,747	18,430	14,861
Other Receivables	-	-	-	-	-	-	-	-	87	15	87	15	186	106
Loans and advances (gross)	1,918	2,111	7,625	5,882	35,905	41,882	104,954	106,206	-	-	150,402	156,081	81,322	80,207
Financial assets	-	502	2,513	2,518	8,568	11,082	-	-	355	399	11,436	14,501	11,355	14,399
Total financial assets	9,423	12,373	10,138	8,400	47,238	52,964	104,954	106,206	8,673	5,401	180,426	185,344	111,293	109,573
Financial liabilities:														
Members deposits	19,919	22,876	29,823	25,168	249	699	-	-	55,367	54,672	105,358	103,415	103,728	101,866
Trade and other payables	-	-	-	-	-	-	-	-	297	590	297	590	1,038	1,242
Total financial liabilities	19,919	22,876	29,823	25,168	249	699	-	-	55,664	55,262	105,655	104,005	104,766	103,108

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

30. Financial instruments (continued)

(c) Net fair values

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

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

CMB has assessed that at balance date, the carrying amount of all financial instruments approximates fair value with the exception of Financial Assets – Investment Securities as described below. The description of the valuation techniques and assumptions are detailed below:

Recognised financial instruments

Cash and cash equivalents

The carrying amounts approximate fair value because of their short-term to maturity (i.e. less than three months) or are receivable on demand.

Other receivables

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

Loan and advances

The majority of CMB's loans are variable rate loans. The carrying amount of these loans is considered to approximate fair value. The net fair value of any non-variable rate loans is estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending arrangements. The net fair value of impaired loans was calculated by using a method not materially different from discounting expected cash flows using a rate which includes a premium for the uncertainty of the flows. The carrying amount of loans at 30 June 2025 approximates net fair value.

Member deposits

The fair value of call deposits and fixed rate deposits repricing within 12 months, is the amount shown in the Statement of Financial Position. Discounted cash flows were used to calculate the fair value of other term deposits, based upon the deposit type and the rate applicable to its related period to maturity. The maximum term for fixed term deposits accepted by CMB is two years.

CMB has assessed its own credit risk in regards to the fair value of deposits, and has assessed that no material valuation adjustment based on the capital management system utilised by CMB as outlined in Note 29 (g).

Trade and other payables

The carrying amount approximates fair value as they are short term in nature as outlined in Note 30.

Financial assets – 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, as closely as possible, the estimated future cash flows. The fair value of investment securities is \$10,960,595. The carrying amount of investments securities per note 15 is \$11,000,000.

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

30. Financial instruments (continued)

Financial assets through other comprehensive income (FVOCI)

CMB has estimated the fair value of the equity investments within other financial assets utilising the net asset of the underlying Companies from the most recent financial statements available.

Hence, the key unobservable input in regards to the fair value is the net assets/share amount. Any changes in the net assets of the underlying Company would directly impact the net asset/share amount used by CMB, and impact on the fair value estimate of the other financial assets and the Financial Assets Reserve within equity.

(d) Categories of financial instruments

The following information classifies the financial instruments into measurement classes.

	2025	2024
	\$	\$
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	2,730,708	1,987,393
Receivables due from other financial institutions	18,198,981	16,693,927
Receivables due from government authorities	8,500,000	10,000,000
Other receivables	185,634	106,111
Member loans and advances (gross)	81,322,344	80,206,886
	<u>110,937,667</u>	<u>108,994,317</u>
Financial assets at fair value through other comprehensive income (FVOCI)		
Other financial assets	354,894	398,517
	<u>354,894</u>	<u>398,517</u>
Total financial assets	<u>111,292,561</u>	<u>109,392,834</u>
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable and other liabilities	1,037,973	1,242,405
Member deposits	103,727,983	101,865,656
Total financial liabilities	<u>104,765,956</u>	<u>103,108,061</u>

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

31. Fair value measurement

Fair value hierarchy

Refer to details of the fair value hierarchy at Note 4(s).

2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value	\$	\$	\$	\$
Land and buildings	-	1,787,661	-	1,787,661
Other financial assets (at FVOCI)	-	-	354,894	354,894
Total	-	1,787,661	354,894	2,142,555

2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value	\$	\$	\$	\$
Land and buildings	-	1,804,910	-	1,804,910
Other financial assets (at FVOCI)	-	-	398,517	398,517
Total	-	1,804,910	398,517	2,203,427

Assets measured at fair value based categorised as Level 2

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

Assets measured at fair value based categorised as Level 3

	Other financial assets (at FVOCI)	
	Total	
Movement category	2025	2024
	\$	\$
Balance at 1 July per AASB 9	398,517	387,714
Revaluation through other comprehensive income	217,869	10,803
Impairment through profit or loss	-	-
Purchases	-	-
Sales	(261,492)	-
Closing balance - at 30 June	354,894	398,517

Notes to the Financial Statements

For the year ended 30 June 2025 (continued)

32. Corporate information

CMB is a company registered under the *Corporations Act 2001*.

The address of the registered office is 58 Belmore Street, Yarrowonga Vic 3730.

Head office of the business is located in Yarrowonga Vic 3730.

The nature of the operations and its principal activities are the provision of deposit taking facilities and loan facilities to members of CMB.

33. Subsequent events

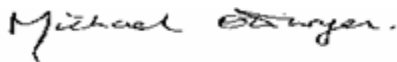
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of CMB, the results of those operations, or the state of affairs of CMB in subsequent financial years.

Directors' declaration

In the opinion of the Directors of Central Murray Credit Union Limited: -

1. the financial statements and notes, set out on pages 6 to 54, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of CMB's financial position as at 30 June 2025 and of its performance as for the year ended on that date; and
 - (b) complying with the Accounting Standards and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that CMB will be able to pay its debts as and when they become due and payable.
3. The information disclosed in the consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the Directors:



M O'Dwyer
Chairperson



J Vagg
Vice Chairperson

Dated at Yarrawonga this 25th September 2025.

Central Murray Bank

Independent Auditor's Report to the members of Central Murray Credit Union Limited (trading as 'Central Murray Bank')

Opinion

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

In our opinion, the accompanying financial report of Central Murray Credit Union Limited (trading as 'Central Murray bank') is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of CMB'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 CMB 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 information contained in CMB'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 CMB are responsible for the preparation of:

- the financial report 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 CMB 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 CMB 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 CMB'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 CMB'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 CMB 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 ALBURY



JASON GILBERT

Partner

25 September 2025

Albury

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