



Unity Bank



Annual Report 2025

Our Values

We will act with **integrity** and be **accountable** for our actions, building a culture of trust and **authenticity** with our members, partners and each other.

We will focus on the **performance** and **growth** of our organisation and our people – to benefit our members, now and into the future.

We will remain **resilient** through adversity and change, while seeking ways to **continuously improve**, innovate and evolve.

We are committed to providing exceptional **member service**, working together as **one team**, and collaborating to achieve shared goals.

Acknowledgement of Country

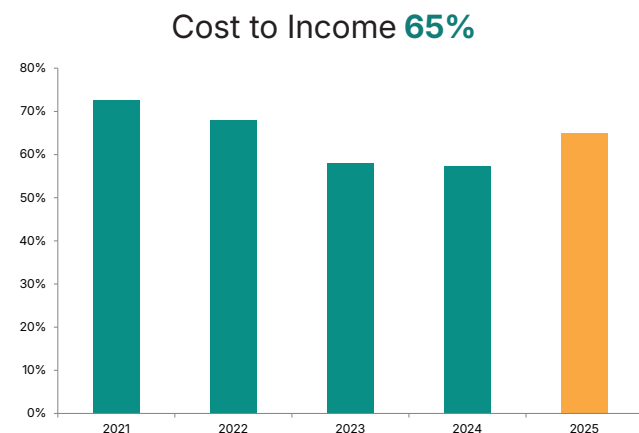
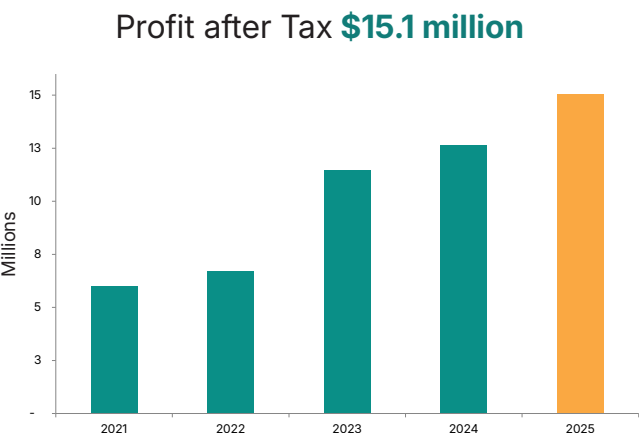
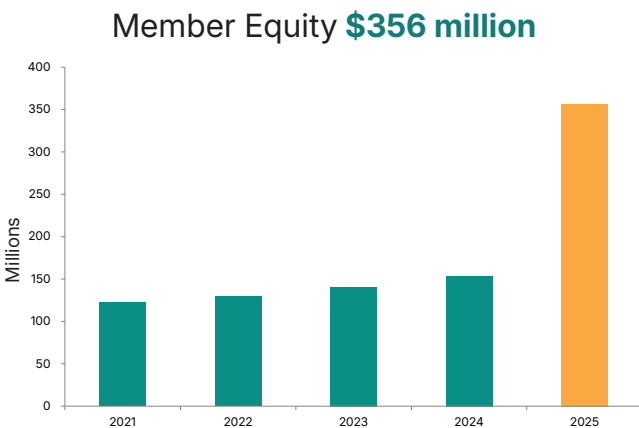
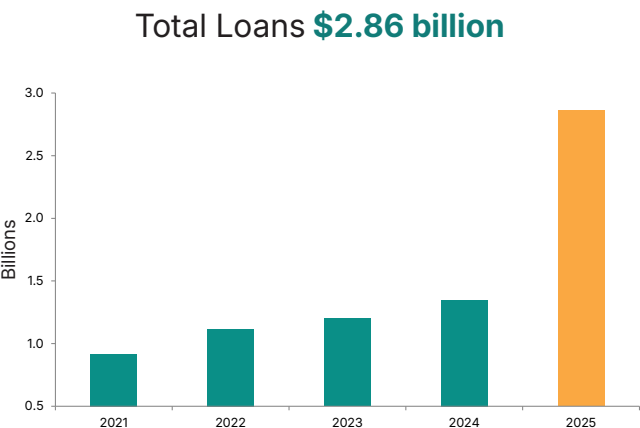
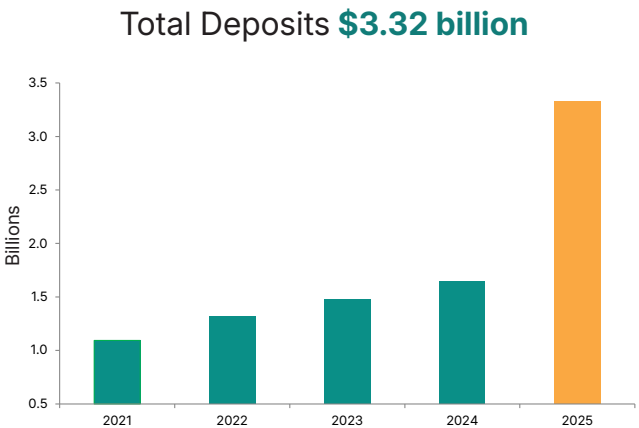
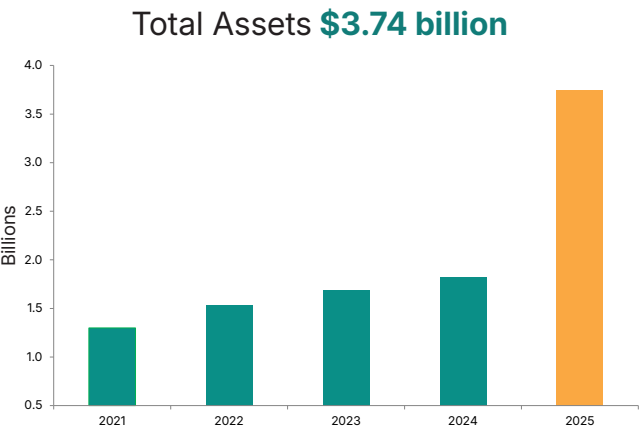
Unity Bank acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today. Our head office is located on the land of the Gadigal people of the Eora Nation.



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Key Statistics 30 June 2025



Chair Report



Steve Helmich
Board Chair

It is with great pride and a deep sense of responsibility that I present this year's Chair's Message – the first of our newly merged entity – following the successful unification of Unity Bank and G&C Mutual Bank. This merger represents more than just the coming together of two trusted and respected financial institutions, it marks the beginning of a stronger and more resilient Mutual Bank which is absolutely member focused. We are building on two long histories of a shared legacy of service, trust and mutual values that have supported our members and communities for decades. Our new name of Unity strongly reflects that we are proud of our past but also excited about the future.

A Historic Milestone

The merger was officially completed on 7th March 2025 following an extensive period of due diligence, member consultation, joint work streams and regulatory approvals. I am pleased to report to members that the

integration has progressed smoothly with strong collaboration at all levels of the team. The decision to merge was not taken lightly. It was driven by a shared vision to strengthen our ability to serve members in an increasingly fast-changing financial landscape. It brought together two well performing mutual banks in what was a merger of equals – something that is rarely seen in the financial world.

I will leave the reporting of our financial results to our CEO Danny Pavisic but I want emphasise to members that in our first year as a combined entity and despite the economic uncertainty we have delivered a very strong financial result and further strengthened the position of the Bank.

Member-Centric Focus

Our commitment to serving members remains at the heart of everything we do. Being a mutual institution and while financial results are important for future sustainability we are driven to serve our members. We have already begun to leverage our expanded capabilities to deliver greater value through:

- ▶ Competitive interest rates and lower fees
- ▶ Expanded Branch Network (with 27 locations around Australia)
- ▶ Enhanced online and mobile banking services
- ▶ Broader product offering tailored to the diverse needs of our members

People and Culture

A merger of any size is never easy and the success of this merger would not have



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been possible without the dedication, professionalism and resilience of our people. Our staff have embraced the transition with a spirit of unity, purpose and collaboration with the members' interest always top of mind. I extend my sincere thanks to all employees for their outstanding contributions during this historic transformation.

Our leadership team headed by our CEO Danny Pavisic and our Deputy CEO Rosanna Argall have played an outstanding role in guiding the integration with a strong strategic focus and member-first thinking. Danny will retire from the CEO role on 7th March 2026 and from that date Rosanna will be appointed CEO and the Board is working towards what we expect to be a smooth transition period for the change. I have only had the opportunity to work with Danny since the merger but I want to thank him for his dedicated and long history with Unity Bank – it has been a

tremendous contribution over many years. I also want to thank the retiring Directors from both Unity and G&C Mutual Banks who provided tremendous support and input in the lead up to the merger. Their contribution, leadership and guidance helped shape the organisation we are today and their legacy will endure in the strength of the Bank into the future.

Looking Ahead

The road ahead is filled with opportunity. The merger has strengthened your bank and I want to reassure all of the fact that we remain mutually owned and will continue to have a primary focus on serving and supporting our many members. Our purpose remains unchanged with a strong focus on helping our members achieve their financial goals now and for generations to come.

I want to close in thanking our members for their ongoing trust and support during the period of the merger. We are stronger, more capable and much better positioned to meet any challenge and opportunity that may arise in what is a complex financial world.

Steve Helmich
Chair - *Unity Bank*

CEO Update



Danny Pavisic
Chief Executive Officer

I am pleased to present the first report following the successful merger of G&C Mutual Bank and Unity. The overwhelming support of members in approving the merger late last year marked the beginning of a new era for our organisation. By joining forces, we have created a stronger, more competitive, and sustainable banking organisation—one with the scale, capacity, and capability to deliver meaningful benefits for members, employees, and communities alike.

This merger is more than a change in size; it is a transformation that provides us with the resources to do more, reach further, and innovate faster.

Importantly, the one thing that hasn't changed and never will, is our unwavering focus and commitment to stand with you in whatever challenges and opportunities, life throws your way. We remain firmly anchored in our values as a customer-owned bank, where every decision is guided by what is best for

members, not shareholders.

For 66 years that has been our promise to you, and we intend to keep our promises.

Financial and Operational Performance

The merger, completed seamlessly on 7 March 2025, brought together two already successful mutual banks and created one of the largest customer-owned institutions in Australia. Our priority throughout the year was to ensure operational continuity while also delivering on the benefits we promised.

I am very pleased to report that the combined organisation achieved strong results:

- ▶ **Loan growth of 112%**, supported by ongoing demand for housing finance, personal loans, and business lending.
- ▶ **Total deposits increased to \$3.3 billion**, reflecting the deep trust members continue to place in the Bank.
- ▶ **Membership grew to approximately 62,000**, with positive momentum across all regions.
- ▶ **Total assets rose to \$3.7 billion**, placing Unity Bank in the top tier of Australian mutual banks.
- ▶ **A record Net Profit After Tax** of \$15.1m (up 19.4%), generated through a combination of disciplined cost management, strong income growth, merger synergies and contribution of the merger from 7 March 2025.
- ▶ **A Strong capital base which had risen to \$356m from efficiencies** (Cost to Income ratio of 65%) and productive assets (Return on average assets of 0.61%).



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We remain firmly anchored in our values as a customer-owned bank, where every decision is guided by what is best for members, not shareholders.

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These results highlight not only the strength of our balance sheet, but also the confidence and loyalty of our members. They provide a strong foundation to invest further in technology, service delivery, and innovative products.

Delivering Merger Benefits

From the very first day, members have seen tangible outcomes from the merger. We abolished or reduced a range of fees

and charges, saving members more than \$700,000 annually. We expanded our suite of savings, lending, and credit card products, giving members more choice and better value. And we enhanced service access through a broader branch and office network.

Pleasingly with your support, over the year we have helped thousands of members into their dream home, purchase a car or finance their dreams. Our first home buyer programs and our very successful Essential Worker Home Loan have once again been very popular. We were also proud to participate in the Victorian Shared Equity Scheme, which, though now closed to new applications, assisted many members to take their first steps onto the property ladder.

Importantly, the merger has allowed us to significantly strengthen our capability in protecting members against fraud and scams.

In the past year we have:

- ▶ Introduced new real-time transaction monitoring systems,
- ▶ Strengthened authentication and payment security,
- ▶ Expanded our specialist fraud prevention team,
- ▶ Launched member education campaigns to help identify and stop scams before they occur, and
- ▶ Worked closely with industry partners to ensure our systems and intelligence sharing are at the forefront of fraud defence.

These initiatives not only safeguard member funds but also reinforce the trust and confidence at the heart of our mutual model.

Strategic Priorities

We have achieved much in the initial months since the merger, but work remains to properly harness all the benefits we identified.

While there are many opportunities ahead, our strategic priorities remain clear:

1. **Sustained growth** in lending, deposits, and membership, driven by competitive product offerings, prudent risk management, and continued expansion of our services through our partnerships and local communities.
2. **Digital transformation**, with significant investment underway in new systems, including the launch of a redesigned website and mobile app in 2026 to deliver more seamless member experiences and engagement.
3. **Brand development**, as we progress towards a single, unified identity that will capture the aspirations of our combined organisation and strengthen recognition in the market.

Through disciplined execution of these priorities, we will continue to build financial strength, operational efficiency, and enhanced member value.

These strategic priorities will always continue to be framed around three key pillars:

1. Our pursuit of innovative and valued products and services in collaboration with trusted partners.
2. Our preparedness to work together cooperatively with other customer-owned banks.
3. Our dedicated commitment to treating members ethically and ensuring we are always there to help “when our members need us most”.

Building a Stronger Future

The merger has not only created a larger bank - it has created a stronger, more resilient and dynamic organisation capable of competing effectively and delivering consistent value. By increasing our scale, we can invest more in technology, expand our services, and continue to prove that customer-owned banking can be innovative, dynamic, and competitive.

What excites me most is the opportunity we now have to reshape the expectations of what a bank should be. We are demonstrating that a business model built on purpose, not just profit, can deliver outstanding financial outcomes while staying true to its values.

Governance and Leadership

Strong governance has been critical in navigating this period of transformation and I would like to thank the Board for its guidance and support.

This report marks a personal milestone, as it is my final message to you as Chief Executive Officer of Unity Bank. Leading this organisation has been a privilege, and I am incredibly proud of all that we have achieved together – from serving our members with care, to building a

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together.*

”

stronger foundation for the future through this historic merger.

Looking to the future, March 2026 will see an important leadership transition as Rosanna Argall, former Chief Executive Officer of G&C Mutual Bank, assumes the role of Chief Executive Officer of Unity Bank. Rosanna brings deep expertise and a proven commitment to the values of customer-owned banking. I will remain with the Bank in a supporting capacity, working closely with Rosanna and the Board to ensure a smooth transition and continued delivery of our strategic objectives.

Closing Remarks

In closing, I wish to extend my gratitude to our community and industrial partners, staff and directors for their support, commitment and professionalism throughout this year of change. Above all, I thank you - our members - for your loyalty and trust.

Together, we have laid the foundation for an even stronger future. The year ahead promises further growth, innovation, and opportunity as we continue to deliver on the merger's potential and build a bank that is stronger, fairer, and more competitive - for all of us.



Danny Pavisic
CEO - *Unity Bank*

Our Awards



Our Impact

In Financial Year 2024-25:



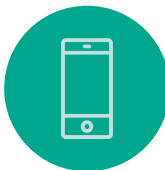
20 industry awards
received



13,780 recycled PVC
cards issued



145 Essential Worker
Home Loans funded



4,195 digital cards
issued



274 supported through
Government Scheme
and **Shared Equity Home**
Loans



\$162,000 invested in
alliance programs



1,847 tCO2-e offset
via carbon credits



\$97,000 invested in
community support
programs





Mutually Valuable Banking for People and Planet

As a member focused, values-driven organisation, acting responsibly and ethically is at the heart of our operations. Our Board and Executive Team recognise the importance of sound Environmental, Social & Governance (ESG) practices as part of our responsibility to members, employees and the communities we are a part of.

We are committed to the ongoing promotion and creation of mutual value and strive to make a positive impact for our members and the communities we are part of. It is this sentiment that underpins our ESG Strategy - *Mutually valuable banking for people and planet*.

Our approach is structured around the topics considered to be material to our business and stakeholders. Through our ESG Strategy, we aim to provide quality, competitive products in a secure, accessible and ethical manner, while assessing and improving the impact we have on our environment and society. The material topics and the supporting initiatives are aligned to five key focus areas which complement our values, structure and priorities as a member owned bank.

ESG Key Focus Areas



Our Members



Our People



Our Community



Our Environment



Our Business



Our Members

As a member, you're part of something great. A movement that began in Australia when groups of like-minded workers and communities came together to create building societies, credit unions and mutual banks. We were established with the purpose of providing key worker groups with financial services that prioritised members over profit.

Supporting members through challenging times

Putting people first and helping our community are central to our ethos. We strive to help our members and be there for them when they need us most. We've stood by our members through droughts, fires, floods, recessions, industrial disputes, and the hardships of COVID-19.

Through our Community Support Loan, special financial support measures, and

Protected Action Clause, we continue to support members through challenging times.

Helping those who help others

We have a proud history supporting key worker groups and state government employees including NSW Ambulance and Corrective Services, as well as those in teaching and healthcare.

Our Essential Worker Home Loan is specifically designed to recognise the contribution essential workers make to the community by supporting their home ownership journey with a value and feature packed product. It was the first social impact product launched under our ESG Strategy and won the 2024 Finder Innovation Award in the Social Impact Innovation category.

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Excellent customer service, user friendly website. Easy to call the helpline and receive a timely, friendly response.

”

- Georgina J



First home pathways

We understand that for most members, buying a home of their own is one of the most significant financial decisions they will ever make and try to support them every step of the way to make the process feel less daunting and stressful.

We are proud to have been a participant lender under the Australian Government's Home Guarantee Scheme (previously known as the First Home Loan Deposit Scheme) since its inception, to help even more eligible home buyers realise their dream of home ownership.

We have also been a participant lender for state based shared equity schemes including:

NSW Shared Equity Home Buyer Helper: designed to assist eligible single parents (with dependent children), single people (50 years and over), first home buyers who are employed as key workers, and victim-survivors of domestic and family violence with buying a home.

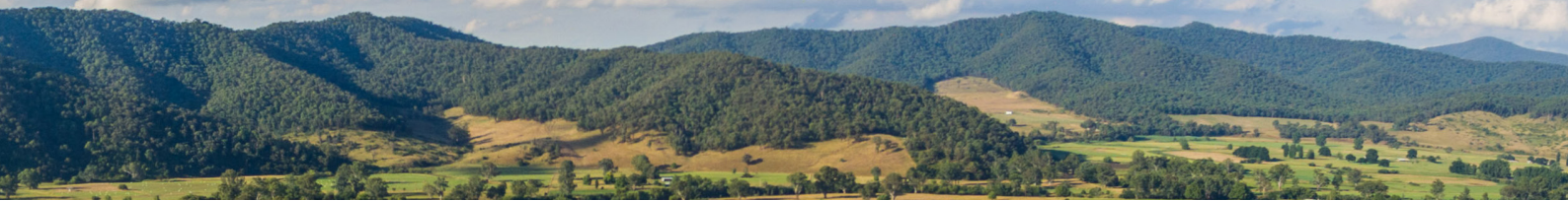
Victorian Homebuyer Fund: designed to support eligible first home buyers, with additional assistance for eligible Aboriginal and Torres Strait Islander buyers.

For those ineligible for a place in these schemes, we also support first home buyers with our First Home Buyer Loan, Essential Worker Home Loan or Get Ahead Start Guarantor option, as suitable for their circumstances.



“ Thanks to Unity Bank and NSW Revenue, I was able to buy a unit in Sydney. Until very recently, this seemed impossible, due to market conditions and my financial circumstances, but with the amazing supportive work of everyone involved at Unity, as well as the financial contribution from NSW Revenue, through the Shared Equity Scheme, this dream became reality. I am extremely grateful for this opportunity, and would like to extend a special thanks to Kathy from Unity, for her great help throughout the whole process. ”

- Daniel O



Our People

Our success and longevity are a testament to the loyalty and support of our members, as well as the dedication of our staff. Our achievements are the result of a collective effort, driven by a shared vision of providing exceptional service and cultivating a strong sense of community by fostering safe, inclusive and diverse workplaces for staff to thrive in.

Working together for you

As outlined prior to the member vote, there were no redundancies as a result of the merger, ensuring continuity of service and friendly interactions at local Service Centres, over the phone, and through mobile lenders. Employees benefit from enhanced career development and training opportunities that come with the added scale as one of Australia's leading member-owned banking organisations.

Cooperative education across Asia-Pacific

We are a proud supporter of the Australian Mutual Foundation (AMF), contributing by way of annual financial support, discretionary donations for disaster appeals, and through Board support.

The AMF sponsors participants from a number of Australian member-owned banks to attend the Asian Confederation of Credit Unions Development Education Course in Bangkok, supporting cooperative education across the Asia-Pacific region.

This year, representatives from our Commercial Loans and Marketing teams were selected to attend in March and June respectively.



“ Reflecting on my experience at the 39th Development Education Course in Bangkok, I can honestly say it was a transformative journey. The program pushed me out of my comfort zone and expanded my understanding of how credit unions operate beyond Australia. I've returned feeling more confident, better informed, and inspired to grow as a leader within my organisation. ”

- Ashleigh B

Our Community



As a mutual bank we know that strong community ties are integral to our past and future success, and we are proud to support the communities in which we operate.

Over \$259,000 has been invested in sponsorships, donations and alliance partnerships this year, demonstrating our commitment to strengthening industries, empowering communities, and supporting those most in need.

NSW Ambulance Employee of the Year 2024

We are delighted to have an enduring relationship with NSW Ambulance, sponsoring their Employee of the Month Award which recognises those demonstrating outstanding performance or innovation. At the end of the year, the Employee of the Year is chosen from the Honour Roll of monthly award recipients.

Congratulations to Ben H, the NSW Ambulance Employee of the Year for 2024. This award recognises Ben's outstanding dedication, leadership, and commitment to delivering exceptional patient care. Ben, a veteran of NSW Ambulance for 21 years, has been instrumental in expanding the Mid North Coast Local Health District (MNCLHD) Virtual Care model.

Our support for communities also extends to our regional footprint, where we continue to maintain a local presence for members with our Service Centres and also contribute to help local charities and organisations making a difference in these areas via our community support funds. We encourage staff participation in events we proudly support and to utilise volunteer leave to help a charity of their choice.



Deputy CEO, Rosanna Argall pictured with winner Ben H and NSW Ambulance Chief Executive, Commissioner Dominic Morgan.

Our Environment

To help us minimise the impact our business operations have on the environment, we have completed our submission to Climate Active, an Australian Government program driving voluntary climate action.



Greenhouse gas
assessment



Emissions reduction
strategy



Offsetting remaining
emissions

Pangolin Associates Pty Ltd were commissioned to conduct a comprehensive assessment of the GHG emissions accountable to the Australian operations of G&C Mutual Bank Limited for the Financial Year 2024. Calculated using operational control approach and the market-based method, the estimated gross emissions total was 1,846.7 tonnes of carbon dioxide equivalents (tCO₂-e). This total includes indirect contributions along the supply chain (scope 3 emissions) with ICT Services identified as the largest contributor by individual sector comparison.

Our GHG assessment and emissions reduction strategy will be re-baselined to reflect the operations of the merged entity, as part of the process undertaken for Financial Year 2025 reporting period.

We have offset 1,847 tCO₂-e using 80% Verified Carbon Units (VCUs) and 20% Australian Carbon Credit Units (ACCUs).

Bundled Solar Power Project by Solararise India Projects PVT. LTD

This project generates clean electricity through solar energy, a renewable resource. The project is a bundled activity which includes the installation of a 120 MW solar project in various states of India through SPVs.

Mapoon Carbon Project

The Mapoon Carbon Project is an Indigenous-led Savanna Fire Management initiative in Cape York. By combining traditional land management practices with modern carbon methodologies, the project reduces the incidence of destructive wildfires through carefully planned, low-intensity burns. This approach lowers greenhouse gas emissions, enhances biodiversity, and helps preserve the health of the landscape. Beyond the environmental benefits, the project delivers tangible social and cultural outcomes for the Mapoon community including cultural continuity, community infrastructure, economic empowerment and resilience building.

Our Business

Governance

Our approach to corporate governance is drawn from our mission, strategy and values. We are committed to high standards of corporate governance and acting with integrity in the conduct of our business.

Strength, opportunity and resilience

The financial landscape has seen significant changes over the years, from economic fluctuations to technological advancements. We have navigated these shifts, adapting our strategies and services to meet evolving member needs. Our resilience and ability to embrace change have been instrumental in our sustained success, as outlined in our financial performance.

Responsible Banking Policy

Our Responsible Banking Policy guides our approach to lending and investing with respect to our ESG Strategy. It is intended to outline how our members' money is being used to contribute to a positive, viable banking model focused on meeting human needs and sustainability.

Customer Owned Banking Code of Practice

We are a member of the Customer Owned Banking Association (COBA). The Customer Owned Banking Code of Practice (Code) is the public expression of the level of support that subscribers will provide to their customers, and the standards by which they will be held accountable.



Mutual Value Measurement accreditation

In late 2022, we became the first financial institution globally to be accredited under the Mutual Value Measurement (MVM) Accreditation process. The MVM Framework was developed by the Business Council of Co-operatives and Mutuals (BCCM) and researchers at Monash University's Business School to help mutual organisations measure their total value creation (mutual value) through a set of common dimensions and shared language about measuring and reporting mutual value.



Global Alliance of Banking on Values

Since 2021, we have been an Associate Member of the Global Alliance for Banking on Values (GABV), a network of values-based financial institutions working to transform the banking system and finance positive economic, social, and environmental impact. The GABV and its member banks developed the GABV scorecard, setting the bar for sustainable and social banking, it structures and captures the vision, strategy and practice of values-based banks.

Board of Directors

Steve Helmich - Board Chair & Chair of Governance, Nominations & Remuneration Committees, Non-Executive 'Elected' Director

Steve is the Chair of Unity Bank and joined the Board following the merger with Quay Credit Union in 2016. During his career at AMP, Steve successfully led the financial planning business through periods of reform and change. He was responsible for the strong growth in AMP Financial Planning and Hillross as well as the establishment of the Horizons Financial Planning Academy. He is a past Chairman of the Financial Planning Association of Australia from 2002 to 2004, a past Trustee and the Chair of Future2 (the foundation of the Australian Financial Planning Association) and a past Director and Chair of the global Financial Planning Standards Board (FPSB). Steve is currently a Director of Count Financial Planning.

Dip FP (Diploma Financial Planning), FANZII (Fellow ANZ Insurance Institute), SF Fin (Senior Fellow FINSIA), MAICD (Member Australian Institute of Company Directors) and a graduate of the Advanced Executive Program (Kellogg Institute – Northwestern University).

Period of Appointment: to AGM 2027



Mick Doleman - Deputy Board Chair & Non-Executive 'Elected' Director

Mick is the Deputy Board Chair and the former Chair of Unity Bank. He is also the former Chair of the Melbourne Seafarers Centre and a former Director of Maritime Super and the Seacare Authority. He brings energy and innovation as well as well-developed business and commercial skills and experience.

Mick has served as a Board Member of Unity Bank since 1999. He is the former Deputy National Secretary of the Maritime Union of Australia, a former Director of the Australian Diver Accreditation Scheme, and an SUA Official from 1984 to 1993.

Period of Appointment: to AGM 2028



Mich-Elle Myers - Non-Executive 'Elected' Director

Mich-Elle is a Non-Executive 'Elected' Director and has served as a Board Member of Unity Bank since 2013. She has been Vice President of the Australian Labor Party and an elected member of MUA National Council since 2015. Mich-Elle has been a Rank and File Member of the MUA since 1999 and has been the Assistant National Secretary since July 2023.

Mich-Elle is also the National Campaigns Coordinator and National Women's Liaison Officer with the MUA. With previous experience on the ACTU Executive she has extensive skills in communication, strategic planning and business generation.

Period of Appointment: to AGM 2027



Dave Taylor - Chair of Board Risk Committee, Non-Executive 'Appointed' Director

BA First Class Honours (Adelaide University), Diploma in Advanced Management (Cornell Business School - USA)

Dave Taylor was the Chief Executive Officer of G&C Mutual Bank between April 2010 - June 2021. Dave has over 30 years of finance industry experience across a wide range of management, consulting and Board roles, including 11 years as a Senior Executive with Credit Union Services Corporation (CUSCAL) and 9 years as Managing Director of Finance Industry Consulting Services.



Previously the holder of University and Government advisory positions between 1984–1989. Dave has held numerous Directorships in the finance industry, including on the Boards of mutual banks, credit unions, industry superannuation funds and ASX-listed companies, and is currently a Director of CUFSS Limited, ASX-listed Moneyme Limited (MME) and Shared Service Partners Pty Ltd. Dave was also previously a Director of the Australian Payments Clearing Association and a Government-appointed member of the Australian Payment Systems Council.

Period of Appointment: to AGM 2028

Jo Dodd - Non-Executive 'Elected' Director

Jo is a leading debt capital markets lawyer with more than 20 years' experience. Jo specialises in advising a range of financial institutions and corporates on debt capital markets transactions and regulatory matters. She has a particular focus on regulatory capital and other hybrid securities in both retail and debt markets.



Jo's expertise spans all debt capital markets instruments, and includes debt issuance programmes and drawdowns, standalone issuances, retail bond and regulatory capital offerings and liability management transactions. She has extensive experience across developments in financial and prudential regulation, the retail corporate bond market, sustainable finance and digital bonds.

Jo has been advising mutual ADIs for many years in relation to capital raising and prudential matters. She is a Partner at Corrs Chambers Westgarth.

Period of Appointment: to AGM 2027

Grahame Kelly - Non-Executive 'Elected' Director

Grahame Kelly has served as a Non-Executive 'Elected' Director on the Board of Unity Bank since 2018. He has been the General Secretary of the Mining and Energy Union since 2017 and a Director of the Coal Long Service Leave Funding Corporation since 2018. Additionally, Grahame has been a Director of Team Super Services Pty Ltd (formerly Mine Super Services Pty Ltd) from October 2006, with his appointment concluding in March 2025.



With a broad range of industrial and commercial expertise, Grahame brings valuable insight to the Board.

Period of Appointment: to AGM 2027

Jamie McPhee - Non-Executive 'Elected' Director

Bachelor of Civil Engineering (Hons), Masters in Business Administration (Adelaide University), FAICD (Fellow of the Australian Institute of Company Directors), SF Fin (Senior Fellow FINSIA)

Jamie is an experienced C-suite executive and director with over 35 years of experience in Financial Services. He was Chief Executive Officer of ME Bank between Feb 2010 – July 2020. Prior to that he served as an Executive Director of Bendigo and Adelaide Bank Limited and was the Managing Director of Adelaide Bank.

Jamie is Chair of MoneyMe, having previously chaired SocietyOne from March 2021 until its acquisition by MoneyMe in March 2022. He has also served on the boards of the South Australian Cricket Association, Rural Bank and Melbourne Renegades.

He is an active investor and advisor in the FinTech industry.

Period of Appointment: to AGM 2028



Leanne Harris - Non-Executive 'Appointed' Director

Master of Business Administration (University of Newcastle), MAICD (Member Australian Institute of Company Directors)

Leanne has extensive experience in the mutual banking sector, including 36 years with Laboratories Credit Union (LCU). During this time Leanne managed a variety of responsibilities across HR, Compliance, IT and Project Management in her role of Assistant General Manager, prior to serving as General Manager for 7 years until her retirement in October 2022.

During her tenure, Leanne oversaw the implementation of a number of key compliance and technology projects. She also represented LCU on the Macquarie Business Chamber, CSIRO Alumni, Northern Sydney Science Hub, Small Australian Mutuals Network and has participated in a variety of Customer Owned Banking Association (COBA) advisory groups.

Period of Appointment: to AGM 2026



Mark Watson - Chair of Board Audit Committee, Non-Executive 'Appointed' Director

Mark is a Non-Executive 'Appointed' Director and has served as a Board Member of Unity Bank since 2012. With extensive experience in banking and finance, he is a member of Institute of CAAN Z and a graduate of Australian Institute of Company Directors.

Mark has been a Director of Team Super Pty Ltd, as Trustee for the Team Superannuation Fund, since July 2013, and a Director of Team Super Services Pty Ltd since July 2013. He is the former CFO of the CFMEU Mining & Energy National Office from 2005 to 2022.

Period of Appointment: to AGM 2028



Garry Keane - Non-Executive 'Appointed' Director

Garry is a Non-Executive 'Appointed' Director and has served as a Board Member of Unity Bank since 2011. He has been an Alternate Director of Maritime Super since February 2021. He was a member of the Maritime Union of Australia (MUA) from 1974 to 1993, a former Honorary Deputy Branch Secretary Southern NSW Branch MUA from 1998 to 2007, a retired Branch Secretary SNSW MUA from 2007 to 2020, and a retired MUA Deputy National Presiding Officer from 2015 to 2020.



Garry brings a wealth of industry experience and skills in strategic thinking, communication, organising and planning.

Period of Appointment: to AGM 2026

Our Executive Management Team



Danny Pavisic
Chief Executive Officer



Rosanna Argall
Deputy Chief Executive Officer



Akhilesh Mehta
Chief Operations Officer



Felicity King
General Manager - Robotics & Strategic Banking



Andrew Prichard
Chief Financial Officer



Kellie Tait
Chief Risk Officer



Shawn Griffiths
General Manager - Marketing



Kylie-Jane Robson
General Manager - Impact & Sustainability



Leigh Abberton
General Manager - Process Improvement & Product



Steve Vassallo
General Manager - Business Banking, Sales & Service



Vanessa Tomic
General Manager - People & Culture

DIRECTORS' REPORT

Unity Bank Limited (formerly G&C Mutual Bank Limited) is a public company registered under the *Corporations Act 2001*.

Your Directors present their report on Unity Bank Limited (the Bank) and its controlled entity, together called the Group, for the financial year ended 30 June 2025.

Information on Directors

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

S J Helmich - Chair
M Doleman - Deputy Chair (appointed 7 March 2025)
D A Taylor - Director
J L McPhee - Director
P W Clarke - Director (Retired 19 November 2024)
J Welbourn - Director (Resigned 6 March 2025)
L Harris - Director
J Dodd - Director (appointed 1 August 2024)
G Keane - Director (appointed 7 March 2025)
G Kelly - Director (appointed 7 March 2025)
M Watson - Director (appointed 7 March 2025)
M Myers - Director (appointed 7 March 2025)

Information on Company Secretary

The Company Secretary is Ms Rosanna Argall - MBA, FCIS. Ms Argall was appointed Company Secretary on 1 June 2005.

Information on Board Meetings

The number of meetings of Bank's Board of Directors and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director as a member of the relevant committee were:

	Board		Board Audit Committee		Board Risk Committee		Governance, Nominations & Remuneration Committee	
	E	A	E	A	E	A	E	A
S J Helmich	7	7	0	0	0	0	7	7
D A Taylor	7	7	1	1	7	7	7	7
P W Clarke	4	4	3	3	4	4	0	0
J Welbourn	5	5	0	0	5	5	0	0
J L McPhee	7	7	4	4	2	2	5	5
L Harris	7	7	5	5	0	0	0	0
J M Dodd	7	7	1	1	0	0	0	0
M T Doleman*	2	2	0	0	0	0	2	2
G Keane*	2	2	0	0	2	2	0	0
G Kelly*	2	1	1	0	0	0	2	1
M Watson*	2	2	1	1	0	0	0	0
M Myers*	2	1	0	0	2	1	0	0

E = number of meetings Directors eligible to attend

A = number of meetings attended during the time the Director held office

* The above directors were appointed as Non-Executive Director's of the Board on 7 March 2025 as a result of the merger with Unity Bank Limited.

Director Benefits

No Director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Bank with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest, other than that disclosed in note 40 of the financial report.

DIRECTORS' REPORT

Indemnifying Directors, Officers or Auditors

Insurance premiums have been paid to insure each of the Directors and Officers of the Bank against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as a Director or Officer of the Bank. In accordance with normal commercial practice, disclosure of the premium amount and the nature of the insured liabilities is prohibited by a confidentiality clause in the contract.

To the extent permitted by law, the Bank has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement. The primary purpose of the indemnity is to indemnify Ernst & Young for any loss that it may suffer as a result of a false representation given by the Bank where a claim is made against Ernst & Young by a third party.

Principal Activities

The principal activities of the Bank during the year were the provision of retail financial services to members including lending, deposit taking and payment services as prescribed by the Constitution.

Operating Results for the Year

The net profit of the Bank for the year before income tax is \$21,551,039 (2024: \$18,044,292). The net profit after income tax for the year is \$15,054,938 (2024: \$12,636,406).

The results for the financial year were underpinned by:

- An increase in profit after tax of 19%
- An increase in loan balances of 112%
- A return (after tax) of 0.61% on average assets (\$2,468,509,744)
- A return (after tax) of 8.2% on average equity (\$218,246,023)
- An increase in total assets of 105%
- A cost-to-income ratio of 65.0% (prior year 57.3%)
- A net interest margin of 2.36% (prior year 2.33%)

Dividends

During the period the Bank paid fully franked dividends of \$1,039,580 to the instrument holders of the Tier 1 Capital Notes issued in August 2023.

No other dividends have been paid or declared on member shares since the end of the period and no dividends on member shares have been recommended or provided for by the Directors of the Bank.

Significant Changes in State of Affairs

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited. The merger of equals provided greater capacity to deliver more for members through services, digital capabilities, products and competitive pricing. On this date Unity Bank Limited, with approval from the Australian Prudential Regulation Authority (APRA), voluntarily transferred its assets and liabilities to G&C Mutual Bank Limited under the Financial Sector (Transfer and Restructure) Act 1999 (Cth). Unity Bank Limited members ceased to be members of Unity Bank and each member was automatically issued a new share and became a member of G&C Mutual Bank Limited.

Significant Events after the reporting period

On 1 July 2025 G&C Mutual Bank Limited changed its name to Unity Bank Limited.

There has been no significant event that has arisen after balance date which may affect the Bank's operations, the results of those operations or the Bank's state of affairs.

DIRECTORS' REPORT

Likely Developments and Expected Results

No other matter, circumstance or likely development in the operations, has arisen since the end of the financial year that has significantly affected or may significantly affect:

- (i) the operations of the Bank;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Bank.

Rounding

The financial report is presented in Australian Dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Bank under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/91. the Bank is an entity to which this instrument applies.

Environmental Regulation

Unity Bank Limited is not subject to any significant environmental regulation.

Non-Audit Services

Ernst & Young received or is due to receive the following amounts for the provision of non-audit services:

	2025	2024
	\$	\$
Taxation services	76,390	35,198
Total	76,390	35,198

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* . The nature and scope of each type of non-audit service provided means that the auditor's independence was not compromised.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out following the Directors' Report.

ASIC Class Order Relief

The Bank has elected to apply Class Order 10/654 which allows companies, registered schemes and disclosing entities that present consolidated financial statements to also present parent entity financial statements for the year ended 30 June 2025.

Signed in accordance with a resolution of the Directors.



S J Helmich
Chair of Board

26 September 2025



M Watson
Chair of Board Audit Committee

DECLARATION BY DIRECTORS

The Directors of Unity Bank Limited (The Bank) declare that in the opinion of the Directors:

- (a) The financial statements and notes to the accounts of the Bank and the consolidated entity (Group) are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Bank and the Group as at 30 June 2025 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (c) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct (Refer to Appendix 1)
- (b) There are reasonable grounds to believe that the Bank will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



S J Helmich
Chair of Board

26 September 2025



M Watson
Chair of Board Audit Committee

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2025

The Board and Management of Unity Bank Limited (formerly known as G&C Mutual Bank Limited) are committed to acting responsibly, ethically and with the highest standards of integrity to ensure that the activities of Unity Bank Limited (formerly known as G&C Mutual Bank Limited) are continually structured and delivered in a manner that allows us to meet the needs of our members.

To ensure these corporate governance commitments are maintained at all times, appropriate business practices and policies have been adopted by the Board and embedded throughout Unity Bank Limited (formerly known as G&C Mutual Bank Limited).

The Board is continually working to improve our governance policies and practices both at Board level and throughout the organisation. While our mutual values remain constant, we know we must adapt our business practices to ensure we meet our obligations as a responsible financial institution in a rapidly changing world.

The Board has carefully considered and implemented a 'fit and proper' framework in accordance with relevant legislation that endeavours to ensure the Directors and Senior Managers are appropriate persons to lead Unity Bank Limited (formerly known as G&C Mutual Bank Limited). The 'fit and proper' framework deals with matters such as minimum competencies, character, honesty, integrity, professional development, independence and performance

Minimum Competencies

Board Policy sets out the minimum competencies regarding the personal attributes, character, skills and knowledge that each responsible person must demonstrate at all times. The Board undertakes an annual strategic skills gap analysis to ensure the Board and Management have the right mix of skills.

Director Development

Relevant Board Policies outline the knowledge requirements for Directors and provide guidelines for new Director induction as well as the standards for ongoing Director development. Each Director is expected to achieve a minimum number of hours of skills development per annum.

Independence

A majority of Unity Bank Limited's (formerly known as G&C Mutual Bank Limited) Directors are required to be independent. Independent Directors must not have any interests including personal, business or contractual interests which would undermine their ability to constructively and critically contribute to the work of the Board. This means the Directors must be free from any relationship (for example, a business interest in a supplier or competitor of Unity Bank Limited (formerly known as G&C Mutual Bank Limited) which could materially interfere with the exercise of their independent judgement and their ability to act in the best interests of Unity Bank Limited (formerly known as G&C Mutual Bank Limited).

The Board assesses each Director's independence by reference to the requirements contained within APRA Prudential Standard CPS 510 and the guidelines set out in the ASX Corporate Governance Committee's Principles of Good Corporate Governance. The Board has also adopted policies that address issues relating to conflicts of interest and the manner in which any such conflicts are required to be reported, managed and disclosed. Other than approved Director remuneration, the Directors do not offer, seek or accept benefits in the performance of their duties.

In the event that a potential conflict of interest arises, the Director in question must withdraw from all debate and decisions concerning the matter unless the Board resolves that the relevant interest or conflict should not disqualify the Director from being present and/or voting.

Performance

Established Board Policy requires an annual review of performance of the Board, its committees and individual Directors. The Board undertakes an annual assessment of its collective performance, the performance of the Chair and of its committees. Senior Management contribute to this appraisal process which is facilitated by an independent third party. The results are documented with any agreed action plans for the coming year. An assessment carried out in accordance with this process was undertaken during the period September – December 2024.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2025

Structure of the Board

The size and composition of the Board is determined by the Board subject to the limits set out in Unity Bank Limited's (formerly known as G&C Mutual Bank Limited) Constitution.

As at 30 June 2025, the Board comprised six Non-Executive (member-elected) Directors and four Non-Executive (appointed) Directors. All Directors are members of Unity Bank Limited (formerly known as G&C Mutual Bank Limited). Board members are elected by the members or appointed in accordance with Unity Bank Limited's (formerly known as G&C Mutual Bank Limited) Constitution. The Chair of the Board is an elected Non-Executive Director.

Role of the Board

The Board comprises a majority of Non-Executive Directors who, together with the Chief Executive Officer and Deputy CEO, have extensive business acumen and bring accountability and judgement to the Board's deliberations to ensure optimum benefit to members, employees and the wider community.

In particular, the Board:

- provides strategic direction including contributing to the development of and approving the corporate strategy;
- monitoring the effectiveness of the corporate governance and risk management frameworks;
- appointing the Chief Executive Officer and Deputy CEO;
- monitoring the performance and approving the remuneration of the Chief Executive Officer and Deputy CEO;
- reporting to members and ensuring that all regulatory requirements are met;
- overseeing financial performance and monitoring business performance against the approved Strategic Plan;
- overseeing internal controls and processes for identifying areas of significant business risk;
- monitoring compliance with regulatory and statutory requirements and the implementation of related policies;
- making decisions in relation to major expenditures, acquisitions or merger opportunities; and
- ensuring Unity Bank Limited's (formerly known as G&C Mutual Bank Limited) business is conducted ethically and transparently.

Committees of the Board

The Board has established three standing committees as described below; the Governance, Nominations & Remuneration Committee (GNRC), the Board Audit Committee (BAC) and the Board Risk Committee (BRC). These committees consider various matters and make recommendations to the Board. Each committee's authority and responsibilities are set out in their individual committee charters, as approved by the Board. Other special purpose committees may be established from time to time to consider matters of particular importance. Committee members are chosen for the skills, experience and other pertinent qualities they bring to each particular committee role.

The Board Audit Committee, Board Risk Committee and the Governance, Nominations & Remuneration Committee meet at least quarterly, or more frequently as required, to consider and make recommendations or decisions on matters within their terms of reference.

Committee Chairs give verbal reports to the Board at the next Board meeting and the Board reviews minutes of all committee meetings. All information prepared for the consideration of committees is also available to the Board

Standing committees in operation at any time during or since the end of the financial year were:

Board Audit Committee (BAC)

The Board Audit Committee is established to oversee the financial reporting and audit frameworks. Its role includes:

- monitoring the integrity of the financial reporting including reviewing draft financial statements;
- reviewing the assurance provided for a sound system of internal controls based on the identification, assessment and management of risks that are significant to the fulfilment of the business objectives;
- overseeing and recommending to the Board matters in relation to the external auditors, including reviewing their qualifications, remuneration, performance and independence;
- monitoring and reviewing the effectiveness of the internal audit function including the Internal Auditor's capabilities, qualifications, resources, planning, scope of work and findings of reviews undertaken;
- familiarity with changes to and introduction of new legislation, accounting standards and prudential standards, practice guides and consultation packages; and
- ensuring that Unity Bank Limited (formerly known as G&C Mutual Bank Limited) maintains an internal control framework that is adequate and effective at meeting the applicable prudential requirements.

Board Risk Committee (BRC)

The Board Risk Committee is established to oversee the risk management framework. Its role includes:

- providing the Board with greater oversight of and advice on the risk management and compliance frameworks;
- strengthening the governance, effectiveness and resourcing of the risk management and compliance frameworks;
- advising the Board on the appropriateness of the risk management and compliance frameworks;
- providing the Board with non-executive oversight of the implementation of the risk management and compliance frameworks;
- ensuring that Senior Management are appropriately implementing the Board's strategy for managing risk;
- assisting the Board formulate its risk appetite;
- making recommendations to the Board concerning the risk appetite and particular risks or risk management practices; and
- promotion of awareness of a risk based culture and the achievement of a balance between risk and reward.

Governance, Nominations & Remuneration Committee (GNRC)

The Governance, Nominations & Remuneration Committee assists the Board in adopting and implementing good corporate governance in the areas of the Chief Executive Officer's and Deputy CEO's appointment, Director and Executive remuneration, Director elections, Director and Executive performance reviews, oversight of the 'fit and proper' framework, monitoring the size and composition of the Board, and developing Executive succession plans.

Governance Standards

The Board acknowledges the need for, and continued maintenance of, the highest standards of corporate governance, and therefore adopts practices including:

- an annual review of Board performance;
- active participation by all Directors and open access to information;
- regular Executive Management presentations;
- the Chief Executive Officer and Chief Financial Officer provide assurance on the accuracy and completeness of financial information and the Chief Risk Officer on the adequacy of risk management processes;
- the Executive Managers provide assurance to the Board that the business of Unity Bank Limited (formerly known as G&C Mutual Bank Limited) has been conducted ethically and that all dealings have been conducted transparently with the Board;
- the transparency of information to members through publication of regular notices on Unity Bank Limited's (formerly known as G&C Mutual Bank Limited) website – www.unitybank.com.au; and
- the gearing of Board policies towards risk management to safeguard the assets and interests of Unity Bank Limited (formerly known as G&C Mutual Bank Limited) and its members.

External Audit

The audit is performed by Ernst & Young.

Internal Audit

The internal audit function is undertaken by internal resources.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Interest income	8	139,283	154,655	94,904	111,325
Interest expense	9	(81,769)	(100,495)	(54,382)	(69,088)
Net interest income		57,514	54,160	40,522	42,237
Non-interest income	10	4,034	4,733	2,243	2,665
Net gain/(loss) on financial assets at fair value through profit or loss	11	555	555	(27)	(27)
Net operating income		62,103	59,448	42,738	44,875
Credit Impairment expense	12	(158)	(158)	(212)	(212)
Employment expense	12	(19,352)	(19,352)	(11,369)	(11,369)
Office occupancy expense	12	(1,125)	(1,125)	(574)	(574)
Depreciation and amortisation expense	12	(2,189)	(2,189)	(1,402)	(1,402)
Information technology and communication expense	12	(8,386)	(8,386)	(4,667)	(4,667)
Other operating expenses	12	(9,342)	(9,265)	(6,470)	(6,400)
Total operating expenses		(40,552)	(40,475)	(24,694)	(24,624)
Profit before income tax		21,551	18,973	18,044	20,251
Income tax expense	13,14	(6,496)	(6,496)	(5,408)	(5,408)
Net profit after tax attributable to members		15,055	12,477	12,636	14,843
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		15,055	12,477	12,636	14,843

The accompanying notes should be read in conjunction with these financial statements

STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
ASSETS					
Cash and cash equivalents	15	53,824	53,824	35,791	35,791
Due from other financial institutions	16	129,453	71,000	73,722	42,453
Debt instruments at amortised cost	17	643,612	1,411,212	350,159	675,759
Other assets	18	13,355	28,667	5,444	11,144
Current tax assets		6,065	6,065	498	498
Loans and advances	19,20	2,861,506	2,861,506	1,349,035	1,349,035
Financial assets at fair value through profit or loss	21	6,609	6,609	662	662
Property, plant and equipment	22	20,629	20,629	870	870
Right-of-use assets	23	7,775	7,775	6,484	6,484
Intangible assets	24	788	788	519	519
Deferred tax assets	25	3,202	3,202	3,102	3,102
Total Assets		3,746,818	4,471,277	1,826,286	2,126,317
LIABILITIES					
Deposits	26	3,326,492	3,326,492	1,642,405	1,642,405
Other liabilities	27	52,558	52,558	28,308	28,306
Other financial liabilities	28	-	722,463	-	295,460
Provisions	29	11,620	11,620	2,203	2,203
Total Liabilities		3,390,670	4,113,133	1,672,916	1,968,374
Net Assets		356,148	358,144	153,370	157,943
EQUITY					
Redeemable share reserve	30	3,066	3,066	2,262	2,262
Tier1 capital notes	33	28,109	28,109	-	-
Retained earnings	31	148,162	150,158	133,746	138,319
Contributed equity	32	176,812	176,812	17,362	17,362
Total Equity		356,149	358,145	153,370	157,943

The accompanying notes should be read in conjunction with these financial statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

Consolidated					
	Contributed Equity	Redeemable Share Reserve	Tier1 Capital Notes	Retained Earnings	Total
	32 \$'000	30 \$'000	33 \$'000	31 \$'000	\$'000
Balance as at 30 June 2023	17,362	2,262	-	121,110	140,734
Net profit after tax	-	-	-	12,636	12,636
Balance as at 30 June 2024	17,362	2,262	-	133,746	153,370
Balance as at 1 July 2024	17,362	2,262	-	133,746	153,370
Net profit after tax	-	-	-	15,055	15,055
Acquired from Unity Merger	159,450	804	28,109	-	188,363
Dividends Paid	-	-	-	(639)	(639)
Balance as at 30 June 2025	176,812	3,066	28,109	148,162	356,149
Parent					
	Contributed Equity	Redeemable Share Reserve	Tier1 Capital Notes	Retained Earnings	Total
	32 \$'000	30 \$'000	33 \$'000	31 \$'000	\$'000
Balance as at 30 June 2023	17,362	2,262	-	123,476	143,100
Net profit after tax	-	-	-	14,843	14,843
Balance as at 30 June 2024	17,362	2,262	-	138,319	157,943
Balance as at 1 July 2024	17,362	2,262	-	138,319	157,943
Net profit after tax	-	-	-	12,477	12,477
Acquired from Unity Merger	159,450	804	28,109	-	188,363
Dividends Paid	-	-	-	(638)	(638)
Balance as at 30 June 2025	176,812	3,066	28,109	150,158	358,145

The accompanying notes should be read in conjunction with these financial statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

		Consolidated	Parent	Consolidated	Parent
	Note	2025	2025	2024	2024
		\$'000	\$'000	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES					
Interest received		139,533	154,905	95,923	112,343
Dividends received		-	-	61	61
Non-interest income received		3,284	3,983	2,182	2,604
Interest paid		(79,663)	(98,389)	(50,257)	(64,963)
Interest paid - leases		(624)	(624)	(136)	(136)
Payments to suppliers and employees		(37,350)	(44,592)	(23,776)	(23,559)
Income taxes paid		(11,716)	(11,716)	(8,657)	(8,657)
(Increase)/decrease in due from other financial institutions		18,850	46,034	4,364	4,300
(Increase)/decrease in debt instruments at amortised cost		(106,391)	(106,391)	17,594	17,594
(Increase)/decrease in loans and advances		(47,319)	(47,319)	(147,937)	(147,937)
Increase/(decrease) in deposits		89,250	89,250	166,269	166,269
Increase/(decrease) in other financial liabilities		-	-	(45,865)	(45,865)
Net cash inflow/(outflow) from operating activities	35(c)	(32,146)	(14,859)	9,765	12,054
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		41	41	-	-
Payments for property, plant and equipment		(658)	(658)	(759)	(759)
Payments for intangible assets		(168)	(168)	(407)	(407)
Net cash inflow/(outflow) from investing activities		(785)	(785)	(1,166)	(1,166)
CASH FLOW FROM FINANCING ACTIVITIES					
Increase/(decrease) in loans assigned to internal securitisation trust		-	424,713	-	(2,289)
(Increase)/decrease in Class A and Class B notes arising from internal securitisation trust	17	-	(442,000)	-	-
Dividends Paid		(1,023)	(1,023)	-	-
Net cash (outflow)/inflow from financing activities		(1,023)	(18,310)	-	(2,289)
Net increase/(decrease) in cash held		(33,954)	(33,954)	8,599	8,599
Cash and cash equivalents acquired via merger		51,987	51,987	-	-
Cash and cash equivalents at the beginning of year		35,791	35,791	27,192	27,192
Cash and cash equivalents at the end of year	15	53,824	53,824	35,791	35,791

The accompanying notes should be read in conjunction with these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: CORPORATE INFORMATION

Unity Bank Limited (formerly G&C Mutual Bank Limited), (the Bank), is a public company incorporated and domiciled in Australia. The financial report of the Bank and its controlled entity, together the Group (the Consolidated Entity), for the year ended 30 June 2025 was authorised for issuance in accordance with a resolution of the Directors on 23 September 2025. The Directors have the power to amend and reissue the financial report. The members are the owners of the Bank.

The registered office is located at Level 25, 201 Elizabeth Street, Sydney NSW 2000.

The nature of the operations and principal activities of the Bank are described in the Directors' Report.

NOTE 2: BASIS OF PREPARATION OF THE FINANCIAL REPORT

The financial report of the Bank is a general purpose financial report which has been prepared in accordance with the requirements of the Australian Accounting Standards including other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Bank is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on a going concern basis generally using historical cost treatment, except for the derivative financial instruments, other financial assets and liabilities held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL) and debt and equity instruments at fair value through other comprehensive income (FVOCI).

The functional and reporting currency is Australian Dollars. The Bank is a company referred to in the Australian Securities and Investments Commission (ASIC) issued instrument, ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The Bank has elected to apply Class Order 10/654 which allows companies, registered schemes and disclosing entities that present consolidated financial statements to also present parent entity financial statements for the year ended 30 June 2025.

The financial report includes separate financial statements for the Bank as an Individual Entity (the Parent) and the Consolidated Entity consisting of the Bank and its subsidiary for the financial year ended 30 June 2025.

(i) New and amended standards adopted by the bank.

The bank has applied the following standards and amendments for the first time for its financial year beginning 1 July 2023:

AASB 2021-2 Amendments to Australian Accounting Standards- Disclosure of accounting policies and definition of accounting estimates [AASB 7, AASB101, AASB 108, AASB 134 & AASB Practice Statement 2]

The amendments have had an impact on the bank's disclosures of accounting policies, including the requirement to disclose "material" rather than "significant" accounting policies, but not on the measurement, recognition or presentation of any items in the bank's financial statements.

None of the other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(ii) New standards, amendments and interpretation not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements. The directors' assessment of the impact of these new standards (to the extent relevant to the bank) and interpretations is set out below:

(iii) AASB 18 Presentation and Disclosures in Financial Statements was issued by the Australian Accounting Standards Board in June 2024. AASB 18 is effective on 1 January 2027 and is required to be applied retrospectively to comparative periods presented, with early adoption permitted.

For For Profit entities, AASB 18 applies to annual reporting periods after 1 January 2027. For this reporting period the bank has opted to not early adopt AASB 18 and is currently assessing the impact of adopting AASB 18.

NOTE 3: STATEMENT OF COMPLIANCE WITH IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

NOTE 4: BASIS OF CONSOLIDATION

The consolidated financial statements include those of the Bank and a Special Purpose Vehicle (SGE Funding Trust No. 1 and the Waterside Trust "the securitisation trusts" or subsidiaries) relating to the issuance of residential mortgage-backed securities (RMBS) that are issued by the securitisation trust and held by the Bank for entering into a repurchase agreement with the Reserve Bank of Australia for short term funding requirements. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The securitisation trusts underlying assets, liabilities, revenues, expenses and cash flows are reported in the Group's statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows. All inter-company transactions and balances have been eliminated on consolidation including any unrealised profit. The Waterside Trust was closed on the 16 June 2025 and there no assets or liabilities as at 30 June 2025.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Instruments - Initial Recognition

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to members and balances due to members, are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to members are recognised when funds are transferred to the members' accounts. The Bank recognises balances due to members when funds are transferred to the Bank.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 5(c). Financial instruments are initially measured at their fair value net of transactions costs (as defined in Note 5(b)). In the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount. Trade receivables, loans and advances are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss in accordance with the policy below.

Day 1 profit or loss

When a transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and the fair value in the profit and loss. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is recognised in profit and loss when the inputs become observable, or when the instrument is derecognised. The amount deferred can be recognised in profit and loss on a straight line basis over time.

(ii) Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

The Bank classifies and measures its derivative portfolio at FVTPL. The Bank may designate financial instruments at FVTPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading or derivative instruments or the fair value designation is applied.

(b) Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- **Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as a whole.

The Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(c) Financial assets and liabilities

(i) Financial Assets Measured at Amortised Cost

The Bank measures 'Due from other financial institutions', 'Loans and advances' and 'Other financial assets' at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

(ii) Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in Fair value gain on financial assets, unless hedge accounting is applied. Hedge accounting disclosures are provided in note 5(n).

There are no derivative contracts held in financial year ended 30 June 2025

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial assets and liabilities (Continued)

(iii) Debt instruments at FVOCI

The Bank classifies debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test

As at 30 June 2025 the Bank had no debt instruments at FVOCI.

(iv) Debt issued and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the Effective Interest Rate (EIR).

(v) Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under AASB 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

(vi) Derecognition of financial assets and liabilities

Derecognition due to the substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a member, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired (POCI). When assessing whether or not to derecognise a loan to a member, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Bank considers a modification substantially based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

Derecognition other than for substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Derecognition other than for substantial modifications (continued)

- The Bank has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset, or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

(d) Impairment of financial assets

(i) Overview of the Expected Credit Loss (ECL) principles

The Bank records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under AASB 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the Lifetime Expected Credit Loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(d) Impairment of financial assets (continued)

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(ii) The calculation of ECLs

The Bank calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD:** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside, and a downside). Each of these is associated with different PDs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The mechanics of the ECL method are summarised below:

- Stage 1:** The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3:** For loans considered credit-impaired, the Bank recognises the LTECLs for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in LTECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.

In its ECL model, the Bank considers a broad range of information when assessing credit risk and measuring expected credit losses, including past experience, current economic conditions and forward looking information such as GDP growth, unemployment rates and house price indices.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(d) Impairment of financial assets (continued)

(iii) Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment expense.

(e) Net Interest Income

Interest income and interest expense on financial assets and liabilities are recognised as interest accrues by applying the effective interest rate (EIR) method. This is a method of calculating the amortised cost of a financial instrument over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts including any fees or costs through the expected life of the financial instrument to the net carrying amount of the financial asset.

Loan interest is calculated on the daily balance outstanding and is charged to a member's account on a monthly basis.

(f) Fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its members. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled to in exchange for providing the service.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations.

The Bank has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the member.

(g) Dividend income

Dividend income is recorded in 'Non-interest income' when the Bank's right to receive the payment is established.

(h) Other income

Other income is recorded in 'Non-interest income' on an accrual basis once a right to receive consideration has been established.

(i) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses (if applicable).

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases

At inception of a contract the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- The Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Bank has the right to direct the use of the asset.

As a lessee, the Bank recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement of the lease, discounted using the Bank's incremental borrowing rate or the implicit interest rate. The weighted average increment borrowing rate applied by the Bank for commercial property leases for head office and service centre premises in the year to 30 June 2025 was 8.5%. The implicit interest rates used by the Bank for equipment leases ranged from 9% to 12%.

The lease liability will increase for the accrual of interest, and will result in a constant rate of return throughout the life of the lease, and reduce when payments are made.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any indirect costs incurred and less any lease incentives received.

The ROU asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently re-measured when there is a change in future lease payments arising from a change in index or rate, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option.

Where the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to zero.

The Bank has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less or leases for low value assets. The Bank recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

For the statement of financial position, ROU assets have been disclosed as a separate line and the lease liabilities are included within Other Liabilities.

(k) Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

Cash and cash equivalents are measured at face value. Interest is recognised in the statement of comprehensive income using the EIR method.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and deposits at call net of outstanding bank overdrafts.

(l) Other assets

Other assets include amounts owed to the Bank for services provided, reimbursements of expenses incurred on behalf of a third party and interest accrued on deposits due from other financial institutions which is received on maturity. Amounts due for services provided are normally settled within 30 days.

Other assets are initially recorded at fair value. At reporting date, other assets are measured at amortised cost, less any allowance for impairment.

(m) Repurchase Agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(n) Property, plant and equipment

Property acquired via the merger, has been stated at the last revaluation date less less accumulated depreciation and any accumulated impairment losses, Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

(i) Property, Plant and Equipment

Land and buildings are initially measured at cost less accumulated depreciation and are consequently measured at fair value. Any revaluation increments are credited to the asset revaluation reserve, unless it reverses a previous decrease in value in the same asset previously debited to the income statement. Revaluation decreases are debited to the income statement unless it directly offsets a previous revaluation increase in the same asset in the asset revaluation reserve. The last valuation was performed in March 2024.

Plant and equipment are measured on the historical cost basis less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they occurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Any decrease in the carrying amount of cash generating unit (CGU) to which the plant and equipment is allocated is recognised as an impairment expense in the statement of comprehensive income in the reporting period in which the impairment loss occurs. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(ii) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the statement of comprehensive income in the year the asset is derecognised.

(iii) Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

• Property - Buildings	40 years
• Leasehold improvements	5 to 15 years (or the period of the remaining lease term)
• Plant and equipment	3 to 10 years

(iv) Property, plant and equipment and intangible assets

The Bank assesses assets for impairment at each reporting date or more frequently if events or changes in circumstances indicate that the carrying value of the cash generating unit (CGU) to which the plant and equipment is allocated may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the difference is recognised as an impairment loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of the asset is increased to its recoverable amount.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(o) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are recognised only if it is probable that the assets will generate future benefit to the Bank and are measured at cost.

(i) IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to IT development and software. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on developing such products or systems.

IT development and software costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Bank has an intention and ability to use the asset. Costs incurred on software maintenance are expensed as incurred.

(ii) Amortisation with Finite Useful Life

Intangible assets are amortised from the point at which the assets are ready for use on a straight line basis over their estimated useful lives as follows:

- IT development and software 3 to 5 years

(p) Deposits

All deposits are initially recognised at the fair value of the amount received. After initial recognition, deposits are subsequently measured at amortised cost using the EIR method subject to a floor of no less than amount repayable on demand.

Interest is calculated on the daily balance and posted to the accounts periodically, or on maturity.

(q) Other liabilities

Other liabilities are carried at amortised cost and represent accrued interest on deposits and lease liabilities, liabilities for unpaid goods and services provided to the Bank prior to the end of financial year and clearing account balances as at balance date. The amounts are unsecured and are usually paid within 30 days of recognition, except lease liabilities which are longer terms and paid in accordance to the lease agreements.

NOTE 5: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(r) Provisions

Provisions are recognised when the Bank:

- has a legal or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past events; and
- it is probable that a future loss of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

(i) Employee benefits

Short-term obligations

Liabilities for salary, wages and employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are recognised in accrued expenses and disclosed in note 29.

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

Long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and periods of service. Expected future payments are discounted using corporate bond market yields at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Provisions for unpaid employee benefits are derecognised when the benefit is settled, or is transferred to another entity and the Bank is legally released from the obligation and does not retain a constructive obligation.

(ii) Make Good

A provision has been made for the present value of anticipated future costs of restoration of leased premises. The provision includes future cost estimates associated with dismantling furniture and fittings. An asset is created as a result of this provision which is included in leasehold improvements. This asset is amortised over the effective remaining life of each lease. The calculation of this provision requires assumptions which may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each service centre is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for service centres are recognised in the statement of financial position by adjusting both the expense or asset (if applicable) and provision.

(s) Goods and services tax (GST)

The Bank is input taxed on all income except for income from commissions and taxable fees. An input taxed supply is not subject to GST collection and the GST paid on related or apportioned purchases cannot be recovered. As some income is charged GST, the GST on purchases are generally recovered on a proportionate basis. In addition certain prescribed purchases are subject to reduced input tax credits (RITC), of which 75% of the GST paid is recoverable.

Revenue, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Bank's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to the judgements/estimates involved.

(i) Impairment losses on financial assets

The measurement of impairment losses under AASB 9 across all financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time ECL basis and the qualitative assessment
- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets for the purposes of assessing and measuring ECL
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

It is the Bank's policy to regularly review its model in the context of actual loss experience and adjust where necessary.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(i) Impairment losses on financial assets (continued)

Impairment provisions are based on a forward-looking expected credit loss (ECL) approach that is required under AASB 9: Financial Instruments and requires the application of judgement. The Bank has assessed expected credit losses based on reasonable and supportable information about past events, current conditions and forecasts of economic conditions. In assessing forecast conditions, consideration has been given to the increased uncertainties due to new emerging risks relating to inflationary pressures, higher interest rates, supply chain disruptions, rising cost of living and geopolitical issues.

In response to the ongoing economic uncertainty the Bank has undertaken an annual review of the loan portfolio and the ECL methodology for loan loss impairment provisioning. The review considered the macroeconomic outlook, credit quality, the type of collateral held, exposure at default and the mitigating impacts of government and industry assistance packages including loan repayment deferral arrangements.

The ECL methodology for loan loss impairment provisioning remains consistent with prior periods. The model inputs have been reassessed including forward looking information, scenarios and associated probability weightings and revised where considered appropriate. The Bank uses three macro-economic scenarios (a base case, an upside and a downside) to reflect an unbiased probability-weighted range of future outcomes in estimating expected credit losses. The Bank left the probability weighting of the downside scenario remains unchanged at 60% due to unchanged economic and geopolitical conditions. The Bank also applied overlays in adjusting the modelled ECL to cover risks that may not be otherwise captured by the ECL model.

The Bank has assessed whether there has been a significant increase in credit risk (SICR) by comparing the risk of default occurring over the expected life of financial assets at reporting date to the corresponding risk of default at the date of initial recognition. For credit exposures for which there has been a significant increase in credit risk since initial recognition, the loss allowance is calculated based on the credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Bank's assessment of significant increase in credit risk (SICR) includes both past due information and forward-looking information such as the arrears status of a loan, the borrower entering into financial hardship status and the impact of forward looking information for emerging risks at an industry, geographic and or portfolio segment level. The Bank also notes the level of uncertainty of collateral values, particularly for the mortgage loan portfolio secured by residential property. Security valuations impact the expected credit loss provision and there is increased uncertainty in this area.

(ii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

(iii) Business combinations

On 7 March 2025, G&C Mutual Bank Limited (acquirer) merged with Unity Bank Limited (acquiree).

The merger was approved by both Banks' members in November 2024 and subsequently approved by APRA. On 7 March 2025, Unity Bank Limited voluntarily transferred its assets and liabilities to G&C Mutual Bank Limited under the Financial Sector (Transfer and Restructure) Act 1999 (Cth).

There was no consideration transferred or purchase price paid as a result of the merger. Unity Bank Limited members ceased to be members of Unity Bank Limited and each member was issued a new share and became a member of G&C Mutual Bank Limited.

On 7 March 2025, the assets and liabilities of Unity Bank Limited were transferred to G&C Mutual Bank Limited at the carrying value which approximates fair value. Refer to Note 41 for further details.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: FINANCIAL RISK MANAGEMENT

(a) Overview of Risk Governance

The risk governance structure is the ultimate responsibility of the Board and its sub-committees including the Board Risk Committee, the Board Audit Committee and the Board Governance, Nominations & Remuneration Committee.

The Board delegates responsibilities to the Chief Executive Officer, Executive Management and Senior Management, whilst acknowledging that it retains overall responsibility for risk governance.

The Board plays a critical role in the identification and ongoing management of material risks faced by the Bank and defines and sets risk appetite in respect of these risks.

The Board approves and regularly reviews a suite of policies that include reporting mechanisms and specific limits and targets which management adhere to in exercising their delegated authority. These policies are designed to ensure effective risk management and compliance with applicable regulation.

The Bank's 'Three Lines of Defence' risk governance model sets out the responsibilities of each of Management, Group Risk and Internal Audit. The Bank has established Management Committees which are responsible for managing risk and for ensuring that Board and Management policies are adhered to. These Committees meet on a monthly basis and include the Asset and Liability Committee, the Operational Risk Management Committee and the Credit Risk Management Committee.

The Bank holds the following financial instruments by category:

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Financial Assets				
Cash and cash equivalents	53,824	53,824	35,791	35,791
Due from other financial institutions	129,453	71,000	73,722	42,453
Debt instruments at amortised cost	643,612	1,411,212	350,159	675,759
Other assets	13,355	28,667	5,444	11,144
Loans and advances	2,861,506	2,861,506	1,349,035	1,349,035
Financial assets at fair value through profit or loss	6,609	6,609	662	662
	3,708,359	4,432,818	1,814,813	2,114,844
Financial Liabilities				
Deposits	3,326,492	3,326,492	1,642,405	1,642,405
Other liabilities	52,558	52,558	28,308	28,306
Other financial liabilities	-	722,463	-	295,460
	3,379,050	4,101,513	1,670,713	1,966,171

NOTE 7: FINANCIAL RISK MANAGEMENT (continued)

(b) Cyber risk

Information security continues to pose a heightened risk of fraud and cybercrime in recent years due to increase in use of technology in executing financial transactions. Cybercriminals have relentlessly pursued gains in these uncertain times by trying to exploit member vulnerabilities and IT system deficiencies. Furthermore, as cybercriminals become more sophisticated in their operations, the use of personal devices and working remotely has added to the information protection and cybersecurity challenge. The Bank is committed to securing its systems and member data to reduce the risk of exploitation by cyber criminals. Specific actions to this end include (and are not limited to):

- (i) Collaborating with service providers to ensure up-to-date system configurations and monitoring of systems;
- (ii) Continuing education to staff members to increase awareness of cybercrime activities such as email fraud and phishing;
- (iii) Assessing and managing the internal information technology security through a dedicated team which focuses on enhancing detection and response capabilities through adopting more secure and advanced technologies, verification and vulnerability assessments;
- (iv) Aligning with the risk mitigation strategies promoted by the Australian Cyber Security Centre to provide enhanced cyber security capabilities and defensive posture; and
- (v) Providing education to members through newsletters, messages on the website and direct contact with the fraud team.

(c) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. The Board has established limits on Value at Risk (VaR) and sensitivity for stipulated periods. Assets and liabilities are placed into the maturity bucket where the contract or agreement is due to be repaid or when the interest rate may be refixed or renegotiated. Positions are monitored and hedging strategies are considered on a daily basis to ensure positions are maintained within the established limits.

(i) Value at Risk (VaR)

VaR is a statistical measure of the potential loss expected due to a change in market conditions arising from currently held positions, given a certain confidence level and holding period. VaR is presented as a dollar amount and is based on historically observed volatility. The holding period represents the implied liquidation period of the portfolio. It is the number of days required to either liquidate the portfolio or hedge the risk within the portfolio. The observation period is the number of days over which the previous market data (interest rates) is observed to predict the future. The 99% confidence level is the degree of confidence with which the VaR number will not be exceeded. A 99% confidence level implies that for 99 out of 100 observations, the market value based loss will not be greater than the VaR number.

As a normal distribution is used, the standard deviation of the portfolio is multiplied by 2.33 to achieve a 99% confidence level. A proxy set of interest rates must be used to estimate the changes in the yield curve. The proxy curve used by the Bank is the interbank yield curve constructed from the official cash rate, BBSW and swap rates.

Since VaR is an integral part of the Bank's interest rate risk management, VaR limits have been established for all non-trading operations and exposures are reviewed monthly against the limits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest Rate Risk (continued)

A 20 day 99% VaR measure has been used to capture the interest rate risk exposures.

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Measured at 99% confidence interval				
20 day VaR exposure	1,929	1,929	1,266	1,266

(ii) Prepayment Risk

Prepayment risk is the risk that the Bank will incur a financial loss because its members and counterparties repay or request repayment earlier. The Bank is not exposed to abnormal prepayment risk.

(d) Credit Risk

Credit risk is the risk that the Bank will incur a loss when its members, clients or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits for individual counterparties and industry concentrations and monitoring these exposures.

The Bank has established a collections review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The collections review process allows the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Where appropriate, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously review renegotiated loans to ensure that all criteria are met and that future payments are likely to occur.

Included within 'Loans and advances' and 'Due from other financial institutions' in the statement of financial position are funds committed by the Bank via unconsolidated structured entities in accordance with the Bank's risk appetite.

The Bank has exposure to unconsolidated structured entities in the form of commitments made to these vehicles. These commitments are transferred to these vehicles to fund loans and pay a return based on the returns of, and exposure to, those loans. The nature and extent of the Bank's exposure in these entities is summarised below.

	2025 \$'000	2024 \$'000
Due from other financial institutions		
SocietyOne Personal Loans Trust	33,000	23,000
Loans & Advances		
Personal Loans		
SocietyOne P2P Lending Trust	233	1,407
Plenti Wholesale Lending Platform	141	447
Plenti Lending Platform	7,565	5,346
Commercial Loans		
Lannock Capital No.5 Trust	23,961	28,232
Medpro Finance No.4 Unit Trust	23,219	28,106
Shift Financial Trust	-	18,601
Total	88,119	105,139

(i) Concentration of loans

Credit risk is concentrated when a number of counterparties are engaged in similar activities, have similar economic characteristics and thus may be similarly affected by changes in economic or other conditions. The Bank monitors its credit portfolio to manage risk concentrations and rebalance the portfolio.

The Bank has exposure limits governing the size of credit exposures to individuals and portfolios.

There are no loans to individuals or related groups of individuals which exceed 10% of loans and advances in aggregate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit Risk (continued)

(ii) Maximum exposure to credit risk

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Credit risk exposures relating to 'recognised assets':				
Cash and cash equivalents	53,824	53,824	35,791	35,791
Due from other financial institutions	129,453	71,000	73,722	42,453
Debt instruments at amortised cost	643,612	1,411,212	350,159	675,759
Other assets	13,355	28,667	5,444	11,144
Loans and advances	2,865,348	2,865,348	1,350,092	1,350,092
Provision for impairment for Loans and advances	(3,842)	(3,842)	(1,057)	(1,057)
Total 'recognised assets'	3,701,750	4,426,209	1,814,151	2,114,182
Credit risk exposures relating to 'unrecognised assets':				
Undrawn loan commitments	306,150	306,150	135,305	135,305
Total 'recognised and unrecognised assets'	4,007,900	4,732,359	1,949,456	2,249,487

(iii) Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the member. Policies are in place with regards to the acceptability of types of collateral and valuation parameters.

The main type of collateral obtained is mortgages over residential properties. Management monitors the market value of residential properties by using the information and analytics services of an independent external data provider.

It is the Bank's policy to dispose of repossessed collateral in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim.

During the financial period, the Bank has acquired \$Nil (2024: \$Nil) of real estate and other assets through the enforcement of security. As at period-end, there are no such assets owned by the Bank. The Bank does not take physical possession of properties or other assets held as collateral and uses external agents to realise the value as soon as practicable, generally at auction, to settle indebtedness. Any surplus funds are returned to the borrower or are otherwise dealt with in accordance with appropriate insolvency regulations.

(iv) Impairment assessment

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Bank considers 'Due from other financial institutions' and 'Debt instruments at amortised cost' defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events would include:

- Internal rating of the borrower indicating default or near-default
- The borrower requesting emergency funding from the Bank
- The borrower having past due liabilities to public creditors or employees
- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- A covenant breach not waived by the Bank
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit Risk (continued)

(v) Individually assessed provisions

Individually assessed provisions are determined for loans identified as being impaired, in that they are unlikely to be repaid in full and the value of the collateral, where applicable, is not expected to be enough to cover the outstanding amount.

Credit facilities are monitored and assessed on a regular basis to identify non-performing credit facilities which exhibit key stress factors that act as triggers for facilities to be included on a Credit Risk Management Report. The Bank uses sound credit judgement to recognise, measure and provide for each credit facility deemed a Credit Risk Management account.

(vi) Collectively assessed provisions

Collective provisions are based on the forward-looking expected credit loss (ECL) approach that is required under AASB 9 Financial Instruments.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

(vii) Significant increase in credit risk

The Bank continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition.

The Bank considers an exposure to have significantly increased in credit risk based on a number of factors, such as moving a member or facility to the watch list, or the account becoming forborne. In certain cases, the Bank may also consider that events explained in Note 7d(iv) are a significant increase in credit risk as opposed to a default. If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

(viii) Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(ix) Credit quality of financial assets classified as 'Due from other financial institutions' and 'Debt instruments at amortised cost'

The credit quality of financial assets classified as 'Due from other financial institutions' and 'Debt instruments at amortised cost' (note 15, note 16 & note 17) can be assessed, with reference to external long term credit ratings (if available):

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
External credit rating				
AAA	149,935	917,535	58,329	383,929
AA	209,543	159,502	148,126	116,856
A	105,525	105,525	63,083	63,083
BBB	320,184	320,184	163,949	163,949
Unrated	40,145	40,145	26,000	26,000
Total	825,332	1,542,891	459,487	753,817

(e) Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stressed circumstances. It is the policy of the Board of Directors that the Bank maintains adequate cash reserves and committed credit facilities so as to meet the member withdrawal demands when requested.

The Bank manages liquidity risk by:

- (i) Continuously monitoring daily cash flows and longer term forecasted cash flows;
- (ii) Monitoring the maturity profiles of financial assets and liabilities;
- (iii) Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- (iv) Monitoring the prudential liquidity ratio daily.

The Bank is a party to the Credit Union Financial Support Scheme (CUFSS) and has executed an Industry Support Contract (ISC) with CUFSS. The purpose of the CUFSS scheme is to provide members with emergency liquidity support in accordance with the terms of the ISC, a contract which has been certified by APRA under the Banking Act. As a member of CUFSS, the Bank can access emergency liquidity funding via CUFSS drawing upon its available member-contributed funding pool (currently totalling in excess of \$900million), plus additional voluntary liquidity support from members via funds from the Reserve Bank of Australia in accordance with the terms of a "Special Loan Facility", as defined in the ISC. The Bank also has an internal securitisation facility to manage liquidity risk.

The Bank is required to maintain at least 12% of its liabilities in a portfolio of liquid assets known as Minimum Liquidity Holdings (MLH) that can be easily liquidated in the event of an unforeseen interruption to cash flow. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain minimum regulatory limits on the ratio of MLH to total liabilities, set to reflect market conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity Risk (continued)

The Board has determined a target MLH liquidity ratio of 16%. In the event that the Bank's MLH liquidity ratio falls below 16%, specific remedial measures are required to be taken by the Board and management.

The MLH ratio at 30 June 2025 was 19.33% (2024: 20.86%). The average MLH ratio during the period was 19.87% (2024: 21.18%), with the highest end of month MLH ratio during the year being 21.92% (2024: 23.72%) and the lowest end of month MLH ratio during the year being 16.92% (2024: 19.24%).

Maturities of financial liabilities

The table below analyses the Bank's financial liabilities into relevant maturity groupings based on undiscounted cash flows.

Financial Liabilities	Consolidated						Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	No Maturity	
As at 30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	1,544,925	855,403	854,807	100,636	-	-	3,355,771
Lease liability	-	467	1,380	7,084	6,531	-	15,462
Other financial liabilities	-	-	-	-	-	-	-
Other liabilities	-	14,887	11,653	2,077	-	-	28,617
Total financial liabilities	1,544,925	870,757	867,840	109,797	6,531	-	3,399,850
Commitments	-	152,840	9,380	33	-	143,897	306,150
Total commitments	-	152,840	9,380	33	-	143,897	306,150

Financial Liabilities	Consolidated						Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	No Maturity	
As at 30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	634,793	422,170	459,368	141,094	-	-	1,657,425
Lease liability	-	329	943	4,604	6,530	-	12,406
Other financial liabilities	-	-	-	-	-	-	-
Other liabilities	-	6,298	145	253	-	-	6,696
Total financial liabilities	634,793	428,797	460,456	145,951	6,530	-	1,676,527
Commitments	-	51,626	7,876	93	0	75,710	135,305
Total commitments	-	51,626	7,876	93	-	75,710	135,305

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity Risk (continued)

Financial Liabilities	Parent						Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	No maturity	
As at 30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	1,544,925	855,403	854,807	100,636	-	-	3,355,771
Lease liability	-	467	1,380	7,084	6,531	-	15,462
Other financial liabilities	-	-	-	-	722,463	-	722,463
Other liabilities	-	14,884	11,653	2,077	-	-	28,614
Total financial liabilities	1,544,925	870,754	867,840	109,797	728,994	-	4,122,310
Commitments	-	152,840	9,380	33	0	143,897	306,150
Total commitments	-	152,840	9,380	33	-	143,897	306,150

Financial Liabilities	Parent						Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	No maturity	
As at 30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	634,793	422,170	459,368	141,094	-	-	1,657,425
Lease liability	-	329	943	4,604	6,531	-	12,407
Other financial liabilities	-	-	0	-	295,460	-	295,460
Other liabilities	-	6,298	145	253	-	-	6,696
Total financial liabilities	634,793	428,797	460,456	145,951	301,991	-	1,971,989
Commitments	-	51,626	7,876	93	-	75,710	135,305
Total commitments	-	51,626	7,876	93	-	75,710	135,305

NOTE 7: FINANCIAL RISK MANAGEMENT (Continued)

(f) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Bank is able to manage these risks. Controls include effective segregation of duties, access to systems, authorisation and reconciliation procedures, staff training and assessment processes including the use of the Bank's internal audit function.

The Bank manages these risks on a daily basis through the operational responsibilities of Executive and Senior Management and the functioning of the Operational Risk Management Committee under policies approved by the Board after recommendation from the Board Risk Committee covering specific areas, such as outsourcing risk, fraud risk and business continuity risk.

(g) Capital Management

The Bank maintains an actively managed capital base to cover risks inherent in its business, and adequately meeting the Capital adequacy requirements stipulated by the Australian Prudential Regulation Authority (APRA).

The primary objectives of the Bank's capital management policy are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains healthy capital ratios in order to support its activities.

The Bank does not calculate and determine its minimum capital needs by allocating a specific value or 'capital charge' to each type of risk. Rather, the Board has resolved that the Bank will maintain, based on the outcomes of its annual capital planning processes, a specified 'internal minimum' capital ratio.

Under Basel III rules, APRA require authorised deposit-taking institutions to have a minimum ratio of capital to risk weighted assets of 8%, with at least 6% of this capital in the form of Tier 1 capital and at least 4.5% of this capital in the form of Common Equity Tier 1 capital. In addition, APRA imposes ADI-specific minimum capital ratios which may be higher than these levels.

The Prudential Standard sets out the essential characteristics that an instrument must have to qualify as Tier 1 or Tier 2 capital for inclusion in the capital base for assessing Level 1 and Level 2 capital adequacy.

Tier 1 capital comprises the highest quality capital components. Tier 2 capital includes other components that, to varying degrees, fall short of the quality of Tier 1 capital but nonetheless contribute to the overall strength of an institution as a going concern.

For capital adequacy purposes, the capital base is defined as the sum of Tier 1 and Tier 2 capital after all specified deductions and adjustments, subject to the various limits that apply.

During the past year the Bank has complied in full with all its externally imposed capital requirements.

(h) Climate Risk

The impacts of climate change have the potential to affect a borrowers ability to service and repay a loan and the value of collateral the Bank holds to secure loans. These impacts include long-term changes in climate conditions, extreme weather events and the action taken by governments and regulators to transition to a low carbon economy.

Climate change risks are managed within the Bank's Risk Management Framework including the Bank's lending policies, procedures and processes for originating loans.

The Bank's approach to understanding and managing the possible impacts of climate change for members and the loan portfolio continues to evolve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 8:	INTEREST INCOME	Consolidated	Parent	Consolidated	Parent
		2025	2025	2024	2024
		\$'000	\$'000	\$'000	\$'000
	Cash and cash equivalents	3,914	1,827	2,616	1,345
	Due from other financial institutions - calculated using EIR	3,475	3,475	2,366	2,366
	Debt instruments at amortised cost	20,847	20,847	17,219	17,219
	Loans and advances - calculated using EIR	111,047	111,046	72,703	72,703
	Interest income on notes receivable from securitisation trust - calculated using EIR	-	17,460	-	17,692
	Total interest income	139,283	154,655	94,904	111,325
NOTE 9:	INTEREST EXPENSE				
	Deposits calculated using EIR	70,969	70,969	44,580	44,580
	Other financial liabilities - calculated using EIR	10,126	10,126	9,666	9,666
	Loans assigned to securitisation trust	-	18,727	-	14,706
	Interest charges - leases	674	673	136	136
	Other interest expense	-	-	-	-
	Total interest expense	81,769	100,495	54,382	69,088
NOTE 10:	NON-INTEREST INCOME				
	Loan fees	717	717	336	336
	Transaction fees	1,961	1,961	1,618	1,618
	Insurance and other commissions	181	181	159	159
	Dividend income	-	-	61	61
	Gain on sale of Fixed Assets	20	20	-	-
	Rental income	148	148	-	-
	Other non-interest income	1,007	1,706	69	491
	Total non-interest income	4,034	4,733	2,243	2,665
Other non-interest income earned by the Parent includes surplus income distributions from the controlled entity.					
NOTE 11:	NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
	Unlisted Companies				
	Experteq Pty Limited	(225)	(225)	-	-
	Shared Services Partners Pty Ltd	16	16	-	-
	Listed Companies				
	Cuscal Limited	547	547	-	-
	MoneyMe Limited	217	217	(27)	(27)
	Total	555	555	(27)	(27)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 12: OPERATING EXPENSES

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Credit Impairment expense				
Change in provision for impairment of loans & advances	-	-	(81)	(81)
Bad debts written off	261	261	387	387
Bad debts recovered	(103)	(103)	(94)	(94)
	158	158	212	212
Employment expense				
Salaries and wages	14,263	14,263	8,911	8,911
Superannuation expense	1,643	1,643	905	905
Other employee benefits expense	3,446	3,446	1,553	1,553
	19,352	19,352	11,369	11,369
Office occupancy expense				
Other office occupancy costs	1,125	1,125	574	574
	1,125	1,125	574	574
Depreciation and amortisation expense				
Depreciation of plant & equipment	811	811	487	487
Amortisation of intangible assets	356	356	164	164
Depreciation of right-of-use assets	1,022	1,022	751	751
	2,189	2,189	1,402	1,402
Information technology and communication expense				
Hardware and software maintenance	3,370	3,370	2,785	2,785
Communications expense	718	718	310	310
Other information technology expense	4,298	4,298	1,572	1,572
	8,386	8,386	4,667	4,667
Other operating expenses				
Marketing and development	1,115	1,115	706	706
Board and committee expenses	962	962	813	813
Membership protection and benefits	1,803	1,803	1,323	1,323
General administration expenses	1,097	1,020	735	664
Loan administration costs	840	840	592	592
Member transaction costs	2,591	2,591	1,616	1,616
Other operating expenses	934	934	685	686
	9,342	9,265	6,470	6,400
Total operating expenses	40,552	40,475	24,694	24,624

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 13: INCOME TAX

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
(a) Income tax expense				
Current year tax payable	6,243	6,243	5,973	5,973
Over-provision for income tax in prior year	12	12	-	-
(Increase)/decrease in deferred tax assets - current year	241	241	(565)	(565)
Income Tax Expense	6,496	6,496	5,408	5,408
Movement in deferred tax asset for the year				
Increase/(decrease) in deferred tax asset - current year	(241)	(241)	565	565
Total net movement in deferred tax asset	(241)	(241)	565	565
(b) Reconciliation between the accounting profit multiplied by the Australian tax rate and the income tax expense shown on the statement of comprehensive income				
Net profit before tax	21,551	18,973	18,044	20,251
Tax at the Australian company tax rate of 30%	6,465	5,692	5,413	6,075
Add tax effect of:				
Fully franked dividends received	-	-	(18)	(18)
Non deductible entertainment expenditure	19	19	13	13
Over-provision for income tax in prior year	12	12	-	-
Deferred tax asset unrecognised/ (recognised) on investments in internal securitisation trust	-	773	(662)	(662)
Non-deductible tax loss from internal securitisation trust	-	-	662	-
Total income tax expense	6,496	6,496	5,408	5,408

NOTE 14: FRANKING ACCOUNT

The movement in the franking account for the year is set out below:

Franking account balance as at the beginning of the financial year	51,132	51,132	42,449	42,449
Franking credits transferred on merger	44,792	44,792	-	-
Franking credits that will arise from payment of income tax payable as at the end of the financial year	5,248	5,248	8,657	8,657
Franking credits that will arise from receipt of dividends recognised as receivables as at the end of the financial year	-	-	26	26
Franking debits that will arise from payment of dividends as at the end of the financial year	(438)	(438)	-	-
Franking account balance for future reporting periods	100,734	100,734	51,132	51,132

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 15: CASH AND CASH EQUIVALENTS

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Cash on hand	1,558	1,558	185	185
Deposits at call	52,266	52,266	35,606	35,606
Total cash and cash equivalents	53,824	53,824	35,791	35,791

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the Total cash and cash equivalents transferred from Unity Bank Limited was \$51,987,000.

NOTE 16: DUE FROM OTHER FINANCIAL INSTITUTIONS

Deposits with authorised deposit-taking institutions	129,453	71,000	73,722	42,453
Total due from other financial institutions	129,453	71,000	73,722	42,453
Maturity analysis				
Not longer than 12 months *	101,453	43,000	73,722	42,453
Longer than 12 months	28,000	28,000	-	-
Total due from other financial institutions	129,453	71,000	73,722	42,453

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger the Total due from other institutions transferred from Unity Bank was \$71,615,000.

* Included within this amount for the consolidated entity is \$58,792,316 (2024: 31,269,892) which is restricted and not readily available to the securitisation trust or the Bank.

NOTE 17: DEBT INSTRUMENTS AT AMORTISED COST

Debt securities issued by authorised deposit-taking institutions	643,612	643,612	350,159	350,159
Class A and Class B Notes arising from internal securitisation	-	767,600	-	325,600
Total debt instruments at amortised cost	643,612	1,411,212	350,159	675,759
Maturity analysis				
Not longer than 12 months	455,182	455,182	182,230	182,230
Longer than 12 months	188,430	956,030	167,929	493,529
Total debt instruments at amortised cost	643,612	1,411,212	350,159	675,759

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the Total debt instruments at amortised cost transferred from Unity Bank Limited was \$190,027,000 and Class A and Class B Notes was \$357,606,404. On the 30 June 2025 the Unity Bank Limited Class A and Class B Notes were dissolved.

NOTE 18: OTHER ASSETS

Interest receivable	3,660	3,393	1,865	3,031
Sundry Debtors	211	544	-	-
Deferred loan establishment fees	1,765	1,765	-	-
Intercompany receivable from the securitisation trust	-	15,276	-	4,620
Clearing accounts	5,947	5,917	2,798	2,712
Prepayments	1,772	1,772	781	781
Total other assets	13,355	28,667	5,444	11,144

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the total Other assets transferred from Unity Bank Limited was \$6,140,000.

With the exception of the intercompany receivable from the securitisation trust the majority of the above amounts are expected to be recovered within 12 months of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 19: LOANS AND ADVANCES

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Loans and advances				
Personal Loans	50,620	50,620	18,891	18,891
Mortgage Loans	2,384,633	2,384,633	1,114,466	1,114,466
Commercial Loans	415,393	415,393	209,416	209,416
Revolving Credit	14,702	14,702	7,319	7,319
Total loans and advances	2,865,348	2,865,348	1,350,092	1,350,092
Less total provision for impairment	(3,842)	(3,842)	(1,057)	(1,057)
Net loans and advances	2,861,506	2,861,506	1,349,035	1,349,035
(a) Maturity Analysis				
Not longer than 3 months	91,227	91,227	16,471	16,471
Longer than 3 months and not longer than 12 months	107,125	107,125	32,938	32,938
Longer than 12 months and not longer than 5 years	134,998	134,998	80,113	80,113
Longer than 5 years	2,531,998	2,531,998	1,220,570	1,220,570
Total loans and advances	2,865,348	2,865,348	1,350,092	1,350,092
(b) Security dissection				
Secured by mortgage over real estate	2,403,163	2,403,163	1,197,374	1,197,374
Partly secured by goods mortgage	192,072	192,072	38,061	38,061
Wholly unsecured	270,113	270,113	114,657	114,657
Total loans and advances	2,865,348	2,865,348	1,350,092	1,350,092

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the Total loans transferred from Unity Bank Limited was \$1,467,951,361.

The Bank accepts a number of methods for valuing the fair value of collateral supporting loans. Real estate is valued by assessing the current market value using information provided by suitably qualified, independent accredited valuers. Motor vehicles are valued by reference to an independent valuation guide.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 20: IMPAIRMENT OF LOANS AND ADVANCES

(a) (i) Impairment allowance for loans and advances

	Parent and Consolidated				
	Personal Loans	Mortgage Loans	Commercial Loans	Revolving Credit	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2024	728	212	76	41	1,057
Acquired via Merger	613	674	1,497	-	2,784
Merger provision adjustments	(272)	-	272	-	-
Increase/(reversal) for the year	1,036	525	(1,629)	69	1
Balance as at 30 June 2025	2,105	1,411	216	110	3,842
Comprising:					
Individual impairment	383	-	-	21	404
Collective impairment	1,722	1,411	216	89	3,438
Balance as at 30 June 2025	2,105	1,411	216	110	3,842

	Parent and Consolidated				
	Personal Loans	Mortgage Loans	Commercial Loans	Revolving Credit	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2023	750	212	116	60	1,138
Increase/(reversal) for the year	(22)	-	(40)	(19)	(81)
Balance as at 30 June 2024	728	212	76	41	1,057
Comprising:					
Individual impairment	129	-	-	-	129
Collective impairment	599	212	76	41	928
Balance as at 30 June 2024	728	212	76	41	1,057

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the Total provisions for impairment transferred from Unity Bank Limited was \$2,784,554.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 20: IMPAIRMENT OF LOANS AND ADVANCES (Continued)

(ii) Analysis of the loans and advances

	Stage 1 (12 month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	1,345,069	1,559	3,464	1,350,092
Opening Balances adjustment	(3,426)	1,202	2,165	(59)
Acquired via merger	1,422,986	32,219	9,402	1,464,607
New loans originated	614,977	78	223	615,278
Transferred to Stage 1	16,696	(14,355)	(2,341)	-
Transferred to Stage 2	(54,142)	54,999	(857)	-
Transferred to Stage 3	(4,348)	(2,650)	6,998	-
Loans repaid	(552,247)	(7,828)	(4,345)	(564,420)
Write-offs	(117)	-	(34)	(151)
Balance as at 30 June 2025	2,785,448	65,224	14,675	2,865,347
	Stage 1 (12 month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	1,198,463	2,196	1,789	1,202,448
New loans originated	405,382	19	15	405,416
Transferred to Stage 1	2,098	(1,092)	(1,006)	-
Transferred to Stage 2	(1,394)	2,117	(723)	-
Transferred to Stage 3	(3,876)	(646)	4,522	-
Loans repaid	(255,561)	(919)	(931)	(257,411)
Write-offs	(43)	(116)	(202)	(361)
Balance as at 30 June 2024	1,345,069	1,559	3,464	1,350,092

(iii) Changes to impairment provision during the year

	Stage 1 (12 month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	579	347	131	1,057
Acquired via merger	2,521	189	74	2,784
Movements due to change in risk parameters	(1,780)	555	640	(585)
New loans originated	1,011	2	12	1,025
Transferred to Stage 1	(111)	(13)	(15)	(139)
Transferred to Stage 2	3	(36)	-	(33)
Transferred to Stage 3	(8)	257	36	285
Loans repaid	(461)	(66)	(15)	(542)
Loans written off during the year	(1)	-	(9)	(10)
Balance as at 30 June 2025	1,753	1,235	854	3,842
	Stage 1 (12 month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	609	393	136	1,138
Movements due to change in risk parameters	16	37	(60)	(7)
New loans originated	57	-	-	57
Transferred to Stage 1	2	(58)	(25)	(81)
Transferred to Stage 2	(1)	41	-	40
Transferred to Stage 3	(4)	(21)	147	122
Loans repaid	(100)	(13)	(12)	(125)
Loans written off during the year	(0)	(32)	(55)	(87)
Balance as at 30 June 2024	579	347	131	1,057

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 20: IMPAIRMENT OF LOANS AND ADVANCES (Continued)

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
(b) Impairment expense				
Movement in provisions for impairment charged to profit & loss	-	-	(81)	(81)
Bad debts written off directly:				
Personal Loans	261	261	387	387
Bad debts recovered	(103)	(103)	(94)	(94)
Total impairment expense	158	158	212	212

The total of restructured loan balances for the year ending 30 June 2025 is \$2,478,906 (2024: \$591,773).

A restructured loan is a loan facility where the original contractual terms have been modified on non-commercial terms to provide concessional changes for reasons relating to financial difficulties of the borrower. Where the loan after restructuring remains doubtful and it is not well secured the loan shall be subject to impairment. Loans will only be recognised as restructured once the customer has formally agreed to the new terms.

(c) ECL measurement

The Bank applies three macro-economic scenarios (a base case, an upside, and a downside) in the ECL modelling for impairment provisioning to reflect an unbiased probability weighted range of future outcomes.

The Bank assigns a probability weighting to each of the three possible future outcomes to capture the uncertainty in credit outlook and changes in uncertainty over time. The weightings assigned to each scenario are set out below.

Scenario	Probability Weighting	
	2025	2024
Upside scenario	0%	0%
Base case	40%	40%
Downside scenario	60%	60%

The Bank has used judgement to apply overlays in adjusting the modelled ECL results during the year. These overlays are incorporated in the ECL model to cover risks that may not be otherwise captured by the model.

The approximate level of provisions for impairment assuming 100% weighting was applied to the base case scenario and holding all other assumptions constant is \$2,802,399

The approximate level of provisions for impairment assuming 100% weighting was applied to the downside scenario and holding all other assumptions constant is \$4,535,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 21:	FINANCIAL ASSETS - FVTPL	Consolidated	Parent	Consolidated	Parent
		2025	2025	2024	2024
		\$'000	\$'000	\$'000	\$'000
Unlisted Companies					
	Experteq Pty Limited (previously TransAction Solutions Limited)	614	614	459	459
	Shared Service Partners Pty Ltd	162	162	82	82
Listed Companies					
	Cuscal Limited	4,970	4,970		
	MoneyMe Limited	863	863	121	121
Total financial assets FVTPL		6,609	6,609	662	662

On 7 March 2025, Unity Bank Limited and G&C Mutual Bank merged with all assets and liabilities transferred to the merged entity. The value of the financial assets transferred were as follows:

	Number of Shares	Fair Value Price per Share	Fair Value (6 March 2025) \$'000s
Experteq Pty Limited	155,676	\$2.43	379
Shared Service Partners Pty Ltd	800,000	\$0.08	64
Cuscal Limited	1,656,655	\$2.67	4,423
MoneyMe Limited	3,497,820	\$0.15	525
			<u>5,391</u>

The following table presents the estimated fair values of the shareholdings held in unlisted companies. The fair value of financial instruments is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these valuations are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

Entity	Number of Shares	Fair Value Price per Share	Fair Value \$'000s
Experteq Pty Limited	211,568	\$2.90	614
Shared Service Partners Pty Ltd	1,620,000	\$0.10	162

Experteq Pty Limited

Experteq Pty Limited is an unlisted company that manages network operations, core banking systems and provides data processing support services.

Shared Services Partners Pty Ltd

Shared Services Partners is an aggregator of services to the mutual sector.

MoneyMe Limited

MoneyMe Limited is a digital financial service company listed on the Australian Stock Exchange (ASX). The fair value of shares was calculated based on the quoted price on the ASX of \$0.16 per share on 30 June 2025.

Cuscal Limited

Cuscal Limited is banking platform company listed on the Australian Stock Exchange (ASX). The fair value of shares was calculated based on the quoted price on the ASX of \$3.00 per share on 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 22: PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
(a) Carrying amount				
Land and Buildings				
At cost	19,608	19,608	-	-
Less accumulated depreciation	(2,079)	(2,079)	-	-
	17,529	17,529	-	-
Leasehold improvements				
At cost	6,433	6,433	3,122	3,122
Less accumulated depreciation	(5,297)	(5,297)	(2,488)	(2,488)
	1,136	1,136	634	634
Plant and equipment				
At cost	8,339	8,339	1,456	1,456
Less accumulated depreciation	(6,375)	(6,375)	(1,220)	(1,220)
	1,964	1,964	236	236
Total carrying amount	20,629	20,629	870	870

(b) Movements in carrying amounts

Reconciliations of the carrying amounts of each class of property, plant and equipment between the beginning and end of the current financial year are set out below.

	Parent and Consolidated			
	Property 2025 \$'000	Leasehold Improvements 2025 \$'000	Plant and Equipment 2025 \$'000	Total 2025 \$'000
Balance as at 30 June 2024	-	634	236	870
Additions	-	439	219	658
Disposals	-	-	(25)	(25)
Acquired via Merger	17,745	355	1,838	19,938
Depreciation expense	(215)	(292)	(304)	(811)
Balance as at 30 June 2025	17,530	1,136	1,964	20,630

	Parent and Consolidated			
	Property 2024 \$'000	Leasehold Improvements 2024 \$'000	Plant and Equipment 2024 \$'000	Total 2024 \$'000
Balance as at 30 June 2023	-	479	119	598
Additions	-	551	208	759
Disposals	-	-	-	-
Depreciation expense	-	(396)	(91)	(487)
Balance as at 30 June 2024	-	634	236	870

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 23: RIGHT-OF-USE ASSETS

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
(a) Right-of-use assets				
At cost	11,881	11,881	8,937	8,937
Less accumulated depreciation	(4,106)	(4,106)	(2,453)	(2,453)
Net Right-of-use assets	7,775	7,775	6,484	6,484

(b) **Movements in carrying amounts of right-of-use assets**

The movements in the carrying amounts of each class of right-of-use asset between the beginning and end of the current financial year are set out below.

	Parent and Consolidated		
	Office buildings	Plant & equipment	Total
	\$'000	\$'000	\$'000
Cost			
Balance as at 30 June 2024	8,418	519	8,937
Adjustment	-	-	-
Additions	-	-	-
Acquired via Merger	2,917	27	2,944
Balance as at 30 June 2025	11,335	546	11,881
Accumulated depreciation			
Balance as at 30 June 2024	1,969	484	2,453
Adjustment	-	-	-
Acquired via Merger	613	18	631
Depreciation charge for the year	889	133	1,022
Balance as at 30 June 2025	3,471	635	4,106

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 24:	INTANGIBLE ASSETS	Consolidated	Parent	Consolidated	Parent
		2025	2025	2024	2024
		\$'000	\$'000	\$'000	\$'000
(a)	Intangible assets				
	At cost	11,970	11,970	6,238	6,238
	Less accumulated amortisation	(11,182)	(11,182)	(5,719)	(5,719)
	Net Intangible Assets	788	788	519	519
(b)	Movements in carrying amounts				
	Reconciliations of the carrying amounts of intangible assets between the beginning and end of the financial year are set out below.				

	Parent and Consolidated	
	IT Development and Software	
	2025	2024
	\$'000	\$'000
Opening balance	519	542
Additions	379	407
Acquired via Merger	458	-
Disposals	(194)	(266)
Amortisation expense	(374)	(164)
Closing balance	788	519

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 25: DEFERRED TAX ASSETS

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
The balance comprises temporary difference attributable to:				
Amounts recognised in profit or loss				
Land and Building	(3,502)	(3,502)	-	-
Plant and equipment	19	19	(20)	(20)
Right-of-use assets	(2,333)	(2,333)	(1,945)	(1,945)
Provision for impairment	1,153	1,153	317	317
Employee leave benefits	3,009	3,009	579	579
Accrued expenses	266	266	95	95
Lease incentive liability	0	0	-	-
Fair value adjustment of investment	781	781	704	704
Provision for make good and other	409	409	24	24
Lease liability	2,497	2,497	1,977	1,977
Merger expenses	324	324		
Unused internal securitisation trust tax losses	579	579	1,372	1,372
Net deferred tax assets	3,202	3,202	3,103	3,103

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the Total deferred tax assets transferred from Unity Bank Limited was \$2,880,883 and Total deferred tax liabilities was \$2,949,346

Movements:

Balance as at the beginning of the year	3,103	3,103	2,537	2,537
Adjustments prior year	55	55		
Acquired via merger	286	286		
Credited / (charged) to the statement of comprehensive income	(241)	(241)	565	565

Balance as at the end of the year	3,202	3,202	3,102	3,102
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Net deferred tax assets to be recovered after more than 12 months	1,485	1,485	2,577	2,577
Net deferred tax assets to be recovered within 12 months	1,717	1,717	525	525

Net deferred tax assets	3,202	3,202	3,102	3,102
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Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Total losses on capital account	1,618	1,618	1,618	1,618
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The deferred tax asset related to capital losses will only be obtained if:

- (i) the Bank derives future assessable income of a nature or amount sufficient to enable the benefits from the deductions for the capital losses to be utilised.
- (ii) the Bank continues to comply with the conditions of deductibility imposed by tax legislation.
- (iii) no changes in tax legislation adversely affect the Bank in realising the benefits from the deductions for the losses.

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not considered probable that future taxable capital gains will be available against which they can be realised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 26:	DEPOSITS	Consolidated	Parent	Consolidated	Parent
		2025	2025	2024	2024
		\$'000	\$'000	\$'000	\$'000
	Member shares	27	27	27	27
	Call deposits	1,544,898	1,544,898	634,765	634,765
	Term deposits	1,611,760	1,611,760	793,515	793,515
	Certificates of deposit	169,807	169,807	214,098	214,098
	Total deposits	3,326,492	3,326,492	1,642,405	1,642,405

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the Total deposits transferred from Unity Bank Limited was \$1,584,835,499.

(a)	Maturity Analysis				
	Not longer than 12 months	3,227,187	3,227,187	1,503,654	1,503,654
	Longer than 12 months	99,305	99,305	138,751	138,751
	Total deposits	3,326,492	3,326,492	1,642,405	1,642,405

NOTE 27:	OTHER LIABILITIES				
	Accrued interest payable	27,238	27,238	15,019	15,019
	Sundry creditors and accrued expenses	6,171	6,171	1,650	1,648
	Lease liability	8,324	8,324	6,592	6,592
	Clearing accounts	10,825	10,825	5,047	5,047
	Total other liabilities	52,558	52,558	28,308	28,306
(a)	Maturity Analysis				
	Not longer than 12 months	43,388	43,388	21,346	21,344
	Longer than 12 months	9,170	9,170	6,962	6,962
	Total other liabilities	52,558	52,558	28,308	28,306

On 7 March 2025, Unity Bank Limited merged with G&C Mutual Bank Limited with all assets and liabilities transferred to G&C Mutual Bank Limited. On date of the merger, the total other liabilities transferred from Unity Bank Limited were as follows:

	\$'000
Accrued interest payable	10,738
Sundry creditors and accrued expenses	10,544
Lease liability	2,377
Clearing accounts	727
	24,386

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 28: OTHER FINANCIAL LIABILITIES

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Loans assigned to securitisation trust	-	722,463	-	295,460
Total other financial liabilities	-	722,463	-	295,460
(a) Maturity Analysis				
Not longer than 12 months	-	592,594	-	211,074
Longer than 12 months	-	129,869	-	84,386
Total other financial liabilities	-	722,463	-	295,460

NOTE 29: PROVISIONS

Current				
Annual leave	4,092	4,092	908	908
Long service leave	5,781	5,781	866	866
Other employment benefits	1,225	1,225	224	224
Other provisions	365	365	48	48
Total current provisions	11,463	11,463	2,046	2,046
Non-current				
Long service leave	157	157	157	157
Total non-current provisions	157	157	157	157
Total provisions	11,620	11,620	2,203	2,203

Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Parent and Consolidated			
	Annual leave	Long service leave	Other provisions	Other employment benefits
	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2024	908	1,023	48	224
Acquired via Merger	2,929	4,279	723	590
Arising/ (Utilised) during the year	255	636	(406)	411
Balance as at 30 June 2025	4,092	5,938	365	1,225

	Parent and Consolidated			
	Annual leave	Long service leave	Other provisions	Other employment benefits
	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2023	796	874	48	300
Arising/ (Utilised) during the year	112	149	-	(76)
Balance as at 30 June 2024	908	1,023	48	224

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 30:	REDEEMABLE SHARE RESERVE	Consolidated	Parent	Consolidated	Parent
		2025	2025	2024	2024
		\$'000	\$'000	\$'000	\$'000
	Opening balance	2,262	2,262	2,262	2,262
	Acquired via Merger	804	804		
	Total redeemable share reserve	3,066	3,066	2,262	2,262
Share redemption					
Under the Corporations Act 2001 member shares are classified as redeemable preference shares. The redemption of these shares is required under the Act to be made from profits. The value of the shares that have been paid to members is in accordance with the terms and conditions of the share issue and the redemption account represents the amount of profits appropriated.					
NOTE 31:	RETAINED EARNINGS				
	Balance as at the beginning of the year	133,746	138,319	121,110	123,476
	Net profit after tax	15,055	12,477	12,636	14,843
	Dividends Paid	(639)	(639)	-	-
	Balance at the end of the year	148,162	150,157	133,746	138,319
NOTE 32:	CONTRIBUTED EQUITY				
	Opening Balance	17,362	17,362	17,362	17,362
	Acquired via Merger	159,450	159,450	-	-
	Total contributed equity	176,812	176,812	17,362	17,362

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 33: TIER 1 CAPITAL NOTES

Tier 1 Capital Notes (acquired via merger)	28,109	28,109	-	-
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On 7 March 2025 the group acquired the Capital Notes via the merger with Unity Bank Limited. The Unity Bank Limited notes were initially issued on the 11th of August 2023 and the 16th of August 2023 for \$28.5 million. The securities are perpetual, non-cumulative, subordinated and unsecured notes. The Capital Notes were recognised at fair value on acquisition less issuance costs, net of deferred tax.

The face value of the Capital Notes on issue was \$28.5 million at a price of \$10,000 per note. They qualify as Additional Tier 1 Capital of the Bank under Basel III as implemented by APRA.

The principal terms of the Capital Notes are described below:

1. The Capital Notes were \$28.5 million subordinated perpetual floating rate notes, issued 11 August and 16 August 2023 with an optional call date on 11 August 2030.
2. Unless a tax event or regulatory event occurs, the Unity Bank Capital Notes are only redeemable at the option of the Bank on or after the seventh anniversary of the date of issue, subject to regulatory approval.
3. The Bank may only redeem the Capital Notes if it has received APRA's prior written approval (which may or may not be given).
4. Capital Notes pay quarterly floating rate non-cumulative distributions, at the discretion of the Bank. The distribution rate is based on the floating 3-month Bank Bill Swap Rate.
5. Capital Notes are convertible to Mutual Capital Instruments (MCIs) on a non-viability event, or may be written-off on a non-viability trigger event, as determined by APRA and the Bank.
6. In a winding up of the Bank, if the Capital Notes have not been converted to MCIs or written-off on account of a non-viability trigger event, they will rank for payment:
 - Ahead of common equity;
 - Equally without any preference amongst themselves for each series and with the holders of equal ranking instruments; and
 - Behind the claims of senior creditors of the Bank.

NOTE 34: REMUNERATION OF AUDITORS

	Consolidated 2025 \$	Parent 2025 \$	Consolidated 2024 \$	Parent 2024 \$
Fees to Ernst & Young (Australia)				
Fees for auditing the statutory financial report of the Bank and auditing of financial reports of controlled entities	428,472	428,472	378,136	378,136
Fees for taxation services	76,390	76,390	35,198	35,198
Total remuneration of auditors	504,862	504,862	413,334	413,334

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 35: STATEMENT OF CASH FLOWS

(a) Reconciliations of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statements of cash flows are reconciled to related items in the statement of financial position as follows:

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
Cash and deposits at call	53,824	53,824	35,791	35,791
Total cash and cash equivalents	53,824	53,824	35,791	35,791

(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:

- member deposits in and withdrawals from savings and other deposit accounts;
- sales and purchases of amounts due from other financial institutions and debt securities with authorised deposit-taking institutions;
- provision of member loans and the repayment of such loans.

(c) Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	15,082	12,505	12,636	14,843
Non-cash flows in profit after income tax:				
Net (gain)/loss on sale of property, plant and equipment	(19)	(19)	-	-
Net (gain)/loss on fair value of financial assets at FVTPL	(555)	(555)	27	27
Depreciation of plant and equipment	811	811	487	487
Amortisation of intangibles	335	335	164	164
Depreciation of right-of-use assets	1,022	1,022	751	751
Provision for loan impairment movement	158	158	(80)	(80)
Change in operating assets and liabilities:				
(Increase)/decrease in due from other financial institutions	18,850	46,034	4,364	4,300
(Increase)/decrease in debt securities with authorised deposit-taking institutions	(106,391)	(106,391)	17,594	17,594
(Increase)/decrease in loans and advances	(47,319)	(47,319)	(147,937)	(147,937)
(Increase)/decrease in current tax assets	(5,756)	(5,756)	(498)	(498)
(Increase)/decrease in deferred tax asset	2,679	2,679	(565)	(565)
(Increase)/decrease in other assets	(796)	(8,117)	(5,857)	(5,791)
Increase/(decrease) in deposits	89,250	89,250	166,269	166,269
Increase/(decrease) in provisions	3,507	3,507	185	185
Increase/(decrease) in other financial liabilities	-	-	(45,865)	(45,865)
Increase/(decrease) in current tax liability	(2,680)	(2,680)	(2,284)	(2,284)
Increase/(decrease) in other liabilities	(324)	(322)	10,374	10,454
Net cash inflow/(outflow) from operating activities	(32,146)	(14,858)	9,765	12,054

NOTE 36: FAIR VALUE DISCLOSURE

(a) Valuation

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- **Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole.

The Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

The net fair value estimates were determined by the following methodologies and assumptions:

(i) 'Cash and cash equivalents' and 'Due from other financial institutions'

The carrying values of 'Cash and cash equivalents' approximate their net fair value as they are short term in nature or are receivable on demand. The fair value of 'Due from other financial institutions' that are not traded in an active market is determined using discount cash flow analysis with terms to maturity that match, as closely as possible, to the estimated future cash flows.

(ii) Loans and advances

The carrying value of member loans is net of unearned income and both individual and collective provisions for impairment. For variable loans (excluding impaired loans), the amount shown in the statement of financial position is considered to be a reasonable estimate of net fair value. The net fair value for fixed rate loans is calculated by utilising discounted cash flow models (i.e. the net present value of the portfolio future principal and interest cash flows), based on the maturity of the loans. The discount rates applied were based on the current applicable rate offered for the average remaining term of the portfolio.

(iii) Equity Investments

The equity investments consists of shareholdings in Shared Services Partners Pty Limited and Experteq Limited. These equity investments do not have a quoted market price as at 30 June 2025 and are not actively traded. The Bank has estimated the fair value of the equity investments based on a combination of the most recent market transactions, the net asset value per share and the net tangible asset value per share of the respective entity. Shareholdings in MoneyMe Limited and Cuscal Limited are listed with the ASX.

(iv) Deposits

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 36: FAIR VALUE DISCLOSURE (Continued)

(b) Fair value hierarchy for financial assets and liabilities measured at fair value

	Consolidated and Parent				
	Carrying value	Fair value as at 30 June 2025			
	2025 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets					
Financial Assets - FVTPL	6,609	5,834	-	775	6,609
Total Financial Assets	6,609	5,834	-	775	6,609

	Consolidated and Parent				
	Carrying value	Fair value as at 30 June 2024			
	2024 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets					
Financial Assets - FVTPL	662	121	-	541	662
Total Financial Assets	662	121	-	541	662

(c) Analysis of movements between fair value hierarchy levels

The table below summarise movements in Level 3 balance during the year.

	Consolidated and Parent
	\$'000
Balance as at 30 June 2023	541
Net gain/(loss) on financial assets at fair value through profit or loss	-
Balance as at 30 June 2024	541
Balance as at 30 June 2024	541
Net gain/(loss) on financial assets at fair value through profit or loss	234
Balance as at 30 June 2025	775

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 36: FAIR VALUE DISCLOSURE (Continued)

(d) Fair value hierarchy for financial assets and liabilities not measured at fair value

	Consolidated				
	Carrying value	Fair value as at 30 June 2025			
	2025 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets					
Due from other financial institutions	129,453	-	129,459	-	129,459
Debt Instruments at amortised cost	643,612	-	643,272	-	643,272
Other assets	13,355	-	13,355	-	13,355
Loans and advances	2,865,348	-	-	2,779,512	2,779,512
Total Financial Assets	3,651,768	-	786,086	2,779,512	3,565,598
Financial Liabilities					
Deposits	3,326,492	-	3,329,857	-	3,329,857
Other liabilities	52,558	-	52,558	-	52,558
Total Financial Liabilities	3,379,050	-	3,382,415	-	3,382,415

	Consolidated				
	Carrying value	Fair value as at 30 June 2024			
	2024 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets					
Due from other financial institutions	73,722	-	73,724	-	73,724
Debt Instruments at amortised cost	350,159	-	350,144	-	350,144
Other assets	5,444	-	5,444	-	5,444
Loans and advances	1,350,092	-	-	1,345,440	1,345,440
Total Financial Assets	1,779,417	-	429,312	1,345,440	1,774,752
Financial Liabilities					
Deposits	1,642,405	-	1,642,131	-	1,642,131
Other liabilities	28,308	-	28,308	-	28,308
Other financial liabilities	-	-	-	-	-
Total Financial Liabilities	1,670,713	-	1,670,439	-	1,670,439

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 36: FAIR VALUE DISCLOSURE (Continued)

(d) Fair value hierarchy for financial assets and liabilities not measured at fair value (continued)

	Parent				
	Carrying value	Fair value as at 30 June 2025			
	2025 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets					
Due from other financial institutions	71,000	-	71,005	-	71,005
Debt instruments at amortised cost	1,411,212	-	1,409,667	-	1,409,667
Other assets	28,667	-	28,667	-	28,667
Loans and advances	2,861,506	-	-	2,779,512	2,779,512
Total Financial Assets	4,372,385	-	1,509,339	2,779,512	4,288,851
Financial Liabilities					
Deposits	3,326,492	-	3,329,857	-	3,329,857
Other liabilities	52,558	-	52,558	-	52,558
Other financial liabilities	722,463	-	722,223	-	722,223
Total Financial Liabilities	4,101,513	-	4,104,638	-	4,104,638
	Parent				
	Carrying value	Fair value as at 30 June 2024			
	2024 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets					
Due from other financial institutions	42,453	-	42,453	-	42,453
Debt Instruments at amortised cost	675,759	-	673,653	-	673,653
Other assets	11,144	-	11,144	-	11,144
Loans and advances	1,350,092	-	-	1,345,440	1,345,440
Total Financial Assets	2,079,448	-	727,250	1,345,440	2,072,690
Financial Liabilities					
Deposits	1,642,405	-	1,642,131	-	1,642,131
Other liabilities	28,306	-	28,306	-	28,306
Other financial liabilities	295,460	-	294,684	-	294,684
Total Financial Liabilities	1,966,171	-	1,965,121	-	1,965,120

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 37: COMMITMENTS

To meet the financial needs of members, the Bank enters into various commitments. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

(a) Future capital commitments

The Bank has not entered into contracts for the purchase of property, plant and equipment which have not been recognised as a liability.

	Consolidated 2025 \$'000	Parent 2025 \$'000	Consolidated 2024 \$'000	Parent 2024 \$'000
(b) Undrawn Loan Commitments				
Loans approved but not funded	89,679	89,679	45,602	45,602
Undrawn lines of credit	54,218	54,218	30,108	30,108
Loan redraw facilities	162,253	162,253	59,595	59,595
Undrawn Loan Commitments	306,150	306,150	135,305	135,305

Commitments to extend credit represent contractual commitments to make loans and provide revolving credit facilities. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

However, the potential credit loss is less than the total unused commitment since most commitments to extend credit are contingent upon members maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

NOTE 38: CONTINGENT LIABILITIES

(a) Liquidity Support Scheme

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

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

As a member of CUFSS, the Bank may be called upon by CUFSS to contribute to emergency liquidity loans for one or more other CUFSS members. Should the Bank be required to contribute funding, any such liquidity loans would be structured and priced in accordance with normal commercial terms, as determined by CUFSS. The total amount of funding the Bank could be required to provide to other members cannot exceed, in aggregate, 3% of the Bank's assets.

(b) Guarantees

The Bank has issued guarantees on behalf of members and suppliers for the purpose of lease and trade credit facilities. The amounts of the guarantees in total are \$4,581,795 (2024: \$3,300,923). The guarantee is payable only on the member or supplier defaulting on the contractual repayments to the lessor / supplier.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 39: INVESTMENTS IN SUBSIDIARIES AND OTHER ENTITIES

(a) Subsidiaries

Name of Entity	Place of Incorporation	Ownership interest	Principal activities
SGE Funding Trust No. 1 Repo Series No. 1	Australia	100%	Securitisation
Waterside Trust No. 1	Australia	100%	Securitisation

The Bank holds all the participation units issued by the SGE trust.

There were no restrictions on the ability to transfer cash or other assets, pay dividends or other capital distributions, provide or repay loans and advances between the entities within the Group.

(b) Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Bank's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases it may have exposure to such an entity but not consolidate it.

Consolidated structured entities

The Bank has the following contractual arrangements which require it to provide financial support to its structured entities.

(i) Securitisation structured entities

The Bank provides liquidity facilities to SGE Funding Trust No. 1 Repo Series No. 1. These facilities can only be drawn to cover cash flow shortages relating to mismatches in timing of cash inflows due from securitised asset pools and cash outflows due to note holders.

(c) The Waterside Trust was closed on the 16 June 2025 and there were no assets and liabilities as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 40: RELATED PARTIES DISCLOSURES

(a) Directors

The names of the Directors of Unity Bank Limited who have held office during the financial year are:

S J Helmich - Chair
D A Taylor - Director
P W Clarke - Director
J Welbourn - Director
J L McPhee - Director
L Harris - Director
J M Dodd - Director
M T Doleman - Director
G Keane - Director
G Kelly - Director
M Watson - Director
M Myers - Director

(b) Remuneration of Key Management Personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any Director of the Bank. Key management personnel has been taken to comprise the Directors and members of Executive Management who were responsible during the financial year for the day to day financial management and operational management of the Bank.

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

	2025	2024
	\$	\$
• Short-term employee benefits	4,771,511	3,526,633
• Directorial services	44,000	43,280
• Other long-term benefits	110,767	74,228
Total remuneration of key management personnel	4,926,278	3,644,141

Remuneration shown as short term benefits means (where applicable) wages, salaries, superannuation, paid annual leave and paid sick leave, value of fringe benefits received, but excludes out of pocket expense reimbursements.

(c) Loans to Key Management Personnel

All loans disbursed to key management personnel and close family members of key management personnel (as defined by AASB124 Related Party Disclosures) were approved on the same terms and conditions, that are applicable to members for each class of loan. There are no loans that are impaired in relation to the loan balances with key management personnel or close family members.

Key management personnel who are not Directors may be entitled to receive a concessional rate of interest on a portion of their loans and facilities. The concessional rate for these loans is 2.5% below the standard variable rate and they are secured by first mortgages over the individuals' residences. These benefits, where subject to fringe benefits tax, are included in the remuneration in (b) above.

There are no benefits or concessional terms and conditions applicable to the close family members of the key management personnel. There are no loans that are impaired in relation to the loan balances with close family members of Directors and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 40: RELATED PARTIES DISCLOSURES (Continued)

(c) Loans to Key Management Personnel (continued)

	2025 \$	2024 \$
(i) The aggregate value of loans to key management personnel and close family members as at balance date amounted to	12,361,953	17,287,998
(ii) The total value of revolving credit facilities to key management personnel and close family members	276,000	278,000
(iii) Less amounts drawn down and included in total loans above	(173,442)	(112,158)
Funds available to be drawn	102,558	165,842
Interest and other revenue earned on loans and revolving credit facilities to key management personnel and close family members	429,201	403,473

(d) Deposits from Key Management Personnel

Total value of term and savings deposits from key management personnel and close family members at balance date	8,005,981	10,681,284
Total interest paid on deposits to key management personnel and close family members	144,051	89,697

Key management personnel and close family members have received interest on deposits with the Bank during the financial year. Interest has been paid on terms and conditions no more favourable than those available on similar transactions to members of the Bank.

NOTE 41: BUSINESS COMBINATIONS

On 7 March 2025, G&C Mutual Bank Limited (acquirer) merged with Unity Bank Limited (acquiree).

The merger, was approved by both Banks' members in November 2024 and subsequently approved by APRA.

On 7 March 2025, Unity Bank Limited voluntarily transferred its assets and liabilities to G&C Mutual Bank limited under the Financial Sector (Transfer and Restructure) Act 1999 (Cth). There was no consideration transferred or purchase price paid as result of the merger. Unity Bank Limited members ceased to be members of Unity Bank Limited and each member was issued a new share and became a member of G&C Mutual Bank Limited.

From the date of acquisition, Unity Bank Limited contributed \$17.6 million in net operating income and \$3.9 million to profit before income tax of the Bank. If the combination had taken place at the beginning of the year, net operating income would have been \$101.6 million and profit before tax would have been \$29.9 million for the Bank.

Integration costs of \$2.1 million were incurred in relation to the merger for the period ended 30 June 2025. These costs are included within the respective expense categories in the Statement of Comprehensive Income.

Business Combinations are accounted for using the acquisition method as at the acquisition date, which is the date the acquirer obtains control of the acquiree.

On 7 March 2025, the assets and liabilities of Unity Bank Limited were transferred to G&C Mutual Bank Limited at the carrying value which approximates fair value.

The fair value of the identifiable assets and liabilities of Unity Bank Limited at the date of acquisition were as follows:

	7 March 2025
Assets	\$'000
Cash and cash equivalents	51,987
Due from other financial institutions	71,615
Debt instruments at amortised cost	190,027
Other assets	6,140
Current tax assets	160
Loans and advances	1,465,167
Financial assets at fair value through profit or loss	5,390
Property, plant and equipment	19,938
Right-of-use assets	2,313
Intangible assets	458
Deferred tax assets	2,881
Total Assets	1,816,076
Liabilities	
Deposits	1,594,836
Other liabilities	24,387
Deferred tax liabilities	2,593
Provisions	5,897
Total Liabilities	1,627,713
Net Assets	188,363
Member Equity	
Tier 1 capital notes	28,311
Retained earnings and reserves	160,052
Total member equity	188,363

The loans and advances comprises of gross contractual amounts due of \$1,467,951,361.

Total member equity includes Tier 1 capital notes of \$28,311,000 issued to external investors (refer note 33).

All fair values are disclosed on a provisional basis. A completion audit was conducted on the balance sheet on 19 June 2025 by Grant Thornton Audit Australia, if new information is obtained within one year of the date of merger about facts and circumstances that existed at the date of merger identified adjustments to the above amounts, or any additional provisions that existed at the date of merger, then the accounting for acquisition will be revised.

NOTE 42:

EVENTS AFTER BALANCE SHEET DATE

On 1 July 2025, G&C Mutual Bank Limited changed its name to Unity Bank Limited.

There has been no other matter or significant event that has arisen after balance date which may affect the Bank's operations, the results of those operations or the Bank's state of affairs.

Appendix 1- Consolidated entity disclosure statement
as at 30 June 2025

<u>Entity name</u>	<u>Entity type</u>	<u>Body corporate country of residence</u>	<u>Body corporate % of share capital held</u>	<u>Country of tax residence</u>
G&C Mutual Bank Limited	Body Corporate	Australia		Australia
SGE Funding Trust No. 1	Trust	N/A	N/A	Australia
Waterside Trust No. 1	Trust	N/A	N/A	Australia

Corporate **Directory**

Registered Office

Level 25, 201 Elizabeth Street
Sydney NSW 2000

Auditors

Ernst & Young
200 George Street
Sydney NSW 2000

Mail

PO Box A253, Sydney South NSW
1235

Solicitors

King & Wood Mallesons
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000



Unity Bank Limited

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