



Annual Report 2026

community
first bank



Community First Credit Union Limited
ABN 80 087 649 938
Operating as Community First Bank

AFSL/Australian credit licence 231204

REGISTERED OFFICE

Level 2, 67-73 St Hilliers Road,
Auburn NSW 2144
PO Box 98, Lidcombe NSW 1825

CONTACT US

1300 13 22 77
askus@communityfirst.com.au
www.communityfirst.com.au





OUR VISION

- Community First is a member-owned and community-focused provider of financial services.
- We are committed to helping people achieve their financial goals.
- We continue to challenge stereotypes to remain relevant to our members and market needs.
- We will help create better and more sustainable communities where we operate.
- Our profits are reinvested into improved services, member and community benefits, and fairer fees.
- We expect to grow as a viable and secure community banking alternative.
- We manage our business for the long-term and intend to stay customer owned into perpetuity.



CONTENTS

- 4 Five Year **Summary**
- 5 Five Year **History**
- 6 Chair's **Report**
- 7 CEO's **Report**
- 8 Annual **Highlights**
- 9 The Value **We Create**
- 12 Our **Members**
- 14 Our **Community**
- 16 Our **People**
- 18 Corporate Governance **Statement**
- 22 Directors' **Report**
- 29 Statement of Profit or Loss and Other **Comprehensive Income**
- 30 Statement of Changes in **Members' Equity**
- 31 Statement of **Financial Position**
- 32 Statement of **Cash Flows**
- 33 Notes to and Forming Part of the Financial **Statements**
- 80 Consolidated Entity Disclosure **Statement**
- 82 Directors' **Declaration**
- 83 Lead Auditor's Independence **Declaration**
- 84 Independent **Auditor's Report**
- 86 Glossary and **Abbreviations**
- 88 Our Branch **Locations**



FIVE YEAR SUMMARY

Total Assets:

Community First's Total Assets have grown by 9% with strong growth in the lending book.

Gross Loans to Members:

Gross Loans to Members is the total amount owed to Community First from home loans, personal loans, credit cards and overdrafts and grew by 9% last year

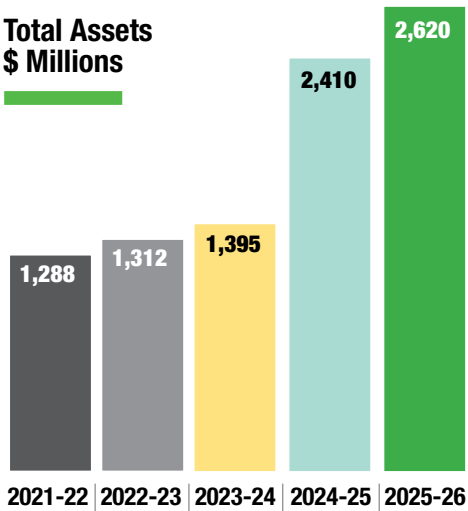
Member Deposits and Debt Issuance:

Member Deposits consist of savings, term deposits and membership shares.

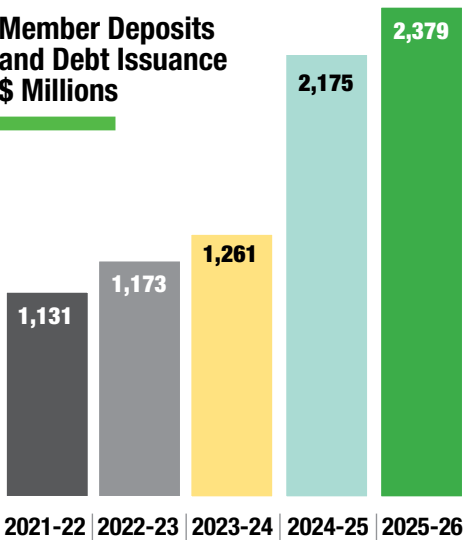
Total Members' Equity:

Total Members' Equity now exceeds \$187 million, reflecting the continued strength and stability of the business.

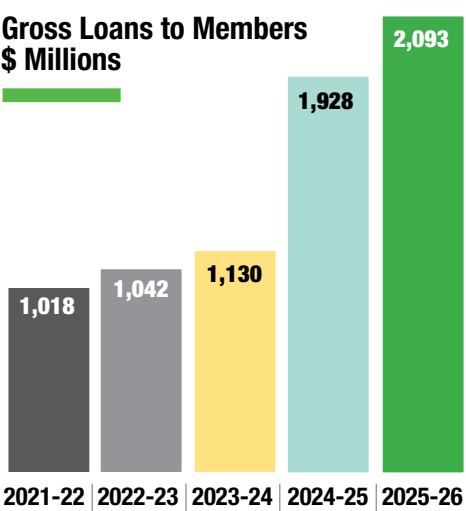
Total Assets \$ Millions



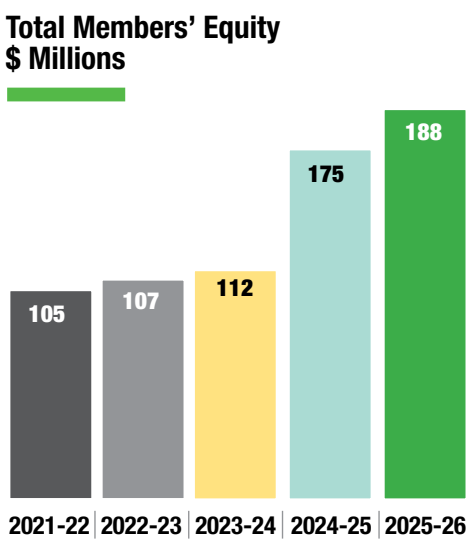
Member Deposits and Debt Issuance \$ Millions



Gross Loans to Members \$ Millions



Total Members' Equity \$ Millions



FIVE YEAR HISTORY

		2025-26	2024-25	2023-24	2022-23	2021-22
INCOME STATEMENT						
Total income	\$'000	129,419	97,494	70,015	49,706	34,201
Interest income	\$'000	121,663	90,748	62,667	44,300	28,000
Net interest income	\$'000	56,244	39,611	28,647	28,308	24,753
Impairment losses on loans and advances	\$'000	1,320	1,637	494	437	393
Operating expenses ¹	\$'000	50,395	43,773	29,690	28,103	27,581
Operating profit after tax	\$'000	8,703	767	4,157	4,009	2,704

STATEMENT OF FINANCIAL POSITION						
Total assets	\$'000	2,620,074	2,409,737	1,394,994	1,311,779	1,287,524
Gross loans and advances to Members ²	\$'000	2,092,867	1,927,806	1,129,510	1,042,415	1,017,921
Provision for loan impairment	\$'000	3,348	2,821	1,941	1,785	1,720
Member deposits and debt issuance ³	\$'000	2,379,495	2,174,751	1,260,824	1,172,523	1,131,002
Total Members' equity	\$'000	187,649	174,607	112,422	106,992	104,521

RATIO ANALYSIS						
Total revenue to average assets	%	5.18	5.40	5.09	3.82	2.67
Operating expenses to average assets	%	2.02	2.43	2.15	2.16	2.15
Net profit after tax to average assets	%	0.35	0.04	0.30	0.31	0.21
Net profit after tax to average equity	%	4.64	0.56	3.82	3.76	2.7
Net interest margin to average assets	%	2.25	2.10	2.08	2.18	1.97
Provision for loan impairment to average loans	%	0.17	0.20	0.18	0.17	0.17
Net assets per Member	\$	2,234	2,177	1,898	1,905	1,910

STATISTICAL INFORMATION						
Number of Members ^{3, 4, 5}		84,009	80,190	59,247	56,156	54,742
New Members		7,463	5,932	6,988	5,191	4,389

- Notes:**
- 1. Includes FY2024/25 business combination merger expenses and excludes impairment losses on loans and advances.
 - 2. Excludes provision for loan impairment.
 - 3. Includes deposits (note 18) and debt issuance (note 19).
 - 4. Non-IFRS information has not been audited or reviewed by the external auditors but has been sourced from the core banking system and includes regular dormant account removals.
 - 5. FY2024/25 Number of members includes additional members from business combination.



CHAIR REPORT

It is my pleasure to present the Chair's Report for the 2025-26 financial year.



Credit quality remained exceptionally strong, with loans more than 30 days in arrears at just 0.45%, well below industry averages. An important milestone during the year was the successful completion of Community First's inaugural debt issuance, raising \$50 million in medium-term notes. This further diversifies the Bank's funding sources, supports future growth and demonstrates growing confidence in Community First from wholesale investors.

Building for the Future

The Board recognises that banking continues to evolve rapidly. Member expectations continue to increase, technology is reshaping how financial services are delivered, and regulatory expectations continue to expand. At the same time, advances in artificial intelligence, cyber security and digital capability are transforming both opportunities and risks across the industry.

Community First is responding by investing in the capabilities that will define successful banks over the coming decade. The Board remains focused on ensuring management continues to strengthen operational resilience, enhance cyber security, responsibly adopt emerging technologies and maintain a prudent approach to risk management while delivering outstanding service to members.

Supporting Our Communities

As a customer-owned bank, our success is measured by more than financial performance. We remain committed to supporting the communities in which we operate, helping members achieve financial wellbeing and investing in initiatives that strengthen local communities. This commitment remains central to our purpose and differentiates Community First from shareholder-owned institutions.

Looking Ahead

The Board is confident Community First enters FY2026/27 from a position of genuine strength. The successful merger, improved financial performance and disciplined execution of our strategy have established a strong foundation for future growth. Our focus remains clear: maintaining financial strength, investing in our people and technology, enhancing member experiences, strengthening governance and ensuring Community First continues to grow sustainably and profitably while remaining true to the values that have defined our mutual for more than seventy years.

On behalf of the Board, I sincerely thank our members for their continued trust and loyalty. I also thank our people for their professionalism, resilience and commitment throughout a year of significant change. Finally, I thank my fellow Directors for their guidance, stewardship and dedication as we continue to build a stronger Community First for the future.

Stephen Nugent
Chair of Directors
Community First Bank

Community First exists to improve the financial wellbeing of our members. Every decision made by the Board throughout the past year has been guided by that purpose, ensuring we continue to build a stronger, more sustainable customer-owned bank that delivers long-term value for the members and communities we serve.

FY2025/26 has been a defining year in the Bank's history. Following the successful merger with Illawarra Credit Union and completion of our core banking integration, Community First has transitioned from integration to execution of a clear long-term strategy. We enter the next chapter as a larger, stronger and more capable organisation, well positioned to compete in an increasingly dynamic financial services landscape. During the year, Community First grew to approximately \$2.6 billion in total assets, while maintaining strong capital, liquidity and asset quality. Pleasingly, lending growth exceeded expectations, profitability strengthened significantly and our capital position remained comfortably above regulatory requirements. These results provide the financial strength to enable continued investment in technology, member experience, operational resilience and developing our people, while supporting the long-term sustainability of our mutual.

Delivering Strong Financial Performance

The first full year following the merger produced a significant improvement in financial performance. Net profit after tax increased from \$767,000 to \$8.7 million, reflecting the successful integration of the two organisations, disciplined cost management and strong lending growth. Our cost to-income ratio improved to 78%, the first time it has fallen below 80% for several years, while return on equity increased to 4.9%. Net interest margin strengthened from 2.10% to 2.25%, benefiting from interest rate movements and the repricing of fixed-rate lending. Lending increased by 9.0%, materially ahead of system growth, with a record \$570 million in loans funded during the year. We also surpassed \$1 billion in retail term deposits for the first time in the Bank's history.

CEO's REPORT

After a period of great change, we are now focused on building the Community First Bank of tomorrow.



FY2025/26 marked the beginning of a new chapter for Community First. Following the successful merger with Illawarra Credit Union and the integration of our core banking platform, we turned our focus to delivering our long-term strategy—enhancing member experiences, achieving sustainable growth, investing in our people and technology, strengthening operational capability, and maintaining disciplined financial and risk management.

While our financial performance was strong, the true highlight of the year was the dedication of our people. Their professionalism, resilience and commitment ensured every major initiative contributed to building a stronger, more capable organisation for the future.

Delivering Sustainable Growth

Community First delivered its strongest financial performance in recent history, with lending and deposit growth exceeding expectations, arrears remaining well below industry averages, and profitability increasing significantly following the merger. These results strengthened our capital position, enabling continued investment in our people, technology and future growth. A key milestone was the successful launch of our inaugural debt issuance program, raising \$50 million in medium-term notes to diversify funding sources and further strengthen our long-term financial resilience.

Investing in Better Member Experiences

Throughout the year, we invested in enhancing the member experience through improved digital services and technology. Upgrades to our mobile banking app, including enhanced security, greater personalisation and a refreshed user experience, alongside the introduction of Confirmation of Payee, digital cards and expanded international payment capabilities, provided members with greater convenience and confidence. We also implemented a modern lending platform to streamline the loan process and improve operational efficiency. Ongoing member research and feedback continued to shape our products and services, contributing

to a strong Net Promoter Score of 63 and reinforcing the trust our members place in Community First.

Investing in Our People

Our people remain our greatest strength. During the year, more than 40 leaders completed our leadership development program, building capability and supporting a high-performing culture. Throughout the integration of two organisations, our teams demonstrated exceptional resilience, collaboration and professionalism.

As Community First continues to grow, we remain committed to developing our people, attracting new talent and creating an environment where our employees can thrive and deliver outstanding outcomes for our members.

Building the Bank of the Future

Banking continues to evolve rapidly, driven by advances in artificial intelligence, automation, cyber security and changing member expectations. Community First is investing in modern technology, data and AI to enhance member experiences, improve efficiency and support sustainable growth, while strengthening governance to ensure these technologies are adopted responsibly. We also continue to invest in cyber security, fraud prevention and operational resilience to protect our members, safeguard their information and maintain their trust.

Managing Risk in a Changing Environment

Community First maintains a strong and stable risk profile and enters FY2026/27 from a position of strength. While financial performance has improved, we remain focused on managing an increasingly complex risk environment, including cyber threats, scams, third-party risk, AI governance, CPS230 implementation and rising regulatory expectations. Although fraud losses remain well below many industry peers, the growing sophistication of scams means continued investment in cyber security, fraud prevention and operational resilience remains a strategic priority.

Looking Ahead

With the merger successfully completed and strong strategic foundations in place, Community First is well positioned to accelerate its ambitions. Our priorities remain clear: delivering exceptional member experiences, strengthening our digital, data and AI capabilities, simplifying operations, investing in our people, maintaining disciplined capital and risk management, and achieving sustainable growth while staying true to the values that define Community First.

To our members, thank you for your continued trust and support. To our employees, thank you for your professionalism, dedication and care throughout a remarkable year. Together, we have built a strong foundation for the future and are well placed to seize the opportunities ahead.

Anthony Perkiss
Chief Executive Officer
Community First Bank

HIGHLIGHTS 2025-2026



ONE UNIFIED BRAND AND SUCCESSFUL MERGER MIGRATION

Bringing Community First and Illawarra Credit Union together under one brand, supported by a successful system migration, has created a stronger, more consistent experience for members and a solid foundation for future growth.



CUSTOMER-OWNED HOME LENDER OF THE YEAR

2 years running

Easy Street's back-to-back recognition from Finder reinforces our commitment to delivering competitive value, exceptional service and strong outcomes for members.



17 YEARS OF PARTNERSHIP WITH THE MCGRATH FOUNDATION

Our long-standing partnership has seen us contribute more than \$1.8 million to support McGrath Foundation Cancer Care Nurses and the vital care they provide to people experiencing cancer across Australia. We also supported the Foundation's inaugural Giving Day alongside their 20th anniversary.



MORE VALUE THROUGH SIMPLER, MORE REWARDING PRODUCTS

We've improved member value through monthly fee waivers on Everyday accounts and the launch of Easy Street's Flex Saver, making everyday banking more affordable and saving more rewarding.



4.7/5 RATING AS A GREAT PLACE TO WORK

Our strong workplace rating reflects the culture we're building, our investment in developing our people and our focus on attracting and retaining talented employees who deliver exceptional member experiences.



41 MANAGERS COMPLETED LEADERSHIP TRAINING

We're investing in leadership capability to strengthen organisational performance, support the development of our people and build confident, future-ready teams.



NPS OF 63 AND MORE THAN 1,000 5-STAR REVIEWS

Strong member advocacy reflects the positive experiences we're delivering. An NPS of 63, alongside more than 1,000 5-star reviews on Google and Product Review, demonstrates high levels of member satisfaction, trust and willingness to recommend us.



ENHANCED DIGITAL BANKING EXPERIENCE

We've enhanced our digital banking experience through Confirmation of Payee, mobile app upgrades, digital cards, international transfers and increased daily limits, giving members greater security, convenience, flexibility and control.



NEW LOAN ORIGATION PLATFORM LAUNCHED

We launched a new loan origination platform to create a simpler, faster and more efficient lending experience. It strengthens our lending capability, improves the member journey and better positions us for future growth and changing market needs.

THE VALUE WE CREATE

A practical approach to environmental and sustainability initiatives.

As a member-owned, community-focused mutual, our purpose is to create lasting value for the people and communities we serve. Since 1959, Community First has operated on the principles of mutuality — reinvesting the value we create for the benefit of our members, today and into the future.

This intergenerational approach means the strength built by past members helps create opportunities for those who bank with us today, while building a stronger mutual for future generations. We create value by helping our members build financial confidence, achieve their goals and create a stronger financial future. Through responsible lending, competitive products, trusted guidance and secure, accessible banking, we support members at important financial milestones — from saving for a deposit and purchasing a first home, to investing in property, managing everyday finances and building financial resilience. Our impact extends beyond banking. Through our people, community partnerships and responsible business practices, we contribute to the resilience, wellbeing and prosperity of the communities where our members live and work.

Who We Create Value For

Our strategy is shaped around the people and communities we influence every day. As a mutual bank, our success is measured not only by our financial performance, but by the positive outcomes we create for our members, our people and the communities we call home.

Our Value Creation is Focused on Four Areas

Our Members — helping people bank with confidence, achieve their financial goals and build resilience.

Our People — investing in capability, wellbeing and culture so our people can perform at their best.

Our Communities — supporting stronger, healthier and more resilient communities through long-term partnerships and practical support.

Our Environment — managing the environmental and climate-related risks relevant to our business and supporting responsible choices where we can.

Underpinning each of these areas is responsible business - strong governance, risk management, member protection and decisions that support the long-term strength of our mutual bank.



Our Members

We support financial empowerment by helping people make confident financial decisions and achieve the goals that matter to them — from buying their first home or investing in property, to building savings and planning for the future.

Making Banking Simpler, Safer and More Convenient

Throughout the year, we continued to invest in technology, products and services that deliver real, everyday value for our members.

- **Improving digital banking** — we launched a refreshed Mobile Banking app and enhanced Internet Banking, providing members with a simpler, more convenient and flexible banking experience.
- **Giving members greater control** — digital cards provide greater flexibility, security and control over everyday spending, with faster replacement available if a card is lost.
- **Making home lending easier** — our new loan platform and e-signature functionality have created a faster and simpler home loan process.
- **Supporting home ownership** — we provide different pathways to home ownership, including lending up to 95% of the property value, Family Home Guarantees and participation in the Australian Government's 5% Deposit Scheme.
- **Delivering competitive value** — Easy Street was named Customer-Owned Home Lender of the Year at the 2026 Finder Home Loan Awards for the second consecutive year.
- **Listening to our members** — member research and feedback continue to inform decisions around digital enhancements, product development and service improvements. Our Net Promoter Score of 63 provides an important measure of member experience.



THE VALUE WE CREATE

Keeping Members Safe

Protecting our members' money and personal information is fundamental to the value we create. During the year, we continued to strengthen fraud and scam prevention through enhanced security measures, staff training and improved member education.

The introduction of Confirmation of Payee gives members greater confidence when making payments, while expanded Help & Support resources provide practical guidance to help members recognise emerging scams and access support when needed. We have also strengthened our support for vulnerable members, including providing information to help members and our people recognise the signs of financial and elder abuse.

Our People

Our people are fundamental to the value we create. As we move forward under one unified brand, we are focused on building the capability, culture and organisation needed to deliver our strategy and create long-term value. The merger with Illawarra Credit Union has brought together the strengths, expertise and experience of two organisations and provided an opportunity to build a stronger, more connected operating model.

Building Capability for the Future

We are investing in leadership development, learning and career opportunities to strengthen capability across Community First.

- **192 employees**, including 35 new starters, bring a diverse range of skills, experience and perspectives to our organisation.
- **41 leadership development completions** supported current and emerging leaders to build the skills needed for the future.
- **Our Member Experience team** continues to benefit from practical, ongoing learning designed to build product knowledge and strengthen member service capability.
- **Traineeships, employer-supported qualifications and structured learning opportunities** provide pathways for our people to develop new skills and careers.
- **6 promotions and 15 internal appointments** reflect our commitment to supporting career

development and progression within our team.

We also take a holistic approach to wellbeing, with support including psychosocial wellbeing initiatives, subsidised flu vaccinations, our Employee Assistance Program and our Health and Safety Committee.

Our Communities

As a community-focused mutual, we have a responsibility to contribute to the resilience, wellbeing and prosperity of the communities we serve. Our community partnerships focus on areas where we can make a meaningful difference, including health and wellbeing, cost-of-living support, youth development and community safety.

Building Stronger Communities

- **Supporting cancer care** – our Pink Card program has raised more than \$1.8 million for the McGrath Foundation since 2009. During the year, we also supported the Foundation's inaugural Giving Day by contributing to dollar for dollar matching of donations.
- **Supporting men's health** – our Low Rate Blue Credit Card donates half of the annual card fee to the Prostate Cancer Foundation of Australia, supporting research and care.
- **Supporting community safety** – our partnership with Queenscliff Surf Life Saving Club has continued for nearly 20 years, supporting beach patrols, emergency response, training and water safety education.
- **Investing in young people** – our partnership with the Illawarra Academy of Sport, which has continued for more than 15 years, supports athlete development. Our team also provides financial wellbeing sessions to athletes, helping them build skills in budgeting, saving and managing sponsorships and prize money.
- **Helping with cost-of-living pressures** – for the past three years, our partnership with WaveFM has delivered the Pay Your Bills promotion, providing \$30,000 to help local community members meet essential household bills.
- **Encouraging our people to contribute** – employees who participate in community partnerships contribute an average of eight volunteer hours each year.

Together with our members, people and community partners, we are helping to build connection, create opportunity and strengthen resilience across the communities we serve.

Our Environment

Environmental and climate-related issues can affect our members, communities and the long-term resilience of our business. As a member-owned bank, we take a considered approach to understanding and managing the environmental and climate-related risks relevant to our operations and lending activities, while identifying opportunities to support positive outcomes for our members and communities.

Managing Climate-Related Risks and Opportunities

During the year, the Bank continued to assess climate-related risks and opportunities through its Enterprise Risk Management Framework.



This includes consideration of both physical and transition risks. Physical risks may arise from severe weather events, changing climate patterns and natural disasters that could impact our members, properties securing loans, operational activities and the overall resilience of our loan portfolio. Transition risks may emerge from changes in regulation, technology, consumer expectations, market dynamics and Australia's transition to a lower-carbon economy.

To help manage these risks, the Bank incorporates climate-related considerations into relevant risk assessment, governance and decision-making processes. We continue to assess physical climate risks as part of our lending and risk management approach, recognising that extreme weather events can influence property values, borrowers' financial circumstances and credit risk outcomes. Climate-related stress testing is undertaken on the Bank's loan portfolio, with analysis incorporating factors such as geographic location, exposure to climate-related hazards, lending risk characteristics and appropriate insurance coverage requirements. These activities help strengthen our understanding of potential impacts under a range of climate-related scenarios and support prudent risk management practices.

The Bank also continues to identify opportunities to support members through products and services that promote sustainable outcomes and enhance the energy efficiency, resilience and long-term value of homes and businesses. Consistent with APRA's expectations, climate-related risks and opportunities are considered within relevant governance, risk management and strategic planning processes.

To further strengthen our understanding of climate-related risks and opportunities, Community First Bank participated in the COBA/KIC FINITY Climate Research Project, contributing to industry-wide research supporting the mutual banking sector's response to evolving climate-related risks, emerging trends and regulatory expectations. Participation in this initiative has provided valuable insights into climate risk assessment methodologies and helped inform the Bank's ongoing approach to climate risk management.

Preparing for Future Reporting Requirements

Australia's mandatory climate-related financial reporting regime commenced on 1 January 2025 and is being implemented progressively for entities that meet prescribed reporting thresholds. While Community First Bank is not currently required to prepare and lodge a Sustainability Report under the phased implementation timetable, management continues to monitor regulatory developments and enhance governance frameworks, data collection processes, risk management capabilities and reporting practices to support future compliance requirements where applicable.

These activities are intended to improve transparency, strengthen the Bank's management of climate-related risks and opportunities, and ensure Community First Bank remains well positioned to meet the evolving expectations of regulators, members and other stakeholders while continuing to support the long-term financial wellbeing of the communities we serve.

Responsible Business

Creating lasting value depends on operating responsibly and maintaining the trust of our members, people and communities. As a financial institution, our greatest social



impact is often created through the way we conduct our core business. Responsible lending, financial hardship support, member protection, privacy, cyber security, fraud prevention and sound risk management are fundamental to our mutual purpose.

Strong governance, risk management and compliance practices underpin the way we create value and help ensure that decisions made today support the long-term strength and resilience of Community First.

Looking Ahead

Creating value is an ongoing responsibility. As we continue to grow as one organisation, our focus is on strengthening the outcomes we deliver for our members, people and communities. This includes continuing to invest in simpler and safer banking, supporting financial wellbeing and home ownership, developing our people, deepening our community partnerships and managing environmental and climate-related risks.

We will continue to strengthen how we measure and report the outcomes of our activities, so that over time we can demonstrate not only what we have done, but the difference it makes.

In Summary

The value we create is about more than banking. It is about helping people move forward, strengthening the communities we call home and building a stronger mutual for future generations. Through financial empowerment, home ownership, safer and simpler banking, investment in our people, long-term community partnerships and responsible business practices, we put our mutual purpose into action every day.

The strength built by members since 1959 provides the foundation for what comes next. By continuing to reinvest in our members, our people and our communities, we are creating meaningful value today and building a stronger, more resilient Community First for generations to come.



OUR MEMBERS

Investing in Better Banking for Our Members

Following our merger with Illawarra Credit Union, 2025/26 was a year of significant investment and progress, with a focus on making banking simpler, safer and more convenient for our members. We introduced new digital features and products, streamlined lending processes, strengthened fraud and security protections, and continued to improve the everyday banking experience. From smarter ways to manage money and bank digitally to faster, more seamless lending, each initiative was designed to deliver practical value while maintaining the personalised service and member-first approach our members know and trust.

This past financial year's key member experience milestones reflect our continued focus on improving the member experience and delivering greater value.




Greater Card Control and Convenience

In September 2025, we introduced **Digital Cards for Community First and Easy Street members**, providing greater flexibility, security and control over everyday spending. Digital cards give members instant access to their money, with the ability to control how and where cards are used. Lost card? A replacement can be available in hours—reducing disruption.



Enhanced Mobile Banking Experience

In April 2026, we launched a refreshed Mobile Banking app, delivering a more intuitive and streamlined banking experience for members. With an improved look and feel and features such as Confirmation of Payee, members can manage their money more easily and make payments with greater confidence and protection.




More Secure Online Banking

New enhancements to Internet Banking have made it easier for members to manage their finances online. With **international payments, increased daily transfer limits and enhanced security**, managing money online is easier and more flexible than ever.




Making Home Lending Easier

During the year, we enhanced our home lending experience with the introduction of a **new loan origination platform and e-signature functionality** for mortgage documentation. These improvements mean a faster, simpler home loan process—so members can move forward sooner.



Delivering Value, Trust and Secure Banking



Award-Winning Banking

Our commitment to delivering outstanding value and competitive home loan solutions was recognised at the 2026 Finder Home Loan Awards, with our online brand Easy Street named **Customer-Owned Home Lender of the Year** for the second consecutive year. The annual awards assess more than 7,000 home loan product variants from 116 lenders across Australia, evaluating products on a range of value and feature criteria to identify the market's leading offerings.

In addition to securing the Customer-Owned Home Lender of the Year title, Easy Street's **Street Smart Variable Home Loan (Investor, P&I)** was awarded **Best Investor P&I Variable Home Loan**. Easy Street also received three Highly Commended awards:

- **Highly Commended** – Best Owner Occupier 1 Year Fixed Home Loan
- **Highly Commended** – Best Investor P&I 1 Year Fixed Home Loan
- **Highly Commended** – Best Investor IO 1 Year Fixed Home Loan

These achievements reflect Easy Street's ongoing focus on providing members with competitive rates, low fees and flexible features that support their home.

Protecting Members Against Fraud and Scams

Keeping members' money and personal information safe remains a key priority. During the year, we continued to strengthen our fraud and scam prevention capabilities through enhanced security measures, ongoing staff training and improved member education resources and articles.

Key initiatives included the **introduction of Confirmation of Payee**, which helps members verify account details before making payments, reducing the risk of scams and mistaken transfers.

We also **expanded our online Help & Support resources**, providing practical guidance to help members recognise emerging scams and access support when needed. In addition, members can now benefit from **Click to Pay**, a secure online payment solution that uses tokenisation technology to help protect card details when shopping online.

Together, these initiatives provide members with greater security, confidence and peace of mind when managing their finances.

“Keeping our members safe requires more than technology alone. It takes a combination of strong security controls, informed employees and well-educated members. Our ongoing investment in fraud prevention reflects our commitment to helping members manage their money with confidence and peace of mind.”

Michael Anastasi, Chief Operations Officer

“Being recognised by Finder for a second consecutive year as Customer-Owned Home Lender of the Year is a tremendous achievement and reinforces our commitment to delivering exceptional value for our members. These awards recognise not only the strength of our products, but also our customer-centric lending solutions that help more Australians achieve their property goals.”

Aletia Fysh,
Chief Product & Marketing Officer

Listening to Members

Member feedback continues to shape our products, services and future investments.

Research undertaken throughout the year provided valuable insights into member expectations and priorities, helping guide decisions around digital enhancements, product development and service improvements.

Combined with a strong Net Promoter Score and positive member reviews, this feedback reinforces our commitment to delivering banking that genuinely meets the needs of our members.

OUR COMMUNITY

Supporting Stronger, More Resilient Communities

As a member-owned bank, Community First has proudly supported the communities where we live and work for more than 60 years. Our commitment to community is central to who we are and is reflected in the partnerships we build and the initiatives we support to create meaningful, lasting impact.

In 2025–26, we continued to strengthen these partnerships and use our people, resources and expertise to support the communities that matter to our members. We're proud to play a role in building stronger, more resilient communities. As individuals and families navigate pressures including the rising cost of living and the importance of financial and social wellbeing, the support provided by community organisations and local partnerships is increasingly valuable.

Together with our members, staff and community partners, we're helping deliver practical support, create opportunities and build resilience, contributing to positive outcomes for people and communities across our network.



Care & Connection McGraht Foundation

Ensuring no one goes through cancer alone

Our Pink Card program has raised more than \$1.8million since 2009 to help fund McGraht Cancer Care Nurses. In 2025, we supported the Grath Foundation's inaugural Giving Day, where we contributed matching funds. In May 2026, we also celebrated International Nurses Day and purchased Virtual Pink Seats at the NRMA Pink Test in January to help raise additional funds for the McGraht Foundation.

\$1.8 MILLION
RAISED FOR THE MCGRATH FOUNDATION SINCE 2009

AVERAGE 8 VOLUNTEER HOURS PER YEAR FOR STAFF SUPPORTING OUR COMMUNITY PARTNERSHIPS

20 YEARS
PARTNERING WITH QUEENSLIFF SURF LIFE SAVING CLUB

200 
YOUTH ATHLETES SUPPORTED VIA OUR PARTNERSHIP WITH ILLAWARRA ACADEMY OF SPORT

Men's Health Prostate Cancer Foundation of Australia

Our Low Rate Blue Credit Card donates half the annual card fee directly to the Prostate Cancer Foundation of Australia – giving members a meaningful way to support research and care for a disease affecting more than 24,000 Australian men each year.



Youth Development Illawarra Academy of Sport

Developing Future Champions

Continuing a 15+ year partnership, our sponsorship of the Illawarra Academy of Sport supports the ongoing operation of the Academy, athlete catering during the Regional Academy Games and the popular Athlete of the Month program, which recognises outstanding achievement, commitment and dedication. Separately, our team also delivers financial wellbeing sessions to the athletes, providing guidance on budgeting, saving money and managing sponsorship arrangements and prize money.



“Our partnership with Community First Bank is built on a shared belief in creating opportunities for young people. For more than 15 years, their support has helped the Academy provide aspiring athletes with access to high-quality development programs, while also fostering important values such as leadership, citizenship and dedication.

Salv Carmusciano, CEO Illawarra Academy of Sport

Community Safety Queenscliff Surf Life Saving Club

Nearly two decades keeping beaches safe

Queenscliff Surf Life Saving Club plays a pivotal role in ensuring the safety of beachgoers and fostering a vibrant community spirit along the shores of Queenscliff. Established with a commitment to safeguarding lives, this surf life-saving club boasts a dedicated team of trained volunteers who tirelessly patrol the beach, ready to respond to emergencies and provide assistance to those in need. Through regular training sessions and community engagement initiatives, the club not only excels in its primary mission of water safety but also actively promotes a sense of camaraderie and awareness about beach safety within the local community.

For nearly 20 years, our sponsorship has helped keep beachgoers safe – funding an All-Terrain Vehicle to help volunteers patrol and respond to emergencies faster, plus training and water safety education to help keep the local Northern Beaches community safe.



Staff engagement Local Community Events

Throughout the past year, our teams have proudly volunteered and/or supported the following local events and charity organisations:



OUR PEOPLE

Building the Organisation for Our Future

As we move forward under one unified brand, we are focused on building the organisation, capability and culture needed to deliver our strategy and create long-term value for our members, people and communities. The merger with Illawarra Credit Union has provided an opportunity to bring together the strengths, expertise and experience of two organisations and create a stronger, more connected operating model.

Our focus is now on ensuring we have the leadership, capabilities and culture needed to support the future of Community First Bank. We are investing in leadership development, coaching and learning opportunities to strengthen capability across the organisation, support career development and create opportunities for our people to perform at their best. The appointment of our first dedicated Chief People Officer further strengthens this focus. This leadership role will help shape the organisational capability, culture and talent needed to support our strategic ambitions and ensure we have the right people and capabilities to deliver for our members.

“ I am excited to join Community First at such an important time in its journey. What has stood out to me since joining Community First is the genuine care our people have for each other, our members and the communities we serve. That's something really special, and it's a strong foundation to build on. Looking ahead, our focus is on strengthening leadership, building capability and creating an environment where our people can do their best work.

By continuing to invest in our people, we're building an organisation that's well placed to adapt, grow and deliver great outcomes for our members and communities for many years to come.”

Kristie Holmes, Chief People Officer

192

Our team of 192 employees, including 35 new starters, brings a diverse range of perspectives, skills and experiences to support our members and communities.



41



Leadership development course completions supporting current and future leaders across the organisation.



2 Student of the Month Award Winners

among team members studying for industry qualifications in 2025/26.

Supporting our Team's Wellbeing

We recognise that wellbeing encompasses physical, mental, emotional and social health, and we are committed to creating a workplace where our people feel safe, supported and empowered to perform at their best. During the year, we invested in psychosocial awareness training and employee surveys to better understand the needs of our workforce, identify opportunities for improvement and strengthen our positive workplace culture. We also continued to support employee wellbeing through initiatives

including subsidised flu vaccinations, access to our Employee Assistance Program (EAP), the ongoing work of our Work Health and Safety (WHS) Committee, and the provision of wellbeing resources through internal communications.

Alongside these initiatives, we encouraged connection and engagement through team-building activities, charity events and social celebrations, helping to foster a strong sense of belonging and collaboration across our organisation.



Investing in Future Talent Through Learning and Development



Developing the skills and capabilities of our people remains a key priority for Community First. Over the past 12 months, we have continued to invest in professional development through NSW Government Traineeships and employer-supported qualifications, helping our employees build rewarding careers while delivering exceptional service to our members.

Our partnership with the Australian College of Commerce and Management (ACCM), one of Australia's leading registered training organisations, continues to deliver outstanding outcomes. Throughout our partnership,

our employees have received an impressive 20 Student of the Month nominations, recognising the quality of their work, commitment to learning and dedication to achieving their qualifications.

Among these achievements in the past year, we have had two team members awarded Student of the Month — a significant accomplishment given the large volume of assessments ACCM receives from students across Australia.

Beyond academic success, the program is helping our people develop the skills and confidence needed to

excel in their roles. ACCM has recognised Community First's trainee cohort as one of its strongest performers, citing high levels of engagement, timely completion of assessments and the strong support provided by managers, branch teams and our Learning and Development team. Feedback from ACCM also highlights how highly our employees speak about working at Community First Bank and the positive learning environment we provide.

By supporting our people to learn, grow and achieve their potential, we are strengthening the capabilities of our workforce and building a foundation for future success.

Looking Ahead

Following the merger, our focus is shifting from integration to building the organisation required for Community First's next phase of growth. This includes strengthening leadership capability, creating greater clarity around performance and expectations, developing our talent and building the workforce capabilities needed to support the future of banking and deliver on our strategy. By investing in our people and their development, we are creating the capability and confidence needed to meet the opportunities ahead and continue delivering for our members.



CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement should be read in conjunction with the Directors’ Report.

Corporate governance describes the practices and processes adopted by an organisation to ensure sound management of the organisation within the legal framework under which it operates.

Community First is licensed as an Authorised Deposit-taking Institution (ADI) under the Banking Act 1959 (as amended) by the Australian Prudential Regulation Authority (APRA) who also acts as the regulator for Prudential Risk.

Since 1 November 2003, Community First has also operated under an Australian Financial Services (AFS) Licence issued by the Australian Securities and Investments Commission (ASIC) under section 913B of the *Corporations Act 2001*.

Community First is regulated by ASIC for adherence to the *Corporations Act 2001*, for the Australian Accounting Standards (AASBs), for adherence to the *National Consumer Credit Protection Act (2009)* in maintaining fair lending practices and for Financial Services Reform (FSR) requirements. The general requirements under the FSR legislation are to:

- be licensed by ASIC to carry on a financial services business;
- comply with AFS licence conditions and financial services laws;
- disclose details of Community First’s products and services;
- maintain training and appropriate competency levels for all staff who deal with members; and
- provide an effective and independent complaints handling process.

Both ASIC and APRA may conduct periodic inspections of our operations and Community First reports to both annually on our compliance with their respective requirements. The external auditor also reports to both ASIC on AFS Licensee requirements and to APRA on Prudential Standards compliance.

Members

The interests of members are paramount in the operation of Community First. Our members, as owners and shareholders, operate Community First through their approval of Community First’s Constitution, the democratic election of a Board of Directors and the democratic process of General Meetings.

The Board has responsibility for overseeing the management of the affairs of Community First on behalf of our members.

Board of Directors - Role of the Board

The responsibilities of Community First’s Directors arise from statute and common law. The most relevant statutes are the *Banking Act 1959* (as amended), the *Corporations Act 2001*, and the *National Consumer Credit Protection Act (2009)*. The Board of Directors is responsible for the overall corporate governance of Community First. The Board has a clear view of its governance responsibilities and believes it has the necessary experience, skills and mix of people to oversee the development of the higher standards of corporate integrity and accountability required of an ethical organisation. There is a clearly accepted division of responsibilities at the head of Community First, which ensures an appropriate balance of power and authority.

The Board has delegated responsibility for the operation and administration of Community First to the Chief Executive Officer and executive management. Responsibilities are delineated by formal delegations of authority.

Composition of the Board

The Board of Directors of Community First is currently comprised of seven Directors elected by Community First’s membership or by Board appointment through a transfer of business. No members of the management team sit on the Board; it is composed entirely of non-executive Directors.

A minority of Directors are elected each year in rotation and serve a three-year term. There is no limit on the number of terms that a person may serve as a Director subject to their ability to meet the ongoing requirements of the role. Any member, subject to qualifications set out in the Constitution, APRA’s prudential standards and the *Banking Act*, is eligible to nominate as a Director.

Nominations for the position of Director, including those from elected Directors offering themselves for re-election, are part of the election process. A candidate must be nominated by two different Community First members, be assessed by the Board Nominations Committee, meet the Fit and Proper Persons requirements of the *Banking Act 1959*, and if the number of candidates exceeds the number of vacancies, be elected by ballot under the supervision of an independent Returning Officer. Details of the Directors who held office during the financial year are set out on pages 22 to 28 of this Report.

Board Processes

The Board meets regularly and accepts responsibility for the overall governance of Community First, including the formation of strategic direction and policy, approval of plans and goals for Management and the review of performance against these goals. It has also established appropriate structures for the management of Community First including an overall framework of internal control, risk management and the establishment of ethical standards.

The Board has approved a detailed formal policy for the ongoing training and development of Directors.

General processes for the operation of the Board have been formally documented, including:

- declaration of conflicts of interest;
- checks that are required to satisfy the ‘Fit and Proper Persons’ requirements of the *Banking Act*;
- a statement of responsibilities and duties of the Directors; and
- the division of responsibility between the Board and the Chief Executive Officer.

To increase its effectiveness, the Board has established Committees with responsibility for particular areas. The role of each Committee, together with the Terms of Reference that set out their responsibilities and duties, is documented in a Policy statement approved by the Board of Directors.

The Committees are:

- Board Corporate Governance and Remuneration Committee
- Board Audit Committee
- Board Risk Committee
- Board Nominations Committee.

Board Composition and Review of Performance

The Board has a procedure for the assessment of its performance as a whole, the performance of individual Directors and the Chair. The assessments are conducted annually, identifying priorities for the professional development of Directors and help to improve the performance of the Board and individual Directors in the execution of their duties and responsibilities.

The Board has established a system to review the skills and experience of all Directors to ensure it retains an appropriate mix of skills within the composition of the Board.

Board Remuneration

Remuneration of Directors is determined by reference to an independent Australia-wide survey of directors’ remuneration. Recommendations on remuneration are submitted for consideration by members at the Annual General Meeting. In addition to the remuneration, Directors are reimbursed for out-of-pocket expenses incurred in their role. There are no other benefits received from Community First.

The Board Corporate Governance and Remuneration Committee performs the review of the Board remuneration.

Management Remuneration

The remuneration of the Chief Executive Officer, Executive Management, key Finance and Risk managers and any staff required by the prudential standards are reviewed by the Board on an annual basis taking into account Community First’s performance and current market conditions. Remuneration arrangements for other executives and staff are determined by the Chief Executive Officer by reference to external advice, Award remuneration levels and Community First’s performance.

Ethical Standards

Any interest in contracts or any other potential or actual conflict of interest is declared at each Board meeting where the Director becomes aware that a conflict has

or may arise. All business conducted by Directors in the normal course of their transactions with Community First are conducted on terms and conditions that apply to any other member. All loans to an individual Director may only be approved by a majority of the other Directors. Loans to the Chief Executive Officer are handled in a similar manner.

The Board agreed to be bound by the Ethics and Values Principles set down by the Customer Owned Banking Association (COBA).

The Board has also agreed to be bound by the Mutual Banking Code of Practice and ePayments Code of Conduct which sets down principles by which Community First deals with its members and keeps them informed of services available, costs and other relevant information. As part of these Codes, Community First has implemented procedures for resolving complaints with members on transactions and refers disputes to an independent arbiter, the Australian Financial Complaints Authority (AFCA).

Fitness and Propriety

Community First undertakes an annual assessment of all Directors and Senior Management to determine their fitness and propriety for the roles they are required to fulfil. This assessment must at least meet the requirements of APRA’s Prudential Standard for Fit and Proper persons, and ensures that there are no persons in a responsible position who have been disqualified from acting in such a role.

Risk Management

Community First’s risk assessment process has been developed in accordance with Prudential Standards and the Corporations Act. The process assists the Board and senior management to identify and understand significant risks faced by Community First.

Risk assessment, internal controls and internal audit play an important role in Community First’s corporate governance, assurance and compliance framework.

Compliance

Community First’s compliance process has been developed in accordance with Australian regulatory guidance. The process assists the Board to ensure that we remain aware of changes in legislation, codes and comply with the Prudential Standards.

CORPORATE GOVERNANCE STATEMENT

Employee Wellbeing

Community First has a well-established Work Health and Safety (WHS) Committee, and committee members are appointed by their peers to represent all employees in the organisation. This provides Community First with the forum to consult with staff on WHS activities and issues should they arise. Committee members are accredited in WHS consultation and their contribution to WHS is attributable to the low level of incidents in our workplace.

We value the wellbeing of our employees and have initiated new safety programs to further enhance the health and safety of employees throughout the year. This includes training for first aid, robbery safety awareness, flu precaution actions and employee assistance programs.

At Community First, we recognise that a strong and positive culture is achieved through shared values and beliefs. Importantly, attracting and retaining talented people who support our values is a key initiative of our organisation.

Community First's flexible and diverse workforce consists of 192 full-time, part-time and casual staff across our branch network, head and regional offices and we firmly believe our staff represent the communities in which we serve.

With a workforce participation of 59.4% female, our workplace encourages participation at all levels. Of our leadership positions, 28.5% are female and we support all staff with flexible working options, including part-time employment, working from home and flexible working hours.

We actively seek people from all walks of life to ensure a balanced and diverse workforce and to promote a workplace environment which fosters ideas and new ways of doing things.

Community First is proud to be compliant with the requirements of the *Workplace Gender Equality Act 2012*.

Board Committees

Board Corporate Governance and Remuneration Committee (CGRC)

This committee comprised of the Board's Chair and two other Directors and the Chief Executive Officer.

Its major activities are:

- monitoring corporate governance development and bringing to the Board's attention matters of importance and recommendations for improvement;
- reviewing the guidelines for Directors, and monitoring compliance;

- recommending policies and guidelines for the process of disclosure of information from the Board to shareholders;
- facilitating effective communication between Board and Management;
- co-ordinating Community First's strategic planning process;
- co-ordinating the appraisal of Board skills mix, performance review and the Director education program;
- developing Executive Management and Director succession plans;
- reviewing Board remuneration and recommendation to the Annual General Meeting.

During the year the members of the Committee were:

Chair

S. Nugent

Members

J. Johnson

P. Bourke

A. Perkiss

A sub-committee of the Committee, titled the Remuneration Committee, reviews the performance and remuneration package of the Chief Executive Officer and other selected managers as required by the prudential standards. The Chief Executive Officer is not a member of this sub-committee.

Board Audit Committee

The Board Audit Committee is established to oversee the financial affairs of Community First and its controlled entities. It also considers matters concerning the internal and external audits. Broadly, the Committee assists the Board by:

- overseeing financial reporting including the integrity of financial statements and the independent audit thereof;
- overseeing the audit process including engagement of the External and Internal Auditors for both corporate and prudential regulation purposes;
- overseeing the coordination of the external and internal audit functions;
- performing the role required under the Prudential Standards of participating in the tripartite arrangements between the Australian Prudential Regulation Authority (APRA), Community First and our External and Internal Auditors;
- acting as a Committee to assist the Board in discharging the Board's responsibilities;
- supervising special investigations requested by the Board; and
- considering the results of assurance activities within the 3-lines of defence model contained in the prudential standard.

The Committee is comprised of up to four Directors, none of whom is the Chair of the Board.

Chair

- D. Lambourne

Members

- S. Lowndes
- G. Thomson (Retired 24 June 2026)
- D. Rowe (Retired 27 November 2025)
- N. McNamara (Appointed 11 May 2026)
- I. Beaumont (Appointed 25 June 2026)

Board Risk Committee

The Board Risk Committee is established to oversee the establishment, implementation, and annual review of Community First and its controlled entities Risk Management System. The focus of the Board Risk Committee is to monitor the organisation's Risk Management Framework and provide oversight of the enterprise-wide risk management systems. This includes the evaluation of the effectiveness of internal controls and policies.

Broadly, the Committee assists the Board of Directors to effectively discharge its responsibilities within the context of the Board determined risk appetite, and consider the treatment of material risk by:

- overseeing the risk management strategy and framework of Community First;
- making recommendations to the Board concerning the risk appetite statement and tolerance limits
- monitoring risk management practices;
- reviewing management's plans for mitigation of material risks;
- promotion of a risk based culture;
- achieving a balance of risk and reward;
- monitoring Community First's compliance with relevant Board policies, prudential and statutory requirements;
- acting as a Committee to assist the Board in discharging the Board's responsibilities;
- supervising special investigations requested by the Board;
- monitoring the three year rolling business plan for consideration in strategy discussions and annual budgets;
- overseeing the annual risk management attestation for the regulator; and
- considering the results of assurance activities within the three lines of defence model contained in the prudential standard.

The Board Audit Committee also undertakes an annual review of the performance of the internal auditors and external auditors whilst the Board Risk Committee reviews the performance of the Risk Management section to

identify any opportunities for improved performance and more effective oversight.

The Board Risk Committee is comprised of up to four Directors, none of whom is the Chair of the Board.

During the year the members of the Committee were:

Chair

- D. Lambourne

Members

- S. Lowndes
- G. Thomson (Retired 24 June 2026)
- D. Rowe (Retired 27 November 2025)
- N. McNamara (Appointed 11 May 2026)
- I. Beaumont (Appointed 25 June 2026)

Board Nominations Committee

This Committee comprises one external independent Chair, one member of Community First and one Director. The Director representative cannot be a person standing for election or be a person nominating or seconding a person for election.

The role of this Committee is to review checks relative to 'Fit and Proper' tests and to interview persons who have been nominated for election as a Director, to establish the suitability and qualifications of the person.

The Committee then expresses an opinion in the material accompanying ballot papers as to whether the Committee considers the nominee has demonstrated their ability to meet the requirements to be a Director of Community First.

During the year the members of the Committee were

Chair

- P. Russell

Members

- S. Nugent
- J. Harvey

DIRECTORS' REPORT

The Directors present their report together with the financial report of Community First Bank (“Community First”), and of the Consolidated Entity, being Community First and its controlled entities, for the financial year ended 30 June 2026 and the auditor’s report thereon.

Directors

The Directors of Community First Bank at anytime during or since the end of the financial year are:



Mr Stephen Nugent

B Bus. (Marketing), Grad Cert Internet Mkt., AFAMI, AMP (Harvard), FAICD

Chair of Board of Directors

Chair of Corporate Governance and Remuneration Committee

Mr Nugent joined the Board as a Director in May 2002. Stephen has more than 40 years' experience in the banking, finance and insurance industries and was formerly the Chief Customer Officer for The Hospital Contributions Fund of Australia Limited (HCF). Mr Nugent was also the former Deputy Chair of the Customer Owned Banking Association and is a Director of the Sydney Children’s Hospitals Network.

Mr Nugent brings to the Board a wide range of experience in project and operations management, process improvement and reform programs focused on digital transformation, sales, marketing, customer service, retail banking, financial and property management, hospitality, retirement aged and home care, strategic planning and compliance.



Ms Inma Beaumont

BA (Hon) Economics/Commerce, Fellow Institute of Chartered Accountants of Australia and New Zealand, CPA, GAICD

Member of Board Audit and Board Risk Committees

Ms Beaumont joined the Board as a Director on 25 June 2026. She is a professional Non-Executive Director who brings a wide range of executive and governance experience to Community First Bank; including Internal Audit, Financial Control, Operational Efficiencies, Risk and Strategy in diverse sectors like Energy, FMCG, Retail Banking (Citi, BOQ), Real Estate and Education.

With an accounting professional background, Inma is a Fellow of the Association of Certified Chartered Accountants, a CPA and a Graduate of the Australian Institute of Company Directors. Ms Beaumont completed her university studies at the University of Valencia in Spain and has a BA (Hon) Economics/Commerce.



Mr Peter Bourke

B Economics (Majoring in Accounting and Computing), Fellow Institute of Chartered Accountants of Australia and New Zealand, MAICD

Appointed 1 February 2025 following the merger with Illawarra Credit Union.

Member of Corporate Governance and Remuneration Committee

Mr Bourke joined the Illawarra Credit Union Board in mid-2023. Mr Bourke was educated in Sydney and has significant experience as a senior executive internationally across several sectors including Professional Services, Technology, Financial Services, Telecommunications, Property, Retail and Logistics.

Mr Bourke's most recent experience was as the Chief Information Officer for a major Global Conglomerate based in Hong Kong having previously worked in London, New York and LA.

Mr Bourke is an Advisor and Board member to a number companies both in Australia and Internationally.



Dr Jacki Johnson

BAppSc (OT), EMBA (AGSM), GradDip Safety Science, PhD, FAICD

Member of Corporate Governance and Remuneration Committee

Dr Johnson joined the Board as a Director in 2007. She has more than 35 years' experience in the insurance sector including several Group Executive roles in Insurance Australia Group. Notably she was the CEO of IAG NZ from 2010 to 2016 and President of the Insurance Council of NZ. In 2015 she was recognised by NZ Herald as the NZ Executive of the Year. In 2022 Dr Johnson was recognised for her leadership in the finance sector and was awarded the Lifetime Achievement Award by the Australian and New Zealand Institute of Insurance and Finance (ANZIIF).

Dr Johnson's Director experience has been built through her executive director roles in IAG, her non-executive director roles in government such as on the Workcover NSW Board and as a Commissioner on the Greater Cities Commission, Co Chair UNEPFI and as the founding Co Chair of the Australian Sustainable Finance Institute.

Dr Johnson is also the Managing Director of her own consulting practice, Focusing Moments Pty Ltd, primarily consulting in strategy. She is a member of the faculty of the University of Cambridge Institute for Sustainable Leadership, Australian and NZ Business Programme and a Visiting Fellow at University of Wollongong, Faculty Arts, Society and Business.

Dr Johnson completed her PhD in 2024 researching the role Board of Directors play in creating societal value. Dr Johnson brings to the board skills in strategic planning, corporate governance, stakeholder engagement, people and culture practices, and risk management.

DIRECTORS' REPORT



Ms Deborah Lambourne

Master of Applied Finance (MGSM), Fellow of Governance Institute of Australia, Fellow of Chartered Accountants Australia and New Zealand, GAICD

Appointed 1 February 2025 following the merger with Illawarra Credit Union.

Chair of the Board Audit and Board Risk Committees

Ms Lambourne is an experienced non-executive director in the financial services and aged care sectors, and has held positions in the C-Suite, including CEO, COO and CFO, and is a trusted business advisor.

Ms Lambourne's career spans both commercial and government sectors, with expertise in banking and finance—domestically and internationally—across consumer, corporate, and project financing, as well as investment markets. She has held senior leadership roles within COAG initiatives, and across higher education, technology start-ups, and professional services.

Having worked in Australia, Hong Kong, and the United Kingdom, Ms Lambourne brings an international perspective to her leadership and governance.



Mr Stephen Lowndes

B. Rur. Sc. (Hons) UNE, MAMI

Member of Board Audit and Board Risk Committees

Mr Lowndes was appointed to a casual vacancy on the Board in March 2001 and elected as Chair from July 2008 to November 2015. Stephen has 30 years' experience in data analysis, systems development, policy formulation, strategic planning, executive management and industry representation, gained in the Commonwealth Public Service, Private Health Insurance, Aged Care and Health industries. He has served on the Boards of the Australian Friendly Society Association, the Australian Health Services Alliance, the Australian Health Insurance Association, Health Services Association of NSW and a number of not-for-profit community services organisations.

Mr Lowndes was formerly a member of the Management Board of Manchester Unity Credit Union, Chief Executive of Manchester Unity Australia Ltd, CEO of the Aged and Community Services Association of NSW and ACT, a peak industry association representing not-for-profit aged care providers, Chief Executive Officer of the Royal Rehab, a not-for-profit specialist rehabilitation and disability hospital and Chief Executive Officer of the Family of League Foundation.



Mr Noel McNamara

Grad. Dip. ExpMgt (AIEX)

Member of Board Audit and Risk Committees.

Mr McNamara joined the Board as a Director on 11 May 2026. He serves as a member of the Audit and Risk Committees. He brings more than 40 years of financial services experience gained across major Australian and international banking institutions. His experience includes serving as a Non-Executive Director and Audit and Risk Committee member for the Australian Business Growth Fund.

Mr McNamara held executive positions with the HSBC Group for 20 years, serving in key leadership roles including CEO of HSBC New Zealand, National Head of Commercial/Corporate Banking, Chief Risk Officer, and Interim CEO and Executive Director for HSBC Australia. He subsequently served as Strategic Advisor to HSBC Groups Executive Committees across Australia, New Zealand, and Indonesia. His broader banking career spans executive roles across the retail banking and wealth management, commercial, corporate, and institutional divisions with HSBC, Westpac Group, and Standard Chartered Bank.

Mr McNamara brings deep expertise in enterprise risk management, regulatory oversight, and corporate governance.



Mr David Rowe

Bachelor of Commerce (Economics and Finance), Grad Dip. Accounting, EMBA (AGSM), Fellow of the Australian Corporate Treasurers Association, GAICD

Retired 27 November 2025.

Member of Board Audit and Board Risk Committees.

Mr Rowe joined the Illawarra Credit Union Board in mid 2023. He is a senior finance executive with extensive experience in treasury, corporate advisory and strategy, M&A, financial risk management, liquidity and balance sheet optimisation and investor relations. He is the Chair of the Technical Committee for the Australian Treasurers Association.

Mr Rowe was Group Treasurer for Stockland, where he was responsible for managing the balance sheet and financial risks of the Group, in particular funding and liquidity, hedging and capital management. In addition to this role, he was also General Manager, Corporate Procurement and Investment Adviser for the Stockland Care Foundation, providing investment insights and advice to the Foundation.

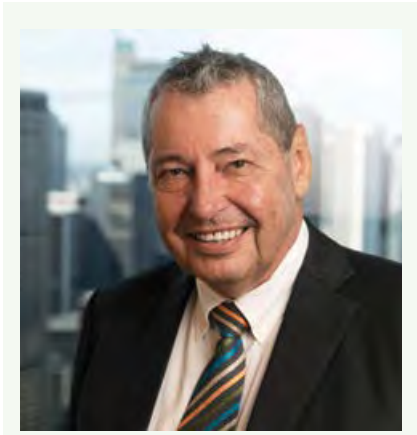
Mr Rowe has also been Group Treasurer for AMP Limited, where he was responsible for the treasury activities of the AMP Group, including AMP Bank. Together with this role, he was also Chair of the AMP Investment Committee and Director, M&A. He has also been Group Treasurer for AXA Asia Pacific Holdings Limited and held senior treasury, finance and accounting roles for Pacific Dunlop Limited, Australian Wheat Board and Westpac.

DIRECTORS' REPORT

Information on Company Secretary

Mr Anthony Perkiss, Chief Executive Officer (MBA, BCom, CPA, GAICD) was appointed to the position of Company Secretary on 1 February 2025 and continues to act in this capacity.

Mr Hung Truong, Chief Financial Officer (BCom, FCPA) was appointed to the position of Company Secretary in March 2013 and continues to act in this capacity.



Mr Gary Thomson

Grad. Dip. LG.Man, Dip. Govt., MPIA.

Member of Board Audit and Board Risk Committees

Mr Thomson joined the Board of Community First Credit Union as a Non-Executive Director in December 2016. He was previously a Director and Chair of Manly Warringah Credit Union Ltd from 2006 to 2016. Retired 24 June 2026.

Mr Thomson has a broad range of experience in strategic planning, risk management, executive management and governmental relations.

Mr Thomson semi-retired in July 2018 but was previously employed as a Project Director at Singleton Council from 2017 to 2018. From 2010 to June 2017 he was Assistant General Manager at Singleton Council following 3 years working as a consultant in the areas of town planning and business reorganisation particularly related to waste management. Prior to this he worked for Warringah Council for 28 years where his final role was as Director of Customer and Community Services.

He has extensive Board experience having previously been a member of the Glen Street Theatre Board of Directors and Hunter Resource Recovery Board of Directors. He is currently a Director of Balmain Rugby League Football Club and Balmain District Junior Rugby League Club. He is the owner of Thomson Planning and Project Management providing executive advice to private and public enterprises.

DIRECTORS' REPORT

Directors' Meetings

The number of Directors' Meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of Community First during the financial year are outlined in the table below:

Name	Status	Board Meetings		Corporate Governance & Remuneration Committee Meetings		Board Audit Committee Meetings		Board Risk Committee Meetings		Board Planning Meetings	
		a	b	a	b	a	b	a	b	a	b
Mr Stephen Nugent	Non-Executive	8	8	4	4	-	-	-	-	1	1
Mr Peter Bourke	Non-Executive	8	8	4	4	-	-	-	-	1	1
Ms Jacki Johnson	Non-Executive	8	8	4	4	-	-	-	-	1	1
Ms Deborrah Lambourne	Non-Executive	8	8	-	-	4	4	4	4	1	1
Mr Stephen Lowndes	Non-Executive	8	8	-	-	4	4	4	4	1	1
Mr David Rowe (Retired 27/11/2025)	Non-Executive	2	3	-	-	1	2	1	2	-	-
Mr Gary Thomson (Retired 24/06/2026)	Non-Executive	7	8	-	-	3	4	3	4	1	1
Mr Noel McNamara (Appointed 11/5/2026)	Non-Executive	1	1	-	-	1	1	1	1	-	-
Ms Inma Beaumont (Appointed 25/6/2026)	Non-Executive	0	0	-	-	0	0	0	0	-	-

Notes:

- a** – Number of meetings attended.
- b** – Number of meetings that the Director was eligible to attend. Leave of absence was granted for meetings unable to be attended.

The Nominations Committee held one meeting during the financial year, attended by Peter Russell, Stephen Nugent and John Harvey.

Directors' Interests

Each Director holds one redeemable preference share (member share) in Community First held in their capacity as a member. Financial accommodation to Directors complies with the Corporations Act and was made on terms and conditions available to all members generally. Details are set out in the Notes to the Financial Statements in accordance with applicable Accounting Standards.

During and since the end of the year under review, no Director has received, or become entitled to receive, a benefit except a benefit of the type included in the aggregate amount of Directors' remuneration shown in the Notes to the Financial Statements.

Principal Activities

The principal activities of Community First during the year were the provision of retail financial accommodation and associated services to members.

There were no significant changes in these principal activities during the year.

Operating Results

The net profit after income tax for the financial year ended 30 June 2026 was \$8.703m (2025: \$0.767m). The net interest income increased by \$16.633m with the net interest margin increasing 15 basis points to 2.25% from the previous year.

Non-interest income increased by \$1.010m with loan and advances impairment losses decreasing by \$0.317m. The total operating expenses increased by \$6.622m.

Review of Operations

Total assets on balance sheet as at year end were \$2.620bn representing an increase of \$210m from the previous year.

The loans portfolio increased by \$166m or 8.6%. Total deposits and debt issuance grew by \$205m for the year.

Dividends and Franking Credits

Community First's Constitution is based on the principles of mutuality. No member share is entitled to receive dividends.

DIRECTORS' REPORT

State of Affairs

As at 30 June 2026 management noted that underlying inflation remains above the Reserve Bank of Australia's target range, although it continues to moderate. Labour market conditions remain relatively resilient but are showing early signs of gradual softening. Global geopolitical tensions, including ongoing conflict in the Middle East, continue to create uncertainty around energy prices and inflation.

Management also notes that future Government policy changes, including any reforms to capital gains tax, negative gearing or broader housing policy, could influence housing market activity and lending demand over the medium term. These matters will continue to be monitored as policy settings evolve.

Environmental Regulation

Community First's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board believes that Community First has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the organisation. However, Community First is committed to helping create better and more sustainable communities and has launched a number of products to promote environmentally sustainable initiatives by consumers through the use of low interest "Green" personal loans.

Events Subsequent to Reporting Date

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

Likely Developments

Community First will continue to pursue its mission of helping members to achieve their financial goals by building relationships for mutual benefit.

Indemnification and Insurance of Officers and Auditors

During the year, a premium was paid in respect of a contract insuring Directors and Officers of Community First against all liabilities to other persons (other than Community First or a related body corporate) that may arise from their positions as Directors and Officers of Community First except where the liability arises out of conduct involving a lack of good faith. The Officers of Community First covered by the insurance contract include the Directors, Executive Officers, Company Secretaries and other relevant employees.

In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

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

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 83 and forms part of the directors' report for the financial year ended 30 June 2026.

Rounding

The amounts contained in the financial statements have been rounded to the nearest thousand in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183. Community First is permitted to round to the nearest thousand (\$'000) for all amounts except prescribed disclosures that are shown in whole dollars or otherwise stated amount.

Acknowledgments

On behalf of the Directors, please allow us to thank everyone who has contributed to our success this year: our members, staff, representatives and business partners.

*Dated at Sydney, NSW this 27th day of August 2026.
Signed in accordance with a resolution of the Directors:*

Mr Stephen Nugent
Chair

Ms Deborah Lambourne
Chair of the Board
Audit and Risk Committees

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

		Consolidated and Community First	
	Note	2026 \$'000	2025 \$'000
Interest income		121,663	90,748
Interest expense		(65,419)	(51,137)
	5	56,244	39,611
Non-interest income	6	7,756	6,746
Impairment losses on loans and advances	7	(1,320)	(1,637)
Other expenses	8	(50,395)	(43,773)
Profit before income tax		12,285	947
Income tax expense	9	(3,582)	(180)
Profit for the year		8,703	767
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of Financial Assets ^a at FVOCI during the year		6,401	1,710
Gain on disposal of equity instruments at FVOCI		-	3,883
Revaluation of property, plant and equipment		-	1,191
Tax attributable to above items		(1,901)	(2,035)
Total other comprehensive income		4,500	4,749
Total comprehensive income for the year		13,203	5,516
Attributable to :			
Members of Community First		13,203	5,516

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements commencing on page 33.

Notes:

^a – These financial assets are equity instruments.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Consolidated and Community First					
		Redeemed Preference Share Capital \$'000	Retained Earnings \$'000	Business Combination Reserve \$'000	Asset Revaluation Reserve \$'000	Total \$'000
	Note					
Opening balance at 1 July 2024		507	89,247	12,002	10,666	112,422
Merger with Illawarra Credit Union Ltd		265	-	56,405	-	56,670
Total comprehensive income for the year						
Profit for the year		-	767	-	-	767
Other comprehensive income, net of tax:						
Financial assets at FVOCI		-	-	-	1,273	1,273
Transfer to retained earnings		-	2,452	-	-	-
Revaluation of Property	17	-	-	-	833	833
Transfer of share redemption		10	(10)	-	-	-
Closing balance at 30 June 2025		782	92,787	68,407	12,631	174,607
Opening balance at 1 July 2025		782	92,787	68,407	12,631	174,607
Business Combination remeasurement		-	-	(161)	-	(161)
Total comprehensive income for the year						
Profit for the year		-	8,703	-	-	8,703
Other comprehensive income, net of tax:						
Financial assets at FVOCI		-	19	-	4,481	4,500
Transfer of share redemption		18	(18)	-	-	-
Closing balance at 30 June 2025		800	101,491	68,246	17,112	187,649

The Statement of Changes in Members' Equity should be read in conjunction with the Notes to the Financial Statements commencing on page 33.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2026

		Consolidated and Community First	
	Note	2026 \$'000	2025 \$'000
ASSETS			
Cash assets	10	17,252	23,250
Financial assets at amortised cost	11	439,991	411,978
Loans and advances	12	2,091,341	1,925,555
Financial assets at FVOCI	14	15,977	9,575
Accrued receivables	15	13,406	5,161
Current tax receivable	23	819	1,913
Assets held for sale	16	8,902	-
Property, plant and equipment	17	31,269	30,377
Intangible assets		490	714
Right of use assets		627	1,214
Total Assets		2,620,074	2,409,737
LIABILITIES			
Deposits	18	2,221,526	2,099,380 ^a
Debt Issuance	19	157,970	75,371 ^a
Payables	20	22,567	23,904
Provisions	21	4,605	4,635
Lease liabilities		668	1,252
Borrowings	22	19,824	26,617
Net deferred tax liability	23	5,265	3,971
Total Liabilities		2,432,425	2,235,130
Net Assets		187,649	174,607
MEMBERS' EQUITY			
Redeemable preference share capital account		800	782
Reserves	24	85,358	81,038
Retained earnings	25	101,491	92,787
Total Members' Equity		187,649	174,607

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements commencing on page 33.

Notes:

^a Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.

STATEMENT OF

CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2026

Consolidated and Community First			
	Note	2026 \$'000	2025 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		120,946	91,025
Dividends received		266	505
Non-interest income received		7,498	6,174
Interest paid		(67,310)	(38,480)
Payments to suppliers and employees		(55,466)	(48,697)
Income tax paid		(3,025)	(4,574)
Net increase in deposits		122,145	57,098 ^a
Net (increase) in members' loans		(167,107)	(50,134)
Net cash (used in)/provided by operating activities	26 (b)	(42,053)	12,917
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		12	106
Proceeds from sale of shares		-	6,649
Net decrease/(increase) in financial assets with other ADIs		(1,808)	31,563
Payments for financial assets with government entities		(26,206)	(67,091)
Purchase of property, plant and equipment		(10,889)	(992)
Purchase of Intangible Assets		(276)	(258)
Net cash used in investing activities		(39,167)	(30,023)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities ^a		(584)	(590)
Proceeds from Debt Issuance		422,642	152,675 ^b
Repayments of Debt Issuance		(340,043)	(129,894) ^b
Repayments of borrowings		(6,793)	(4,124)
Net cash provided by financing activities		75,222	18,067
Net (decrease)/ increase in cash held		(5,998)	961
Cash transferred on merger Illawarra Credit Union Ltd		-	12,251
Cash at beginning of the financial year		23,250	10,038
Cash at the end of the financial year	26 (a)	17,252	23,250

^a The Consolidated Entity has classified the principal portion of lease payments within financing activities and the interest portion within operating activities.

^b Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements commencing on page 33.

NOTES TO AND FORMING

PART OF THE FINANCIAL

STATEMENTS

- 1

Reporting Entity
- 2

Basis of Preparation
- 3

Statement of Material Accounting Policies
- 4

Financial Risk Management
- 5

Interest Income and Interest Expense
- 6

Non-Interest Income
- 7

Impairment Losses on Loans and Advances
- 8

Other Expenses
- 9

Income Tax Expense
- 10

Cash Assets
- 11

Financial Assets at Amortised Cost
- 12

Loans and Advances
- 13

Impairment of Loans and Advances
- 14

Financial Assets at FVOCI
- 15

Accrued Receivables
- 16

Assets held for sale
- 17

Property, Plant and Equipment
- 18

Deposits
- 19

Debt issuance

20

Payables

21

Provisions

22

Borrowings

23

Income Tax Provision/Net Deferred Tax Liability

24

Reserves

25

Retained Earnings

26

Notes to and forming part of the Statement of Cash Flows

27

Financial Instruments Disclosure

28

Commitments

29

Contingencies

30

Consolidated Entities

31

Key Management Personnel Disclosures

32

Related Party Transactions

33

Receivables Acquisition and Servicing Agreement

34

Prior Period Restatement

35

Events Subsequent to Reporting Date

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Community First Credit Union Limited, operating as Community First Bank ('Community First') is a company domiciled in Australia. The financial statements for the year ended 30 June 2026 comprise Community First Bank and its controlled entities (together referred to as the "Consolidated Entity"). The address of Community First's registered office is Level 2, 67-73 St Hilliers Road, Auburn. Community First is a for-profit entity and primarily involved in the provision of financial products, services and associated activities to members.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements of the Consolidated Entity and Community First comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 27 August 2026.

The material accounting policies set out below, other than those described in Note 3.2, have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Consolidated Entity and Community First.

(b) Basis of Measurement

The financial statements of the Consolidated Entity and Community First have been prepared on a historical cost basis except for the following items: financial assets at FVOCI (Note 14), and land and buildings as indicated in (Notes 16 & 17).

(c) Use of Estimates and Judgments

The preparation of financial statements in conformity with AASBs requires management to make judgments, estimates and assumptions based on experience and other factors, including expectation of future events that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- **Note 3** – Measurement of expected credit losses (ECL)
- **Note 13** – Impairment of Loans and Advances
- **Note 29** – Contingencies

Ongoing and emerging risks continue to impact key estimates and judgements

The economic environment as at 30 June 2026 continues to be characterised by elevated uncertainty. Although underlying inflation continues to moderate, it remains above the Reserve Bank of Australia's target range. Cost of living pressures remain, economic growth has moderated to below level trends, and labour market conditions remain relatively resilient despite early signs of gradual softening. Monetary policy settings continue to evolve in response to changing economic conditions. In addition, potential government policy changes affecting taxation and housing, together with global geopolitical tensions, including ongoing conflict in the Middle East, volatility in global financial markets, trade policy uncertainty, and the increasing frequency and severity of climate-related events, continue to contribute to economic uncertainty. These factors increase estimation uncertainty.

There is a considerable degree of judgement required in preparing forecasts. The underlying assumptions are also subject to uncertainties and beyond the control of individual entities. The actual economic outcomes are likely to differ from the forecast as the anticipated events and interaction will not always occur as expected. The effect of these differences may significantly impact accounting estimates included in the financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominately related to the measurement of expected credit losses, fair value measurement of financial assets and recoverable amount assessments of assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(d) Rounding and Presentation Currency

The Consolidated Entity and Community First have applied the relief available to it under *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2026/183* and accordingly, amounts in the financial statements and directors' report are presented in Australian dollars and all values are rounded off to the nearest A\$1,000, or in certain cases, the nearest Australian dollar or otherwise stated amount.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES

The Consolidated Entity and Community First have consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 Material accounting policies

(a) Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by Community First. Community First controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

The consolidated financial statements include those of Community First and the following Special Purpose Entities: the easystreet Trust No. 1, the MTG ICU Repo Series No. 1 Trust and MTG ICU Trust Series 2021-1.

Easystreet Trust No 1. and MTG ICU Repo Series No. 1 Trust

Both the easystreet Trust No. 1 securitisation trust and MTG ICU Repo Series No. 1 Trust relate to the issuance of residential mortgaged-backed securities (RMBS). RMBS are issued by the securitisation trust and held by Community First for entering into a potential repurchase agreement with the Reserve Bank of Australia for short term funding requirements. The securitisation trusts are consolidated, as Community First has the power to govern the financial and operating policies so as to obtain benefits from its activities. Since Community First has not transferred all the risks and rewards to the special purpose entity, the assigned loans are retained on the books of Community First and are not de-recognised. The securitisation trust's underlying assets, liabilities, revenues, expenses and cash flows are reported in the Consolidated Statement of Profit or loss and Other 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.

MTG ICU Trust Series 2021-1

Community First has assigned the rights and benefits of a parcel of mortgage secured loans to a Special Purpose Vehicle (SPV), MTG ICU Trust Series 2021-1. Community First acts as a loan manager and servicer for the SPV in respect to the day-to-day operation of the individual mortgaged loans and receives a servicer fee based on a percentage of the average balances outstanding. Community First also receives an excess distribution which is the surplus income from the SPV after deducting funding and operating costs. The excess spread will vary depending on the performance of the SPV. Therefore, Community First retains substantially all the risks and rewards of ownership of the relevant loans and advances. Due to the retention of substantially all the risk and rewards of ownership, the assignment of loans does not satisfy the de-recognition criteria prescribed in AASB 9, and accordingly Community First continues to recognise the transferred assets within loans and advances and the transfer is accounted for as a secured financing transaction.

Community First has elected to present both Community First as an individual entity and as a consolidated entity on the basis that the impact of consolidation is not material to the entity. This applies to all other information unless otherwise stated. Refer to Note 30.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(b) Financial Income and Expenses

Revenues

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the Australian Tax Office (ATO).

Dividends

Dividend income is recognised on the date the Consolidated Entity's right to receive payment is established.

Interest Income

Interest income is recognised in the profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective interest rate, the Consolidated Entity estimates future cash flows considering all contractual terms of the financial instruments. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the asset (net of credit losses). If the asset is no longer impaired, then the calculation of interest income reverts to the gross basis.

Retail banking Fees

Retail banking fees charged for provided ongoing services are recognised as performance obligations are satisfied.

Loan Origination Fees

Fee income earned or expenses incurred which is associated with the origination of loans and advances are deferred and are recognised as and when the service is provided. This is typically over the life of the loan and form part of the amortised cost of the asset and are brought to account as income over the expected life of the loan. The amounts brought to account are included as part of interest revenue.

Rental Income

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

Other Revenue

Other fee and commission income includes fees earned on a range of products and service platforms and is brought to account on an accruals basis over the period that they cover once a right to receive consideration has been attained and the performance obligation in respect of this income has been met.

Other fee and commissions include wealth management commissions, insurance commissions, ATM fees, and card fees.

Transaction fees are recognised at a point in time when incurred.

Interest Expense

Interest expense is recognised in the profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability. When calculating the effective interest rate, the Consolidated Entity estimates future cash flows considering all contractual terms of the financial instruments.

Transaction Costs

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(c) Tax Accounting Policy

Income Taxes

Income tax expense on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, or in other comprehensive income.

The Consolidated Entity has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore they are accounted for under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Consolidated Entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Consolidated Entity. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of property measured at fair value is presumed to be recovered through sale, and the Consolidated Entity has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2 New accounting standards and interpretations

1. **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2026. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and interpretations most relevant, are set out below:

i. **AASB 18 Presentation and disclosure in Financial Statements**

AASB 18 replaces AASB 101 Presentation of Financial Statements and introduces new requirements for the presentation and disclosure of information in general purpose financial statements. The Standard aims to improve comparability between entities by introducing:

- three defined categories of income and expenses in the statement of profit or loss (operating, investing and financing);
- mandatory subtotals, including operating profit and profit before financing and income taxes;
- enhanced principles for aggregation and disaggregation of information; and
- additional disclosures for management-defined performance measures.

The Standard is effective for Consolidated Entity financial reporting periods beginning on or after 1 July 2027.

The Standard is expected to affect the presentation of the Consolidated Entity's statement of profit or loss and required disclosures but is not expected to have a material impact on the recognition or measurement of assets, liabilities, income or expenses.

The Consolidated Entity is continuing to assess the presentation and disclosure impact of adopting AASB 18.

ii. **Amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures (AASB 2024-2)**

AASB issued AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments in July 2024. The amendments align Australian requirements with the IASB's amendments to IFRS 9 and IFRS 7 and are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

iii. **AASB 2025-2: Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures**

AASB 2025-2 was issued in March 2025 and amends AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. Its purpose is to ensure that Tier 2 entities receive disclosure requirements consistent with the financial instrument amendments introduced by AASB 2024-2.

The Consolidated Entity does not expect the adoption of these amendments to have material impact on the financial statements.

2. **Other Developments with Sustainability Reporting Standards**

i. **AASB sustainability reporting standards**

The Australian climate related financial disclosure legislation received Royal Assent in September 2024, under the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* ("Act"). Following this enactment the AASB introduced the first set of Australian Reporting Standards (ASRS). These standards includes:

- **AASB S1 General Requirements for Disclosure of Sustainability related Financial Information:** A voluntary standard that provides entities with a framework for disclosing sustainability related financial information in a consistent and comparable manner.
- **AASB S2 Climate-Related Disclosures:** A mandatory standard requiring entities to disclose detailed information to enable the users of financial statements to understand the reporting entity's governance, strategy, risk management, metrics, and targets in relation to climate related risks and opportunities.

The Act requires the Consolidated Entity, qualifying as a Group 3 reporter, to commence phased reporting in the financial year commencing 1 July 2027.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.3 Other Material Accounting Policies

(a) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management are included as a component of cash equivalents for the purpose of the Statement of Cash Flows.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(b) **Financial instruments**

AASB 9 sets out requirements for recognising and measuring financial assets and financial liabilities.

Recognition and derecognition of financial instruments

The Consolidated Entity recognises a financial asset or liability in its statement of financial position when the Consolidated Entity becomes a party to the contractual provision of the instrument. For loans, advances and deposits this is usually on the date on which they are originated. All other financial instruments are recognised on the trade date which the entity becomes a party to the contractual provisions of the instrument.

The Consolidated Entity derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Consolidated Entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Consolidated Entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets

General classification framework and initial measurement

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). AASB 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

Community First classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVOCI;
- fair value through profit and loss FVTPL; and
- those to be measured at amortised cost.

At initial recognition, the Consolidated Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed on the income statement.

The classification is dependent upon the Consolidated Entity's business model for managing the financial assets and the contractual terms of the cash flows at initial recognition.

Business Models

Business models are classified as either: hold to collect, hold to sell or other depending on how a portfolio of financial instruments as a whole is managed. The Consolidated Entity business models are based on the existing management structure of Community First, and refined based on an analysis of specific portfolio risks and on historic and expected future sales.

Sales are permissible in a hold to collect business model when these are due to an increase in credit risk, take place close to the maturity date, are insignificant in value (both individually and in aggregate) or are infrequent.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

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

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL as they do not meet the criteria for amortised cost or FVOCI. Community First does not currently hold financial assets for trading purposes and therefore does not currently measure any securities at FVTPL.

Contractual cash flow characteristics

The contractual cash flows of a financial asset are assessed to determine whether the instrument gives rise to cash flows that are solely payments of principal and interest (SPPI). Principal is defined as the fair value of the financial asset at initial recognition. Interest includes consideration for the time value of money, credit risk and also consideration for liquidity risk and cost associated with holding the financial assets for a particular period of time.

In assessing whether the contractual cash flows are SPPI, the Consolidated Entity considers the contractual terms of the instruments. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Consolidated Entity considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Consolidated Entity’s claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

There are currently two measurement categories into which Community First currently classifies its debt and equity instruments

- **Amortised cost** – Instruments that are held for collection of contractual cash flows under a hold to collect business model where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in the income statement. Impairment losses are presented as a separate line item in the income statement. Financial assets are carried at amortised cost.
- **FVOCI** - On initial recognition of an equity investment that is not held for trading the entity may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis. Once this election is made the gains and losses cannot subsequently be recycled through profit and loss once the investment is sold.

The Consolidated Entity reclassifies debt investments when, and only when, its business model for managing those asset changes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Financial Liabilities

Financial liabilities are classified and subsequently measured at amortised cost unless the Consolidated Entity is required to measure its liabilities at FVTPL.

(c) Impairment

Impairment of financial assets

AASB 9 ‘expected credit loss’ (ECL) model is applied to on-balance sheet financial assets accounted for at amortised cost such as loans and advances and financial assets as well as some off balance sheet items such as undrawn loan commitments and undrawn committed revolving credit facilities. Under the ECL model the Consolidated Entity estimates the allowance for credit losses (loan loss provision) by considering on a discounted basis the cash shortfalls possibly incurred in default scenarios for prescribed future periods against the probability of occurrence. The loan loss provision (LLP) is the sum of these weighted outcomes. The LLP is estimated using unbiased and supportable information about past events, current conditions and forecasts of future economic conditions. Community First uses a general approach to ECL models for loans and a simplified approach for financial assets and receivables from other institutions.

An ECL assessment is also undertaken over financial assets carried at amortised cost using an external rating investment grades based approach. The ECL as at 30 June 2026 was immaterial on these investments.

General - three stage approach for Loans and Advances

Financial assets are classified in any of the three stages at a monthly reporting date. Financial assets can move between stages during their lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

- **Stage 1: 12 month ECL**
Financial assets that have not had a significant increase in credit risk since initial recognition. Assets are classified as stage 1 upon initial recognition and a provision of ECL associated with the probability of default events occurring within the next 12 months.
- **Stage 2: Lifetime ECL not credit impaired**
Financial assets showing a significant increase in credit risk since initial recognition but are not credit impaired. A provision is made for the life time ECL representing losses over the life of the financial instrument (lifetime ECL); or
- **Stage 3: Lifetime ECL credit impaired**
Financial instruments that move into Stage 3 once credit impaired require a life time provision.

Significant increase in credit risk

A financial asset moves from Stage 1 to Stage 2 when there is indication of a significant increase in credit risk since initial recognition. The credit risk framework incorporates qualitative and quantitative information to identify a significant increase in credit risk which will trigger movement between the stages on an individual and/or collective basis. The Consolidated Entity assesses for significant increases in credit risk using:

- Lifetime probability of default of portfolio segment;
- Watch list status;
- Arrears; and
- More than 30 days past due backstop for Stage 1 and Stage 2 transfers.

Macroeconomic scenarios

The Consolidated Entity has established a process to apply the consensus forecast for economic variables such as unemployment rates, GDP growth, house prices and official cash rate to the ECL calculation. The model allows adjustment of the weighting between three scenarios to produce an unbiased result of: the baseline scenario and alternative, up and down scenarios. The scenario settings allow for forward looking adjustments with regard to key economic indicators, market forecasts, applied judgement and executive management outlook. Senior management regularly review and monitor prescribed targets of acceptable ranges of key economic factors and apply judgement. Refer to section below – Continued uncertainty on key estimates and judgements for specific information relating to the current environment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Measurement of ECL

The Consolidated Entity uses an internal expected credit loss model utilising past experience of credit deterioration, incurred losses, objective evidence and forward looking estimates and judgements to calculate an estimate of expected credit loss. The models estimate the: expected probability of default (PD), loss given default (LGD) and exposure at default (EAD) used for ECL to provide forward looking point in time estimates based on macroeconomic prediction and a 12 month or life time view of credit risk.

The Consolidated Entity model applies the PD X EAD X LGD approach incorporating the time value of money to measure ECL. A forward looking approach on a 12 month horizon is applied for Stage 1 assets. The expected loss is the discounted sum of the 12 month expected credit losses. For stage 2 assets a lifetime view on the credit is applied. The lifetime expected loss is the discounted sum of the portion of lifetime losses related to default events within the window of the expected lifetime of each portfolio a. For stage 3 assets the PD equals 100 percent and LGD and EAD represent the lifetime view of the losses based on characteristics of defaulted facilities.

^a The Consolidated Entity estimates the expected lifetime of each loan portfolio based on the current lifecycle (of monthly periods) currently estimated as per the table below:

Lifecycle of key loan portfolios	Periods (months)
Personal Loans	25
Car Loans	25
Overdraft/overdrawn savings	36
Credit Cards	13
Home Loans	53
Commercial Loans	114

Model inputs

The Consolidated Entity models the ECL for on balance sheet loan commitments measured at amortised cost as well as off balance sheet items such as undrawn loan commitments and undrawn lines of credit. Each portfolio is segmented into representative groupings which are typically based on shared risk characteristics.

The key model inputs used in measuring the ECL include:

- Exposure at default (EAD):** The EAD represents the estimated exposure in the event of a default. The EAD is estimated taking into consideration a range of possible exposures including both repayments and future drawdowns of unutilised commitments up to when the exposure is expected to default.
- Probability of default (PD):** The calculation of PD is generally performed at a facility level segmented based on product type and shared characteristics that are highly correlated to credit risk. PDs are a function of transition matrices used to determine a point in time PD estimate.
- Loss given default (LGD):** The LGD associated with PD used is the magnitude of the ECL in a default event. The LGD is estimated using historical loss rates considering relevant factors for individual exposures or portfolios. These factors include collateral, recovery cost, and the structure of the facility.

Management Overlay

A management overlay adjustment is used by the Consolidated Entity to adjust the expected credit loss model where it is judged that existing inputs, assumptions and model techniques do not capture all the risk factors, limitations or complexity in applying forward looking judgement relevant to the credit portfolios.

Definition of default

The Consolidated Entity uses the definition of default in the Consolidated Entity's internal credit risk management framework and has aligned the definition of credit impaired under AASB 9 stage 3 with the definition of default for prudential purposes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Default is generally defined as the point in time when the borrower is unlikely to meet its credit obligations in full, without recourse by the Consolidated Entity to take realisation of collateral; or the borrower is 90 days or more past due.

The Consolidated Entity periodically assesses exposures to determine whether there has been a significant increase in credit risk, which may be evidenced by either qualitative or quantitative factors. Qualitative factors include, but are not limited to, whether an exposure has been identified and placed on credit watch list reports. Where there is a deteriorating credit risk profile, the exposures are monitored on a monthly basis through management reporting and credit watch lists reports. All exposures on credit watch lists are classified as stage 2 or if defaulted as stage 3.

Credit Impaired financial assets stage 3

Financial assets are assessed at each reporting date to determine whether there is any indication of impairment. Evidence of credit impairment may include indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or other financial reorganisation.

An asset that is in stage 3 will move back to stage 2 when it is no longer considered credit impaired. The asset will move back to stage 1 when its credit risk at the reporting date is no longer considered to have increased significantly from initial recognition.

When an asset is identified as credit impaired, expected losses are measured as the difference between the assets gross carrying amount and the present value of estimated future cash flows discounted at the instrument's effective interest rate. For impaired financial assets drawn and undrawn components, expected credit loss also reflects any credit losses related to the portfolio of the loan commitment that is expected to be drawn down over the remaining life of the instrument. When a financial asset is credit impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related loan loss provision. The best estimate of a loan loss is calculated using the weighted average of the shortfall of the gross carrying amount minus the discounted expected future cash flows. Cash flows from collateral are included in the measurement of the expected credit losses of the related financial asset. The estimation of future cash flows are subject to significant estimation, uncertainty and assumptions.

The loans loss provision for credit impaired loans in stage 3 is at the individual level, with losses that relate to identified individual impaired loans.

Write off and debt forgiveness

Loans and related ECL are written off, either partly or in full from time to time as determined by management and approved by the Chief Executive Officer when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the loans loss provision.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Significant estimates and judgements - Impairment of financial assets

Considerable judgement is exercised in determining the extent of the loan loss provision for financial assets assessed for impairment both individually and collectively and based on assumptions about risk of default and expected loss rates. Community First uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on Community First's past history, experience, existing market conditions, and forward-looking estimates at the end of each reporting period. The key judgement areas are the assumptions used to measure expected credit losses, including the use of forward looking and macroeconomic information for both individual and collective assessment of impairment. The scenarios and associated probabilities are ultimately approved by executive management.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Ongoing and emerging risks to economic stability and path impact on key estimates and judgements

As noted in 2 (c) the continued elevated uncertainty in the environment continues to impact key estimates and judgements.

- The current environment remains challenging with significant risk of increased uncertainty. Risks to economic stability include: ongoing and emerging global tensions, elevated pressures from cost of living and higher interest rates, subdued economic growth, monetary policy uncertainty, impact from government tax policy changes, labour market softening and impacts from climate change.
- The challenges of economic risks in the environment require a cautious outlook and elevate the level of estimation uncertainty. This uncertainty is reflected in the Consolidated Entity's assessment of expected credit losses from its credit portfolio which are subject to a number of management judgements and estimates.

Individual assessments

In estimating individually assessed ECL for stage 2 and 3 exposures, the Consolidated Entity makes judgements and assumptions in relation to inputs and assumptions such as expected repayments, the realisable value of collateral, the economic environment, and likely costs and duration.

Collective assessments

In estimating the collectively assessed ECL the Consolidated Entity makes judgements and assumptions in relation to the selection of ECL inputs, assumptions and interdependencies between these inputs.

The following table summarises the key judgements and assumptions in relation to model inputs and interdependencies between these inputs and highlights significant changes during the period.

The judgements and associated assumptions have been made with regard to the uncertainty surrounding the economic outlook and its potential impact on future credit losses. They reflect historical experiences and other factors considered relevant, including reasonable and supportable expectations of future events existing at the reporting date The Consolidated Entity's estimation of ECL is inherently uncertain and actual credit losses may differ from these estimates.

Judgement and assumptions	Changes and considerations for year end 30 June 2026
Determining when a significant increase in credit risk (SICR) has occurred In the measurement of ECL, judgement is involved in setting the rules and trigger points to determine whether there has been a SICR since recognition of a loan, which would result in the financial assets moving from stage 1 to stage 2. This represents a key area of judgement with transition from stage 1 to stage 2 changing the ECL from 12 month losses to lifetime expected credit losses. Subsequent decreases in credit risk result in transition from stage 2 to stage 1.	The determination of SICR was consistent with prior periods. Management continue to monitor member segments considered more vulnerable to changing economic conditions and affordability pressures. With continued elevated uncertainty has been incorporated through revised forward looking scenario assumptions, including additional downside weighting and stress within the base and downside scenarios in probability of default and default rates assumptions.
Base case and economic forecast The Consolidated Entity uses a base case as the most likely economic outcome. To apply additional forward looking economic outlook that is not captured by the ECL model requires the addition of a management overlay.	The base case scenario applies assumptions and key forward looking variable in relation to: inflation, continuing high interest rates, continued cost of living pressures and labour market conditions. The base case scenarios utilised in the estimate of ECL at 30 June 2026 have been updated to reflect a period of below trend economic growth, moderating but above target inflation, elevated interest rates, modest increases in arrears and defaults, and broadly stable labour market conditions. The Consolidated Entity considers the weightings to provide the best estimate of possible outcomes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Judgement and assumptions

Probability weighting of each scenario

The probability weighting of base, downside and upside scenarios is determined by management considering the risks and uncertainties surrounding the base case.

Changes and considerations for year end 30 June 2026

The probability weightings applied to alternative economic scenarios have been revised in the last quarter of June 2026 to reflect increased downside risk and a higher probability of weaker economic outcomes.

The weighing applied to the downside scenario increased by 2.5% with a corresponding decrease in the base case scenario. This reflects the elevated uncertainty and downside risk of high interest rates, persistent inflation, monetary uncertainty and global tensions.

The Consolidated Entity has undertaken scenario analysis with expectations of ongoing downside uncertainty. The probability weighted scenarios continue to reflect assessment of relative likelihood of alternative economic outcomes. Greater weighting has been applied to the base scenario as most likely, with the downside less likely and upside unlikely given the Consolidated Entity's assessment of risks.

The applied probability weightings are subject to inherent uncertainty and the actual outcomes may be significantly different to those projected. The Consolidated Entity considers the weightings to provide the best estimate of possible outcomes.

Management adjustments (overlays)

Management adjustments to the ECL allowance are adjustments used in circumstances where it is judged that existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the credit portfolios. Examples of such circumstances are: emerging domestic or global economic or political events, natural disasters, or forward looking information.

The use of adjustments may impact the amount of ECL recognised.

Management have continued to apply a number of adjustments to the modelled ECL. These adjustments have been undertaken in the context of changing economic risks and the extent that the associated credit loss exposures are captured within the modelled scenarios outlined above.

Following the 30 June 2026 reassessment, the management additional overlay adjustments have been refined to reflect the evolving balance in the current environment between continued portfolio resilience and emerging domestic risk. The overlay includes:

- Forward stress testing of the credit portfolios exposures to assess downside movements in arrears, default rates and collateral values.
- Environment risk adjustments for identified flood, bushfire; storm and decarbonisation collateral exposure.
- Additional prudent coverage for emerging default risk related to:
 - Recent significant growth in mortgage portfolio;
 - Borrower affordability pressures arising from the elevated interest rates and cost of living pressures;
 - Potential deterioration in residential property collateral values;
 - Prolonged restrictive monetary policy; and
 - The inherent lag between changes in economic conditions and observed credit deterioration.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Modelled provision for ECL

The ECL provision at 30 June 2026 reflects a probability-weighted assessment of expected credit losses using three forward-looking economic scenarios: Base (57.5%), Downside (27.5%) and Upside (15.0%), supplemented by management overlays where modelled outcomes do not fully capture identified risks.

The assessment incorporates key economic drivers including interest rates, unemployment, residential property prices and GDP, together with expected arrears and default rates. Assumptions are based on management judgement, historical experience and [the prevailing economic outlook.

While the Australian economy, households and the loan portfolio have remained resilient despite elevated interest rates, cost-of-living pressures and economic uncertainty, risks to the outlook persist. Key risks include household financial stress, weaker consumer demand, labour market softening, housing market weakness, restrictive monetary policy, policy changes and climate-related impacts.

In response to evolving conditions, scenario assumptions, probability weightings and management overlays were reviewed and refined during the June 2026 quarter. The Base scenario assumes below-trend growth and modest deterioration in credit performance, the Downside scenario assumes weaker economic conditions and higher defaults, and the Upside scenario reflects stronger-than-expected outcomes.

The ECL provision remains subject to management judgement and estimation uncertainty and will continue to be reassessed as economic conditions evolve.

Sensitivity Analysis

The following sensitivity table shows the reported provision for ECL based on the probability weighted scenarios and what the provisions for ECL would be assuming a 100% weighting is applied to the base case scenario and to the downside scenario when all other assumptions are held constant as at 30 June 2026.

Sensitivity Analysis	\$'000
Reported probability weighted ECL	3,348
100% base scenario	3,127
100% downside scenario	4,415
100% upside scenario	2,241

The following table indicates the model scenario weightings applied by the Consolidated Entity at 30 June 2026.

Model Scenario Weightings	
Base scenario	57.5%
Downside scenario	27.5%
Upside scenario	15.0%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Expected Credit Loss analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, the expected credit loss reported by the Consolidated Entity should be considered as a best estimate within a range of possible estimates. The Consolidated Entity's measurement of ECL at 30 June 2026 uses available information and applied professional judgement. Continuing uncertainties increase the risk of the economic forecast resulting in understatement or overstatement of the ECL provision.

Fair value measurement of Financial Instruments

The financial instruments which are subject to valuation using unobservable inputs are disclosed in Note 27 Financial Instrument disclosure - fair value hierarchy, and are equity investments where quoted prices in active markets are not available. As the assets are classified as fair value through other comprehensive income, changes in the fair value are reflected directly in equity.

(d) Loans and Advances to Members

All loans are initially recognised at fair value, net of transaction costs incurred and inclusive of loan origination fees on the date that they are originated. Loans are subsequently measured at amortised cost less impairment losses. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the loan using the effective interest method.

Loans are derecognised if the Consolidated Entity's contractual rights to the cash flows from the loans expire or if the Consolidated Entity transfers the loan to another party without retaining control or substantially all risks and rewards of the loan.

(e) Equity Investments

Investments in shares are classified and measured as FVOCI under AASB 9. Shares are fair valued using the most recent and relevant market information available to management. Fair value gains and losses are recognised through OCI and cannot be recycled through profit upon disposal. Dividend income is recognised through profit and loss.

(f) Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Consolidated Entity with the right to access the cloud provider's application software over the contract period. As such the Consolidated Entity does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following table outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	- Fee for use of application software - Customisation costs
Recognise as an operating expense as the service is received	- Configuration costs - Data conversion and migration costs - Testing costs - Training costs

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(g) **Property, Plant and Equipment**

Items of property, plant and equipment (except land and buildings) are stated at cost less accumulated depreciation and impairment losses.

Land and buildings are revalued and stated at fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses. The policy of the Consolidated Entity is to revalue land and buildings through an independent valuation, every three years. In addition an internal assessment is performed yearly to test that the amount is approximate to fair value.

The Consolidated Entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognised net within other income / other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

The Consolidated Entity depreciates all assets on a straight line basis so that the cost or valuation of each asset is written off over its expected useful life.

	2026	2025
Buildings	3 to 40 years	3 to 40 years
Leasehold Improvements	3 to 5 years	3 to 5 years
Plant and Equipment	3 to 5 years	3 to 5 years

The residual value, the useful life and the depreciation method applied to assets are reassessed at least annually.

(h) **Members' Deposits and Debt Securities**

Member deposits, term investments and debt securities on issue are sources of funding for the Consolidated Entity.

Deposits, term investments and debt securities are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. The amount of interest accrued at balance date is shown as part of payables.

(i) **Redeemable Preference Shares**

Community First issues redeemable preference shares to each member upon joining in accordance with the Constitution of Community First. These shares are redeemed for their face value of \$2.00 each on leaving Community First. A member share must confer the right to 1 vote, and only 1 vote, at meetings of Community First's members. No dividend is payable in respect of any member share.

On winding-up of Community First the holder of a member share is entitled:

- (a) to payment of the subscription price for the member share when the member subscribed for the member share; and
- (b) if any assets remain after the payments in paragraph (a) – to any surplus assets of Community First.

(j) **Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received.

(k) **Interest Bearing Liabilities**

All interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the interest bearing liability using the effective interest method.

Interest bearing liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire, are discharged or cancelled.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(l) **Provisions and Contingent Liabilities**

Provisions for employee entitlements

The provision for long service leave is based on the present value of the estimated future cash flows to be made resulting from employees' service up to reporting date, and having regard to the probability that employees, as a group, will remain employed for the period of time necessary to qualify for long service leave.

Provisions for annual leave represent present obligations resulting from employees' service calculated based on remuneration, wage and salary rates that the Consolidated Entity expects to pay as at reporting date.

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

Other Provisions and Contingent Liabilities

Provisions are recognised when the Consolidated Entity has a present, legal or constructive obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the expected consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation and those cash flows are discounted to the present value where appropriate.

Contingent liabilities are recognised when it is probable or possible that a present obligation exists but the amount of the obligation cannot be estimated reliably.

(m) **Goods and Services Tax (GST)**

As a financial institution Community First is input taxed on all income except other income from commissions and some fees. An input taxed supply is not subject to GST collection, and similarly the GST paid on 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, of which 75% of the GST paid is recoverable.

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of the GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included where applicable GST is collected.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) **Leases**

Definition

At inception of a contract, the Consolidated Entity assesses whether 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 Consolidated Entity uses the definition of a lease in AASB 16.

For lessee accounting, AASB 16 removes the distinction between operating and finance lease. All leases are recognised on the statement of financial position with exemptions for short term leases (leases with a lease term of 12 months) and leases of low-value assets.

(i) **Consolidated Entity as a Lessee**

At commencement or on modification of a contract that contains a lease component, the Consolidated Entity allocates consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Consolidated Entity recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any indirect costs incurred and where appropriate an estimate of costs to dismantle and remove any improvements made to stores.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Each lease payment is allocated between the liability and finance cost. The finance costs are charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Generally, the Consolidated Entity uses its incremental borrowing rate as the discount rate.

The Consolidated Entity determines its incremental borrowing rate by analysing cost of borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Consolidated Entity is reasonably certain to exercise, lease payments in an optional renewal period if the Consolidated Entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Consolidated Entity is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Consolidated Entity's estimate of the amount expected to be payable under a residual value guarantee, if the Consolidated Entity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Consolidated Entity presents right-of-use assets and lease liabilities in the statement of financial position.

The Consolidated Entity did not enter into any new lease during the year ended 30 June 2026.

Short term leases and leases of low value assets

The Consolidated Entity has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of some printer equipment. The Consolidated Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) Consolidated Entity as a Lessor

When the Consolidated Entity acts as a lessor, a distinction should be made between finance leases and operating leases. Currently the Consolidated Entity leases out a portion of the land and buildings owned by the entity at:

- 36-40 Young Street Wollongong;

The total payments under operating leases are recognised in the statement of profit or loss on a straight-line basis over the period of the lease. The assets are included as property, plant and equipment in the Statement of Financial Position.

The Consolidated Entity has applied AASB 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

At inception or on modification of a contract that contains a lease component, the Consolidated Entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

When the Consolidated Entity acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. The Consolidated Entity did not have any finance leases as a lessor.

To classify each lease, the Consolidated Entity makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Consolidated Entity considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

These operating lease contracts contain extension options at the right of the lessee. All contracts contain market review clauses in the event that the lessee exercises its options to renew. The lessee does not have the option to purchase the property at the expiry of the lease period. The Consolidated Entity manages the risk associated with the underlying property via appropriate insurance coverage and use of real estate agents where appropriate.

4 FINANCIAL RISK MANAGEMENT

(a) Introduction and Overview

The Consolidated Entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk
- capital management

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

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Board Audit and Board Risk Committees (BAC and BRC) to oversee the financial reporting and audit and risk management processes. These Committees comprise of up to four Directors, none of whom is the Chairman of the Board.

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

The Board Audit and Board Risk Committee's major activities are to:

- monitor corporate risk assessment and the evaluation of the effectiveness of internal controls and policies;
- monitor audit reports received from internal and external auditors, and management responses thereto;
- liaise with the auditors (internal and external) on the scope of their work, and experience in conducting an effective audit;
- ensure that external auditors remain independent in the areas of work conducted;
- oversee compliance with statutory responsibilities relating to financial disclosure and management information reporting to the Board; and
- assist the Board in the engagement, performance assessment and remuneration of the auditors.

(b) Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a member or counterparty, to a financial instrument fails to meet its contractual obligations, and arises principally from the loans and advances to Members, liquid investments and investment securities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Management of Credit Risk – Loans and Advances

The Board of Directors has delegated responsibility for the management of credit risk to the Credit Services Department in respect of loans and advances. The Credit Services Department is responsible for oversight of the credit risk, including:

- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to Credit Officers. Credit facilities exceeding \$1.5 million require approval by the Credit Sub Committee comprising of two Executives and the Head of Credit Services. The Credit Sub Committee in turn makes recommendations to the Chief Executive Officer for the final approval. Any delegation used within policy is tabled to the Asset and Liability Committee (ALCO) for approval.
- Reviewing and assessing credit risk. The Credit Services Department assesses all credit exposures in excess of designated limits, prior to facilities being committed to members concerned. Renewals and reviews of facilities are subject to the same review process.
- Review, approval and assessment process for measuring ECL.
- Limit concentrations of exposure to counterparties.
- Reviewing compliance with agreed exposure limits. Regular reports are provided to the Credit Services Department on the credit quality of loans and appropriate corrective action is taken.
- Credit Policy includes specific guidelines of maximum allowable LVR limits and triggers for required mortgage insurance to manage additional credit risk.

Management of Credit Risk – Climate Change Risk

The issue of Climate Change is considered by the organisation in terms of the social and environmental changes occurring over time. Any longer-term potentially adverse impacts over time from severe weather events are managed by the annual review of relevant exposures to loans secured by property to ascertain those assets that may have an increased risk of flooding, fire, or increased exposure to severe weather events as part of the Credit Risk Portfolio Stress Test.

However, the social changes to more environmentally friendly practices are also supported through Community First's product portfolio that offers lower rate personal loans, Green loans, to support members to buy solar panels, rain water tanks, home improvements such as double glazing, power saving white goods, electric vehicles and other environmentally friendly products.

Management of Credit Risk – Liquid Investments

The risk of losses from liquid investments undertaken is reduced by the nature and quality of the independent rating of the counterparty, and the limits of concentration of investments to any counterparty. A limit is also set for each counterparty based on a credit rating assigned by an independent rating agency with the exception of other Mutual ADIs which are considered separately within the policy.

Management of Credit Risk – Investment Securities

In respect of investment securities, any investment activity undertaken requires Board approval on a case by case basis. The Consolidated Entity will make equity investments in companies or joint ventures only where the investment is deemed necessary by the Board of Directors and is related to the provision of products or services to Community First or its members. The Consolidated Entity will obtain APRA's approval before committing to any exposure to entities in excess of prescribed limits.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Exposure to Credit Risk – Loans and Advances to Members

The following table summarises the exposure to credit risk under AASB 9 at 30 June.

	Note	2026 \$'000	2025 \$'000
Loans and advances carrying amount	12	2,091,341	1,925,555
Stage 1: no significant increase in credit risk from initial recognition			
Secured by mortgage		1,833,218	1,655,778
Other		162,145	159,143
Net deferred income and expenses		1,822	568
Provision for impairment		(1,425)	(1,289)
Stage 1 carrying amount		1,995,760	1,814,200
Stage 2: significant increase in credit risk			
Secured by mortgage		85,148	88,686
Other		698	1,176
Provision for impairment		(1,251)	(1,093)
Stage 2 carrying amount		84,595	88,769
Stage 3: credit impaired (or defaulted)			
Secured by mortgage		10,040	21,967
Other		1,618	1,058
Provision for impairment		(672)	(439)
Stage 3 carrying amount		10,986	22,586
Total carrying amount	12	10,986	22,586
Includes accounts with negotiated terms		9,766	20,112

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Impaired Loans

Impaired loans are loans for which Community First and the Consolidated Entity determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Loans with Renegotiated Terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Consolidated Entity has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Allowances for Impairment

Under the ECL model the Consolidated Entity estimates the allowance for loan losses and any loans in default are written off from time to time as determined by management and approved by the Chief Executive Officer when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the provision for impairment, if a provision for impairment had previously been recognised. If no provision had been recognised, the write-offs are recognised as expense in the profit and loss.

Write-off Policy

Community First and the Consolidated Entity writes off a loan when the Credit Services Department determines that a loan is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Community First and the Consolidated Entity holds collateral against loans and advances to members in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

An estimate of the fair value of collateral and other security enhancements held against impaired financial assets are shown below:

Loans and Advances to Members

	2026 \$'000	2025 \$'000
Stage 3 - credit impaired	11,659	23,025
Collateral - Property	24,032	27,202

Collateral values are determined at the time of funding and are generally not updated unless a loan is specifically assessed as impaired as it is not practical to regularly review all collateral securities.

It is the Consolidated Entity's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. The Consolidated Entity does not use or take repossessed properties for business use. During the year ended 30 June 2026, the Consolidated Entity took possession of \$nil collateral (30 June 2025: \$nil).

The Consolidated Entity monitors concentration of credit risk by purpose. An analysis of concentrations of credit risk at the reporting date is shown below:

	2026 \$'000	2025 \$'000
Residential loans*	1,908,003	1,741,309
Personal loans	127,998	125,539
Commercial loans	20,520	25,221
Revolving Credit	7,187	7,955
Credit Cards	29,159	27,782
Total gross loans	2,092,867	1,927,806

*Note residential loans are by purpose and may include unsecured facilities not included in the Loan to Value table below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Loan to Value Ratio (LVR) against eligible residential mortgages is shown below:

	2026 \$'000	2025 \$'000
LVR		
LVR 0% to 60%	942,325	850,843
LVR 60% to 80%	889,255	799,265
LVR 80% to 90%	205,183	188,805
LVR 90% to 100%	38,154	52,777
LVR > 100%	1,356	689
Total residential mortgages	2,076,273	1,892,379

The Consolidated Entity also monitors the investment options in the market based on the credit rating of the counterparty. An analysis of concentrations of investment credit risk at the reporting date is shown below:

	2026 \$'000	2025 \$'000
Long Term Rating Standard & Poor's		
AAA	14,884	13,938
AA+	47,912	38,153
AA	50,500	35,000
AA-	91,112	141,028
A+	50,103	27,239
A	2,800	2,800
A-	40,988	20,500
BBB+	83,827	97,083
BBB	37,713	43,636
BBB-	7,905	3,000
Unrated	29,500	12,500
Total	457,244	434,877

An ECL assessment is undertaken over financial assets measured at amortised cost exposures using an external rating investment grades based approach. The ECL at 30 June 2026 was immaterial on these investments

(c) Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations from its financial liabilities that are settled by delivering cash or another financial asset.

Management of Liquidity Risk

The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Consolidated Entity's reputation.

Treasury receives weekly reports regarding the liquidity profile of all financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury then maintains a portfolio of short-term liquid assets and other short term borrowing facilities with domestic financial institutions to ensure that sufficient liquidity is maintained.

The Consolidated Entity is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 48 hours under the APRA Prudential Standards. The Consolidated Entity's policy is to apply a minimum target of 11% of funds as liquid assets to maintain adequate funds for meeting withdrawal requests. Given the current economic conditions, the Consolidated Entity is maintaining a minimum liquidity ratio of 12%. The liquidity position is monitored daily. Should the liquidity ratio fall below this level, the management and Board has established a plan to address the matter as outlined in the board policy on liquidity and funding risk management.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

All liquidity policies and procedures are subject to review and approval by the Assets and Liability Committee, Board Risk Committee and the full Board.

The Consolidated Entity relies on deposits from members as its primary source of funding. The short-term nature of these deposits increases the Consolidated Entity's liquidity risk and the Consolidated Entity actively manages this risk through maintaining competitive pricing and constant monitoring of market trends.

As at 30 June 2026 the Consolidated Entity holds a total liquidity ratio of 17.7% (2025: 18.2%) in the form of Minimum Liquidity Holdings (MLH) 14.5% (2025: 15.3%) and non-MLH 3.2% (2025: 2.9%).

Exposure to Liquidity Risk

Details of the reported Consolidated Entity liquidity ratio at the reporting date and during the reporting period were as follows:

		2026	2025
At 30 June (MLH)		14.50%	15.30%
Average for the period		14.20%	16.30%
Maximum for the period		15.00%	17.70%
Minimum for the period		13.50%	14.20%

The Consolidated Entity's residual contractual maturities of its financial liabilities are as follows:

	Note	Carrying amount on balance sheet	Gross nominal (outflows)	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
30 JUNE 2026							
Deposits	18	2,221,526	(2,245,656)	(1,305,484)	(272,053)	(638,515)	(29,604)
Debt Issuance	19	157,970	(167,689)	(23,003)	(74,965)	(14,071)	(55,650)
Payables	20	22,567	(22,567)	(22,567)	-	-	-
Lease liability		668	(756)	(55)	(104)	(374)	(223)
Borrowings	22	19,824	(20,649)	(1,194)	(2,370)	(10,395)	(6,690)
		2,422,555	(2,457,317)	(1,352,303)	(349,492)	(663,355)	(92,167)

	Note	Carrying amount on balance sheet	Gross nominal (outflows)	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
30 JUNE 2025							
Deposits ^a	18	2,099,380	(2,120,384)	(1,239,230)	(305,206)	(514,825)	(61,123)
Debt Issuance ^a	19	75,371	(77,115)	(16,862)	(39,180)	(805)	(20,268)
Payables	20	23,904	(23,904)	(23,904)	-	-	-
Lease liability		1,252	(1,415)	(55)	(110)	(495)	(755)
Borrowings	22	26,617	(27,951)	(987)	(1,960)	(8,634)	(16,370)
		2,226,524	(2,250,769)	(1,281,038)	(346,456)	(524,759)	(98,516)

This table shows the undiscounted cash flows on the Consolidated Entity's financial liabilities on the basis of their earliest possible contractual maturity. The Consolidated Entity's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from members are expected to maintain a stable or increasing balance. Unrecognised loan commitments, as per note 12, are uncertain as to the timing of the drawdown and what will ultimately be funded.

The gross nominal inflow/ (outflow) disclosed in the previous table represents the contractual undiscounted cash flows relating to the principal and interest on the financial liability or commitment.

Notes:

a. Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(d) Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices or foreign exchange rates will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of Market Risks

The Consolidated Entity is not exposed to currency risk as the Consolidated Entity does not trade in the financial instruments it holds on its books. The Consolidated Entity is exposed to interest rate risk arising from changes in market interest rates.

Overall authority for market risk is vested in the Assets and Liabilities Committee (ALCO). The Finance and Risk departments are responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and the day-to-day review of their implementation.

Exposure to Market Risks

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The main tool used to measure and control market risk exposure within the Consolidated Entity's non trading portfolio is Value at Risk (VaR). The VaR of the non-trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Consolidated Entity is based upon a 99% confidence level and assumes a 250-day holding period. The VaR model used is based mainly on historical simulation. Taking account of market data from the previous two years, and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 250-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- 1500-day observation period. The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The VaR measure is dependent upon the Consolidated Entity's position and volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The Consolidated Entity uses VaR limits for interest rate risk. The overall structure of VaR limits is subject to review and approval by ALCO, BRC and the Board. VaR is measured monthly and reports utilising VaR limits are submitted to ALCO and the Board for each meeting.

The Value at Risk as at 30 June 2026 is \$2,805,311 (2025: \$7,940,593).

A summary of the VaR position of the Consolidated Entity's non trading portfolio as at 30 June 2026 and during the period is as follows:

	2026 (% of Capital)	2025 (% of Capital)
At 30 June	1.6	4.8
Average for the period	3.6	5.9
Maximum for the period	5.3	6.5
Minimum for the period	1.6	4.7
VaR limit	11.0	11.0

A summary of the Consolidated Entity interest rate gap position can be seen in Note 27.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The management of interest rate risk also involves the monitoring of the sensitivity of the Consolidated Entity's financial assets and liabilities to a parallel shift across the yield curve. An analysis of the Consolidated Entity's sensitivity to 200 basis points shift in market interest rates is as follows:

	2026 (% of Capital)	2025 (% of Capital)
At 30 June		
200 basis points increase	2.5	5.6
200 basis points decrease	(2.5)	(5.6)

The negative value implies that the portfolio would lose this amount as a percentage of capital, if there were a parallel shift down in the yield curve.

(e) Operational Risks

Operational risk is a risk of direct or indirect loss arising from a wide variety of causes associated with the Consolidated Entity's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Consolidated Entity's operations and are faced by all business entities.

The Consolidated Entity's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Consolidated Entity's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management within each business unit. This responsibility is supported by the development of the overall Consolidated Entity's standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodical assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

Compliance with the Consolidated Entity's standards is supported by a program of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Board Risk Committee and senior management of the Consolidated Entity.

Community First's compliance process has been developed in accordance with Australian regulatory guidance. The process assists the Board to ensure that we remain aware of changes in legislation, codes and comply with the Prudential Standards.

(f) Capital Management

The Consolidated Entity is licensed as an Australian Deposit-taking Institution ('ADI') under the Banking Act and is subject to prudential supervision by the Australian Prudential Regulation Authority ('APRA').

The APRA Standards include *APS 110 Capital Adequacy* requires the Consolidated Entity to:

- have an Internal Capital Adequacy Assessment Process (ICAAP);
- maintain required levels of regulatory capital;
- operate a capital conservation buffer and a countercyclical capital buffer;
- inform APRA of any adverse change in actual or anticipated capital adequacy; and
- seek APRA's approval for any planned capital reductions

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Consolidated Entity's primary source of capital is retained earnings. The Consolidated Entity maintains its' capital levels for the current and future activities by conducting the ICAAP on an annual basis, and maintaining a Capital Management Plan. The plan addresses the capital requirements prescribed by APRA, the strategy for managing capital resources over time, a capital target, how the required capital requirements is to be met and actions and procedures for monitoring compliance with minimum capital requirements.

During the year, the Consolidated Entity has complied in full with all its externally imposed requirements. The Consolidated Entity regulatory capital position at 30 June was as follows:

	2026 \$'000	2025 \$'000
Tier 1 capital	168,930	163,427
Tier 2 capital	2,618	2,300
Total regulatory capital	171,548	165,727
Total risk weighted assets	1,064,667	1,008,416
Total capital ratio	16.11%	16.43%

Consolidated and Community First

	2026 \$'000	2025 \$'000
5. INTEREST INCOME AND INTEREST EXPENSE		
Interest Income calculated using the effective interest rate method		
Cash deposits at call	706	730
Financial assets at amortised cost	18,055	15,736
Loans and advances	102,902	74,282
Total interest income	121,663	90,748
Interest Expense		
Member deposits	56,082	47,106
Wholesale deposits	3,306	956
Debt Issuance	6,020	2,425
Borrowings	11	650
Total interest expense	65,419	51,137
Net Interest Income	56,244	39,611

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
6. NON-INTEREST INCOME		
Dividends received	266	505
Fees and commissions		
- loan fee income – other than loan origination fees	2,302	1,802
- transaction fees	1,029	1,012
- other fee income	984	993
- insurance commissions	252	322
- other commissions	1,233	892
Bad debts recovered	321	120
Other revenue		
- rental income	557	379
- ATM fees	105	80
- other ^a (includes Gain on Sale)	707	641
	7,756	6,746
	2026 \$'000	2025 \$'000
7. IMPAIRMENT LOSSES ON LOANS AND ADVANCES		
- New and increased provisions (net of releases)	1,183	1,358
- Bad debts written off directly against profit	137	279
	1,320	1,637

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
8. OTHER EXPENSES		
Personnel	22,839	22,196
Superannuation contributions	2,074	1,591
Occupancy	1,914	1,413
Depreciation (including ROU asset depreciation)	1,666	1,266
Amortisation	269	353
Information Technology	9,183	6,134
Other ^a	12,450	10,820
	50,395	43,773
(a) Auditors' Remuneration	2026 \$	2025 \$
Audit services: Auditors of the Consolidated Entity		
KPMG - audit and review of financial reports	178,385	261,043
KPMG - other regulatory audit services	79,965	64,964
	258,350	326,007
Other services:		
KPMG - taxation	24,700	20,008
KPMG - other	-	40,000
Total KPMG audit services	283,050	386,015
Ernst & Young – internal audit services	61,527	174,255

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Consolidated and Community First		
	2026 \$'000	2025 \$'000
9. INCOME TAX EXPENSE		
Current tax expense	4,140	737
Adjustment for prior years	(33)	39
Current year tax expense	4,107	776
Deferred tax expense	(525)	(596)
Total income tax expense	3,582	180
Numerical reconciliation between tax expense and pre-tax net profit		
Profit for the year	8,703	767
Total income tax expense	3,582	180
Profit excluding income tax	12,285	947
Income tax using tax rate of 30%	3,686	284
Prior year tax adjustment	(33)	39
Non-deductible expenses	9	8
Franking rebate	(80)	(151)
	3,582	180
The amount of non distributable franking credits held by the Consolidated Entity after adjustment for credit arising on tax payable in the current year's result	41,531	35,944
10. CASH ASSETS		
Cash on hand and at bank	5,752	5,250
Deposits at call	11,500	18,000
	17,252	23,250
11. FINANCIAL ASSETS AT AMORTISED COST		
Recorded as Amortised Cost Investments		
Deposits with Cuscal Limited	36,010	32,510
Deposits with Government entities	113,296	87,091
Deposits with other ADIs*	290,685	292,377
	439,991	411,978
Maturity Analysis		
Not longer than 3 months	165,267	175,158
Longer than 3 and not longer than 12 months	82,679	62,885
Longer than 12 months	192,045	173,935
	439,991	411,978

* Includes the liquidity, expense and interest reserves of \$22.5m held with easystreet and MTG ICU Repo Series trusts which as contingency reserves are not immediately available for use.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Consolidated and Community First		
	2026 \$'000	2025 \$'000
12. LOANS AND ADVANCES		
Overdrafts	7,257	7,971
Credit Cards	29,176	27,794
Term loans	2,056,434	1,892,041
Gross Loans and Advances	2,092,867	1,927,806
Add: Deferred loan fees and expenses	1,842	806
Less: Unearned income	(20)	(236)
Less: Provision for impaired loans (Note 13)	(3,348)	(2,821)
Net Loans and Advances	2,091,341	1,925,555
Securitised Loans		
The value of mortgage secured loans sold to the special purpose securitisation trusts (as per notes 3.1 and 29) which are held and controlled by Community First for the purpose of entering into a potential repurchase agreement with the Reserve Bank of Australia for short term funding requirements. These loans do not qualify for derecognition as the conditions do not meet the criteria in AASB 9.	492,890	326,823
Maturity Analysis		
Not longer than 3 months	40,366	44,062
Longer than 3 and not longer than 12 months	15,736	14,719
Longer than 1 and not longer than 5 years	54,010	52,104
Longer than 5 years	1,982,755	1,816,921
	2,092,867	1,927,806
Credit Commitments		
Loans approved not funded	13,354	36,361
Loan facilities for members' overdrafts, lines of credit and Visa credit limits as at 30 June	94,099	92,933
Total facilities utilised	(36,433)	(35,765)
Total facilities unutilised	57,666	57,168

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13. IMPAIRMENT OF LOANS AND ADVANCES

Provision for Impairment – ECL reconciliation

Provision for Impairment

The table below represents the reconciliation from the opening to the closing balance of ECL allowances on loan assets to which the impairment requirements under AASB 9 are applied:

Year ended 30 June 2025

	Stage 1 12 month ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Provision Total \$'000
As at 30 June 2024	516	952	473	1,941
Additions from business combination at 1st February 2025	411	83	102	596
Changes due to financial assets that have:	41	(41)	-	-
Transferred to 12 months ECL collectively assessed	45	(45)	-	-
Transfer to lifetime ECL not credit impaired collectively assessed	(107)	518	(411)	-
Transfer to lifetime ECL credit impaired collectively assessed	-	(966)	966	-
New and increased provisions net of releases	424	551	423	1,398
Bad debts written off	-	-	(1,114)	(1,114)
As at 30 June 2025	1,289	1,093	439	2,821

Year ended 30 June 2026

	Stage 1 12 month ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Provision Total \$'000
As at 30 June 2025	1,289	1,093	439	2,821
Transferred to 12 months ECL collectively assessed	101	(101)	-	-
Transfer to lifetime ECL not credit impaired collectively assessed	(23)	385	(362)	-
Transfer to lifetime ECL credit impaired collectively assessed	-	(889)	889	-
New and increased provisions net of releases	58	763	362	1,183
Bad debts written off	-	-	(656)	(656)
As at 30 June 2026	1,425	1,251	672	3,348

Refer to Note 4 for the summary of the gross carrying amount of loans and advances exposure to credit risk under AASB 9 at 30 June 2026 and 30 June 2025. The increase in the expected credit loss provision for the financial year was primarily due to lending growth and additional forward-looking adjustments for additional uncertainty in the current environment. The lending growth risk characteristics of the loan portfolio remains relatively consistent.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The following table shows investments in equity securities for which Community First elected to present the changes in the fair value through other comprehensive income. The election was made because the investments are expected to be held for the long-term for strategic purposes.

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
Financial Assets (equity instruments) as:		
Shares in listed companies Cuscal Limited	13,378	7,979
Shares in unlisted companies Transaction Solutions Limited (trading as Experteq)	2,599	1,596
	15,977	9,575

The Cuscal shares were valued at \$5.03 per share as at 30 June 2026 (\$3.00 per share 30 June 2025) being the listed price.

Community First adopt the net tangible asset backing methodology in valuing Experteq shares.

Details of dividend income are disclosed in note 6.

15. ACCRUED RECEIVABLES*

Accrued interest	2,844	2,128
Accrued non-interest income	48	58
Debtors and prepayments	10,514	2,975
	13,406	5,161

*All accrued receivables are due within 12 months.

16. ASSETS HELD FOR SALE

Held for Sale		
Land	7,700	-
Building	1,202	-
Assets Held for Sale	8,902	-

As part of Community First's planned relocation from Auburn to new premises in the Sydney CBD, the Auburn land and buildings have been classified as assets held for sale.

In accordance with AASB 5 Non-Current Assets Held for Sale and Discontinued Operations, assets are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction and the sale is considered highly probable within 12 months. Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are no longer depreciated or amortised while held for sale.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
17. PROPERTY, PLANT AND EQUIPMENT		
Property (Land and Buildings)		
At fair value	29,428	28,561
Less accumulated depreciation	(389)	(55)
Property (Land and Buildings)	29,039	28,506
Plant and Equipment		
Office equipment		
At cost	1,004	969
Less accumulated depreciation	(726)	(635)
	278	334
Furniture and Fittings		
At cost	3,432	3,370
Less accumulated depreciation	(2,647)	(2,410)
	785	960
Data Processing Equipment		
At cost	2,462	2,061
Less accumulated depreciation	(1,839)	(1,723)
	623	338
Motor Vehicles		
At cost	819	377
Less accumulated depreciation	(275)	(138)
	544	239
Plant and Equipment	2,230	1,871
Total Property, Plant and Equipment	31,269	30,377

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
Property (Land and Buildings)		
Carrying amount at the beginning of year	28,506	17,483
Additions	9,834	311
Acquisitions through business combinations	-	9,700
Revaluation	-	1,191
Disposals	(7)	(2)
Depreciation	(392)	(177)
Reclassification as assets held for sale	(8,902)	-
Carrying amount at end of year	29,039	28,506
Plant and Equipment		
Carrying amount at the beginning of year	1,871	618
Additions	1,056	681
Acquisitions through business combinations	-	1,114
Disposals	(10)	(55)
Depreciation	(687)	(487)
Carrying amount at end of year	2,230	1,871
Total Property, Plant and Equipment	31,269	30,377

The Consolidated Entity has determined that the financial statements should reflect the fair value of the investment in land and buildings. The policy of the Consolidated Entity is to revalue land and buildings every three years to reflect the current market value. An independent valuation was last performed for the following locations: at - 30 June 2025

Refer to note 3.3(g) for further details.

18. DEPOSITS		
Savings deposits	1,179,129	1,133,504
Term deposits	1,005,359	941,918
Wholesale deposits ^a	36,870	23,783
Member shares	168	175
	2,221,526	2,099,380
Maturity Analysis		
At call	1,170,536	1,125,984
Not longer than 3 months	404,076	415,038
Longer than 3 and not longer than 6 months	230,820	284,595
Longer than 6 and not longer than 12 months	388,138	237,347
Longer than 1 and not longer than 5 years	27,956	36,416
	2,221,526	2,099,380

Concentration of Deposits

There are no members who individually have deposits which represent 10% or more of total liabilities.

Notes:

^a Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
19. DEBT ISSUANCE		
Negotiated certificates of deposit issued ^a	87,970	55,371
Floating rate notes issued ^a	70,000	20,000
	157,970	75,371
Maturity Analysis		
Not longer than 3 months	96,239	55,371
Longer than 3 and not longer than 6 months	11,731	-
Longer than 6 and not longer than 12 months	-	-
Longer than 1 and not longer than 5 years	50,000	20,000
	157,970	75,371

Notes:

^a Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.

20. PAYABLES*		
Sundry creditors and accruals	4,889	4,335
Accrued interest payable	17,678	19,569
	22,567	23,904

*All payables are due within 12 months.

	Consolidated and Community First			
	Annual Leave \$'000	Long Service Leave \$'000	Other \$'000	Total \$'000
21. PROVISIONS				
Balance at 1 July 2025	1,632	2,934	69	4,635
Provisions made during the year	1,514	405	2	1,921
Provisions used during the year	(1,565)	(386)	-	(1,951)
Balance at 30 June 2026	1,581	2,953	71	4,605
Current	1,581	2,370	-	3,951
Non Current	-	583	71	654

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		Consolidated and Community First	
		2026 \$'000	2025 \$'000
22. BORROWINGS			
Notes payable (i)		19,824	26,267
Current Borrowing (ii)		-	350
Total borrowings		19,824	26,617
Reconciliation of Borrowings	Notes Payable (i) \$'000	Current Borrowings (ii) \$'000	Total Borrowings \$'000
Opening Balance 1 July 2025	26,267	350	26,617
Proceeds/repayment of borrowings	(6,443)	(350)	(6,793)
Closing Balance 30 June 2026	19,824	-	19,824

(i) Notes payable

Securitised borrowings is provided through Perpetual Corporate Trust Limited ("Perpetual") in its capacity as Trustee for the MTG ICU Trust Series 2021-1 SPV. Under the transaction document for this facility, the SPV acquired residential mortgages originated by Community First. The acquisition of these residential mortgages by the SPV is funded by notes issued to investors from the SPV that have been rated by Standard & Poor's and structured into five classes: Class A (AAA), Class AB (AAA), Class B (AA), Class C (A+) and Class D (NR). Therefore, on a consolidated basis, the securitised borrowings are classified as notes payable as the liability is to the end note holders. The notes payable carries interest rates based on the Bank Bill Swap Rate (BBSW) plus 0.8%, 2%, 3%, 4.15% and 6.5% margin in the case of Class A, AB, B, C and D notes respectively. Payments of interest are made at monthly intervals. The payments in a given period are made out of funds received from the mortgage pool during the most recently ended month and are prioritised based on the note class (i.e. Class A first, Class AB second, etc.).

The notes payable are initially measured at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method.

The SPV was created on 17 December 2001 with a total measurement of \$107 million and is a closed pool, which means it will amortise in line with the repayment of the underlying loans and is not topped up. Community First acts as a loan manager and servicer for the SPV in respect to the day-to-day operations of the individual mortgage loans and receives a service fee based on a percentage of the average balances outstanding. Community First also receives an excess distribution which is surplus income from the SPV after deducting funding and operating costs. The excess spread will vary depending on the performance of the SPV. Therefore Community First retains substantially all the risks and rewards of ownership of the relevant loans and advances. As a result, the assignment of loans does not satisfy the de-recognition criteria prescribed in AASB 9, and accordingly Community First continues to recognise the transferred assets within loans and advances and the transfer is accounted for as secured financing transaction.

	Consolidated and Community First	
	2026 \$'000	2025 \$'000
(i) Standby and used borrowing facilities		
Overdraft Facility – Secured		
Gross facility	10,000	10,000
Current borrowing	-	(350)
Net available	10,000	9,650

Community First has executed a \$10m overdraft facility with Cuscal and has placed a corresponding \$10m deposit as security for the facility.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

23. INCOME TAX PROVISION / NET DERERRED TAX LIABILITY

(i) Current Tax Receivable/ (Payable)

The current year receivable of \$819,059 (2025: receivable of \$1,982,499) in respect of the current financial year.

(ii) Recognised Deferred Tax Assets and Deferred Tax Liabilities

	Consolidated and Community First					
	Assets		Liabilities		Net	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Revaluation of financial assets at FVOCI	-	-	(3,862)	(1,820)	(3,862)	(1,820)
Provision for loan impairment	1,005	846	-	-	1,005	846
Intangible assets	-	-	(7)	(49)	(7)	(49)
Assets held for sale	-	-	(1,735)	-	(1,735)	-
Property, plant and equipment	54	45	(3,409)	(5,208)	(3,355)	(5,163)
Right of use assets	-	-	(188)	(364)	(188)	(364)
Receivables	-	-	-	-	-	-
Payables	763	122	(44)	(33)	719	89
Lease liabilities	201	376	-	-	201	376
Employee benefits	1,360	1,370	-	-	1,360	1,370
Other	597	744	-	-	597	744
Total	3,980	3,503	(9,245)	(7,474)	(5,265)	(3,971)

(iii) (a) Movement in Deferred Tax Assets and Deferred Tax Liabilities – Year end 30 June 2026

	Consolidated and Community First						
	Net balance deferred tax asset and liabilities as 30 June 2025 \$'000	Recognised in profit or loss \$'000	Recognised in Other Comprehensive Income \$'000	Other (ITR or Reclass) \$'000	Net balance deferred tax asset and liabilities as 30 June 2026 \$'000	Deferred tax assets as 30 June 2026 \$'000	Deferred tax liabilities as 30 June 2026 \$'000
Revaluation of financial assets at FVOCI	(1,820)	-	(1,921)	(121) ^a	(3,862)	-	(3,862)
Provision for loan impairment	846	159	-	-	1,005	1,005	-
Intangible assets	(49)	42	-	-	(7)	-	(7)
Assets held for sale	-	-	-	1,735) ^b	(1,735)	-45	(1,735)
Property, plant and equipment	(5,163)	73	-	1,735) ^b	(3,355)	54	(3,409)
Right of use assets	(364)	176	-	-	(188)	-	(188)
Receivables	-	-	-	-	-	-	-
Payables	89	590	-	40	719	763	(44)
Lease liabilities	376	(175)	-	-	201	201	-
Employee benefits	1,370	(10)	-	-	1,360	1,360	-
Other provision	744	(329)	-	182	597	597	-
Total	(3,971)	526	(1,921)	101	(5,265)	3,980	(9,245)

Notes:

^a FVOCI tax cost base remeasured.

^b Reclassification of land and building as Assets held for sale.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(iii) (b) Movement in Deferred Tax Assets and Deferred Tax Liabilities – Year end 30 June 2025

	Consolidated and Community First							
	Net balance deferred tax asset and liabilities as 30 June 2024 \$'000	Recognised in profit or loss \$'000	Recognised in Other Comprehensive Income \$'000	Acquired in business combination \$'000	Other \$'000	Net balance deferred tax asset and liabilities as 30 June 2025 \$'000	Deferred tax assets as 30 June 2025 \$'000	Deferred tax liabilities as 30 June 2025 \$'000
Revaluation of financial assets at FVOCI	(1,537)	-	(1,677)	-	1,394 ^a	(1,820)	-	(1,820)
Provision for loan impairment	582	212	-	52	-	846	846	-
Intangible assets	(131)	66	-	-	16	49	-	(49)
Property, plant and equipment	(2,861)	27	(358)	(1,973)	2	(5,163)	45	(5,208)
Right of use assets	(432)	(68)	-	-	-	(364)	-	(364)
Receivables	-	-	-	-	-	-	-	-
Payables	218	(172)	-	76	(33)	89	122	(33)
Lease liabilities	440	(64)	-	-	-	376	376	-
Employee benefits	1,365	(213)	-	218	-	1,370	1,370	-
Other provision	7	672	-	55	10	744	744	-
Total	(2,349)	596	(2,035)	(1,572)	1,389	(3,971)	3,503	(7,474)

Consolidated and Community First	
	2026 \$'000
	2025 \$'000

24. RESERVES

Asset revaluation reserve (i)	17,112	12,631
Business combination reserve (ii)	68,246	68,407
	85,358	81,038

	Consolidated and Community First		
	Asset revaluation Reserve \$'000	Business combination reserve \$'000	Total Reserves \$'000
Opening Balance 1 July 2025	12,631	68,407	81,038
Business Combination remeasurement	-	(161)	(161)
FVOCI revaluation movement for the year, net of tax	4,481	-	4,481
Revaluation	-	-	-
Closing Balance 30 June 2026	17,112	68,246	85,358

Nature and Purpose of Reserves

i. Asset Revaluation Reserve

The asset revaluation reserve relates to equity instruments designated at FVOCI and property, plant and equipment measured at fair value in accordance with applicable Australian Accounting Standards.

ii. Business Combination Reserve

This net assets of Illawarra Credit Union Limited on merger at 1st February 2025 are included in the Business Combination Reserve.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Consolidated and Community First		
	2026 \$'000	2025 \$'000
25. RETAINED EARNINGS		
Balance at the beginning of the year	92,787	89,247
Profit for the year	8,703	767
Transfer to redeemed preference share capital account	(18)	(10)
FVOCI	19	2,783
Balance at the end of the year	101,491	92,787

Consolidated and Community First		
	2026 \$'000	2025 \$'000
26. NOTES TO AND FORMING PART OF THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash includes cash on hand and deposits at call with financial institutions net of outstanding overdrafts.		
Cash at balance date comprises:		
Cash on hand	5,752	5,250
Deposits at call	11,500	18,000
	17,252	23,250
(b) The net cash provided by operating activities is reconciled to net profit after tax		
Net profit after tax	8,703	767
Gain on sale of fixed assets and intangibles	5	(47)
Bad debts written off	793	1,386
Depreciation & Amortisation	1,935	1,619
Changes in Assets and Liabilities		
Decrease in accrued receivables	(687)	90
Net (increase) in members' loans	(167,107)	(50,556)
Net decrease/(increase) in sundry debtors and prepayments	(6,444)	1,225
(Increase) in net deferred tax assets and liabilities	(626)	(679)
Net increase in deposits	122,146	57,097
(Decrease)/Increase in payable	(1,337)	4,385
Increase in provision for doubtful debts	528	250
(Decrease) in provisions for staff entitlements	(33)	(759)
Increase/(Decrease) in other provisions	71	(1,861)
Net Cash Provided by Operating Activities	(42,053)	12,917

(c) Cash Flows Presented on a Net Basis

Cash flows arising from loan advances, loans repayments, member deposits, member withdrawals and from sales and purchases | of maturing certificates of deposit have been presented on a net basis in the Statement of Cash Flows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest Rate Risk

The Consolidated Entity's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities are set out below.

Consolidated and Community First							
Note	Effective interest rate %	Floating interest rate \$'000	Fixed interest rate repriced in:			Total carrying amounts as per Statement of Financial Position \$'000	
			1 year or less \$'000	1 to 7 years \$'000	Non-interest bearing \$'000		
2026							
Financial Assets							
Cash assets	10	3.39%	17,252	-	-	-	17,252
Financial assets at amortised cost	11	4.43%	239,148	198,343	2,500	-	439,991
Loans and advances	12	5.09%	1,620,134	117,066	354,141	-	2,091,341
Financial assets at FVOCI	14	n/a	-	-	-	15,977	15,977
Total Financial Assets			1,876,534	315,409	356,641	15,977	2,564,561
Financial Liabilities							
Deposits	18	2.03%	1,170,366	1,023,035	27,957	168	2,221,526
Debt Issuance	19	4.61%	70,000	87,970		-	157,970
Borrowings	22	5.61%	19,824	-	-	-	19,824
Total Financial Liabilities			1,260,190	1,111,005	27,957	168	2,399,320

Consolidated and Community First							
Note	Effective interest rate %	Floating interest rate \$'000	Fixed interest rate repriced in:			Total carrying amounts as per Statement of Financial Position \$'000	
			1 year or less \$'000	1 to 7 years \$'000	Non-interest bearing \$'000		
2025							
Financial Assets							
Cash assets	10	3.16%	23,250	-	-	-	23,250
Financial assets at amortised cost	11	4.53%	284,621	127,357	-	-	411,978
Loans and advances	12	5.09%	1,639,521	133,974	152,060	-	1,925,555
Financial assets at FVOCI	14	n/a	-	-	-	9,575	9,575
Total Financial Assets			1,947,392	261,331	152,060	9,575	2,370,358
Financial Liabilities							
Deposits ^a	18	1.86%	1,125,821	936,979	36,417	163	2,099,380
Debt Issuance ^a	19	5.79%	20,000	55,371		-	75,371
Borrowings	22	5.76%	26 617	-	-	-	26,617
Total Financial Liabilities			1,172,438	992,350	36,417	163	2,201,368

Notes:

^a Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS DISCLOSURE

(b) Fair Values of Financial Assets and Liabilities

The following table sets out the Consolidated Entity's classification of financial assets and liabilities, and their fair values.

		Total Carrying amount as per Statement of Financial Position		Fair Value	
Note		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
CONSOLIDATED AND COMMUNITY FIRST					
Financial Assets					
Cash assets	10	17,252	23,250	17,252	23,250
Financial assets at amortised cost	11	439,991	411,978	441,397	413,161
Loans and advances	12	2,091,341	1,925,555	2,085,007	1,923,967
Other investments	14	15,977	9,575	15,977	9,575
Total Financial Assets		2,564,561	2,370,358	2,559,633	2,369,953
Financial Liabilities					
Deposits ^a	18	2,221,526	2,099,380	2,220,103	2,101,608
Debt Issuance ^a	19	157,970	75,371	158,340	75,420
Borrowings	22	19,824	26,617	19,798	26,647
Total Financial Liabilities		2,399,320	2,201,368	2,398,241	2,203,675

Fair Value Hierarchy

The following table sets out the fair value hierarchy of financial assets and liabilities. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Aggregate fair value							
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
	Level 1		Level 2		Level 3		Total	
CONSOLIDATED AND COMMUNITY FIRST								
Financial Assets								
Financial assets at amortised cost	-	-	441,397	413,161	-	-	441,397	413,161
Loans and advances	-	-	-	-	2,085,007	1,923,967	2,085,007	1,923,967
Other investments	13,379	7,979 ^b	-	-	2,598	1,596	15,977	9,575
Total Financial Assets	13,379	7,979	441,397	413,161	2,087,605	1,925,563	2,542,381	2,346,703
Financial Liabilities								
Deposits ^a	-	-	2,220,103	2,101,608	-	-	2,220,103	2,101,608
Debt Issuance ^a	-	-	158,340	75,420	-	-	158,340	75,420
Borrowings	-	-	19,798	26,647	-	-	19,798	26,647
Total Financial Liabilities	-	-	2,398,241	2,203,675	-	-	2,398,241	2,203,675
							2026 \$'000	2025 \$'000
Level 3 Reconciliation								
Balance at beginning of financial year							1,596	10,630
Investments transferred to level 1							-	(5,532) ^b
Total gains and losses - FVOCI							1,002	(3,502)
Balance at end of the financial year							2,598	1,596

Notes:

- ^a Refer to note 34 for information regarding prior period restatement of deposits and debt issuance.
- ^b Equity investment at FVOCI reclassified from Level 3 to Level 1 during FY2024/25.

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

- i. **Cash and cash equivalents**
The carrying amount approximates fair value as they are short term in nature or are receivable on demand.
- ii. **Financial assets at amortised cost**
The fair value is calculated by reference to the current investment rate that would be obtained at balance date for investment based on the number of days remaining until maturity. Financial assets held to maturity are carried at amortised cost.
- iii. **Loans and Advances**
The carrying value of loans, advances and other receivables are net of provisions for impairment. The fair values are estimated using valuation models such as discounted cash flow techniques using current market rates as at balance date.

The fair value for loans was calculated by utilising a discounted cash flow model and including an adjustment for the creditworthiness of the customer. The discount rates applied were based on the current benchmark rate for fixed rate loans being offered on terms with a similar remaining period.

Where observable market transactions are not available to estimate the fair value of loans and advances, fair value is estimated using valuation models such as discounted cash flow techniques.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

iv. Deposits from Members and Debt Issued

The carrying amount approximates fair value for savings account balances as they are at call. The fair value of members' term deposits and debt securities issued are estimated using a discounted cash flow analysis based on current market rates for term deposits having substantially the same terms and conditions.

v. Financial assets at FVOCI

The carrying amount of financial assets at FVOCI (equity instruments) consists of shares in:

- a listed entity actively traded since November 2025 categorised as Level 1 in the fair value hierarchy; and
- a non- listed entity which are not actively traded categorised as Level 3 in the fair value hierarchy. In the current financial year, the fair value of these assets has been estimated based on the net tangible asset valuation methodology.

vi. Borrowings / Interest Bearing Liabilities

The carrying amount of borrowings/ interest bearing liabilities approximates their fair value.

28. COMMITMENTS

i. Lease Expenditure & Receivable Commitments

Lease expenditure commitments relate to branch leases which typically run for a period between 1-5 years, with an option to renew the lease after the lease expires. Lease payments are increased every year to reflect market rentals, either via CPI index plus margin, as per industry standard and/or via negotiations.

	2026 \$'000	2025 \$'000
	Consolidated and Community First	
Within 1 year	499	586
1 to 5 years	169	666
Greater than 5 years	-	-
	668	1,252

ii. Lease Receivable commitment

Within 1 year	285	596
1 to 5 years	207	856
	492	1,452

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

29. CONTINGENCIES

Reserve Bank Repurchase Obligations (REPO) Trusts - easystreet Trust No 1. and MTG ICU Repo Series No. 1 Trust

Community First has established the securitisation trust to provide access to emergency liquidity support in the event of a systematic liquidity crisis. An additional securitisation trust was transferred following the business combination with Illawarra Credit Union in 2025. The Trusts are in substance controlled by Community First. Accordingly, the Trusts are consolidated into Community First's financial statements. Community First sells the rights to future cash flows of eligible residential home loans into the Trust and receives funds equal to the aggregated outstanding balances on all loans which the Trusts have purchased and subsequently issued Notes for Investors to invest in. Two classes of notes were issued by each Trust and both are fully owned by Community First. Whilst the rights to the underlying cash flows have been transferred, Community First has been appointed to service the loans and must continue to manage the loans as if it were the lender. Accordingly, the mortgage loans and associated financial liability from the Trust on transfer of the loans are recognised in Community First's financial statements. The balance of securitised loans at 30 June 2026 of easystreet Trust No 1. is \$227,680,583 (30 June 2025: \$284,683,450) and MTG ICU Repo Series No. 1 Trust is \$265,209,830 (30 June 2025: \$15,914,047). The values of securitised loans do not qualify for de-recognition from the balance sheet of the Consolidated Entity.

30. CONSOLIDATED ENTITIES

Particulars in relation to the controlled entities:

Parent Entity	Consolidated and Community First	
Community First Credit Union Limited.	2026 %	2025 %
easystreet Trust No. 1	100%	100%
MTG ICU Repo Series No. 1	100%	100%
MTG ICU Trust Series 2021-1	100%	100%
	100%	100%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

31. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Key Management Personnel have been taken to comprise the directors and the executive management team responsible for the day-to-day financial and operational management of the Consolidated Entity.

(a) Key Management Personnel Compensation

Key management personnel compensation included in "personnel expense" is as follows:

	2026 \$	2025 \$
	Consolidated and Community First	
Short-term employee benefits	3,176,472	2,795,467
Other long term benefits	88,674	287,425
Post-employment benefits	255,893	255,862
Termination benefits	254,423	3,473,855

In the above table, remuneration shown as Short-term benefits includes (where applicable) wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, value of fringe benefits received, but excludes out of pocket expense reimbursements.

(b) Loans to Key Management Personnel

	2026 \$	2025 \$
	Consolidated and Community First	
(i) The aggregate value of loans to Key Management Personnel as at Balance date amounted to	2,527,519	7,082,182
The total value of revolving credit facilities to Key Management Personnel as at Balance date amounted to	19,150	24,400
Less amounts drawn down and included in (i)	10,842	1,844
Net balance available	8,308	22,556
(ii) During the year the aggregate value of loans disbursed to Key Management Personnel amounted to:	-	-
Revolving credit facilities	200,221	242,620
Term Loans	3,134,603	6,119,051
	3,334,824	6,361,671
(iii) During the year the aggregate value of Revolving Credit Facility limits were (reduced)/increased to Key Management Personnel amounted to:	(5,250)	(15,000)
(iv) Interest and other revenue earned on Loans and Revolving Credit Facilities to Key Management Personnel	188,200	79,227

The Consolidated Entity's policy for lending to Key Management Personnel is that all loans are approved and deposits accepted on the same terms and conditions which applied to members for each class of loan or deposit. There are no loans which are impaired in relation to the loan balances with Key Management Personnel. There are no benefits or concessional terms and conditions applicable to the close family members of the Key Management Personnel. There are no loans which are impaired in relation to the loan balances with close family relatives of Key Management Personnel.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(c) Other Key Management Personnel Transactions with the Consolidated Entity

Other transactions between related parties include deposits from Key Management Personnel and their related entities or close family members. The Consolidated Entity's policy for receiving deposits from other related parties and, in respect of other related party transactions, is that all transactions are approved and deposits accepted on the same terms and conditions which applied to members for each type of deposit. There are no benefits paid or payable to the close family members of the Key Management Personnel. There are no service contracts to which Key Management Personnel or their close family members are an interested party.

32. RELATED PARTY TRANSACTIONS

Related Party Disclosures with respect to Key Management Personnel are set out in Note 31.

33. RECEIVABLE ACQUISITION AND SERVICING AGREEMENT

Community First has a Receivables Acquisition and Servicing Agreement (RASA) with Bendigo Bank Limited ("BEN") whereby Community First is able to sell loan receivables to BEN to a maximum of \$90m.

On 4 March 2026, Community First executed a \$30.2m sale of its on-balance sheet loans to BEN via the RASA facility.

As at 30 June 2026 the balance outstanding under this facility totalled \$58.0m (as at 30 June 2025 \$45.9m).

34. PRIOR PERIOD RESTATEMENT

During 2026, the Consolidated Entity identified that FRNs and NCDs had been classified within Wholesale Deposits. These instruments have been reclassified and presented separately as debt issuance in the current year, with the comparative information updated accordingly.

		Consolidated and Community First		
		As previously reported 1 July 2024 \$'000	Adjustments \$'000	As restated 1 July 2024 \$'000
a) Statement of Financial Position				
1 July 2024				
Deposits	Note 18	1,260,824	(32,590)	1,228,234
Debt Issuance	Note 19	-	32,590	32,590
30 Jun 2025		30 Jun 2025		30 Jun 2025
Deposits	Note 18	2,174,751	(75,371)	2,099,380
Debt Issuance	Note 19	-	75,371	75,371
b) Statements of Cash Flows				
30 Jun 2025		As previously reported 30 June 2025	Adjustments \$'000	As restated 30 June 2025
Cash Flows From Operating Activities				
Deposits		79,879	(22,781)	57,098
Cash Flows From Financing Activities				
Proceeds from debt issuance		-	152,675	152,675
(Repayment of Debt Issuance)		-	(129,894)	(129,894)

35. EVENTS SUBSEQUENT TO REPORTING DATE

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Set out below is a list of entities that are consolidated in the financial statements as at 30 June 2026.

Entity Name	Body Corporate Partnership or Trust	Place incorporated /formed	% of share capital held directly or indirectly by the Company in the body corporate		Australian or Foreign resident	Jurisdiction for Foreign resident
			2026	2025		
Community First Credit Union Ltd	Body Corporate	Australia	100%	100%	Australian	n/a
easystreet Trust ^(a)	Trust	Australia	n/a	n/a	Australian	n/a
MTG ICU Repo Series No.1 Trust ^(b)	Trust	Australia	n/a	n/a	Australian	n/a
MTG ICU Series 2021-1 Trust ^(c)	Trust	Australia	n/a	n/a	Australian	n/a

- (a) The group owns 100% of the units in easystreet Trust.
- (b) The group owns 100% of the units in MTG ICU Repo Series No.1 Trust.
- (c) The group owns 0% of the units in MTG ICU Series 2021-1 Trust.

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of trusts have been provided where relevant.



DIRECTORS' DECLARATION

- 1 In the opinion of the Directors of Community First Credit Union Limited (Community First):
- (a) the financial statements and notes, set out on pages 29– 79, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of Community First's and the Consolidated Entity's financial position as at 30 June 2026 and of their performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that Community First will be able to pay its debts as and when they become due and payable.
 - (c) the Consolidated Entity Disclosure Statement set out on page 80 is true and correct.
- 2 The Directors draw attention to Note 2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Mr Stephen Nugent
Chair



Ms Deborah Lambourne
Chair of Board Audit and Risk Committees

Dated at Sydney, NSW this 27th day of August 2026.



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

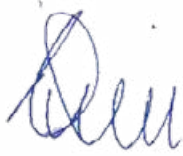
To the Directors of Community First Credit Union Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Community First Credit Union Limited for the financial year ended 30 June 2026 there have been:

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



KPMG



Richard Drinnan
Partner

Sydney
27 August 2026

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.



Independent Auditor's Report

To the members of Community First Credit Union Limited

Opinions

We have audited the consolidated **Financial Report** of Community First Credit Union Limited (the Group Financial Report). We have also audited the Financial Report of Community First Credit Union Limited (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report of Community First Credit Union Limited gives a true and fair view, including of the **Group's** and **Company's** financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with

Australian Accounting Standards and the Corporations Regulations 2001.

The **Financial Reports** of the Group and the Company comprise:

- Statements of financial position as at 30 June 2026;
- Statements of Profit or Loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026; Notes, including material accounting policies; and Directors' Declaration.

The **Group** consists of the Community First Credit Union Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinions

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

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

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

Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Chair's Report, Chief Executive Officer's Report, Five Year Summary, Corporate Governance Statement and the Director's Report.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.



Responsibilities of the Directors for the Financial Reports

The Directors are responsible for:

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

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audits of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf
This description forms part of our Auditor's Report.



Richard Drinnan
Partner

Sydney
27 August 2026

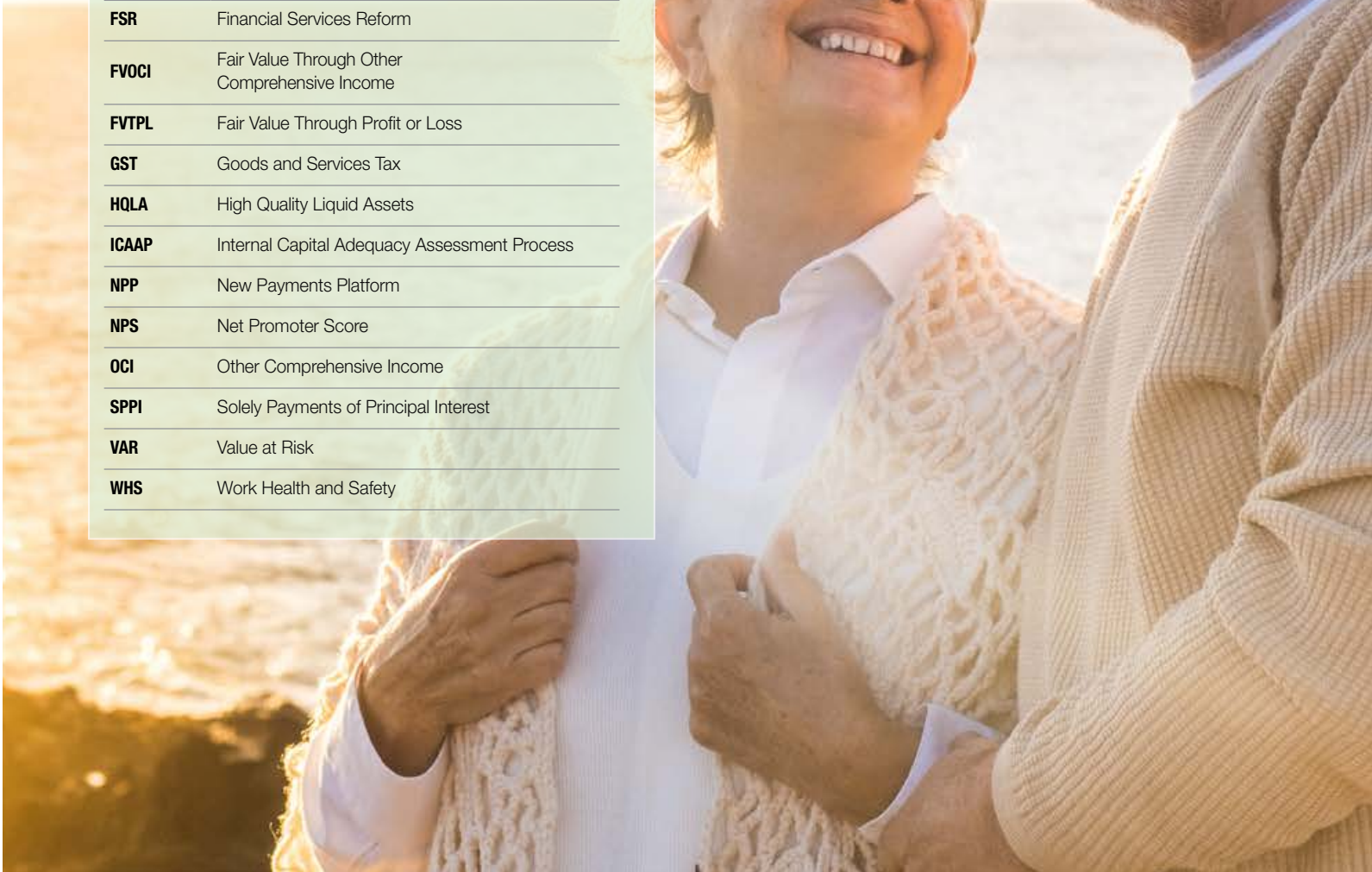
KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

GLOSSARY

AGM	Annual General Meeting is commonly abbreviated as AGM and is the meeting of the general membership of the credit union.
Google Pay	A digital wallet platform developed by Google that offers members a smart way to make fast purchases with compatible credit or debit cards, across Android devices that is both simple and secure.
Apple Pay	Apple Pay is a digital wallet from Apple which lets users use a compatible iPhone, Apple Watch or iPad to make secure contactless purchases in stores, within selected apps and participating websites.
Corporate Governance	The system of rules, relationships, policies and processes by which a business is operated, regulated and controlled by.
Community Banking	A financial institution which is typically locally owned and operated and tends to focus on the needs of supporting and helping the local community where the institution is located.
Credit Union	A credit union is a member-owned financial co-operative. These institutions are created and operated by their members and profits are shared amongst the owners and future generations.
Customer Owned Banking	Alternative banking model to the listed model in retail banking and is made up of mutual banks, credit unions and building societies who aim to deliver great service, highly competitive pricing and an unmatched customer focus to their members.
Distribution network or channels	How we reach our members or how our members reach us. This can include the website, social media, Financial Services Stores or via our call centre.
Easy Street	Easy Street is an online only self-service financial services brand owned by Community First Credit Union.
Green Loan	The green loan is an unsecured personal loan that can be used to finance the purchase of approved environmentally friendly products such as solar panels and hot water systems.
Loans to members	Is the total amount owed to Community First from home loans, personal loans, credit cards and overdrafts.
Macro-prudential controls	Macro-prudential controls are approaches to financial regulation which aim to mitigate risk to the financial system as a whole.
McGrath Foundation	A breast cancer support and education charity in Australia, which raises money to place McGrath Breast Care Nurses in communities right across Australia, as well as increasing breast awareness in young Australian women.
Member	A member is a customer-shareholder. A member 'owns' part of the credit union and can have their say of the credit union's future and shares in any retained earnings in the unlikely event the organisation is ever wound up.
Member Deposits	Consists of at-call savings, term deposits and membership shares
Mobile Banking App	A software application that is designed to run on mobile devices to enable members to do their banking on the go.
Mutuality	The concept that a financial institution exists for its members: being customer owned organisations, they are fully owned by their members. It is not a publicly-listed company and so, unlike the publicly-listed banks, don't have the pressure to maximise profits to pay external shareholders. Instead under mutuality profits go back into better rates, fairer fees, responsible lending and outstanding customer service.
Net Promoter Score (NPS)	A metric used to measure member advocacy i.e. how readily a member would promote a product or service to friends, family members or colleagues.
New Payments Platform	Allows payments to be received almost instantly – 24/7 using just the member's mobile number, email address or ABN, eliminating the need to share a BSB or an account number.
PayID	PayID is the name of the New Payments Platform addressing service. It's a function of the platform that allows consumers to link financial accounts to easy-to-remember pieces of information such as phone numbers and email addresses.
Products	Products are banking products that are created by Community First. These can be items such as credit cards, home loans, term deposits and transaction accounts.
Starburst Day	Is the Bank's staff development day that is held annually.
Total Assets	Is the total of all Community First assets.
Total Members' Equity	Is the accumulated profits and reserves held by Community First.

ABBREVIATIONS

AASB	Australian Accounting Standards Board
ADI	Authorised Deposit-taking Institution
AFSL	Australian Financial Services Licence
ACL	Australian Credit Licence
AGM	Annual General Meeting
ALCO	Assets and Liabilities Committee
AIFRS	Australian Equivalents to International Financial Reporting Standards
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ATO	Australian Tax Office
BEAR	Banking Executive Accountability Regime
CAPE	Combined Australia Petroleum Employees
COBA	Customer Owned Banking Association
CUFSS	Credit Union Financial Support System
CUSCAL	Credit Union Services Corporation Australia Limited
ECL	Expected Credit Loss
EOWWA	Equal Opportunity for Women in the Workplace Agency
FSR	Financial Services Reform
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GST	Goods and Services Tax
HQLA	High Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
NPP	New Payments Platform
NPS	Net Promoter Score
OCI	Other Comprehensive Income
SPPI	Solely Payments of Principal Interest
VAR	Value at Risk
WHS	Work Health and Safety





OUR BRANCH LOCATIONS

1. **Bankstown**
Bankstown RSL
1 Meredith Street
2. **Blacktown**
Blacktown Workers Club
55 Campbell Street
3. **Cronulla**
Suite 109
Level 1
28-32 The Kingsway
4. **Dee Why**
17-19 Oaks Avenue
5. **Edgeworth**
Shop 1
Building B
720 Main Road
Edgeworth Town Square
6. **Erina**
Suite 1.03A,
Platinum Building
4 Ilya Ave
7. **Gorokan**
66-68 Wallarah Road
8. **Liverpool**
107 Moore Street
9. **Mt Druitt**
Shop 32
10 Zoe Place
10. **Narellan**
Shop 309
Narellan
Town Centre
11. **Penrith**
Shop 032
Nepean Village
Cnr Station Street
and Woodriff Street
12. **Warriewood**
Shop 18
Warriewood
Square
13. **Wollongong**
38-42
Young Street

Please note that the following locations are cashless:

Erina, Cronulla, Blacktown,
Liverpool, Bankstown

Easy Street is an online only brand
and does not offer branch access



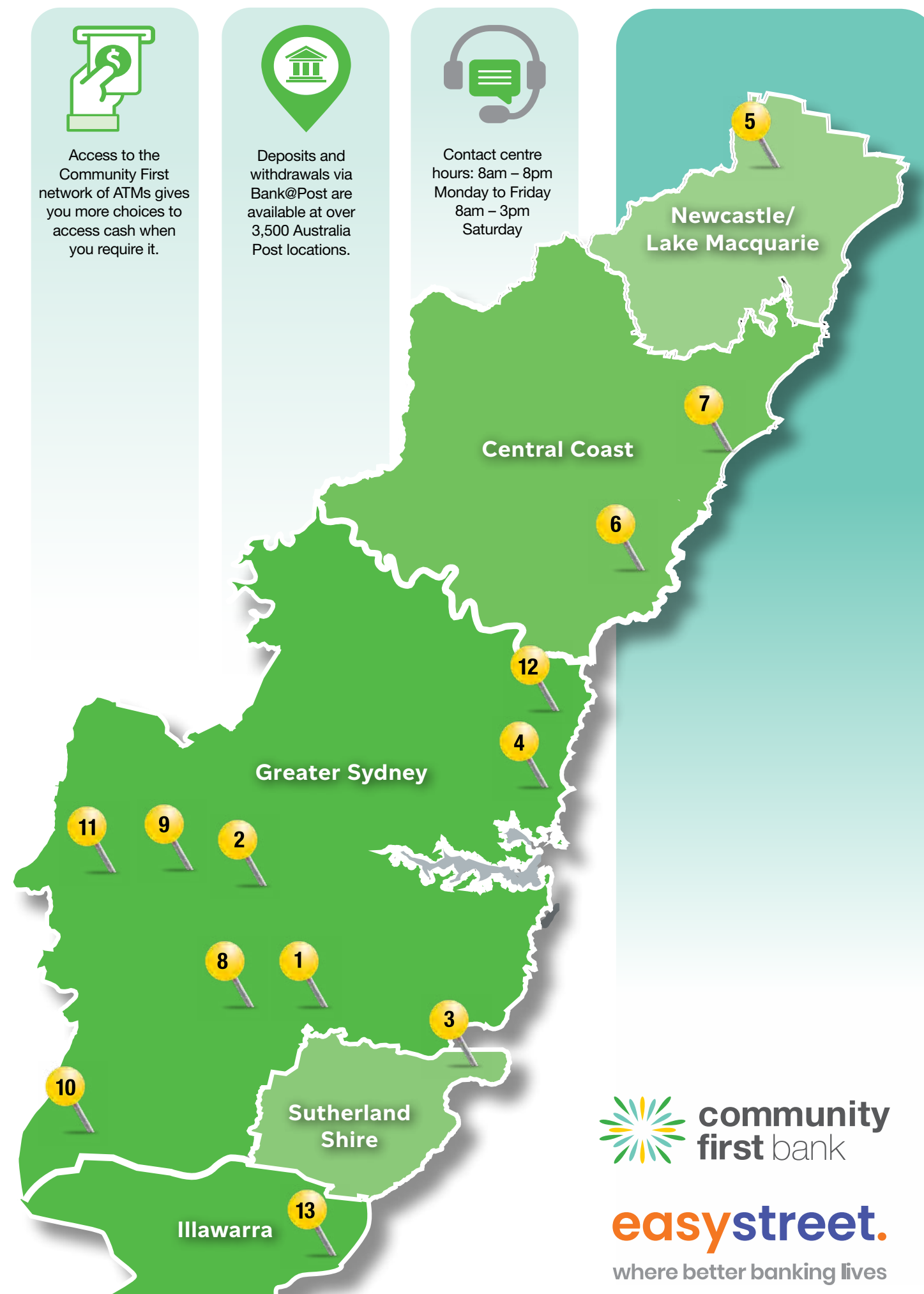
Access to the Community First network of ATMs gives you more choices to access cash when you require it.



Deposits and withdrawals via Bank@Post are available at over 3,500 Australia Post locations.



Contact centre hours: 8am – 8pm
Monday to Friday
8am – 3pm
Saturday



 **community**
first bank

easystreet.
where better banking lives