Hume Bank

FINANCIAL REPORT 2026

The Power of Us





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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2026

The directors of Hume Bank Limited present their report, together with the financial statements of the consolidated entity, being Hume Bank Limited ('the Company') and its controlled entity ('the Group') for the financial year ended 30 June 2026.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name and qualifications	Director details
Kerry Grigg BCom, MCom (Hons) with Distinction, PhD, GAICD	**Independent:** Yes **Term of office:** Non-executive director since July 2017 and Chairperson of the Board from November 2023 to October 2026 **Skills, experience and expertise:** Kerry is the managing director at Multiple, a global consulting firm. She has held senior roles in pharmaceuticals, global shipping, logistics, and fast-moving consumer goods. Kerry has also been a member of the Wodonga Institute of TAFE Board and an academic at Charles Sturt University and Monash University and currently sits on the Australian Business Council of Scandinavia advisory council in Denmark. Having grown up, raised a family and lived in Albury for over forty years, she has strong connections with the Hume Bank region. **Hume Bank Board Committee Memberships:** • Member of the People and Culture Committee • Member of the Risk Committee • Member of the Inorganic Growth Committee
Allison Batten GAICD, Grad. William & Mary Mason School of Business in strategic planning and management in retail	**Independent:** Yes **Term of office:** Non-executive director since May 2026 **Skills, experience and expertise:** Allison was appointed Chairperson of Geelong Bank in October 2023, having served on the Board since 2019. She was a member of the Governance Committee and chaired both the Audit and Risk Committees there. Allison is an experienced director with a 30-year career spanning retail operations and strategic consulting. Her background includes senior executive roles at Target Australia Pty Ltd and The Reject Shop Ltd, as well as providing high-level advisory services to major retailers on strategic transformation and growth initiatives. She is also a non-executive director of Dusk Group (ASX:DSK), a director of Florrimay Consulting, and Chairperson of the Australian Institute of Company Directors Regional Advisory Group for Barwon South West. Allison is a proud lifelong resident of Geelong. **Hume Bank Board Committee Memberships:** • Chairperson of the People and Culture Committee • Member of the Audit Committee • Member of the Inorganic Growth Committee

Name and qualifications	Director details
Graham Fryer CA, B Ec (Acctg), M Management, GAICD	**Independent:** Yes **Term of office:** Non-executive director since May 2026 **Skills, experience and expertise:** Graham joined the Geelong Bank Board in 2023. He was Chairperson of the Treasury Committee and a member of the Governance and Audit Committees. He was CEO of Geelong Bank from 2025 to 2026. Graham is an experienced senior finance and operations executive specialising in finance, business improvement and structuring. He has demonstrated people leadership capability developed through hands-on business management across many industries including higher education, finance, government and utility services. He has held CFO and COO roles and positions in major corporations as well as board and committee appointments. In addition to his Geelong connections, Graham grew up in Albury Wodonga, attending Albury North High School (James Fallon High). **Hume Bank Board Committee Memberships:** • Chairperson of the Risk Committee • Member of the Audit Committee • Member of the Inorganic Growth Committee
Kent Griffin BEc (Actuarial Studies), FIAA, GAICD	**Independent:** No **Term of office:** Non-executive director from November 2018 to March 2026; Managing Director since March 2026 **Skills, experience and expertise:** Kent was the CEO and managing director at Acenda (formerly MLC Life Insurance). He has corporate leadership and consulting experience in the financial services sector across Australia, Europe, and Asia. Kent is currently a board member of the Australian Reinsurance Pool Corporation. **Hume Bank Board Committee Memberships:** • Chairperson of the Risk Committee until March 2026 • Member of the Audit Committee until March 2026 • Member of the Inorganic Growth Committee
Martin Halloran BCom, Grad Dip FP, Mapp Fin, M Defence & Strategic Studies, F FINSIA, MAICD	**Independent:** Yes **Term of office:** Non-executive director from October 2024 to July 2025 **Skills, experience and expertise:** Martin has over 30 years of senior management experience in the banking, finance, government, and defence sectors. He has expertise in wholesale banking, investment management, capital markets, and prudential capital management. After a career working in Canberra, Sydney and London, Martin is now settled in Wagga Wagga, NSW, supporting the family-owned freight business which operates throughout the region. **Hume Bank Board Committee Memberships:** • Member of the Audit Committee until July 2025 • Member of the Risk Committee until July 2025

Name and qualifications	Director details
Paul Carrington McGill BSc (Melb), (Biotechnology & Economics), GAICD	**Independent:** Yes **Term of office:** Non-executive director from July 2016 to November 2024. Rejoined as a non-executive director from August 2025 to October 2025 **Skills, experience and expertise:** Paul has worked with ASX200 listed companies, private enterprises, and not-for-profits. He has experience in oil, energy, telecommunications, technology, biotechnology, banking, and wealth management. Paul has advised on corporate and business strategy, business transformation, and corporate governance. He has a deep professional and family connection to Hume Bank's home markets having lived and worked in the region from 2009-2024. **Hume Bank Board Committee Memberships:** • Member of the Audit Committee from July 2016 to November 2024 and August 2025 to October 2025 • Member of the People and Culture Committee until November 2024
Patricia Montague BA (Pure Math and Economics), Dip. Marketing, GAICD, GAIST	**Independent:** Yes **Term of office:** Non-executive director from November 2023 to April 2026 **Skills, experience and expertise:** Patricia is a Chairperson and non-executive director with more than 30 years of financial services leadership - including as a member of CBA's retail banking leadership team - and governance expertise. She is currently Chairperson of Russell Investments Trustee Board and has a track record in regulatory engagement, large-scale transformation, profitable growth, member outcome delivery and operational excellence in complex, regulated markets with social licences. **Hume Bank Board Committee Memberships:** • Chairperson of the People and Culture Committee until May 2026 • Member of the Risk Committee until May 2026 and Chairperson of the Risk Committee from March 2026 until May 2026 • Member of the Inorganic Growth Committee until May 2026
Dagmar Gisela Neumann Equiv. BSc, GAICD	**Independent:** Yes **Term of office:** Non-executive director since March 2022 **Skills, experience and expertise:** Dagmar is an experienced non-executive director and former C-suite technology executive. She has expertise in digital transformation and operational excellence across various industry sectors. Dagmar is on the board of the Australian Bridge Federation and Chairperson of the Bridge NSW People and Governance Committee. **Hume Bank Board Committee Memberships:** • Member of the Risk Committee until May 2026 • Member of the Audit Committee • Member of the People and Culture Committee
Graeme Simpfendorfer B Policing, AdvDip Public Safety, PGCert Fire Investigations, Dip Bus, Dip Police Supervision, GAICD	**Independent:** Yes **Term of office:** Non-executive director since October 2025 **Skills, experience and expertise:** Graeme has leadership and governance experience across law enforcement, local government, and the private sector. A former Detective Sergeant with Victoria Police, he is a Wodonga resident and has served as Deputy Mayor of Wodonga. Graeme is Director of Peregrine Consultancy & Peregrine AI, specialising in risk management and governance, and is a board member of the Centre Against Violence. **Hume Bank Board Committee Memberships:** • Member of the People and Culture Committee • Member of the Audit Committee until May 2026 • Member of the Risk Committee from May 2026

Name and qualifications	Director details
Tina Wyer BCom Acct & IS, Chartered Accountant, GAICD	**Independent:** Yes **Term of office:** Non-executive director since August 2022 **Skills, experience and expertise:** Tina is a Chartered Accountant and experienced non-executive director with almost 30 years of international experience in financial services across Australia, Asia, and the USA. She has expertise in finance, audit, risk, technology, and digital transformation. Tina currently serves on the boards of the Australian Retirement Trust, Sunshine Coast Hospital and Health Board, Fred Hollows Foundation, .au Domain Administration, and on the committees of the AICD Sunshine Coast Regional Forum, Chartered Accountant Queensland Regional Committee, and Adaluma. She grew up in Wodonga and maintains a deep family and community connection with the region. **Hume Bank Board Committee Memberships:** • Chairperson of the Audit Committee • Chairperson of the Inorganic Growth Committee • Member of the Risk Committee

2. Meetings of directors

The following table sets out the number of Board and Committee meetings held during the year and the number attended by each director. It includes only meetings of the Board and Committees of which the director was a member and excludes meetings attended by invitation or as an observer.

Director	Board		Risk Committee		Audit Committee		People & Culture Committee		Inorganic Growth Committee	
	A	B	A	B	A	B	A	B	A	B
Kerry Grigg	15	15	4	4	-	-	5	5	9	9
Allison Batten	1	1	-	-	1	1	2	2	1	1
Graham Fryer	1	1	1	1	1	1	-	-	1	1
Kent Griffin	15	15	3	3	4	4	-	-	8	9
Martin Halloran	-	-	-	-	-	-	-	-	-	-
Paul McGill	2	2	-	-	2	2	-	-	-	-
Patricia Montague	13	14	3	3	-	-	3	3	8	8
Dagmar Neumann	12	15	2	2	4	5	4	5	-	-
Graeme Simpfendorfer	11	13	1	1	3	3	3	3	-	-
Tina Wyer	15	15	4	4	5	5	-	-	9	9

A - Number attended where member **B** – Number eligible to attend

3. Company secretary

Ms Ruth McClelland (BA, LLB (Hons), GAICD) was appointed the Company Secretary in July 2024 and continues to act in this capacity.

4. Corporate governance statement

The Board's primary responsibility is to the members of the Company to maintain the Company's success. It sets the strategic direction for the Group, participates in the development of the strategic plan and has authority for its approval.

It also approves the annual budget and has responsibility for the appointment, remuneration and performance appraisal of the Chief Executive Officer. The Board delegates responsibility for the management of the Group to the Chief Executive Officer and senior management.

The Board generally meets monthly and conducts an annual evaluation of its own performance and that of individual directors. An allowance is made for professional development of all directors and, to assist the Board in the execution of its responsibilities, the Board has established committees as noted below.

5. Committees of directors

Audit Committee

The Audit Committee is a Board-appointed committee comprising at least four non-executive directors. Its principal responsibility is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the Group's financial reporting, internal control system, risk management framework and internal and external audit functions. The Chief Executive Officer, Chief Financial Officer, Internal Auditor and external auditors are invited to attend meetings; however, the committee may meet without them. The Audit Committee is chaired by Tina Wyer.

Risk Committee

The Risk Committee is a Board-appointed committee comprising at least four non-executive directors. Its principal responsibilities are to assist the Board to fulfil its oversight responsibilities in relation to the implementation and operation of the Group's risk management framework and the review of policies which are required under the Group's risk management framework. The Risk Committee also makes recommendations to the Board based on the Group's risk appetite. The Chief Executive Officer will generally attend meetings, and the Chief Risk Officer must attend relevant sections of meetings; however, the committee may meet without management. The Risk Committee is chaired by Graham Fryer.

People & Culture Committee

The People & Culture Committee is a Board-appointed committee operating with up to four non-executive directors. It is responsible for reviewing the performance of the Chief Executive Officer and making recommendations to the Board regarding their remuneration. It reviews appraisals and remuneration recommendations for executive management submitted by the Chief Executive Officer and the Remuneration and Reward Policy which establishes staff remuneration structures. It also develops board succession planning for consideration by the Board. The People & Culture Committee is chaired by Allison Batten.

Inorganic Growth Committee

The Inorganic Growth Committee is a Board-appointed committee established to provide focused oversight of inorganic growth strategies, including mergers, acquisitions, partnerships, joint ventures and divestments. Its principal responsibilities are to assess the strategic fit, financial viability, due diligence, integration planning and risk management of potential inorganic growth opportunities, and to make recommendations to the Board where Board approval is required. The Committee is advisory in nature and may only exercise executive powers where specifically delegated by the Board. The Committee meets on an as-needed basis, at least four times per year, and is chaired by Tina Wyer.

6. Principal activities

The principal activities of the Group during the course of the financial year were those of an Authorised Deposit-taking Institution (ADI) providing financial products and services to its members.

There were no significant changes in the nature of these activities during the period.

7. State of affairs

In an environment marked by rising customer expectations, rapid technological change, and increasing competition across the financial sector, Hume Bank has continued to focus on sustainable growth and strategic partnerships.

8. Events subsequent to reporting date

In the opinion of the Directors, no matters or circumstances have arisen since the end of the financial year and up to the date of this report that have significantly affected, or may significantly affect in future financial years, the operations of Hume Bank, the results of those operations, or the state of affairs of Hume Bank.

9. Review and results of operations

Hume Bank delivered a solid result for the year ended 30 June 2026, recording a profit before income tax of $12.8 million and net profit attributable to members of $8.5 million. The result reflects continued growth in the business, with net operating income increasing to $57.1 million, supported by net interest income of $52.3 million. The Group also maintained disciplined expense and risk management, with operating expenses of $43.9 million and a credit impairment charge of $0.5 million. Hume Bank's financial position strengthened during the year, with total assets increasing to $2.6 billion, net loans and advances growing to $1.9 billion and deposits reaching $2.3 billion, reflecting the continued confidence of members and the benefits of the Geelong Bank merger.

As disclosed in Note 27 Business combination of the financial statements, the merger and subsequent integration activities mean that revenue and profit attributable separately to Hume Bank and Geelong Bank are not directly comparable with prior periods. Comparability between reporting periods is materially affected

by integration costs, financial outcomes arising from operational alignment activities, and the impact of fair value adjustments recognised in accordance with AASB 3 Business Combinations.

10. Directors' benefits

During or since the end of the financial year, no director of the Group has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of compensation paid or payable to key management personnel as shown in Note 22 of the financial statements) by reason of a contract entered into by the Group (or an entity that the Group controlled, or a body corporate that was related to the Group when the contract was made, or when the director received, or became entitled to receive, the benefit) with:

• a director,

• a firm of which a director is a member, or

• an entity in which a director has a substantial financial interest other than as disclosed in Note 22.

11. Lead auditor's independence declaration

The auditor's independence declaration is set out on page 10 and forms part of the Directors' report for the financial year ended 30 June 2026.

12. Indemnification and insurance of officers and auditors

The Company has agreed to indemnify any past, present, or future director, secretary or officer of the Company in respect of liabilities to other persons (other than the Company) that may arise from their position as director, secretary or officer of the Company, except where the liability arises out of conduct involving a lack of good faith, negligent or fraudulent behaviour. The Company has entered into an insurance policy to cover the Company's liability under the indemnity. The insurance policy prohibits disclosure of the premium payable under the policy and the nature of the liabilities insured.

The Company has not indemnified its auditors, Crowe Albury.

13. Rounding

Hume Bank Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, to the nearest dollar.

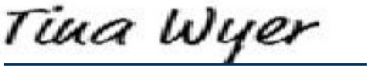
Signed in accordance with a resolution of the directors:



6 Oct, 2026 4:25:43 PM GMT +11

Kerry Grigg,
Board Chairperson

Signed on 30 September 2026



5 Oct, 2026 11:23:22 AM GMT +11

Tina Wyer,
Audit Committee Chairperson

Signed on 30 September 2026

Auditor's independence declaration

for the year ended 30 June 2026

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Auditor Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Hume Bank Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2026 there have been no contraventions of:

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

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

This declaration is in respect of Hume Bank Limited and the entities it controlled during the financial year ended 30 June 2026.

Crowe

CROWE ALBURY

Jason Gilbert

JASON GILBERT
Partner

30 SEPTEMBER 2026
ALBURY

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income			
Interest income	3	**114,904**	110,293
Interest expense	3	**(62,612)**	(61,713)
Net interest income		**52,292**	48,580
Non-interest income	3	**4,840**	4,685
Net operating income		**57,132**	53,265
Expenses			
Operating expenses	4	**(43,915)**	(40,153)
Credit impairment write-back/(charge)	10	**(455)**	(186)
Total expenses		**(44,370)**	(40,339)
Profit before income tax expense		**12,762**	12,926
Income tax expense	5	**(4,311)**	(3,376)
Net profit attributable to members		**8,451**	9,550
Other comprehensive income			
Items that will not be classified to profit or loss			
Revaluation of property	13	**105**	507
Income tax attributable to this item		**-**	-
Changes in fair value of equity instruments		**(12)**	47
Income tax attributable to this item		**34**	(14)
Total other comprehensive income net of tax		**127**	540
Total comprehensive income attributable to members		**8,578**	10,090

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Statement of financial position

as at 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Cash and cash equivalents	6	**67,734**	49,232
Investment securities	7	**584,503**	511,704
Other assets	8	**5,761**	4,204
Net loans and advances	9	**1,877,770**	1,672,128
Other investments	11	**51**	466
Derivatives	12	**508**	-
Income tax receivable	5	**501**	-
Property, plant and equipment	13	**7,216**	7,159
Investment property	13	**1,900**	1,900
Intangible assets	14	**3,763**	4,068
Deferred tax assets	5	**1,582**	1,886
Total assets		**2,551,291**	2,252,747
Liabilities			
Deposits	15	**2,326,366**	2,024,841
Other liabilities	16	**41,799**	39,750
Borrowings	17	**35,233**	62,520
Derivatives	12	**-**	178
Income tax payable	5	**-**	841
Provisions	16	**3,614**	3,276
Total liabilities		**2,407,012**	2,131,406
Net assets		**144,279**	121,341
Members' funds			
Reserves	18	**17,569**	3,287
Retained earnings		**126,710**	118,054
Total members' funds		**144,279**	121,341

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Statement of changes in members' funds

for the year ended 30 June 2026

	Note	Retained earnings $'000	Business combination reserve $'000	Asset revaluation reserve $'000	Financial asset reserve $'000	Total reserves $'000	Total member funds $'000
For the year ended 30 June 2026							
Opening balance as at 1 July 2025		**118,054**	**-**	**3,104**	**183**	**3,287**	**121,341**
Net profit for the year		**8,451**	**-**	**-**	**-**	**-**	**8,451**
Other comprehensive income		**-**	**-**	**105**	**22**	**127**	**127**
Merger with Geelong Bank	27	**-**	**14,360**	**-**	**-**	**14,360**	**14,360**
Transfers to/(from) reserves		**205**	**-**	**-**	**(205)**	**(205)**	**-**
As at 30 June 2026	18	**126,710**	**14,360**	**3,209**	**-**	**17,569**	**144,279**
For the year ended 30 June 2025							
Opening balance as at 1 July 2024		108,308	-	2,793	150	2,943	111,251
Net profit for the year		9,550	-	-	-	-	9,550
Other comprehensive income		-	-	507	33	540	540
Transfers to/(from) reserves		196	-	(196)	-	(196)	-
As at 30 June 2025	18	118,054	-	3,104	183	3,287	121,341

The statement of changes in members' funds is to be read in conjunction with the notes to the financial statements.

Statement of cash flows

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Interest received		**113,918**	108,759
Interest paid		**(63,832)**	(59,089)
Other revenue received		**4,409**	4,457
Payments to suppliers and employees		**(38,056)**	(37,982)
Fees and commissions paid		**(843)**	(774)
Income tax paid		**(5,393)**	(2,841)
Cash flows from operating activities before changes in operating assets and liabilities		**10,203**	12,530
(Increase)/decrease in operating assets			
Net increase in balance of loans and advances		**(68,685)**	(79,240)
Net increase in balance of investment securities		**(50,180)**	(166,408)
Increase in operating liabilities			
Net increase in balance of deposits		**148,456**	208,782
Net increase/(decrease) in balance of borrowings		**(27,287)**	6,036
Net cash flows from/(used in) operating activities	19	**12,507**	(18,300)
Cash flows from investing activities			
Cash paid for property, plant and equipment		**(487)**	(303)
Cash proceeds from sale of property, plant and equipment		**264**	994
Cash paid for intangible assets		**(170)**	(1,448)
Cash transferred on merger with Geelong Bank	27	**6,947**	-
Net cash flows from/(used in) investing activities		**6,554**	(756)
Cash flows from financing activities			
Repayment of lease liabilities		**(559)**	(587)
Net cash flows used in financing activities		**(559)**	(587)
Net increase/(decrease) in cash held		**18,502**	(19,643)
Cash at the beginning of the year		**49,232**	68,875
Cash at the end of the year	6	**67,734**	49,232

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

for the year ended 30 June 2026

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Notes to the financial statements (continued)

for the year ended 30 June 2026

1 Reporting entity

Hume Bank Limited (the 'Company') is a company limited by shares and guarantee domiciled in Australia. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. No shares have been issued. The address of the Company's registered office is 492 Olive Street, Albury, NSW, 2640.

These consolidated financial statements ('financial statements') comprise Hume Bank Limited, the ultimate parent company, and its subsidiary (together, the 'Group'). The Group is primarily involved in retail banking.

2 Basis of preparation

1. Statement of compliance

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

The financial statements were authorised for issue by the Board of Directors on 30 September 2026.

2. Basis of measurement

The financial statements are presented in Australian dollars.

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

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

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. Refer to paragraph 6 of this note for new standards applicable for the current year.

3. Use of estimates and judgements

The preparation of the financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 estimate is revised and in any future periods affected.

Information about critical judgements 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 10 – Impairment of loans and advances
- Note 13 – Fair value of land and buildings
- Note 14 – Estimation of useful life and assessment of future economic benefit of intangible assets
- Note 25 - Fair value of financial instruments; and
- Note 27 – Business Combination

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

4. Going concern

The Group continues to undertake a significant amount of scenario testing and forecasting to provide comfort that there is no material uncertainty in terms of the Group as a "going concern". Scenario testing undertaken by management indicates that key indicators — including capital adequacy, liquidity coverage, and projected cash flows — remain at levels that support the Group's ability to meet its obligations as and when they fall due and comply with both statutory and internal prudential requirements over the forecast period.

5. Consolidation of RBA repurchase securitisation trust

Hume Bank Limited is the beneficiary of a trust which holds rights to a portfolio of residential mortgage secured loans to enable the Company to secure funds from the Reserve Bank of Australia (RBA), if required, to meet emergency liquidity requirements. The Company continues to manage these loans and receives all residual benefits from the trust and bears all losses should they arise. Accordingly:

- The trust meets the definition of a controlled entity; and
- As prescribed under the accounting standards, since the Company has not transferred all the risks and rewards to the trust, the assigned loans are retained on the books of the Company and are not de-recognised.

2 Basis of preparation (continued)

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

The subsidiary member of the Group is known as the Murray Trust Repo Series No. 1.

6. New standards applicable for the current year

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There has been no material impact resulting.

7. New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been issued but are not yet mandatory for the reporting period ended 30 June 2026 and have not been early adopted by the Group.

The Group has assessed the impact of these standards and interpretations and, except as outlined below, does not expect them to have a material impact on the Group's financial statements.

AASB 18 Presentation and Disclosure in Financial Statements introduces new presentation and disclosure requirements for financial statements, including defined subtotals in the statement of profit or loss. The standard is effective for annual reporting periods beginning on or after 1 January 2027. The Group is currently assessing the impact of the new standard on disclosures and presentation.

The AASB has also issued sustainability reporting standards, including AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information and AASB S2 Climate-related Disclosures. These standards are not currently mandatory for the Group for the reporting period ended 30 June 2026. The Group continues to monitor developments and assess future reporting requirements.

3 Operating income

Recognition and measurement

Income is recognised when it is likely that the economic benefits will be received by the Group and the amount can be measured reliably. Revenue is reported net of goods and services tax (GST). Revenue is not recognised if there are significant uncertainties about the recovery of the consideration.

Interest income

Interest income on loans is calculated based on the daily outstanding balance and charged monthly in arrears to the customer's account. This interest income is recognised in the statement of profit or loss as it accrues, utilising the effective interest rate method. For term loans, loan establishment fees and costs, including upfront broker commissions, are also factored into the effective interest rate and amortised over the average loan term.

For revolving credit facilities, due to their short-term nature and reviewability, all related fees and costs, including establishment fees, are recognised when the service is rendered.

Interest income on deposits with other financial institutions, derivatives, and investment securities is calculated on an accrual basis using the effective interest rate method.

Interest expense

Interest payable on customer deposits is calculated daily on the outstanding balance and is credited in accordance with the terms of the relevant product. This interest expense is recognised in the statement of profit or loss as it accrues, employing the effective interest rate method. Interest on borrowings is also calculated on an accrual basis using the effective interest method.

	2026 $'000	2025 $'000
Interest income		
Deposits with other financial institutions	**984**	1,341
Investment securities	**28,164**	22,730
Loans and advances	**85,756**	86,222
Total interest income	**114,904**	110,293
Interest expense		
Borrowings from other financial institutions	**2,805**	2,826
Deposits	**59,728**	58,802
Leases	**80**	85
Total interest expense	**62,612**	61,713
Total net interest income	**52,292**	48,580
Non-interest income		
Fees	**2,573**	2,482
Commissions	**1,771**	1,815
Net gain from sale of assets	**264**	232
Miscellaneous income	**232**	156
Total non-interest income	**4,840**	4,685
Net operating income	**57,132**	53,265

Notes to the financial statements (continued)

for the year ended 30 June 2026

4 Operating expenses

Recognition and measurement

Operating expenses

Operating expenses are costs incurred by the Group during its ordinary course of business to generate revenue. Operating expenses are recognised when the related economic benefits are consumed, in accordance with the principles of accrual accounting. Operating expenses are measured at fair value at the time they are incurred and are recorded in the statement of profit or loss.

Wages, salaries and related staff expenses

Wages, salaries, annual leave, and other employee entitlements expected to be paid or settled within twelve months of the employees providing the service are measured at their nominal amounts, using the remuneration rates the Group anticipates paying when the liabilities are settled.

For long-term service benefits, the Group's net obligation is the future benefit employees have earned for their service in the current and previous periods. The Group accrues these employee entitlements, such as long service leave, using an actuarial calculation. This calculation includes assumptions about staff turnover, leave usage, and future salary increases, and the resulting amount is discounted using market yields as of the reporting date.

	2026 $'000	2025 $'000
Staff expenses		
Salaries and related costs	**20,050**	17,626
Other staff related costs	**3,678**	3,151
Total staff expenses	**23,728**	20,777
Customer services		
Fees and commissions	**843**	774
Community expenditure	**192**	215
Other product and service delivery expenses	**3,761**	3,448
Total customer services	**4,796**	4,437
Information technology services		
Information technology expenses	**3,823**	3,524
Amortisation	**1,658**	830
Total information technology services	**5,481**	4,354
Occupancy expenses		
Depreciation of property, plant and equipment	**370**	722
Depreciation of right-of-use assets	**547**	535
Amortisation of leasehold improvements	**14**	112
Other occupancy expenses	**1,202**	1,106
Total occupancy expenses	**2,133**	2,475
Other expenses		
Marketing expenses	**1,477**	1,498
Other administrative expenses	**6,300**	6,612
Total other expenses	**7,777**	8,110
Total operating expenses	**43,915**	40,153

5 Taxation

Recognition and measurement

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are 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.

Goods and services tax (GST)

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

	2026 $'000	2025 $'000
Income tax expense		
Profit before income tax expense	**12,762**	12,926
Tax at the Australian company rate of 30%	**3,829**	3,878
Increase/(decrease) income tax expense due to:		
Non-deductible expenses	**1,721**	1,902
Other deductible expenses	**(1,675)**	(1,253)
Adjustment to deferred tax assets	**383**	(1,151)
Movement in deferred tax assets/liabilities resulting from business combination not recognised in current year movement	**93**	-
Current tax recognised outside profit or loss – FVOCI disposal	**(45)**	
Prior period under/(over) provision	**5**	-
Income tax expense attributable to profit	**4,311**	3,376
Income tax payable/(receivable)		
Balance at the beginning of the year	**841**	(904)
Income tax payable – current year	**3,875**	4,527
Increase/(decrease) due to:		
Income tax paid – current year	**(4,321)**	(3,686)
Income tax paid – prior year	**(846)**	904
Net tax balance acquired through business combination	**(55)**	-
Prior period under/(over) provision	**5**	-
Balance at the end of the year	**(501)**	841

Notes to the financial statements (continued)

for the year ended 30 June 2026

5 Taxation (continued)

	2026 $'000	2025 $'000
Deferred tax assets		
Amounts recognised in profit or loss		
Provisions for employee entitlements	**835**	1,064
Provision for impairment of loans and advances	**657**	537
Leased assets	**22**	25
Derivatives	**(21)**	53
Expenses not currently deductible	**140**	473
Total amounts recognised in profit or loss	**1,633**	2,152
Gross deferred tax assets	**1,633**	2,152
Set-off of deferred tax assets and deferred tax liabilities	**(51)**	(266)
Net deferred tax assets	**1,582**	1,886
Deferred tax liabilities		
Amounts recognised in profit or loss		
Property, plant, equipment and intangible assets	**(26)**	111
Investment property	**77**	77
Total amounts recognised in profit or loss	**51**	188
Amounts recognised in other comprehensive income		
Other investments	**-**	78
Total amounts recognised in other comprehensive income	**-**	78
Gross deferred tax liabilities	**51**	266
Set-off of deferred tax assets and deferred tax liabilities	**(51)**	(266)
Net deferred tax liabilities	**-**	-

Franking credits held at balance date	**59,448**	50,926

6 Cash and cash equivalents

Recognition and measurement

Cash and cash equivalents include cash on hand, cash at bank and deposits at call with other financial institutions. Cash and cash equivalents are measured at amortised cost with interest brought to account using the effective interest rate method. Cash equivalents are readily convertible to cash and are subject to an insignificant risk of change in value.

	2026 $'000	2025 $'000
Cash and cash equivalents		
Cash at bank	**61,209**	42,047
Cash on hand	**6,525**	7,185
Total cash and cash equivalents	**67,734**	49,232

7 Investment securities

Recognition and measurement

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

These are initially measured at fair value and subsequently measured at amortised cost. These have been assessed for impairment under AASB 9 and no impairment losses have been recognised.

Interest receivable is accrued on a time-proportionate basis over the term of the investment. Accrued interest is included within other assets in the statement of financial position.

	2026 $'000	2025 $'000
Investment securities		
Bank bills and certificates of deposit	**81,298**	96,842
Floating rate notes	**244,960**	238,463
Term deposits	**83,500**	80,000
Fixed rate bonds	**174,745**	96,399
Total investment securities	**584,503**	511,704

8 Other assets

Recognition and measurement

Sundry debtors are recognised initially at fair value and then subsequently measured at amortised cost using the effective interest rate method. Collectability of sundry debtors is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified.

	2026 $'000	2025 $'000
Other assets		
Interest receivable	**4,759**	3,399
Sundry debtors	**1,002**	805
Total other assets	**5,761**	4,204

Notes to the financial statements (continued)

for the year ended 30 June 2026

9 Net loans and advances

Recognition and measurement

Loans and advances

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

Loans and advances are measured at amortised cost using the effective interest rate method, after assessing required provisions for impairment.

The effective interest rate method requires origination fees and associated transaction costs to be capitalised as part of the loan balance and amortised over the expected life of the loan as part of the loan's effective interest rate. The expected life of the loan has been determined based on an analysis of the Group's loan portfolio.

The interest on loans and overdrafts is calculated on the daily balance outstanding and is charged in arrears to a customer's account on the last day of each month. The interest on revolving credit cards is calculated on the daily balance outstanding and is charged in arrears to a customer's account on the 15th day of each month. Purchases are granted up to 55 days interest free until the due date for payment.

Fees charged on loans after origination of the loan are recognised as income when the services are provided or costs are incurred.

All loans and advances are reviewed and graded according to the determined level of credit risk. The classification adopted is described below:

- Impaired loans – are loans and advances where the recovery of all interest and principal is considered to be reasonably doubtful and hence provisions for impairment are made.
- Assets acquired through the enforcement of security – are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.
- Past-due loans – are loans where payments of principal and/or interest are at least 1 day or more in arrears. Full recovery of both principal and interest is expected. If a provision for impairment is required, the loan is included in impaired loans.

	2026 $'000	2025 $'000
Loans and advances		
Residential owner-occupied mortgages	**1,399,664**	1,235,417
Residential investment mortgages	**355,898**	323,949
Commercial lending	**101,923**	93,596
Personal loans	**8,045**	6,834
Credit cards and revolving credit	**10,085**	10,108
Gross loans and advances	**1,875,615**	1,669,905
Less provision for impairment	**(2,189)**	(1,789)
Add net deferred loan fees	**4,343**	4,012
Net loans and advances	**1,877,770**	1,672,128

9 Net loans and advances (continued)

Securitisation

The Company enters into securitisation transactions in which it transfers financial assets that are recognised on its statement of financial position. When the Company retains substantially all the risks and rewards of the transferred assets, the transferred assets remain on the statement of financial position; however, if substantially all the risks and rewards are transferred, the Company de-recognises the asset. Securitisation is the process of taking an illiquid asset, or group of assets, such as residential mortgages, and transforming it (or them) into a liquid security. The Company uses securitisation for funding and liquidity purposes. Details of the securitisation entered into by the Company are summarised in the following sections.

The Group established the Murray Trust Repo Series No.1 in 2014, an internal securitisation entity for the purpose of emergency liquidity support in the event of a systemic liquidity crisis. The Class A notes are currently eligible for repurchase by the Reserve Bank of Australia should the need arise. From time to time, the Company will top up the Murray Trust Repo Series No. 1 notes by securitising additional residential mortgages as existing loans pay down.

As there has been no transfer of the risks or rewards of ownership of the securitised loans and other relevant assets or liabilities, the Murray Trust Repo Series No.1 is consolidated within the Company, forming the Group.

	2026 $'000	2025 $'000
Securitised loans		
Securitised loans that do not qualify for derecognition	**295,180**	250,440

10 Impairment of loans and advances

Recognition and measurement

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss model' (ECL). Instruments within the scope of the requirements include loans and advances and other debt-type financial assets measured at amortised cost and fair value through other comprehensive income, trade receivables, loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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

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

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial assets that have objective evidence of impairment (loans in default) at the reporting date (non-performing loans) ('Stage 3').

Key assumptions in determining the ECL

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

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

Notes to the financial statements (continued)

for the year ended 30 June 2026

10 Impairment of loans and advances (continued)

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

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

These parameters are generally derived from internal analysis, management judgements and other historical data. They are adjusted to reflect forward-looking information as described below.

Definition of default and write-offs

A financial asset is in default when it is 90 days or more past due or when there is objective evidence of impairment, such as significant financial difficulty, hardship arrangements, or restructuring.

Loans are written off when there is no reasonable expectation of recovery. Recoveries of amounts previously written off are recognised in profit or loss when received.

Grouping of financial assets

Given the homogeneity of the loan portfolio in terms of borrower type and contractual repayment terms, credit risk is primarily monitored through regular analysis of arrears reports. The Group has grouped exposures by type based on shared risk characteristics that include:

- Instrument type
- Collateral type
- LVR ratio for retail mortgages

The Group has elected to use the following segments when assessing credit risk for Stages 1 and 2 of the impairment models:

- Residential owner-occupied mortgages
- Residential investment mortgages
- Commercial loans
- Personal loans
- Credit cards and revolving credit

Stage 3 of the impairment model is assessed on an individual basis.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Significant increase in credit risk

In assessing significant increases in credit risk where a loan or group of loans must move to Stage 2 the following factors have been considered in the Group's current model.

- Loans more than 30 days past due (excluding credit cards and overdrafts).

10 Impairment of loans and advances (continued)

- Loans with more than two instances of arrears experience in the previous 12 months.
- Loans with approved hardship or modified terms.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert judgement, relevant external factors and including forward-looking information.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when the exposure is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

Forward-looking information and sensitivity analysis

The Group calculates ECL using a probability-weighted approach that incorporates forward-looking information. This involves developing multiple economic scenarios informed by publicly available data, internal forecasts, and third-party information. These scenarios form the basis for estimating the ECL across the loan portfolio:

- **Base Case** — This scenario reflects management's central estimate and is based on reasonable and supportable information available at the reporting date without undue cost or effort. It considers exposures to high-risk industries, with specific overlays applied to these segments. These overlays incorporate expectations of macroeconomic variables such as unemployment rates and property price movements and apply adjusted PD and LGD assumptions. Security values are discounted in determining expected losses.
- **Downside Case** — This scenario reflects a deterioration in macroeconomic conditions, including higher unemployment and additional high-risk industry exposures, leading to elevated PDs and LGDs.
- **Upside Case** – This scenario reflects an improvement in macroeconomic conditions over the forecast period, such as lower unemployment, stabilising or rising property prices, and reduced cost-of-living pressures, leading to lower probability of default (PD) and loss given default (LGD) estimates.

A sensitivity analysis has been performed to assess the impact of applying a probability-weighted average across these scenarios. The analysis demonstrated that the resulting ECL allowance could vary materially compared to the Base Case. However, given the current economic outlook and available data, the Group has elected to use the Base Case scenario as the basis for measuring the ECL allowance at 30 June 2026.

Due to ongoing economic uncertainty and the judgement involved in forecasting future credit losses, the ECL allowance represents management's best estimate within a reasonable range of possible outcomes. Changes in government policy, business conditions, and consumer behaviour could affect the Group's provisioning in future periods.

In assessing forward-looking indicators of impairment, the Group has considered a range of external factors, including:

- Cost-of-living pressures and inflation,
- Movements in interest rates,
- The potential for mortgage stress among borrowers.

At the reporting date, there is no material evidence of financial hardship across the loan portfolio. While uncertainty remains regarding inflation and further interest rate movements, these risks are currently mitigated by the high level of collateralisation in the Group's loan portfolio.

Notes to the financial statements (continued)

for the year ended 30 June 2026

10 Impairment of loans and advances (continued)

Given these factors, some estimation uncertainty remains in the measurement of ECL. The allowance may be subject to future revision should conditions change, potentially resulting in an overstatement or understatement in the reported ECL.

	2026 $'000	2025 $'000
Credit expenses		
Expected credit loss allowance	**458**	89
Bad debts written off	**-**	97
Bad debts recovered	**(3)**	-
Total credit expenses	**455**	186

2026	**Stage 1 $'000**	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Movements in provisions and reserves				
Balance as at 1 July 2025	**1,000**	**208**	**581**	**1,789**
Additions from business combination at 1 May 2026	-	**9**	**81**	**90**
Transfers to/(from) during the year:				
Movement in Stages	**-**	**(43)**	**270**	**227**
Changes in balances	**(5)**	**96**	**(8)**	**83**
Bad debts written off previously provided for	**-**	**-**	**-**	**-**
Balance as at 30 June 2026	**995**	**270**	**924**	**2,189**

2025	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Movements in provisions and reserves				
Balance as at 1 July 2024	1,160	201	313	1,674
Transfers to/(from) during the year:				
Movement in Stages	-	19	144	163
Changes in balances	(160)	(12)	140	(32)
Bad debts written off previously provided for	-	-	(16)	(16)
Balance as at 30 June 2025	1,000	208	581	1,789

11 Other investments

	2026 $'000	2025 $'000
Other investments		
Unlisted equity securities	**51**	365
Subordinated debt	**-**	101
Total other investments	**51**	466

12 Derivatives

Recognition and measurement

The Group uses derivative financial instruments, principally interest rate swaps, to manage its exposure to interest rate risk. Interest rate swaps are contractual arrangements under which counterparties exchange interest payment streams calculated by reference to specified notional principal amounts. The Group may receive a floating rate of interest and pay a fixed rate or receive a fixed rate and pay a floating rate. Periodic cash flows under each swap are generally settled on a net basis.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. Derivatives are presented as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives that are not designated in a qualifying hedge relationship are measured at fair value through profit or loss, with changes in fair value recognised immediately in profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the relationship between the hedging instrument and the hedged item, including the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedging instrument and the hedged item, the hedge ratio and the method used to assess whether the hedge relationship continues to meet the qualifying criteria for hedge accounting.

For derivatives designated and qualifying as fair value hedges, changes in the fair value of the hedging instrument are recognised in profit or loss. The carrying amount of the hedged item is adjusted for changes in its fair value attributable to the designated hedged risk, with the corresponding gain or loss also recognised in profit or loss. Any resulting hedge ineffectiveness is recognised immediately in profit or loss.

	2026 Carrying amount $'000	2026 Notional amount $'000	2025 Carrying amount $'000	2025 Notional amount $'000
Derivative assets				
Fair value hedge - Interest rate swap	**508**	**20,000**	-	-
Total derivative assets	**508**	**20,000**	-	-
Derivative liabilities				
Held for trading - Interest rate swap	**-**	**-**	178	20,000
Total derivative liabilities	**-**	**-**	178	20,000
Total derivative financial instruments	**508**	**20,000**	178	20,000

Notes to the financial statements (continued)

for the year ended 30 June 2026

12 Derivatives (continued)

	2026 $'000	2025 $'000
Remaining contractual maturity for notional amounts		
Less than one year	-	10,000
More than one year but less than two years	-	10,000
More than two years but less than five years	-	-
Five years or more	20,000	-
Total notional amount of derivatives held	**20,000**	20,000

13 Property, plant and equipment

Recognition and measurement

Land and buildings

Land and buildings are initially measured at cost. The cost includes the purchase price, directly attributable costs, and, for buildings, the costs of bringing the asset to the location and condition necessary for its intended use. Directly attributable costs may include legal fees, survey costs, and transfer taxes.

Subsequent to initial recognition, land and buildings are revalued periodically by external independent valuers, less subsequent accumulated depreciation for buildings.

Any revaluation increment is credited to the asset revaluation reserve in equity (refer note 18), except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit or loss, in which case the increment is recognised in profit or loss.

Any revaluation decrement is recognised in profit or loss, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Assets with a purchase price less than $1,000 are not capitalised.

Investment property

Investment property is property held either to earn rental income or for capital appreciation or both. Investment property is initially measured at cost and subsequently at fair value, with any change therein recognised in profit or loss.

Any gains or losses arising from a revaluation of an investment property are recognised in the profit or loss for the period in which it arises.

Fair Value Measurement – Land, Buildings and Investment Property

The fair value of land and buildings and investment property has been determined in accordance with AASB 13 Fair Value Measurement.

Independent desktop valuations of all properties were completed on 1 May 2026 by IPN Valuers Albury Wodonga Pty Ltd, an accredited independent valuer. The valuation was based on the market comparison and income capitalisation approaches, with consideration given to observable market data and recent comparable sales (Level 2 inputs). The directors do not believe there has been a material movement in fair value since the 1 May 2026 desktop valuation date.

13 Property, plant and equipment (continued)

- Land is measured using the market comparison approach (Level 2).
- Buildings are valued using the income capitalisation approach (Level 2), based on estimated market rental income and capitalisation rates.
- Investment property is valued using the market comparison approach (Level 2).

Fair value measurements for these assets are categorised as Level 2 in the fair value hierarchy. No changes have been made to the valuation technique during the reporting period.

Depreciation

With the exception of freehold land, depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and investment property are not depreciated.

The estimated useful lives in the current and comparative periods are as follows:

Category	Depreciation period
Buildings	40 years
Leasehold improvements	lease term
Plant and equipment	3 to 10 years
Right-of-use assets	lease term

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

Disposal

Gains or losses on disposal are calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and are recognised within non-interest income in profit or loss.

2026	Land and buildings $'000	Investment property $'000	Leasehold improvement $'000	Plant and equipment $'000	Right-of-use assets $'000	Total $'000
At cost	**5,600**	**1,900**	**1,547**	**6,196**	**835**	**16,078**
Accumulated depreciation	**-**	**-**	**(1,536)**	**(5,426)**	**-**	**(6,962)**
Net carrying amount	**5,600**	**1,900**	**11**	**770**	**835**	**9,116**
Carrying amount at start of year	**5,600**	**1,900**	**24**	**516**	**1,019**	**9,059**
Additions	**-**	**-**	**1**	**451**	**335**	**787**
Acquisitions through business combination	**-**	**-**	**-**	**71**	**-**	**71**
Revaluations[1]	**105**	**-**	**-**	**-**	**28**	**133**
Depreciation	**(105)**	**-**	**(14)**	**(268)**	**(547)**	**(934)**
Carrying amount at end of year	**5,600**	**1,900**	**11**	**770**	**835**	**9,116**

1 Depreciation of revalued buildings has been charged to profit or loss and subsequently transferred from the asset revaluation reserve to retained earnings. The closing carrying amount reflects this revaluation adjustment.

Notes to the financial statements (continued)

for the year ended 30 June 2026

13 Property, plant and equipment (continued)

2025	Land and Buildings $'000	Investment Property $'000	Leasehold improvement $'000	Plant and equipment $'000	Right-of-use assets $'000	Total $'000
At cost	5,600	1,900	1,547	5,844	1,019	15,910
Accumulated depreciation	-	-	(1,522)	(5,328)	-	(6,851)
Net carrying amount	5,600	1,900	24	516	1,019	9,059
Carrying amount at start of year	5,620	2,200	129	842	818	9,609
Additions	-	-	7	298	684	989
Revaluations[1]	440	130	-	-	52	622
Disposals	(360)	(430)	-	(2)	-	(792)
Depreciation	(100)	-	(112)	(622)	(535)	(1,369)
Carrying amount at end of year	5,600	1,900	24	516	1,019	9,059

1 Depreciation of revalued buildings has been charged to profit or loss and subsequently transferred from the asset revaluation reserve to retained earnings. The closing carrying amount reflects this revaluation adjustment.

14 Intangible assets

Recognition and measurement

Separately acquired software is initially measured at cost and subsequently carried at cost less accumulated amortisation and impairment losses.

Development costs for internally generated software are capitalised when the Company can demonstrate technical feasibility, intention and ability to complete and use the asset, and the ability to reliably measure associated expenditure. Other development costs are expensed as incurred.

Amortisation commences when the asset is available for use and is calculated on a straight-line basis over its estimated useful life. Useful lives are considered finite and are reviewed annually. Intangible assets are assessed for impairment when there is an indication of potential impairment. Amortisation is recognised in profit or loss in accordance with the asset's function.

2026	**Software $'000**	**Software under development $'000**	**Other intangibles $'000**	**Total $'000**
At cost	**9,450**	**-**	**8**	**9,458**
Accumulated amortisation	**(5,694)**	**-**	**-**	**(5,694)**
Net carrying amount	**3,756**	**-**	**8**	**3,763**
Carrying amount at start of year	**3,840**	**220**	**8**	**4,068**
Additions	**224**	**496**	**-**	**720**
Acquisitions through business combinations	**633**	**-**	**-**	**633**
Transfers	**716**	**(716)**	**-**	**-**
Amortisation	**(1,658)**	**-**	**-**	**(1,658)**
Carrying amount at end of year	**3,755**	**-**	**8**	**3,763**

14 Intangible assets (continued)

2025	Software $'000	Software under development $'000	Other intangibles $'000	Total $'000
At cost	7,953	220	8	8,181
Accumulated amortisation	(4,113)	-	-	(4,113)
Net carrying amount	3,840	220	8	4,068
Carrying amount at start of year	1,251	2,246	6	3,503
Additions	590	803	2	1,395
Transfers	2,829	(2,829)	-	-
Amortisation	(830)	-	-	(830)
Carrying amount at end of year	3,840	220	8	4,068

15 Deposits

Recognition and measurement

Deposits are recognised at fair value. After initial recognition, deposits are subsequently measured at amortised cost using the effective interest rate method.

Interest is calculated daily on the deposit balance and is paid to the account periodically in accordance with the terms of the product, or in the case of a term deposit, on maturity. Interest on deposits is calculated on an accrual balance. The amount of the interest accrual is shown as part of trade creditors and accruals.

	2026 $'000	2025 $'000
Deposits		
Call deposits	**1,493,440**	1,284,148
Term deposits	**832,926**	740,693
Total deposits	**2,326,366**	2,024,841

Notes to the financial statements (continued)

for the year ended 30 June 2026

16 Other liabilities

Recognition and measurement

Trade creditors

Trade creditors and accruals are on contractual terms and are generally payable within one to three months. Trade creditors are recognised when the Group becomes a party to the contractual provisions of the purchase agreement.

Trade creditors are initially measured at fair value, which is typically the invoice amount. After initial recognition, trade creditors are measured at amortised cost using the effective interest method. If the payment terms are within the normal credit period, trade creditors are measured at their nominal amounts, as the impact of discounting is usually immaterial.

Accruals

Accruals are recognised when the Group has incurred an expense as of the reporting date, but the related invoice has not yet been received or processed.

Accruals are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. This involves considering all relevant information, including past experience, contracts, and agreements. The amounts are recognised at their nominal values, as the time value of money is generally not significant for short-term obligations.

Employee entitlements

Salaries and wages, annual leave and other employee entitlements expected to be paid or settled within twelve months are measured at their nominal amounts using remuneration rates that the Group expects to pay when the liabilities are settled.

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The Group accrues employee entitlements relating to long service leave using an actuarial calculation. It includes assumptions regarding staff departures, leave utilisation and future salary increases. The result is then discounted using market yields at the reporting date.

Contributions to the employees' superannuation fund are recognised as an expense as they are made.

	2026 $'000	2025 $'000
Other liabilities		
Trade creditors and accruals	**30,588**	27,953
Interest payable	**10,304**	10,694
Leases	**907**	1,103
Total other liabilities	**41,799**	39,750
Provisions		
Provision for employee entitlements	**3,614**	3,276
Total provisions	**3,614**	3,276

17 Borrowings

Recognition and measurement

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised as an expense in the period in which it is incurred. Interest payable is included in the amount of other liabilities in the statement of financial position.

	2026 $'000	2025 $'000
Borrowings		
Subordinated debt	**15,000**	15,000
Negotiable certificates of deposit	**20,233**	47,520
Total borrowings	**35,233**	62,520

The Group entered into an agreement to issue subordinated notes in February 2022. The notes constitute direct, subordinated, and unsecured obligations of the Group. The notes do not constitute deposits or protected accounts for the purposes of the Banking Act 1959 of Australia. Subject to obtaining prior written approval from APRA (such approval being at the discretion of APRA, and which may or may not be given), the Group has the option to redeem all or some notes on 1 February 2027 (and each interest payment date thereafter).

The notes have a final legal maturity of 1 February 2032.

In June 2026, Fitch reaffirmed the Group's BBB+ credit rating, with the subordinated debt continuing to be rated two notches lower at BBB-. Hume began issuing RBA repo-eligible negotiable certificates of deposit (NCDs) in February 2024 to provide an additional source of wholesale funding.

18 Reserves

	2026 $'000	2025 $'000
Reserves		
Asset revaluation reserve	**3,209**	3,104
Financial asset reserve	**-**	183
Business combination reserve	**14,360**	-
Total reserves	**17,569**	3,287

Nature and purpose of reserves

1 Asset revaluation reserve

The asset revaluation reserve includes gains and losses made on property when a revaluation is carried out in line with Group policy.

2 Financial asset reserve

The financial asset reserve includes gains and losses made on financial assets when a revaluation is carried out in line with Group policy.

3 Business combination reserve

The business combination reserve represents the net assets of Geelong Bank on merger at 1 May 2026 (refer note 27). The reserve is recognised in equity in accordance with the Group's accounting policy for business combinations.

Notes to the financial statements (continued)

for the year ended 30 June 2026

19 Cash flow statement reconciliation

	2026 $'000	2025 $'000
Profit after tax	**8,451**	9,550
Adjustments for non-cash items		
Impairment of loans and advances	**455**	186
Depreciation (including leasehold improvements)	**931**	1,369
Amortisation of intangible assets	**1,658**	830
Provision of employee benefits	**307**	149
Profit on disposal of plant and equipment	**-**	(40)
Profit on disposal of other investments	**(264)**	(193)
Fair value adjustments on property, plant & equipment	**-**	(130)
Fair value adjustments on derivatives	**(112)**	239
Current tax recognised directly in equity	**(45)**	-
Changes in assets and liabilities		
Increase in interest receivable	**(986)**	(1,534)
(Increase)/decrease in other receivables	**(168)**	134
Increase/(decrease) in interest payable	**(1,220)**	2,624
Increase/(decrease) in income tax payable	**(1,342)**	1,745
Increase/(decrease) in other payables	**2,437**	(1,422)
Increase/(decrease) in accrued salaries and wages	**(204)**	233
(Increase)/decrease in deferred tax assets	**305**	(1,210)
Cash flows from operating activities before changes in operating assets and liabilities	**10,203**	12,530
(Increase)/decrease in operating assets		
Net increase in balance of loans and advances	**(68,685)**	(79,240)
Net increase in investment securities	**(50,180)**	(166,408)
Increase in operating liabilities		
Net increase in balance of deposits	**148,456**	208,782
Net increase/(decrease) in borrowings	**(27,287)**	6,036
Net cash flows from/(used in) operating activities	**12,507**	(18,300)

20 Auditor's remuneration

	2026 $'000	2025 $'000
Auditor's remuneration		
Audit of financial reports	**169**	140
Other assurance services	**53**	32
Other non-assurance services	**31**	17
Total auditor's remuneration	**253**	189

21 Commitments and contingencies

	2026 $'000	2025 $'000
Outstanding loan commitments		
Loans approved but not fully funded	**52,540**	46,522
Undrawn credit commitments	**31,458**	31,428
Loans available for redraw	**255,690**	215,858
Total outstanding loan commitments	**339,688**	293,808
Financial guarantees		
Nominal value of financial guarantees	**3,406**	2,801
Total financial guarantees	**3,406**	2,801
Capital expenditure commitments		
Within one year	**-**	22
1-2 years	**-**	-
Total capital expenditure commitments	**-**	22
Operating lease commitments		
Within one year	**488**	550
1-5 years	**252**	404
Greater than 5 years	**-**	-
Total operating lease commitments	**740**	954

22 Key management personnel

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly and has been taken to comprise the directors and the members of the executive management team who are responsible for the day-to-day financial and operational management of the Group.

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

	2026 $'000	2025 $'000
Key management personnel compensation		
Short-term employee benefits	**3,621**	3,195
Long-term employee benefits	**(34)**	24
Post-employment benefits	**354**	267
Termination benefits	**391**	93
Total key management personnel compensation	**4,332**	3,579

Notes to the financial statements (continued)

for the year ended 30 June 2026

22 Key management personnel (continued)

Short-term employee benefits

Includes (where applicable) wages, salaries, paid annual and sick leave, bonuses and the value of fringe benefits received but excludes out-of-pocket expense reimbursements.

Post-employment benefits

Includes superannuation contributions and salary sacrificed superannuation amounts.

Long-term benefits

Includes accrued long service leave.

Loans to key management personnel and other related parties

Details of loans with key management personnel and related parties as at reporting date are as follows:

	2026 $'000	2025 $'000
Loans to key management personnel		
Aggregate value of loans	**3,871**	3,319

All loans to key management personnel and related parties are approved on the same terms and conditions which apply to members for each class of loan.

There are no loans to key management personnel or related parties that are impaired in relation to the loan balances or interest.

Deposits from key management personnel and their related parties

Details of deposits from key management personnel and related parties as at reporting date are as follows:

	2026 $'000	2025 $'000
Deposits from key management personnel		
Aggregate value of call and term deposits	**511**	501

The Group's policy on deposit accounts from key management personnel and related parties is that all transactions are on the same terms and conditions as those entered by other Members.

Other transactions with related parties

There are no benefits paid or payable to close family members or other related parties of key management personnel other than those disclosed in this note.

There are no service contracts to which key management personnel, their close family members or other related parties are an interested party other than those disclosed in this note.

23 Transfer of financial assets

The Group has established arrangements for the transfer of loan contractual benefits of interest, fees and repayments to support ongoing liquidity facilities. These arrangements are with the Murray Trust Repo Series No. 1 (the 'Trust') for securing the ability to obtain liquid funds from the Reserve Bank in the event of a liquidity crisis. These loans are not recognised as the Group retains the benefits of the Trust until such time as a drawing is required.

Only residential mortgages that meet specified criteria are eligible to be transferred into the Trust.

	2026 $'000	2025 $'000
Transfer of financial assets		
Fair value of transferred assets	**295,106**	250,440
Fair value of associated liabilities	**(295,106)**	(250,440)
Net position	**-**	-

Repurchase obligations Murray Trust Repo Series No. 1

The Murray Trust Repo Series No. 1 is a trust established by the Group to facilitate liquidity requirements of APRA's prudential standards. The trust has an independent Trustee. In the case of the Murray Trust Repo Series No. 1, the Group receives A Notes eligible to be sold to the Reserve Bank of Australia should the liquidity needs not be satisfied by normal operational liquidity. The A Notes are secured by a residential mortgage pool and are rated AAA by S&P; the Group also holds unrated subordinated B Notes which act as a credit buffer in the event of non-performance by the Trust's underlying assets.

The Group has financed the loans and receives the net income from the Trust after expenses. The Group has an obligation to manage and maintain the portfolio of loans in the Trust. The Group retains the credit risk of losses arising from loan default or security decline and the interest rate risk from movements in market interest rates.

If a portion of the value of the portfolio in the Murray Trust Repo Series No. 1 fails to meet the Trust's criteria, the Group is obliged to repurchase those loans and may substitute equivalent qualifying loans into the Trust.

24 Risk management

(a) Overview

The Board is ultimately responsible for the Group's risk management framework and the oversight of it.

The Board is directly responsible for the Group's strategy and has adopted a risk appetite statement, business plan and risk management strategy.

The Risk Committee on an annual basis (or more frequently where required) reviews the Group's risk appetite statement and risk management strategy.

The Group adopts a Three Lines of Defence approach to risk management which reinforces a risk culture where all employees are responsible for identifying and managing risk and operating within the Group's risk appetite. The Group embeds risk culture and maintains an awareness of risk management responsibilities through regular communication, training and other targeted approaches that support the risk management framework.

Senior management are responsible for implementing the Group's risk management strategy and risk management framework and for developing policies, controls, processes and procedures for identifying and managing risk in all of the Group's activities.

The Risk Committee assists the Board to fulfil its oversight of the implementation and operation of the Group's risk management framework and the review and approval of associated policies. The Chief Risk Officer assists the Risk Committee and senior management to develop and maintain best practice risk management frameworks whilst promoting a sustainable risk and compliance culture. As part of their participation in the decision-making process, the Chief Risk Officer provides effective challenge to ensure that material decisions are risk-based.

Notes to the financial statements (continued)

for the year ended 30 June 2026

24 Risk management (continued)

The Audit Committee oversees management's compliance with the Group's risk management policies and procedures. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Objectives and policies

Managing risk is a core activity of the Group. Effective risk management requires an integrated and balanced approach to risk and return, with the aim of mitigating potential loss or damage while also optimising opportunities for growth.

The Group's risk appetite statement defines the level of risk it is willing to accept in achieving its strategic objectives. It reflects the Group's commitment to minimising the impact of events that could materially affect results. The statement provides the context for the Group's strategy, financial planning and capital forecasting, and is further supported by the identification of key risk types relevant to the Group.

The Group is exposed to a broad range of financial and non-financial risks arising from its operations and external environment. These risks are managed within a structured framework that emphasises proactive identification, monitoring and mitigation. The Group's financial risk management system focuses on addressing the unpredictability of financial markets and reducing potential adverse effects on performance. Day-to-day management of risks is undertaken by executive and senior management, supported by the Management Risk Committee (MRC) and the Asset and Liability Committee (ALCO).

Key policies and processes are approved by the Board or its delegated committees, including the internal capital adequacy assessment process, the internal liquidity assessment process, and the review of stress testing outcomes.

An overview of the Group's approach to managing its key financial risks is provided below, with further quantitative disclosures presented throughout these financial statements.

(c) Credit risk

Credit risk is the risk of failure by a counterparty to perform according to a contractual arrangement. This risk applies to loans and advances, off balance sheet exposures (such as guarantees), acceptances, and liquid investments.
Credit risk arises principally from the Group's loans, advances and liquid investments.

Maximum exposure to credit risk
The following tables display the maximum credit risk exposure from both on-balance sheet and off-balance sheet financial instruments. The exposure amounts are presented in gross terms, without considering any master netting arrangements, collateral agreements, or other credit risk mitigations.

	2026			
Gross maximum exposure	**Stage 1 $'000**	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Credit risk exposure relating to on balance sheet assets				
Cash and cash equivalents	**67,734**	**-**	**-**	**67,734**
Investment securities	**584,503**	**-**	**-**	**584,503**
Gross loans and advances	**1,784,743**	**78,448**	**12,424**	**1,875,615**
Other investments	**51**	**-**	**-**	**51**
Derivative assets	**508**	**-**	**-**	**508**
Other assets	**5,761**	**-**	**-**	**5,761**
Total financial assets	**2,443,300**	**78,448**	**12,424**	**2,534,172**
Credit risk exposure relating to off balance sheet assets				
Commitments and contingencies	**343,094**	**-**	**-**	**343,094**
Total credit risk exposure	**2,786,394**	**78,448**	**12,424**	**2,877,266**

24 Risk management (continued)

Gross maximum exposure	2025 Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit risk exposure relating to on balance sheet assets				
Cash and cash equivalents	49,232	-	-	49,232
Investment securities	511,704	-	-	511,704
Gross loans and advances	1,588,672	72,946	8,287	1,669,905
Other investments	466	-	-	466
Derivative assets	-	-	-	-
Other assets	4,204	-	-	4,204
Total financial assets	2,154,278	72,946	8,287	2,235,511
Credit risk exposure relating to off balance sheet assets				
Commitments and contingencies	297,563	-	-	297,563
Total credit risk exposure	2,451,841	72,946	8,287	2,533,074

Credit risk – loans and advances

Credit risk on loans and advances is the risk of losses from loans and advances which is reduced by assessing the character of borrowers, their capacity to service the debt and the nature and quality of security taken.

The method of managing credit risk on loans and advances is by way of strict adherence to the credit assessment policies before the loan is approved and continued monitoring of loan repayments thereafter.

The Group has established policies over:

- Credit assessment and approval of loans and facilities including acceptable assessment and security requirements. Credit assessment includes ensuring borrowers are creditworthy and capable of meeting the loan repayments.
- Requirements for lenders' mortgage insurance.
- Acceptable exposure limits to individual borrowers, non-mortgage secured loans and advances, commercial lending and industry groups considered at high risk of default.
- Reassessment and review of credit exposures on certain loans and advances.
- Establishment of appropriate provisions to recognise the impairment of loans and facilities.
- Debt recovery procedures.
- Review of compliance with the above policies.
- A regular review of compliance with key Credit risk policies is conducted by Internal Audit.

Notes to the financial statements (continued)

for the year ended 30 June 2026

24 Risk management (continued)

Loans and advances – exposure by segment and stage

The following tables display the credit risk exposure of loans and advances by product segment and stage as defined in note 10.

	2026			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Loans and advances				
Residential owner-occupied mortgages	**1,355,028**	**34,465**	**10,171**	**1,399,664**
Residential investment mortgages	**335,310**	**19,330**	**1,258**	**355,898**
Commercial loans	**77,227**	**24,275**	**421**	**101,923**
Personal loans	**7,609**	**316**	**120**	**8,045**
Credit cards and revolving credit	**9,569**	**62**	**454**	**10,085**
Total loans and advances	**1,784,743**	**78,448**	**12,424**	**1,875,615**

	2025			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Loans and advances				
Residential owner-occupied mortgages	1,183,049	46,990	5,378	1,235,417
Residential investment mortgages	302,338	20,570	1,041	323,949
Commercial loans	87,285	4,730	1,580	93,596
Personal loans	6,409	321	104	6,834
Credit cards and revolving credit	9,590	335	183	10,108
Total loans and advances	1,588,672	72,946	8,287	1,669,905

Credit concentration risk

Credit concentration risk is the risk of losses from large exposures and/or high correlation between exposures that increase the potential or actual losses that are sustained because of adverse circumstances. Exposures to individual large borrowers, industry sectors, geographic location, customer demographics and certain products can increase the chance of loss.

The Group minimises concentrations of credit risk in relation to loans and advances receivable by lending to a large number of customers within each specified category. The majority of customers are concentrated in the Victoria and New South Wales regions. Details of concentrations of credit risk on loans and advances receivable are set out in the notes. For financial assets recognised on balance sheet, the maximum exposure to credit risk equals their carrying amount. Credit risk also includes off balance sheet exposures such as approved but undrawn loans and credit limits that are disclosed in note 21 Commitments and contingencies.

24 Risk management (continued)

Loans and advances – exposure by security location

The following table displays the credit risk exposure of loans and advances by security location.

	2026			2025		
	Carrying amount $'000	**Off balance sheet $'000**	**Total credit exposure $'000**	Carrying amount $'000	Off balance sheet $'000	Total credit exposure $'000
Geographic areas						
Victoria	**967,465**	**27,751**	**995,216**	859,616	22,250	881,886
New South Wales	**709,075**	**23,149**	**732,224**	667,898	20,748	688,646
Queensland	**83,936**	**890**	**84,826**	60,952	1,598	62,550
Western Australia	**38,808**	**-**	**38,808**	21,407	1,037	22,444
South Australia	**21,971**	**-**	**21,971**	14,622	119	14,741
Australian Capital Territory	**16,554**	**-**	**16,554**	16,839	333	17,172
Tasmania	**10,870**	**750**	**11,620**	8,939	436	9,375
Northern Territory	**3,114**	**-**	**3,114**	2,318	-	2,318
Unsecured	**23,822**	**-**	**23,822**	17,313	-	17,313
Total loans and advances exposure	**1,875,615**	**52,540**	**1,928,155**	1,669,905	46,521	1,716,446

Credit risk - liquid investments

Liquid investments risk is the risk of financial loss from liquid investments held and is reduced by the nature and credit rating of the investee and the limits of concentration to each entity. The Board's appetite is to maintain counterparty limits with Authorised Deposit-taking Institutions, Cuscal, Federal and State Governments to a maximum of 50% of capital.

Given the high quality and/or relatively short duration of these investments, the Group does not expect any counterparty to fail to meet its obligations. Details of exposures to liquid investments are set out in the notes.

Investment securities - exposure by external credit rating

The following table displays the concentration of credit risk for investment securities by rating grades. Amounts include accrued interest.

	2026				2025			
	Rated A- or above $'000	**Rated below A- $'000**	**Unrated $'000**	**Total $'000**	Rated A- or above $'000	Rated Below A- $'000	Unrated $'000	Total $'000
Investment securities								
Authorised deposit-taking institutions	**115,387**	**157,145**	**45,000**	**317,532**	158,755	138,429	49,000	346,184
Corporate/non authorised deposit-taking institutions	**51,286**	**26,653**	**-**	**77,939**	32,912	7,446	-	40,358
Government/semi government	**189,032**	**-**	**-**	**189,032**	125,162	-	-	125,162
Total investment securities at amortised cost	**355,705**	**183,798**	**45,000**	**584,503**	316,829	145,875	49,000	511,704

Notes to the financial statements (continued)

for the year ended 30 June 2026

24 Risk management (continued)

(d) Market risk and hedging policy

Market risk is the risk that fluctuating interest rates lead to a change in underlying value of assets and liabilities as well as an increase/decrease in profit.

Market risk comprises:

- General market risk in relation to interest rates, equities, foreign exchange, and commodities
- Specific risk in relation to the impact of interest rates or equity positions on the value of securities.

The Group does not have any trading activities or hold any foreign exchange or commodity positions.

Market risk arising from movements in interest rates is addressed separately under interest rate risk in the banking book.

Interest rate risk in the banking book

Interest rate risk in the banking book arises due to movements in interest rates where there is a mismatch in asset and liability maturities.

The Group maintains a balanced 'on book' hedging strategy by ensuring the net difference between asset and liability maturities are not excessive. The Group does not trade the financial instruments it holds and is not exposed to currency risk.

The difference between asset and liability maturities is monitored monthly to identify any large exposure to interest rate movements. This monitoring will also seek to address excess to within acceptable levels via existing products. Interest rate swaps can also be used to reduce the gaps between assets and liabilities.

Value at Risk (VaR) and Earnings at Risk (EaR) are calculated monthly using an externally supplied interest rate risk model and managed within established limits. The Board monitors these risks through management reports on a monthly basis.

The Group's EaR measure as at 30 June 2026 using a shift in interest rates of +/-200 basis points for one year, EaR was a $2.37 million variation or 4.35% from the base case. EaR as at 30 June 2025 was a $7.66 million variation or 14.32% from the base case, using the same parameters. EaR is calculated on behavioural assumptions including that Hume would choose to pass through 100% of RBA rate decreases on variable rate lending. In practice variable rate changes on mortgage lending remain at Hume's discretion.

The following table outlines the key measures for non-traded market risk (IRRBB). Economic value (EV) sensitivity and net interest income (NII) sensitivity are based on a static representation of the balance sheet and the impact of an instantaneous 200 basis point parallel increase in rates.

	June 2026		June 2025	
	Exposure at year end $'000	**Avg during the year $'000**	Exposure at year end $'000	Avg during the year $'000
Economic value sensitivity	**2,007**	**3,365**	4,353	5,391
Net interest income sensitivity	**2,369**	**5,745**	7,657	7,031

24 Risk management (continued)

Effective interest rates and repricing analysis

For income-generating financial assets and interest-bearing financial liabilities, the tables below show their effective interest rates as of the reporting date and the periods in which they are subject to repricing. Investments are shown at amortised cost-plus accrued interest. Accordingly, these values will not agree to the statement of financial position.

2026	0-3 months $'000	3-12 months $'000	1-5 years $'000	> 5 years $'000	Non-interest sensitive	Carrying amount $'000	Weighted average effective interest rate %
Income earning assets							
Cash and cash equivalents	**61,209**	**-**	**-**	**-**	**6,525**	**67,734**	**3.06**
Investment securities	**373,993**	**98,521**	**48,519**	**63,471**	**-**	**584,503**	**5.16**
Gross loans and advances	**1,553,123**	**84,823**	**234,897**	**249**	**2,523**	**1,875,615**	**5.52**
Other investments	**-**	**-**	**-**	**-**	**51**	**51**	**n/a**
Total income earning assets	**1,988,325**	**183,344**	**283,416**	**63,720**	**9,099**	**2,527,904**	
Interest bearing liabilities							
Deposits	**1,941,879**	**346,354**	**38,133**	**-**	**-**	**2,326,366**	**3.06**
Borrowings	**33,772**	**1,461**	**-**	**-**	**-**	**35,233**	**5.88**
Total interest bearing liabilities	**1,975,651**	**347,815**	**38,133**	**-**	**-**	**2,361,599**	
Derivatives							
Interest rate swaps – notional principal	**10,000**	**10,000**	**-**	**(20,000)**	**-**	**508**	**4.01**

Notes to the financial statements (continued)

for the year ended 30 June 2026

24 Risk management (continued)

2025	0-3 months $'000	3-12 months $'000	1-5 years $'000	> 5 years $'000	Non-interest sensitive	Carrying amount $'000	Weighted average effective interest rate %
Income earning assets							
Cash and cash equivalents	42,042	-	-	-	7,185	49,227	3.16
Investment securities	389,589	76,308	6,387	39,238	-	511,522	4.89
Gross loans and advances	1,488,552	71,194	107,766	274	2,264	1,670,050	5.22
Other investments	-	-	-	-	466	466	n/a
Total income earning assets	1,920,183	147,502	114,153	39,512	9,915	2,231,265	
Interest bearing liabilities							
Deposits	1,771,334	199,478	54,050	-	-	2,024,861	2.85
Borrowings	62,520	-	-	-	-	62,520	4.86
Total interest bearing liabilities	1,833,854	199,478	54,050	-	-	2,087,381	
Derivatives							
Interest rate swaps – notional principal	20,000	(10,000)	(10,000)	-	-	(178)	4.07

(e) Liquidity risk

Liquidity risk is the risk that there are insufficient funds in a given period to meet the operational and funding needs of the Group in both normal and an adverse operating environment.

The Group manages liquidity risk by:

- Monitoring actual daily cash flows and longer term forecasted cash flows.
- Monitoring the maturity profiles of financial assets and liabilities.
- Maintaining adequate cash reserves.
- Monitoring the prudential and other liquidity ratios daily.

The Group is required to maintain at least 9% of total adjusted liabilities as highly liquid assets capable of being converted to cash within 24 hours to satisfy APRA's prudential standards to qualify as Minimum Liquid Holdings asset (MLH). However, the Group's policy requires a minimum of 12% of liabilities to be held in MLH qualifying assets to maintain adequate funds to meet customer withdrawal requests. Should the liquidity ratio fall below the Group's trigger levels, management and the Board are to address the matter and ensure that more liquid funds are obtained from new deposits and borrowing facilities available.

As at 30 June 2026, the Group held 16.74% of total adjusted liabilities as MLH qualifying assets (2025 – 18.09%). The average during the financial year was 17.62% (2025 – 17.59%).

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

24 Risk management (continued)

The table below shows the period in which different monetary liabilities held will mature and be eligible for renegotiation or withdrawal. Financial liabilities are at the undiscounted values (including future interest expected to be earned or paid). Accordingly, these values will not agree to the statement of financial position.

2026	0-3 months $'000	3-12 months $'000	1-5 years $'000	> 5 years $'000	Total cash flows $'000	Total carrying amount $'000
Financial liabilities						
Deposits	**1,936,379**	**346,702**	**43,285**	**-**	**2,326,366**	**2,326,366**
Other liabilities	**45,394**	**-**	**-**	**-**	**45,394**	**45,413**
Borrowings	**18,772**	**1,461**	**-**	**15,000**	**35,233**	**35,233**
Total cash flows	**2,000,545**	**348,163**	**43,285**	**15,000**	**2,406,993**	**2,407,012**

2025	0-3 months $'000	3-12 months $'000	1-5 years $'000	> 5 years $'000	Total cash flows $'000	Total Carrying amount $'000
Financial liabilities						
Deposits	1,763,824	198,486	62,050	502	2,024,862	2,024,841
Other liabilities	43,371	-	-	-	43,371	43,026
Borrowings	47,520	-	-	15,000	62,520	62,520
Derivatives	23	148	11	-	182	178
Total cash flows	1,854,738	198,634	62,061	15,502	2,130,935	2,130,565

Internal securitisation and RBA repurchase

Securitisation risk is the risk of potential loss associated with securitisation activities.

The Group maintains an internal securitisation facility to enable it to secure funds from the Reserve Bank of Australia, if required, to meet emergency liquidity requirements. As at 30 June 2026, the Group held $295.1m (2025 – $244.4 m) of securities available to be used for RBA repurchase to meet emergency liquidity requirements.

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

Notes to the financial statements (continued)

for the year ended 30 June 2026

24 Risk management (continued)

(f) Operational risk

Operational risk is the risk of direct or indirect loss from inadequate or failed internal processes, systems, human error, inadequate staff resourcing, or from external events. The definition includes legal risk and reputational risk.

The Group's objective is to manage operational risk to balance the avoidance of both financial losses through implementation of controls and avoidance of procedures that inhibit innovation, creativity and service. These risks are managed and monitored through internal controls that are based on written programs, methodologies, policies, procedures, guidelines and a governance structure that provides an appropriate segregation of duties, and the implementation of policies and systems to reduce the likelihood of incidents occurring and minimise the consequences of them if they do occur.

The Group has an economic dependency on ANZ Bank for cheque clearing services, CUSCAL Limited for payments solutions, Ultradata Australia Pty Ltd for computer software services and Lextech Pty Ltd for settlement services.

The Group manages these risks daily through the operational responsibilities of senior management under policies approved by the Board covering specific areas, such as outsourcing risk, fraud risk and business continuity risk and through the operation of the Management Risk Committee.

(g) Regulatory and compliance risk

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

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

(h) Strategic risk

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

Strategic risk is constantly considered through business strategy sessions and, where applicable, is monitored via a quarterly risk report.

(i) Capital risk

Capital risk is the risk that there is insufficient capital available to protect against unexpected loss.

The Group policy is to maintain a strong capital base and to maintain a balance between profitability and benefits provided to customers by way of better interest rates, lower fees, convenient locations and superior service.

The Group's capital management objectives are to:

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

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

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

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

24 Risk management (continued)

The Group's capital contains tier 1 and tier 2 capital. Tier 1 capital can contain both common equity tier 1 capital and additional tier 1 capital. Common equity tier 1 capital comprises the highest quality components of capital that fully satisfy all of the following characteristics:

- Provide a permanent and unrestricted commitment of funds.
- Are freely available to absorb losses.
- Do not impose any unavoidable servicing charge against earnings.
- Rank behind the claims of depositors and other creditors in the event of winding up of the issuer.

Common equity tier 1 capital consists of retained earnings and reserves. Deductions from tier 1 capital are made for intangible assets, certain capitalised expenses, deferred tax assets and equity investments in other ADIs.

Tier 2 capital includes the reserve for credit losses and tier 2 capital instruments including subordinated debt. Tier 2 capital instruments combine the features of debt and equity in that they are structured as debt instruments but exhibit some of the loss absorption features of equity.

Risk-weighted assets are calculated based on specific requirements designed to account for the different levels of risk associated with assets and off-balance sheet exposures, including an allowance for operational risk, as outlined by APRA.

	2026 $'000	2025 $'000
Capital management		
Tier 1 capital (net of deductions)	**133,771**	110,908
Tier 2 capital (net of deductions)	**16,973**	16,280
Total regulatory capital	**150,744**	127,188
Risk-weighted assets	**880,827**	768,247
Capital adequacy ratio	**17.11%**	16.56%

Notes to the financial statements (continued)

for the year ended 30 June 2026

25 Fair value of financial instruments

All financial instruments are initially recognised at fair value on the date of initial recognition depending on the classification of the asset and liability.

a) Measurement basis of financial assets and liabilities

The following table details the carrying amount of the financial assets and liabilities by classification in the Statement of Financial Position.

2026	Fair value through profit or loss $'000	Fair value through other comprehensive income $'000	Amortised cost $'000	Total $'000
Financial assets				
Cash and cash equivalents	-	-	**67,734**	**67,734**
Investment securities	-	-	**584,503**	**584,503**
Other assets	-	-	**5,761**	**5,761**
Net loans and advances	-	-	**1,877,770**	**1,877,770**
Other investments	-	**51**	-	**51**
Derivatives – designated as hedging instruments	**508**	-	-	**508**
Derivatives – not designated as hedging instruments	-	-	-	-
Total assets	**508**	**51**	**2,535,768**	**2,536,327**
Financial liabilities				
Deposits	-	-	**2,326,366**	**2,326,366**
Other liabilities	-	-	**41,799**	**41,799**
Borrowings	-	-	**35,233**	**35,233**
Derivatives – designated as hedging instruments	-	-	-	-
Derivatives – not designated as hedging instruments	-	-	-	-
Total liabilities	-	-	**2,403,398**	**2,403,398**

25 Fair value of financial instruments (continued)

2025	Fair value through profit or loss $'000	Fair value through other comprehensive income $'000	Amortised cost $'000	Total $'000
Financial assets				
Cash and cash equivalents	-	-	49,232	49,232
Investment securities	-	-	511,704	511,704
Other assets	-	-	4,204	4,204
Net loans and advances	-	-	1,672,128	1,672,128
Other investments	-	466	-	466
Derivatives – not designated as hedging instruments	-	-	-	-
Total assets	-	466	2,237,268	2,237,734
Financial liabilities				
Deposits	-	-	2,024,841	2,024,841
Other liabilities	-	-	39,750	39,750
Borrowings	-	-	62,520	62,520
Derivatives – not designated as hedging instruments	178	-	-	178
Total liabilities	178	-	2,127,111	2,127,289

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Hierarchy	Observable market input
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the financial statements (continued)

for the year ended 30 June 2026

25 Fair value of financial instruments (continued)

Financial assets and liabilities carried at fair value

The table below details financial instruments carried at fair value, statement of financial position classification and hierarchy level.

2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000	Total carrying value $'000
Financial assets					
Other investments	**-**	**-**	**51**	**51**	**51**
Derivatives	**-**	**508**	**-**	**508**	**508**
Financial liabilities					
Derivatives	**-**	**-**	**-**	**-**	**-**

2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000	Total carrying value $'000
Financial assets					
Other investments	-	-	466	466	466
Derivatives	-	-	-	-	-
Financial liabilities					
Derivatives	-	178	-	178	178

For financial instruments carried at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between levels during the year for the Group.

Valuation methodology

Other investments

Level 1 – Listed investments relate to instruments traded on active markets such as listed exchanges.

Level 2 – Unlisted investments comprise holdings in entities where fair value is determined using observable inputs, such as recent transaction prices or third-party valuations.

Level 3 – Unlisted investments include interests in entities for which there are no quoted prices or observable inputs. Fair value is estimated using internal valuation models incorporating assumptions based on market conditions at the measurement date.

Derivatives

Derivative assets and liabilities that are not exchange-traded are measured using established valuation techniques, such as discounted cash flow models and option pricing methods, where applicable. The primary inputs used in these valuations are the interest rate curves derived from publicly available market data.

25 Fair value of financial instruments (continued)

Movement in Level 3 portfolio

The following table provides a reconciliation from the beginning balances to the ending balances for financial instruments which are classified as Level 3:

	2026 $'000	2025 $'000
Financial assets – equity investments		
Opening balance	**466**	418
Acquisitions	**51**	-
Revaluations	**-**	48
Sales	**(466)**	-
Closing balance	**51**	466

Financial assets and liabilities carried at amortised cost

The table below details financial instruments carried at amortised cost, by Statement of Financial Position classification and hierarchy level.

2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000	Total carrying value $'000
Financial assets					
Cash and cash equivalents	**-**	**67,734**	**-**	**67,734**	**67,734**
Investment securities	**-**	**584,503**	**-**	**584,503**	**584,503**
Other assets	**-**	**5,761**	**-**	**5,761**	**5,761**
Net loans and advances	**-**	**-**	**1,780,112**	**1,780,112**	**1,877,770**
Total financial assets	**-**	**657,998**	**1,780,112**	**2,438,110**	**2,535,768**
Financial liabilities					
Deposits	**-**	**2,325,251**	**-**	**2,325,251**	**2,326,366**
Other liabilities	**-**	**41,799**	**-**	**41,799**	**41,799**
Borrowings	**-**	**-**	**35,331**	**35,331**	**35,233**
Total financial liabilities	**-**	**2,367,050**	**35,331**	**2,402,381**	**2,403,398**

Notes to the financial statements (continued)

for the year ended 30 June 2026

25 Fair value of financial instruments (continued)

2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000	Total carrying value $'000
Financial assets					
Cash and cash equivalents	-	49,232	-	49,232	49,232
Investment securities	-	511,704	-	511,704	511,704
Other assets	-	4,204	-	4,204	4,204
Net loans and advances	-	-	1,676,689	1,676,689	1,672,128
Total financial assets	-	565,140	1,676,689	2,241,829	2,237,268
Financial liabilities					
Deposits	-	2,025,861	-	2,025,861	2,024,841
Other liabilities	-	39,750	-	39,750	39,750
Borrowings	-	-	62,747	62,747	62,520
Total financial liabilities	-	2,065,611	62,747	2,128,358	2,127,111

For financial instruments carried at amortised cost in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between levels during the year for the Group.

Valuation methodology

Cash and cash equivalents, other assets/liabilities

These financial instruments are carried at amounts that closely approximate their fair value, as they are either short-term or available on demand.

Investment securities

Investment securities held to maturity are recorded at amortised cost. This value is considered a reliable proxy for fair value due to the short-term nature of these instruments or their frequent repricing characteristics.

Net loans and advances

Net loans and advances are presented net of individual and collective provisions. For loans with variable interest rates (excluding impaired loans), the carrying amount is regarded as a reasonable estimate of fair value.

For fixed-rate loans, fair value is determined by applying discounted cash flow techniques based on the remaining term to maturity. Discount rates reflect the rates that would be offered in the market to borrowers with comparable credit profiles.

The fair value of impaired loans is derived by discounting expected future cash flows using the same market-based rates.

Deposits

At-call deposits are carried at amounts that represent fair value, given their short-term and liquid nature. The fair value of term deposits is calculated using a discounted cash flow approach, applying current market rates available for deposits with similar terms and maturities.

Borrowings

The fair value of wholesale borrowing is determined using discounted cash flow models, incorporating independent market yields and margins relevant to instruments of a similar nature and maturity.

For subordinated debt, quoted market prices are used when available. Where no quoted prices exist, fair value is estimated using discounted cash flow techniques and yield curves reflecting current market pricing for instruments with comparable maturity profiles.

26 Parent entity disclosures

As at, and throughout the financial year, the parent of the Group was Hume Bank Limited.

On the basis that the securitised loans are not derecognised, there is no material difference between the reported results on a consolidated basis and the results of the parent entity.

	2026 $'000	2025 $'000
Results for the parent entity		
Profit for the year	**8,451**	9,550
Other comprehensive income	**127**	540
Total comprehensive income for the year	**8,578**	10,090
Financial position of the parent entity		
Total assets	**2,551,291**	2,252,747
Total liabilities	**2,407,012**	2,131,406
Retained earnings	**126,710**	118,054
Reserves	**17,569**	3,287

27 Business combination

On 1 May 2026 the Group merged with Ford Co-operative Credit Society Ltd (trading as Geelong Bank) with the continuing entity, trading as Hume Bank Limited.

The merger, originally announced on 19 August 2025, was approved by both the Hume Bank Board and members of Geelong Bank in March 2026. The merger legally took place on 1 May 2026. On this date Geelong Bank voluntarily transferred all its assets and liabilities to the Group under the Financial Sector (Transfer and Restructure) Act 1999 (Cth). The Group thereby obtained control of 100% of Geelong Bank's business and operations. As a result, there was no consideration or purchase price of the merger. On completion of the merger, Geelong Bank's members became guarantee members of Hume Bank.

In recent years, the Group and Geelong Bank have shown a great capacity to grow in Australia's highly regulated and competitive market and thereby offer a genuine banking alternative to the larger listed banks. However, in the member-owned banking sector, capital constraints create significant barriers to growth which often means many opportunities to serve more members are limited.

Increasing competition, higher compliance costs and general inflationary pressure continue to lower margins and limit future investments in technology. As a combined organisation, the Group expects to realise cost synergies across its operating base, supporting a stronger focus on meeting members' needs. These costs are expected to be lower for a combined entity due to shared systems, infrastructure and investment requirements. This saving could then be spent on meeting more members' needs through more competitive product pricing, fair fees and high standards of service.

Both Boards entered the merger with the objective of ensuring members continue to have access to a customer-owned community Bank capable of meeting their current and future financial needs, while remaining a strong and sustainable alternative to the larger listed banks in the retail banking sector.

Following the merger, the combined entity continues to retain the essential characteristics of a member-owned mutual bank and operates in accordance with the principles of mutuality.

Costs of $755,551 were incurred in relation to merger and integration costs during the year. These expenses are included in Note 4 under the relevant expense categories.

The amounts of revenue and profit or loss attributable to Geelong Bank since 1 May 2026 have not been disclosed because, due to integration activities, Geelong Bank's standalone results cannot be reliably measured. In addition, the information required to report profit or loss had the merger occurred on 1 July 2025, would require significant estimates and cannot be

Notes to the financial statements (continued)

for the year ended 30 June 2026

27 Business combination (continued)

determined in an effective or reliable manner due to the fair value adjustments and other integration impacts that have occurred during the year.

The fair value of identifiable assets and liabilities of Geelong Bank assumed at the date of acquisition were:

	2026 $'000 1 May
Assets	
Cash and cash equivalents	6,947
Investment securities	23,044
Accrued receivables	388
Net loans and advances	137,393
Other investments	51
Income tax receivable	55
Property, plant and equipment	71
Intangible assets	633
Other assets	113
Deferred tax assets	105
Total assets	168,800
Liabilities	
Deposits	153,068
Other liabilities	1,124
Provisions	235
Deferred tax liabilities	13
Total liabilities	154,440
Net assets	14,360

All fair values are disclosed on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for acquisition will be revised.

The loans and advances comprise of gross contractual amounts due of $137.8m.

No material contingent liabilities were recognised as part of the business combination.

Recognition and Measurement

Business combinations are accounted for using the acquisition method. The consideration transferred by the Group to obtain control in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred, the liabilities incurred and the equity interest issued by the Group. Acquisition costs are expensed as incurred.

The Consolidated Entity recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements.

The Group assessed the identification and measurement of all assets and liabilities transferred by Geelong Bank in accordance with AASB 3 and confirmed that, on a provisional basis, the recognised values appropriately reflect fair value at

27 Business combination (continued)

acquisition date. The excess of the fair value of identifiable net assets acquired over the consideration transferred has been recognised within the business combination reserve, reflecting the mutual nature of the transaction and the absence of any consideration or economic benefit transferred to an identifiable owner group. The Group considered whether this excess represented a gain on bargain purchase and concluded that direct recognition in members' funds more faithfully reflects the substance of the transaction.

28 Events subsequent to reporting date

No matters or circumstances have arisen since 30 June 2026 that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement

for the year ended 30 June 2026

Entity name	Entity type	Place formed	Ownership interest	Tax residency
Murray Trust Repo Series No. 1	Trust	Australia	100%	Australia

* Hume Bank Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Directors' declaration

for the year ended 30 June 2026

In the opinion of the directors of Hume Bank Limited:

1) the financial statements and notes of the Company and the Hume Bank Group are in accordance with the *Corporations Act 2001*, including:

   a) giving a true and fair view of the Company and the Hume Bank Group's financial position as at 30 June 2026 and of their performance, for the financial year ended on that date; and

   b) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

2) the financial statements and notes also comply with International Financial Reporting Standards; and

3) there are reasonable grounds to believe that the Company and Hume Bank Group will be able to pay its debts as and when they become due and payable; and

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

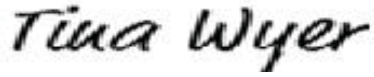


2 Oct, 2026 11:56:24 PM GMT+11

Kerry Grigg

Board Chairperson

Signed on 30 September 2026



3 Oct, 2026 6:15:06 PM GMT+11

Tina Wyer

Audit Committee Chairperson

Signed on 30 September 2026

Albury

30 September 2026

Independent auditor's report

for the year ended 30 June 2026



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To the Members of Hume Bank Limited

Opinion

We have audited the financial report of Hume Bank Limited (the Company) and its subsidiaries (the Group'), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including the material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report information contained in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

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

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

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



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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Crowe

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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CROWE ALBURY

Jason Gilbert

JASON GILBERT
Partner

30 SEPTEMBER 2026
ALBURY

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FINANCIAL REPORT 2026

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