

Annual Report 2026

East Malvern Community
Financial Services Limited

Malvern East, Murrumbeena, Wantirna
ABN 27 089 542 174



Banking
is our
business
Community
is our
purpose



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Chairman's report

For year ending 30 June 2026

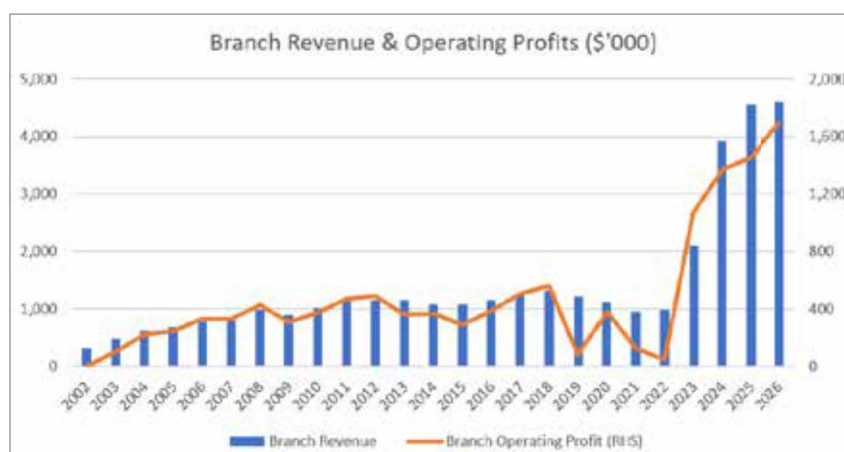
It is my pleasure to report on what has been a very good year, where the Company has again achieved record profitability with many significant highlights, including:

- Distributions to our community partners again exceeding \$500,000 for the second year in a row with the cumulative total now surpassing \$6.6m.
- The third full year of paying quarterly dividends was completed with a record \$429,000 distributed/declared to shareholders as fully franked dividends.
- Cashflow from operations exceeding \$1.0m, up 62% on last year.
- A complete refurbishment of Community Bank Wantirna was completed in July 2025 on time and on budget.
- On many metrics including Return on Equity (ROE) our social enterprise is demonstrating a consistent pattern in well exceeding the returns from even the highest performing banks.

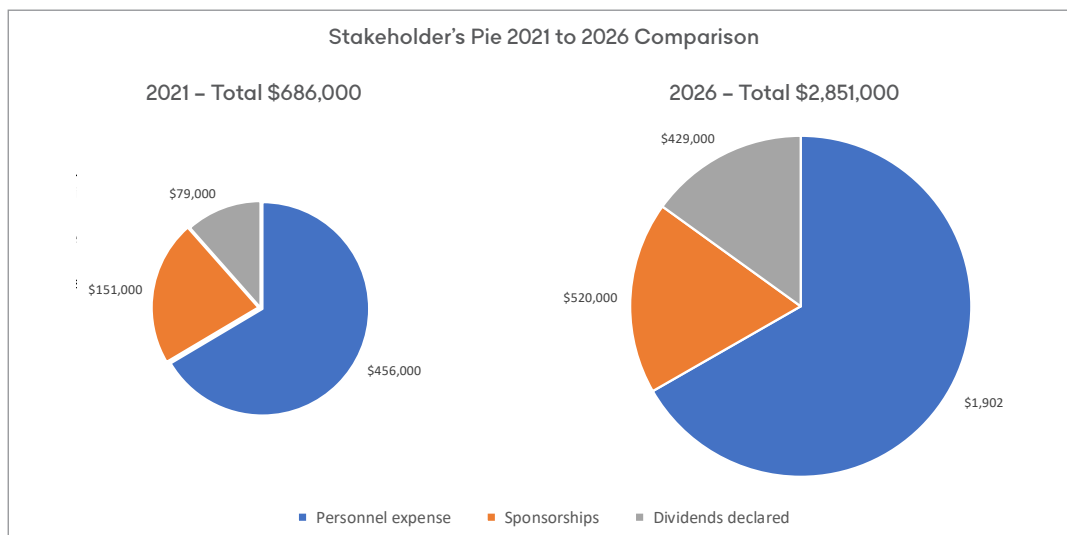
Key financial metrics were as follows:

\$'000	2026	2025	Change
Revenue	4,665	4,615	up 1%
Operating profits before sponsorships and tax	1,746	1,516	up 15%
Sponsorships and donations	520	527	down 1%
Cashflow from operations	1,082	665	up 62%
Total borrowings	2,048	2,721	down 25%
Shareholder's equity	4,445	3,938	up 13%
Net assets per share	\$4.56	\$4.04	up 13%
Dividends per share (declared/paid)	44 cents	40 cents	up 10%
Branch footings	662.0m	661.9m	no change
Return on equity (ave equity)	22.3%	23.3%	down 1%

As a result of the boost to retained earnings from the strong profitability, total shareholder's equity increased by \$507,000 or 13% to \$4,445,000 (\$3,938,000 pcp) strengthening the Company's balance sheet and positioning our social enterprise for further growth. At the same time considerable inroads were made in paying down debt with total borrowings reducing by \$673,000 with cashflow from operations increasing from \$665,000 to \$1,082,000.



The long term sustainability and purpose of most social enterprise is about growing the pie so that the benefits to all stakeholders continues to expand. Our Community Banking social enterprise is no different and it is very pleasing to see that all our key stakeholders; staff, community partners and shareholders have seen very substantial increases over the last 5 years.



Ongoing investment has proved transformational for our social enterprise. Over the last 6 years more than \$6.8m has been reinvested in updating branches, acquiring premises and expanding the franchise by acquiring Community Bank Wantirna and Community Bank Murrumbene.

\$'000	Investment Description	Branch Revenue	Branch Op Profits	Community Sponsorships	Shareholder Dividends
FY21	406 New branch at 268 Waverly Rd	958	124	151	79
FY22	1,731 Acquired 268 Waverly Rd	981	47	124	93
FY23	1,400 Acquired CB Wantirna	2,101	1,071	253	174
FY24	2,750 Acquired CB Murrumbene	3,925	1,374	401	260
FY25	161 268 Waverly Rd function area	4,552	1,454	527	369
FY26	375 Refitted CB Wantirna	4,608	1,689	520	429
Total	6,823				

This well targeted investment along with improved deposit margins has fundamentally transformed our Company with all key metrics including community impact many multiples of what they were 5 years ago. The investment has been funded by a balanced combination of equity, retained earnings and carefully managed debt.

The transformation journey is ongoing, as are the margin pressures across the industry, and your Company sees many growth opportunities ahead.

Mission Statement

East Malvern Community Financial Services Ltd mission is to be a substantial, sustainable community-built business that contributes to community prosperity.

As part of the special resolution at the 2024 AGM to adopt the Mission Statement shareholders committed the Company to the following dividend and distribution statement:

While East Malvern Community Financial Services Ltd operates as a social enterprise and maintains its certification with Social Traders, in distributing dividends in any 12 month period, the distribution for the period must not exceed an amount equivalent to or more than the verified public or community benefit (which is accepted by Social Traders) and/or otherwise must meet the relevant certification criteria of Social Traders.

For our social enterprise this is nothing new as sponsorships and donations distributed to our community partners have always exceeded dividends paid to shareholders. This is just who we are, as a for purpose for profit social enterprise that balances returns to all stakeholders.

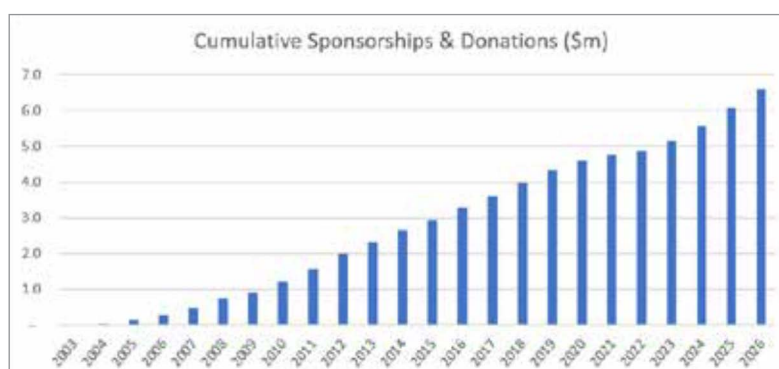
Having independent and widely recognized certification of our social enterprise remains a point of difference generally across the financial services industry and certainly with our major bank competitors.

In addition to this point of difference, our social enterprise is an extremely rare example of high community impact, with more than 11% of revenue returned to community partners, combined with a high ROE well exceeding 20% and significant returns to shareholders by way of dividends.

Community Sponsorships

In FY26 our social enterprise again more than met the objectives of our Mission Statement with total sponsorships significantly higher than dividends paid to shareholders.

This year as we trialled new arrangements with some of our community partners the level of sponsorships fell marginally by 1% to \$520,000 (\$527,000 pcp). Over the course of the last 12 months our social enterprise helped 71 separate Community Partners which are further detailed in the Sponsorship Committee Report



Our social enterprise provides grants to many Community Partners who we regard as valuable relationships to be nurtured for the long term and look forward to expanding the breadth of the sponsorship programme which has now seen \$6,604,000 distributed to community partners since our sponsorship programme began.

Dividends

For 3 years the Company has adopted a policy of paying quarterly dividends on the last business day in October, January, April and July of each year. In the first quarter of each new financial year the Board intends to advise shareholders what the expected quarterly dividend is likely to be for that financial year.

The intention is to provide shareholders with a predictable and regular flow of dividends that respects the distribution limit in the Franchise Agreement with Bendigo Bank, the Mission Statement that shareholders approved at the 2024 AGM and a successful social enterprise.

In line with the strong current year operating results the Board resolved to pay the following quarterly fully franked dividends in FY26:

- FY26 Q1 Interim dividend of 11 cents per share Paid 31 October 2025
- FY26 Q2 Interim dividend of 11 cents per share Paid 30 January 2026
- FY26 Q3 Interim dividend of 11 cents per share Paid 30 April 2026
- FY26 Q4 Final dividend of 11 cents per share Paid 31 July 2026

The FY26 Q4 Final dividend also marks the 53rd consecutive dividend that the Company has paid.



For original shareholders dividends paid/declared up until this year end have totalled \$5.29 per share, all of which have been fully franked apart from the initial two dividend payments.

FY27 Q1 dividend declaration

Subsequent to year end and reflecting the expected strong upward step change in the FY27 operating results, the Board has resolved to pay the Company's first quarterly dividend of 12.5 cents per share fully franked as the FY27 Q1 Interim dividend to all shareholders on record as at 16 October 2026. The dividend will be payable on 30 October 2026.

The expectation is that unless circumstances change materially the declared quarterly dividends will be held stable at 12.5 cents per share fully franked for the remaining quarters of FY27.

Cumulative Community Returns

As always, the Board strives to keep the balance right between all our stakeholders including shareholders while staying true to the spirit of the Community Bank model. Since the business started through to the current year, but excluding the FY27 Q1 dividend declared subsequent to year end, the cumulative returns to the community and shareholders are as follows:

Sponsorships and donations	\$ 6,604,000	42%
Dividends paid/payable to shareholders	\$ 2,725,000	17%
CB network re-investment	\$ 4,150,000	27%
Retained earnings	\$ 2,123,000	14%
Total	\$15,602,000	100%

Board of Directors

The role and time commitments of the Board continue to expand in order to help realise many of the available opportunities in growing and building a sustainable social enterprise along with meeting regulatory compliance requirements. This year in particular our franchise partner Bendigo Bank has commenced significant remedial action to address multiple well publicised regulatory and compliance issues. These actions are rolling through to all Community Bank companies and this has resulted in significant additional work for your board, our General Manager and the whole branch team.

On behalf of all shareholders, I thank Ruth Hall and her whole team for the great operational and financial results and the continuing dedication to customer service across the three communities where we serve over 12,000 customers.

I want to acknowledge the dedication and time the directors provide in guiding this Company for the benefit of all stakeholders. Actively working with our business partner Bendigo Bank has been essential to achieving this and many other positive outcomes for both the Company and the many Community Partners that rely on us.

The Board comprises of: -

Stuart Martyn - Chairman

Philip Williamson – Deputy Chairman

Melissa Hartmann– Company Secretary

Michael Arbon

Anne Parsonson

Alistair Macleod

Finally, I want to thank those who are currently supporting our Community Bank branches with their banking business and look forward to that support continuing in the future.



Stuart Martyn
Chairman

General Manager's report

For year ending 30 June 2026

The 2026 financial year has been both rewarding and transformative across our branch network. While the broader operating environment presented ongoing margin pressures and a competitive lending landscape, our teams across Community Bank Malvern East, Community Bank Murrumbreena, and Community Bank Wantirna remained steadfast in delivering personalised, relationship-led banking to more than 12,000 customers.

By maintaining our branch footings at \$662 million, we demonstrated remarkable balance sheet resilience. Our operational focus this year centred on strengthening leadership capability, embedding enhanced risk and compliance standards, and deepening everyday connections with our customers and community partners.

Operational Excellence and Risk Management

The modern banking environment demands high standards of operational discipline and governance. In alignment with Bendigo and Adelaide Bank's network-wide compliance and regulatory initiatives, we proactively adapted our internal processes to uphold the highest levels of operational integrity.

To lead these critical initiatives, we established the new role of Branch Operations Manager during the year and promoted Mirsada from our lending team into this position. Mirsada's dedicated focus on risk, audit quality, and procedural compliance has provided invaluable support to our branch teams. Her appointment ensures our frontline staff can maintain exceptional customer service while meeting all regulatory expectations with rigour and confidence.

Leadership and Capability Development

Attracting, developing, and retaining high-calibre banking professionals in a tight employment market remains a strategic operational priority. Over the past year, we made purposeful enhancements to our leadership structure to ensure our business is well-positioned for sustainable long-term growth:

- Melody joined our business in the Senior Manager role across both Community Bank Malvern East and Community Bank Murrumbreena. Bringing extensive banking and leadership experience from Westpac and external commercial roles, Melody has already made an immediate positive impact on operational execution and team mentorship.
- Tim was welcomed into the Branch Leadership role at Community Bank Wantirna. Joining us after a successful tenure at ANZ and Bank of Melbourne, Tim brings substantial retail banking experience and has settled seamlessly into guiding the Wantirna branch.
- Leigh was promoted to lead our Lending Hub. Leigh's appointment strengthens our Business Development capability, streamlines customer loan turnaround times, and provides focused support across residential lending.
- Taylor departed during the latter half of the year to establish his own small business. We thank him for his dedication to our Company and extend our warmest wishes for his entrepreneurial journey.

We continue to explore innovative development pathways and flexible working practices to retain our best talent, and we enter the coming year with strong leadership stability across all sites.

Customer Advocacy and Community Connection

Across our three locations Malvern East, Murrumbreena, and Wantirna our branch model continues to prove that face-to-face banking, underpinned by deep local relationships, remains vital and highly valued by our community.

Our branch staff are the everyday ambassadors of our social enterprise model. Every account opened, home loan settled, and business facility managed directly funds the substantial community investments we make year on year.

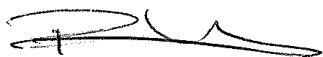
We are focused on turning transactional banking into long-term advocacy. To keep our community informed about branch events, community grant stories, and financial education initiatives, we encourage our shareholders and customers to engage with our official Facebook and Instagram channels.

Acknowledgements

Our achievements this year are the direct result of the dedication, empathy, and resilience shown by our people every day:

- To Ilonka and my broader Leadership Team, thank you for your unwavering dedication, strategic counsel, and tireless operational support.
- To our dedicated branch staff, thank you for your commitment to our customers and for consistently demonstrating the values of Community Banking.
- My sincere appreciation to Kristy, Regional Manager, and our corporate partners at Bendigo and Adelaide Bank for their ongoing support and collaboration.
- I also wish to express my gratitude to Stuart Martyn, the Board of Directors, and our staff for your trust, guidance, and shared passion for our community enterprise.

With a unified leadership team and strong branch foundations, we look forward to the opportunities of FY27 with optimism and determination.



Ruth Hall
General Manager

Community partnership report

For year ending 30 June 2026

Our Community Impact

For more than 26 years, Community Bank Malvern East, Murrumbeena and Wantirna have been proud to play an active role in strengthening the communities we serve.

Through the support of our customers and shareholders, more than \$6.6 million has been returned to local communities - helping sporting clubs, schools, community organisations, cultural groups and local initiatives continue the work that matters most to the people around them.

In the past year alone, more than 70 local organisations shared in over \$500,000 in sponsorships and grants. This funding has supported initiatives spanning Sport and Recreation, Education and Research, Arts, Culture and Heritage, and a broad range of community programs that create connection, opportunity and positive local outcomes.

But the impact extends well beyond the numbers.

Every partnership represents people giving their time, ideas and energy to make their community stronger. Our role is to help those organisations continue to grow, reach more people and create lasting benefits across the areas in which we live and work.

Importantly, this community investment is made possible by the people who choose to bank with one of our branches. Every banking relationship contributes to our ability to reinvest locally - creating a direct connection between the banking choices our customers make and the impact we can achieve together.

Thank you for your continued support and for helping us build stronger, more connected communities.



Michael Arbon
Chair Sponsorship & Marketing Committee

70

plus community groups supported because we share our profits with the community.

Celebrating
20 years of
sharing profits

Community Bank
Wantirna

 Bendigo Bank

PROFITS
REINVESTED
\$6.6m

Community partners we have supported this year



Sport	
Aurora Calisthenics	Murrumbeena Junior Football Club
Bentleigh Bowling Club	Murrumbeena Park Bowls Club
Bentleigh Football Netball Club	Murrumbeena Tennis Club
Caulfield Grammarians Football Club	Oakleigh Bowling Club
Coatesville Bowls club	Oakleigh Cricket Club
Chadstone Bowls Club	Old Melburnian's Amateur Football Club
Chadstone Lacrosse Club	Old Xaverians Amateur Football Club
Collegians Football Club	Ormond Amateur Football Club
Caulfield Cricket Club	Ormond Cricket Club
De La Salle Football Club	Ormond Junior Football Club
East Bentleigh Central Cricket Club	Prahran Cricket Club
East Malvern Football Netball Club	Prahran Amateur Football Club
East Malvern Tooronga Cricket Club	Prahran Junior Football Club
East Oakleigh Cricket Club	Salesian Old Boys Cricket Club
Glen Eira Amateur Football Club	Scotchman's Creek Golf Club
Glen Eira McKinnon Bowls Club	St. Kevin's Old Boys Football Club
Knox City Cricket Club	St James Malvern Valley Cricket Club
Knox Gardens Cricket Club	St. Peter's Junior Football Club
Malvern Bowls Club	Southern Football Netball League
Malvern Cricket Club	Southern Golf Club Foundation
Malverndale Ladies Golf	Templeton Tennis Club
Manhattan Eightball Club	Toorak Park Users Group
McKinnon Cricket Club	Victorian Sub District Cricket Association
McKinnon Cricket Club – Past Players	Victorian Sub District Cricket Umpires Association
Mount Waverley Cricket Club	Wantirna South Junior Football Club
Murrumbeena Community Bowls Club	Waverley Baseball Club
Murrumbeena Football Netball Club	Waverley Blues Football Netball Club



Community	
4th East Malvern Girl Guides	Knox Business Awards
Beauville Avenue Community - Defibrillator	Knox Nocturnals
Carnegie Lions Club	Melbourne Basket Brigade
Caulfield South Community House	Phoenix House Neighbourhood House
Chinese Association of Victoria	Probus Victoria – 50th Birthday Celebration
East Bentleigh Village Garden Inc.	Studfield Wantirna Community News
East Malvern Combined Probus Club	Tilly Aston Awards
East Malvern Food & Wine Festival	Toorak Park Users Group
East Malvern Men's Shed	Vermont South Probus Club
East Malvern RSL Anglers Club	Wantirna Lions Club
Foodbank	Warriors 4 Wildlife
Glen Eira Historical Society	Peter Norman Community Award



Arts

Chapel On Chapel
CLOC Musical Theatre
Glen Eira Cheltenham Art Group
Hughesdale Art Group
Knox Art Show
Malvern Artists' Society
Malvern Theatre Company
The Peoples Choir
East Malvern Men's Shed
East Malvern RSL Anglers Club
Foodbank
Glen Eira Historical Society



Health

MAD Foundation



Education

Malvern Special Needs Playgroup
McKinnon Secondary School
Story Dogs

Investing in Life-Saving Assets

This year marked a significant milestone with the funding of our first community defibrillator. While we hope this critical asset is never needed, we are reassured knowing it stands ready to save a life. To ensure maximum protection, our sponsorship included professional training for the recipient group. This is just the beginning; we are committed to funding many more defibrillators in the coming years, helping build a safer, more resilient environment across our community.



Unleashing Literacy: Our Partnership with Story Dogs

This year, our community investment went to the dogs—in the absolute best way possible! Through our sponsorship of multiple Story Dogs teams, we are helping local primary students discover a love of reading. Sitting with a calm, friendly companion dog provides a safe, stress-free space for children to practice their literacy skills, transforming hesitant readers into confident ones. We are thrilled to fund this beautiful program, which brings joy, builds confidence, and fosters vital educational foundations in our local classrooms.



Community Connection & Wellbeing Focus

Local sporting clubs are the heartbeat of our district, serving as vital social hubs that keep people of all ages connected, active, and supported. We are incredibly proud to celebrate our three-year commitment to the East Malvern Football Netball Club, a partnership that has helped the club rebuild and secure its long-term future. Beyond the field and the court, sporting clubs foster a deep sense of belonging, combat social isolation, and build lifelong friendships. Our sustained sponsorship ensures that local players, families, and supporters can continue to enjoy the physical and mental health benefits of football and netball, preserving a cherished community cornerstone for many years to come.



Celebrating the Tilly Aston Awards and Community Partnerships



We were delighted to support the prestigious Tilly Aston Awards for the fourth consecutive year, celebrating the incredible achievements and resilience of outstanding individuals in our region. In a wonderful showcase of community collaboration, this year's ceremony was hosted at the beautiful facilities of another of our key community partners, The Knox School. Aligning our support with these awards reflects our deep commitment to inclusion, diversity, and education. We are honoured to continue our long-term involvement with this inspiring event, which celebrates the very best of our community's spirit.

The Value of Our In-Kind Community Investment

True community support means reinvesting local expertise alongside funding. Alongside our cash sponsorships, our branch team provided vital in-kind support this year by delivering scam and fraud awareness workshops across our district. In an increasingly complex digital landscape, empowering residents with the tools to spot scams preserves community assets and defends against financial harm. Protecting the prosperity of our families and community groups is foundational to everything our sponsorship programme aims to achieve.



2026 Peter Norman Community Grant

We are incredibly proud to celebrate the presentation of our second annual Peter Norman Community Award to the Phoenix Park Neighbourhood House. This funding will sustain and expand their vital 'Welcome Table' program for another 12 months, ensuring it remains a cornerstone of connection, inclusion, and wellbeing for older residents experiencing loneliness and local families facing cost-of-living pressures. Specifically, this award will support the ongoing delivery of fortnightly community lunches, allow the program to expand its reach to more residents, and purchase food-safe, co-branded aprons and hats featuring the Community Bank Malvern East logo. Additionally, the program will introduce the 'Welcome Table at Home' takeaway service to support those unable to attend in person, ensuring no one in our community is left behind." We are looking forward to having Peter attend an event to celebrate this award.



PHOENIX PARK
NEIGHBOURHOOD HOUSE
MALVERN EAST

Bendigo and Adelaide Bank report

For year ending 30 June 2026

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than \$51.7 million was invested back into local communities, adding to a total of \$467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than \$1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Directors' report

For the financial year ended 30 June 2026

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2026.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:



Stuart Martyn

Title: Chair

Experience and expertise: Stuart has substantial CFO and Board experience across IT, Payments and Retail Banking. Chartered Accountant, MBA (AGSM) and GAICD qualified he was an executive with a major retail bank for more than 8 years and a long term CFO for the Australian subsidiary of a large international IT company specialising in the financial services industry. A founding director of the East Malvern Community Bank he and his family have been Stonnington residents for over 30 years.

Special responsibilities: Chair of Investment Committee, Member of Audit, Risk & Governance Committee, Member of Remuneration & Nominations Committee.



Philip Williamson

Title: Deputy Chair

Experience and expertise: Phil had a 23-year career in retail banking with Westpac holding all roles from junior through to running a high performing branch. In addition, Phil held Regional banking roles in the People and Culture space as well as periods of heading up the Recruitment function for Victoria and senior management roles in Learning & Development. Subsequently, Phil has held the most senior People and Culture positions in Mercedes-Benz Australia Pacific, the Movember Foundation (Global), ECMS Early Childhood Management, SCCT Logistics and a senior management role in People & Culture with the City of Monash. Phil has been involved in sporting, school, and kindergarten committees for over 50 years and has held the role of President on two occasions at the Prahran Cricket Club. He has been a major contributor to the Toorak Park Redevelopment, a circa \$28,000,000 community investment. This project has seen all infrastructure replaced at Toorak Park, the home of Prahran Cricket Club, Old Xaverian Football Club, Prahran Football Club and Prahran Junior Football Club. The Project has seen new Cricket Nets and a Curators Shed built, lighting increased to 750 Lux, complete oval upgrade including new irrigation, drainage and grasses, new sight screens, a white picket fence and new Pavilion.

Special responsibilities: Deputy Chairperson, Chair of Remuneration & Nominations Committee, Member of Investment Committee.

Directors (continued)



Michael Arbon

Title: Non-executive director

Experience and expertise: Michael joined the Board in 2008. He holds a Bachelor of Engineering Degree from Melbourne University and is a graduate of the Stanford Executive Program. Michael has worked in a variety of Infrastructure businesses during his career in Executive Management positions. Michael has lived in the City of Stonnington for over 30 years and is a life member of the Malvern Cricket Club.

Special responsibilities: Chair of Audit, Risk & Governance Committee, Chair of Sponsorship & Marketing Committee, Member of Remuneration & Nominations Committee.



Anne Parsonson

Title: Non-executive director

Experience and expertise: Anne joined the Board in 2012 and has over 25 years experience in the manufacturing and retail services sector including being a Director of Kidman Furniture Pty Ltd and Red Dust Furniture. Most recently she is involved in the accounting sector of her family business in Veneer Board manufacturing and distribution which operates in Victoria and Canberra. Anne has lived in Stonnington for more than 30 years and has been involved in local community groups, including Malvern Netball Club and East Malvern Tennis Club.

Special responsibilities: Member of Sponsorship & Marketing Committee.



Melissa Hartmann

Title: Non-executive director

Experience and expertise: Melissa has extensive local and international experience leading corporate strategy and transformation. With a career spanning financial services, consulting, retail & property, she is now the CEO and Founder of the Transformation Leadership Academy. She holds a Bachelor of Commerce (UWA) and an MBA (AGSM). Melissa joined the board in March 2021.

Special responsibilities: Company Secretary, Member of Investment Committee.



Alistair Macleod

Title: Non-executive director

Experience and expertise: Currently operating as a sole trader, providing part-time consulting services to a UK-based technology business. Retired from the Australian Council for Educational Research (ACER) in late 2024, after holding a senior management position for eight years. Previous work history includes senior roles in industries such as software development, business services, strategy consulting, banking and the public sector. Over 20 years of experience in business development, client management, staff management and P&L accountability. Previously held community-focused roles of Treasurer (Templeton Primary School Council) and President and other committee positions (Templeton Netball Club). Currently a committee member for the Mitcham Angling Club and about to assume the role of Secretary. Holds an Exec MBA from the Australian Graduate School of Management (UNSW) and a BA from Macquarie University.

Special responsibilities: Member of Sponsorship & Marketing Committee, Low Value Market (LVM) coordinator.

Company secretary

The company secretary is Melissa Hartmann. Melissa was appointed to the position of company secretary on 1 July 2023.

Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$935,218 (30 June 2025: \$775,644).

Operations have continued to perform in line with expectations.

Dividends

During the financial year, the following dividends were declared. The dividends have been provided for in the financial statements.

	2026 \$	2025 \$
Provided on 769,384 shares		
Fully franked dividend of nil cents per share (2025: 10 cents)	-	76,938
Provided on 974,043 shares		
Fully franked dividend of 44 cents per share (2025: 30 cents)	428,579	292,213
	428,579	369,151

Dividends proposed but not recognised at balance date

Since the end of the financial year, the Board of Directors declared a fully franked interim dividend of 12.5 cents per share, to be paid on 30 October 2026 to shareholders registered on 16 October 2026. Based on 994,816 ordinary shares on issue, the dividend amounts to \$124,352. The dividend has not been recognised as a liability in the financial statements for the financial year ended 30 June 2026 and will be recognised in the subsequent financial year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

The number of directors meetings attended by each of the directors of the company during the financial year were:

	Board	
	Eligible	Attended
Stuart Martyn	11	11
Philip Williamson	11	9
Michael Arbon	11	11
Anne Parsonson	11	8
Melissa Hartmann	11	10
Alistair Macleod	11	10

Eligible: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

All directors participate in various committees the business of which are conducted informally on an as required basis with the Chair of each committee reporting to the monthly Board Meetings

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 24 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director and their associates are:

	Balance at the start of the year	Changes	Balance at the end of the year
Stuart Martyn	52,200	-	52,200
Philip Williamson	2,429	-	2,429
Michael Arbon	16,250	-	16,250
Anne Parsonson	15,715	-	15,715
Melissa Hartmann	-	-	-
Alistair Macleod	5,000	-	5,000

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 25 to the accounts.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Martyn
Chair

22 September 2026

Auditor's independence declaration



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of East Malvern Community Financial Services Limited

As lead auditor for the audit of East Malvern Community Financial Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 22 September 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	4,608,209	4,551,707
Other revenue		52,663	57,482
Finance revenue		3,977	5,569
Total revenue		4,664,849	4,614,758
Employee benefits expense	7	(2,064,610)	(2,164,019)
Occupancy expenses		(59,289)	(60,492)
IT expenses		(91,877)	(81,743)
Depreciation and amortisation expense	7	(150,477)	(156,852)
Finance costs	7	(229,800)	(282,448)
Loss on disposal of assets		-	(2,083)
Administration and general expenses		(322,933)	(350,690)
Total expenses before community contributions and income tax expense		(2,918,986)	(3,098,327)
Profit before community contributions and income tax expense		1,745,863	1,516,431
Charitable donations and sponsorships expense		(519,707)	(527,174)
Profit before income tax expense		1,226,156	989,257
Income tax expense	8	(290,938)	(213,613)
Profit after income tax expense for the year		935,218	775,644
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		935,218	775,644
		Cents	Cents
Basic earnings per share	27	96.01	89.01
Diluted earnings per share	27	96.01	89.01

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Financial statements (continued)

Statement of financial position as at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	23,538	170,204
Trade and other receivables	10	448,560	423,314
Current tax assets	8	-	61,448
Total current assets		472,098	654,966
Non-current assets			
Trade and other receivables	10	4,482	7,052
Financial assets	13	317,044	285,526
Property, plant and equipment	11	2,632,992	2,293,097
Right-of-use assets	12	608,058	675,426
Intangible assets	14	4,324,988	4,150,000
Deferred tax assets	8	31,785	11,644
Total non-current assets		7,919,349	7,422,745
Total assets		8,391,447	8,077,711
Liabilities			
Current liabilities			
Trade and other payables	15	874,772	527,042
Borrowings	16	608,112	664,113
Lease liabilities	17	93,242	89,876
Current tax liabilities	8	83,192	-
Employee benefits		93,298	98,877
Total current liabilities		1,752,616	1,379,908
Non-current liabilities			
Trade and other payables	15	82,497	-
Borrowings	16	1,440,244	2,057,097
Lease liabilities	17	565,230	608,000
Employee benefits		74,015	64,653
Lease make good provision		31,820	29,667
Total non-current liabilities		2,193,806	2,759,417
Total liabilities		3,946,422	4,139,325
Net assets		4,445,025	3,938,386
Equity			
Issued capital	18	2,322,629	2,322,629
Retained earnings		2,122,396	1,615,757
Total equity		4,445,025	3,938,386

The above statement of financial position should be read in conjunction with the accompanying notes

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2026

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		1,515,801	1,209,264	2,725,065
Profit after income tax expense		-	775,644	775,644
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	775,644	775,644
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during period	18	818,636	-	818,636
Costs of issuing shares		(11,808)	-	(11,808)
Dividends provided for or paid	20	-	(369,151)	(369,151)
Balance at 30 June 2025		2,322,629	1,615,757	3,938,386
Balance at 1 July 2025		2,322,629	1,615,757	3,938,386
Profit after income tax expense		-	935,218	935,218
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	935,218	935,218
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	20	-	(428,579)	(428,579)
Balance at 30 June 2026		2,322,629	2,122,396	4,445,025

The above statement of changes in equity should be read in conjunction with the accompanying notes

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,031,462	5,002,159
Payments to suppliers and employees (inclusive of GST)		(3,511,990)	(3,647,309)
Dividends received		13,068	16,991
Interest received		3,977	5,569
Lease payments not included in the measurement of lease liabilities		(36,027)	(30,628)
Interest and other finance costs paid		(179,052)	(241,600)
Income taxes paid		(239,141)	(440,574)
Net cash provided by operating activities	26	1,082,297	664,608
Cash flows from investing activities			
Payments for shares		-	(44,985)
Payments for property, plant and equipment		(3,836)	(78,220)
Payments for intangibles		(42,854)	-
Proceeds from disposal of investments		-	95,337
Share return of capital		682	-
Net cash used in investing activities		(46,008)	(27,868)
Cash flows from financing activities			
Proceeds from issue of shares	18	-	818,636
Proceeds from borrowings		995,843	-
Repayment borrowings		(1,668,698)	-
Repayment of leases		(45,745)	(52,856)
Lease payments (interest component)		(48,596)	(38,582)
Share issue transaction costs		-	(11,808)
Dividends paid	20	(415,759)	(304,457)
Repayment of borrowings		-	(973,914)
Net cash used in financing activities		(1,182,955)	(562,981)
Net increase/(decrease) in cash and cash equivalents		(146,666)	73,759
Cash and cash equivalents at the beginning of the financial year		170,204	96,445
Cash and cash equivalents at the end of the financial year	9	23,538	170,204

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Reporting entity

The financial statements cover East Malvern Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 268 Waverley Road, Malvern East, Vic 3145.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

Going concern

The company has demonstrated strong financial performance, including a profit of \$935,218 and operating cash flows of \$1,082,297. However, the company has reported a working capital deficiency as of 30 June 2026, where current liabilities exceed current assets by \$1,280,518. Management is confident that the company will have sufficient resources to repay its short-term debts due to the profitability of the business (both historical and budgeted), strong forecast cashflows and the investment portfolio of ASX listed stocks valued at \$317,044 that is readily convertible to cash. The board has taken proactive measures by paying down loans ahead of schedule to reduce interest expenses and has redraw available on loan facilities at 30 June 2026 (refer to note 16), which can be utilised if needed. As a result, the directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The company has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective

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

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 *Presentation of Financial Statements*. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

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

Notes to the financial statements (continued)

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

The company includes extension options applicable to the lease of branch premises in its calculations of both the right-of-use asset and lease liability except where the company is reasonably certain it will not exercise the extension option. This is due to the significant disruption of relocating premises and the loss on disposal of leasehold improvements fitted out in the leased premises.

Estimates and assumptions

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Estimation of useful lives for rights to revenue share

The company holds intangible assets representing the rights to revenue share for both Wantirna and Murrumbeena. The directors have assessed the useful life of the assets to be indefinite based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for EMCFS Ltd. The rights to revenue share are assessed annually for impairment, refer to note 3.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, which is generally the case for the company's lease agreements, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. This rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with legislation.

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in May 2030.

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

Notes to the financial statements (continued)

Note 5. Economic dependency (continued)

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	4,246,780	4,184,804
Fee income	157,671	161,032
Commission income	203,758	205,871
	4,608,209	4,551,707

Accounting policy for revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Margin income

Margin income on core banking products is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank including fees for loan applications and account transactions.

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

Note 7. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	1,775,236	1,881,428
Superannuation contributions	182,181	183,652
Expenses related to long service leave	9,363	(8,024)
Other expenses	97,830	106,963
	2,064,610	2,164,019

Notes to the financial statements (continued)

Note 7. Expenses (continued)

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	3,750	3,113
Leasehold improvements	30,769	28,554
Furniture and fittings	1,173	1,468
Office equipment	1,792	1,886
	37,484	35,021
<i>Depreciation of right-of-use assets</i>		
Leased land and buildings	73,710	81,354
<i>Amortisation of intangible assets</i>		
Franchise fee	39,283	40,477
	150,477	156,852

Finance costs

	2026 \$	2025 \$
Bank loan interest paid or accrued	179,052	241,600
Lease interest expense	48,596	38,582
Unwinding of make-good provision	2,152	2,266
	229,800	282,448

Finance costs are recognised as expenses when incurred using the effective interest rate.

Charitable donations, sponsorships and grants

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	519,707	527,174

The overarching philosophy of the Community Bank model, is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants).

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	315,677	243,736
Movement in deferred tax	(20,141)	(25,553)
Franking credits	(4,598)	(4,570)
Aggregate income tax expense	290,938	213,613
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	1,226,156	989,257

Notes to the financial statements (continued)

Note 8. Income tax (continued)

	2026 \$	2025 \$
Tax at the statutory tax rate of 25%	306,539	247,314
Tax effect of:		
Non-deductible expenses	775	129
Movement in deferred tax	(20,141)	(25,553)
Other temporary differences	8,363	(3,707)
	295,536	218,183
Franking credits	(4,598)	(4,570)
Income tax expense	290,938	213,613

	2026 \$	2025 \$
<i>Deferred tax assets/(liabilities)</i>		
Employee benefits	41,828	40,883
Provision for lease make good	7,955	7,417
Lease liabilities	164,618	174,469
Accrued expense	16,389	12,915
Property, plant and equipment	(15,243)	(15,759)
Right-of-use assets	(152,015)	(168,857)
Market value of investments	(24,290)	(16,744)
Prepayments	(2,142)	(2,169)
Other	(5,315)	(20,511)
Deferred tax asset	31,785	11,644

	2026 \$	2025 \$
Income tax refund due	-	61,448

	2026 \$	2025 \$
Provision for income tax	83,192	-

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Accounting policy for deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Notes to the financial statements (continued)

Note 9. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	23,538	170,204

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	399,621	364,140
Other receivables and accruals	40,370	50,500
Prepayments	8,569	8,674
	48,939	59,174
	448,560	423,314

<i>Non-current assets</i>		
Borrowing costs	4,482	7,052
	453,042	430,366

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	448,560	423,314
Less prepayments, included in trade and other receivables	(8,569)	(8,674)
	439,991	414,640

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 11. Property, plant and equipment

	2026 \$	2025 \$
Land - at cost	1,581,455	1,581,455
Buildings - at cost	150,000	150,000
Less: Accumulated depreciation	(6,863)	(3,113)
	143,137	146,887
Leasehold improvements - at cost	1,054,514	679,250
Less: Accumulated depreciation	(156,717)	(125,948)
	897,797	553,302
Furniture and fittings - at cost	13,585	13,585
Less: Accumulated depreciation	(8,889)	(7,716)
	4,696	5,869
Office equipment - at cost	11,666	9,551
Less: Accumulated depreciation	(5,759)	(3,967)
	5,907	5,584
	2,632,992	2,293,097

Notes to the financial statements (continued)

Note 11. Property, plant and equipment (continued)

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Land \$	Buildings \$	Leasehold improvements \$	Furniture and fittings \$	Office equipment \$	Total \$
Balance at 1 July 2024	1,731,455	-	504,704	7,337	6,402	2,249,898
Additions	-	-	77,152	-	1,068	78,220
Transfers in/(out)	(150,000)	150,000	-	-	-	-
Depreciation	-	(3,113)	(28,554)	(1,468)	(1,886)	(35,021)
Balance at 30 June 2025	1,581,455	146,887	553,302	5,869	5,584	2,293,097
Additions	-	-	375,264	-	2,115	377,379
Depreciation	-	(3,750)	(30,769)	(1,173)	(1,792)	(37,484)
Balance at 30 June 2026	1,581,455	143,137	897,797	4,696	5,907	2,632,992

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets. Improvements are depreciated over the useful life of the assets. Land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit derived from the asset.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	10 to 20 years
Furniture and fittings	2 to 20 years
Office equipment	2 to 20 years
Buildings	40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 12. Right-of-use assets

	2026 \$	2025 \$
Land and buildings - right-of-use	848,856	842,515
Less: Accumulated depreciation	(240,798)	(167,089)
	608,058	675,426

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings \$
Balance at 1 July 2024	219,197
Remeasurement adjustments	537,583
Depreciation expense	(81,354)
Balance at 30 June 2025	675,426
Remeasurement adjustments	6,342
Depreciation expense	(73,710)
Balance at 30 June 2026	608,058

Notes to the financial statements (continued)

Note 12. Right-of-use assets (continued)

Accounting policy for right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Refer to note 17 for more information on lease arrangements.

Note 13. Financial assets

	2026 \$	2025 \$
Equity securities - designated at fair value through profit or loss	317,044	285,526

Accounting policy for financial assets

Financial assets are recognised at their market value. Financial assets are derecognised when the rights to receive cash flows have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Note 14. Intangible assets

	2026 \$	2025 \$
Rights to revenue share (Wantirna) - at cost	1,400,000	1,400,000
Rights to revenue share (Murrumbeena) - at cost	2,750,000	2,750,000
Franchise fee	293,775	79,504
Less: Accumulated amortisation	(118,787)	(79,504)
	174,988	-
	4,324,988	4,150,000

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Rights to revenue share (Wantirna) \$	Rights to revenue share (Murrumbeena) \$	Franchise fee \$	Total \$
Balance at 1 July 2024	1,400,000	2,750,000	40,477	4,190,477
Amortisation expense	-	-	(40,477)	(40,477)
Balance at 30 June 2025	1,400,000	2,750,000	-	4,150,000
Additions	-	-	214,271	214,271
Amortisation expense	-	-	(39,283)	(39,283)
Balance at 30 June 2026	1,400,000	2,750,000	174,988	4,324,988

Additions

During the financial year, the Murrumbeena, Wantirna and Malvern East franchise agreements were renewed. Additional franchise fees of \$214,271 were incurred in connection with the renewals.

The franchise fees are being amortised over the remaining franchise term to May 2030.

Accounting policy for intangible assets

Intangible assets comprise franchise fees paid to Bendigo and Adelaide Bank Limited which convey the right to operate Community Bank franchises, together with rights to revenue share acquired as part of branch acquisition arrangements.

Intangible assets are initially recognised at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates.

Franchise fees are amortised on a straight-line basis over the period of the franchise agreement and are assessed for impairment whenever indicators of impairment exist.

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

Rights to revenue share are recognised at cost on acquisition and have been assessed as having an indefinite useful life under AASB 138 Intangible Assets.

Management has assessed these assets as having an indefinite useful life because there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows. In making this assessment, management considered:

- the ongoing nature of the Community Bank revenue-sharing arrangements;
- the history of franchise renewals within the Community Bank network;
- the absence of contractual termination dates attached to the revenue-sharing rights themselves; and
- the absence of legal, regulatory or economic factors expected to limit the period over which future benefits will be generated.

The indefinite useful life assessment is reviewed annually.

Rights to revenue share are not amortised and are tested annually for impairment and whenever indicators of impairment exist.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	May 2030
Rights to revenue share (Wantirna)	Assessed for impairment	Indefinite	N/A
Rights to revenue share (Murrumbeena)	Assessed for impairment	Indefinite	N/A

Amortisation methods, useful life, and residual values are reviewed and adjusted, if appropriate, at each reporting date.

Rights to revenue share – impairment assessment

Carrying amount allocated to cash-generating units

For impairment testing purposes, management has identified the Wantirna and Murrumbeena branch operations as separate cash-generating units (CGUs) because each branch generates cash inflows that are largely independent from other branch operations.

The carrying amounts allocated to the CGUs are:

	2026 \$
Wantirna	1,400,000
Murrumbeena	2,750,000
Total	4,150,000

Impairment testing methodology

As required by AASB 136, intangible assets with indefinite useful lives are tested annually for impairment and whenever indicators of impairment are identified.

The recoverable amount of each CGU has been determined using a value-in-use methodology based on discounted future cash flow projections.

The calculations are based on:

- BEN-approved branch business plans and budgets;
- forecast lending and deposit growth;
- forecast net profit contribution and revenue-share income;
- a 15-year forecast period;
- a pre-tax discount rate of 8.5% (2025: 8.1%) reflecting current market assessments of the time value of money and risks specific to Community Bank operations.

Cash flow projections are based on the assets in their current condition and do not include the impact of significant future restructures or enhancements not committed to at the reporting date.

Notes to the financial statements (continued)

Note 14. Intangible assets (continued)

Key sources of estimation uncertainty

The recoverable amount calculations are most sensitive to the following assumptions:

- lending volume growth
- deposit volume growth
- net interest and fee income margins
- operating cost growth
- revenue sharing percentages
- discount rate assumptions
- growth rate assumptions.

Management determines these assumptions using a combination of:

- historical branch performance
- approved branch strategic plans
- Bendigo Bank forecasts and planning assumptions
- observable market data where available
- management's expectations regarding future economic conditions.

These assumptions are reviewed annually as part of the impairment assessment process.

Results of impairment testing

Based on the impairment testing performed at 30 June 2026:

- no impairment loss was identified for either the Wantirna or Murrumbeena CGU
- the recoverable amount of each CGU exceeded its carrying amount
- management concluded that the carrying values of the rights to revenue share remain recoverable.

Sensitivity analysis

Management performed sensitivity analysis on key assumptions used in the value-in-use calculations.

The analysis included:

- a reduction in forecast revenues of 10%; and
- an increase in the discount rate to 10%.

Under both scenarios, the recoverable amount of each CGU continued to exceed its carrying amount and no impairment would have been recognised.

Note 15. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	13,235	5,321
Other payables and accruals	861,537	521,721
	874,772	527,042
<i>Non-current liabilities</i>		
Other payables and accruals	82,497	-
	957,269	527,042
	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	957,269	527,042
Less statutory payables, included in trade and other payables	(123,423)	(248,811)
	833,846	278,231

Notes to the financial statements (continued)

Note 16. Borrowings

	2026 \$	2025 \$
<i>Current liabilities</i>		
Bank loans	608,112	664,113
<i>Non-current liabilities</i>		
Bank loans	1,440,244	2,057,097
	2,048,356	2,721,210

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2026 \$	2025 \$
Total facilities		
Bank loans	2,448,519	3,145,939
Used at the reporting date		
Bank loans	2,048,356	2,721,210
Unused at the reporting date		
Bank loans	400,163	424,729

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 17. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Land and buildings lease liabilities	93,242	89,876
<i>Non-current liabilities</i>		
Land and buildings lease liabilities	565,230	608,000
	658,472	697,876

Reconciliation of lease liabilities

	2026 \$	2025 \$
Opening balance	697,876	200,673
Remeasurement adjustments	6,341	550,059
Lease interest expense	48,596	38,582
Lease payments - total cash outflow	(94,341)	(91,438)
	658,472	697,876

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially measured at the present value of the lease payments to be made over the term of the lease, including renewal options if the company is reasonably certain to exercise such options, discounted using the company's incremental borrowing rate.

The company has applied the following accounting policy choices in relation to lease liabilities:

- The company has elected not to separate lease and non-lease components when calculating the lease liability for property leases.

Notes to the financial statements (continued)

Note 17. Lease liabilities (continued)

- The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and low-value assets, which include the company's lease of information technology equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The company's lease portfolio includes:

Lease	Discount rate	Non-cancellable term	Renewal options	Reasonably certain to exercise options	Lease term end date used in calculations
Murrumbeena Branch	7.50%	5 years	N/A	N/A	December 2029
Wantirna Branch	7.41%	5 years	2 x 5 years	Yes	October 2039

Note 18. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid at \$1 per share	394,300	394,300	394,300	394,300
Ordinary shares - fully paid at \$2.50 per share	184,882	184,882	462,205	462,205
Ordinary shares - fully paid at \$3.60 per share	190,202	190,202	684,727	684,727
Ordinary shares - fully paid at \$4 per share	204,659	204,659	818,636	818,636
Less: Equity raising costs	-	-	(37,239)	(37,239)
	974,043	974,043	2,322,629	2,322,629

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being the payment received at the time of issue. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Notes to the financial statements (continued)

Note 18. Issued capital (continued)

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 172. As at the date of this report, the company had 223 shareholders (2025: 226 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 19. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive income.

There were no changes in the company's approach to capital management during the year.

Note 20. Dividends

Dividends provided for during the period

The following dividends were provided for during the reporting period as presented in the Statement of changes in equity.

	2026 \$	2025 \$
Provided on 769,384 shares		
Fully franked dividend of nil cents per share (2025: 10 cents)	-	76,938
Provided on 974,043 shares		
Fully franked dividend of 44 cents per share (2025: 30 cents)	428,579	292,213
	428,579	369,151

Notes to the financial statements (continued)

Note 20. Dividends (continued)

Dividends paid during the period

The following dividends were paid to shareholders during the reporting period as presented in the Statement of cash flows.

	2026 \$	2025 \$
Payment of current year dividends	321,511	271,747
Payment of prior year(s) dividends	94,248	53,176
	415,759	324,923

Dividends proposed but not recognised at balance date

Since the end of the financial year, the Board of Directors declared a fully franked interim dividend of 12.5 cents per share, to be paid on 30 October 2026 to shareholders registered on 16 October 2026. Based on 994,816 ordinary shares on issue, the dividend amounts to \$124,352. The dividend has not been recognised as a liability in the financial statements for the financial year ended 30 June 2026 and will be recognised in the subsequent financial year.

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	643,395	245,794
Franking credits (debits) arising from income taxes paid (refunded)	268,373	522,903
Franking debits from the payment of franked distributions	(142,860)	(129,872)
Franking credits from franked distributions received	4,598	4,570
	773,506	643,395
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	773,506	643,395
Franking credits (debits) that will arise from payment (refund) of income tax	141,831	74,492
Franking credits available for future reporting periods	915,337	717,887

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Note 21. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments, borrowings and lease liabilities. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents (note 9)	23,538	170,204
Trade and other receivables excluding prepayments (note 10)	439,991	414,640
Financial assets (note 13)	317,044	285,526
	780,573	870,370
Financial liabilities		
Trade and other payables (note 15)	833,846	278,231
Bank loans (note 16)	2,048,356	2,721,210
Lease liabilities (note 17)	658,472	697,876
	3,540,674	3,697,317

At balance date, the fair value of financial instruments approximated their carrying values.

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

The company's financial assets measured at FVTPL comprise investments in listed entities over which the company does not have significant influence nor control.

Derecognition

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings/expenditure on those are subject to movements in market interest rates. The company held cash and cash equivalents of \$23,538 and borrowings of \$2,048,356 at 30 June 2026 (2025: \$170,204 and \$2,721,210).

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2026		2025	
	Nominal interest rate %	Balance \$	Nominal interest rate %	Balance \$
Bank loans	7.76%	2,048,356	7.25%	2,721,210
Net exposure to cash flow interest rate risk		2,048,356		2,721,210

Price risk

The primary goal of the company's investment in equity securities is to hold the investments for the long term for strategic purposes.

2026	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	31,704	23,778	(10%)	(31,704)	(23,778)

2025	% change increase	Effect on profit before tax	Effect on equity	% change decrease	Effect on profit before tax	Effect on equity
Equity securities	10%	28,553	21,415	(10%)	(28,553)	(21,415)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the company's remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

2026	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Bank loans	529,661	1,333,509	185,186	2,048,356
Trade and other payables	751,349	82,497	-	833,846
Lease liabilities	96,546	335,650	554,724	986,920
Total non-derivatives	1,377,556	1,751,656	739,910	3,869,122

2025	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Bank loans	664,113	1,590,134	466,963	2,721,210
Trade and other payables	278,231	-	-	278,231
Lease liabilities	93,061	368,074	612,851	1,073,986
Total non-derivatives	1,035,405	1,958,208	1,079,814	4,073,427

Notes to the financial statements (continued)

Note 22. Fair value measurement

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2026				
Assets				
Equity securities	317,044	-	-	317,044
Total assets	317,044	-	-	317,044
2025				
Assets				
Equity securities	285,526	-	-	285,526
Total assets	285,526	-	-	285,526

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 23. Key management personnel disclosures

The following persons were directors of East Malvern Community Financial Services Limited during the financial year and/or up to the date of signing of these Financial Statements.

Stuart Martyn	Anne Parsonson
Philip Williamson	Melissa Hartmann
Michael Arbon	Alistair Macleod

Compensation

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other key management personnel.

	2026 \$	2025 \$
Short-term employee benefits	145,000	126,250
Post-employment benefits	19,144	22,725
Directors variable fees	15,534	72,390
Total key management personnel compensation	179,678	221,365

Notes to the financial statements (continued)

Note 24. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

The following transactions occurred with related parties:

	2026 \$	2025 \$
During the period, a sponsorship was made to Prahran Cricket Club of which a director is a committee member. The total benefit received was:	12,000	10,000
During the period a sponsorship was made to Toorak Park Users Group of which a director is a Project Leader. The total benefit received was:	10,000	-
Services provided by ITLC pty Ltd, of which a directors family member is a director. The total benefit was:	1,458	-

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	14,290	13,320
<i>Other services</i>		
Taxation advice and tax compliance services	-	300
Share registry services	-	3,777
	-	4,077
	14,290	17,397

Notes to the financial statements (continued)

Note 26. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 \$	2025 \$
Profit after income tax expense for the year	935,218	775,644
Adjustments for:		
Depreciation and amortisation	150,477	156,852
Net loss on disposal of financial assets	-	2,083
Movement in financial assets	(32,201)	(40,491)
Lease interest	48,596	38,582
Change in operating assets and liabilities:		
Increase in trade and other receivables	(22,676)	(4,719)
Decrease/(increase) in income tax refund due	61,448	(61,448)
Increase in deferred tax assets	(20,141)	(11,644)
Decrease in other operating assets	1	-
Increase/(decrease) in trade and other payables	(122,953)	50,828
Increase/(decrease) in provision for income tax	78,592	(226,687)
Decrease in deferred tax liabilities	-	(13,909)
Increase/(decrease) in employee benefits	3,783	(2,749)
Increase in other provisions	2,153	2,266
Net cash provided by operating activities	1,082,297	664,608

Note 27. Earnings per share

	2026 \$	2025 \$
Profit after income tax	935,218	775,644

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	974,043	871,433
Weighted average number of ordinary shares used in calculating diluted earnings per share	974,043	871,433

	Cents	Cents
Basic earnings per share	96.01	89.01
Diluted earnings per share	96.01	89.01

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of East Malvern Community Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 28. Commitments

The company has no commitments contracted for which would be provided for in future reporting periods.

Note 29. Contingencies

There were no contingent liabilities or contingent assets at the date of this report.

Notes to the financial statements (continued)

Note 30. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions. Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

For the financial year ended 30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

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



Stuart Martyn
Chair

22 September 2026

Independent audit report



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 694 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the members of East Malvern Community Financial Services Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of East Malvern Community Financial Services Limited (the company), is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2026 and of its financial performance for the year ended on that date
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of the company, which comprises:

- the Statement of financial position as at 30 June 2026
- the Statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the Statement of changes in equity for the year ended 30 June 2026
- the Statement of cash flows for the year ended 30 June 2026
- the notes to the financial statements, including material accounting policies, and
- the Directors' declaration.

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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.



Andrew Frewin Stewart
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03 5443 0344

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 during the audit, or otherwise appears to be materially misstated.

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability 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 company or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 22 September 2026

A handwritten signature in black ink, appearing to read 'Joshua Griffin'.

Joshua Griffin
Lead Auditor

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