30 September 2026

Market Announcement
National Stock Exchange (NSX)

BY ELECTRONIC LODGEMENT

Dear Sir/Madam

2026 ANNUAL REPORT

Inner East Community Finance Limited (NSX: IEC) attaches its Annual Report for the year ended 30 June 2026. The Annual Report will be mailed to shareholders who have elected to receive a hard copy and will also be made available on our website.

Yours sincerely

Steven Miller
Company Secretary
Inner East Community Finance Limited

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Chair
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Annual Report 2026

Inner East Community Finance Limited

ABN 96 099 590 593

Community Bank
Inner East

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Chair's report

For year ending 30 June 2026

"Our purpose is to provide value and support to our communities by delivering exceptional banking and social enterprise services while maximising profits and returning shareholder value."

It is my pleasure to present the Chair's Report for Inner East Community Finance Ltd for the year ending 30 June 2026.

The past year has been one of continued strength and strategic progress for our Company. Despite an increasingly competitive banking environment and ongoing changes across the financial services sector, our business has again delivered a strong financial result while remaining true to the principles that have guided us for more than two decades, supporting local communities through successful community banking.

Our performance reflects the confidence that customers continue to place in our Community Bank branches (Ashburton, Balwyn, Canterbury & Surrey Hills), the professionalism and commitment of our staff, and the sound governance provided by our Board. Together, these strengths have enabled us to continue building a sustainable business that delivers benefits for shareholders while making a significant contribution to the wellbeing of our communities.

During the year we maintained our banking business, particularly in customer deposits, despite continued pressure on banking margins and an increasingly competitive lending market. Careful financial management and disciplined control of costs ensured that we delivered a strong operating performance, providing the capacity to continue investing in the communities we serve while delivering value to our shareholders.

Community investment remains the defining feature of our Company and a key point of difference from traditional banking institutions. During the year we provided $1,494,633.18 to more than 220 local projects to community organisations, schools, sporting clubs, neighbourhood houses, health services and community programs across Melbourne's inner east. This represented around 70 per cent of our operating profit.

Our sister charity, Inner East Community Support Ltd, has now completed its first full year of operations demonstrating the value of providing a dedicated vehicle for strategic community investments. To date it has funded activities worth over $360,000, drawing on the $1.5 million that our company has provided to it as seed capital for its initial years.

Our partnership with Eastern Health also continued to progress during the year, supporting research, staff development and the acquisition of equipment that will deliver lasting benefits across one of Melbourne's largest public health services. Equally encouraging has been the expansion of our Neighbourhood House Support Program, which continues to strengthen the capacity of local community organisations by providing practical operational support where it is needed most.

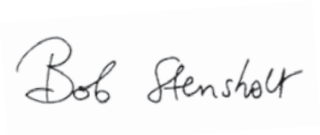
The year has also been important from a strategic perspective. Bendigo Bank continues to work with Community Bank companies across Australia to develop the next generation Community Bank model. Your Board has been actively engaged in these discussions, advocating strongly for arrangements that preserve local ownership, maintain sustainable returns for community companies and protect the unique partnership between community banking and community investment that has made the model so successful.

Looking ahead, we remain optimistic about the future. While the banking industry continues to evolve, the need for locally based banking services and strong community partnerships has never been greater. Our recently adopted Strategic Plan provides a clear roadmap for continued growth across our three strategic pillars of Business, People and Community, while ensuring that we remain financially strong and responsive to changing community needs.

On behalf of the Board, I extend my sincere thanks to our outstanding staff, led by our management team of Nick Coker, Maggie Stamoulis and Anna Gration, for their professionalism, commitment and dedication to customer service. I also thank my fellow Directors, our Treasurer and the members of our Community Committees for the wisdom, experience and countless volunteer hours they contribute to our organisation.

Finally, I thank our shareholders and customers. Your continued loyalty and support enable us to demonstrate that banking can be both commercially successful and socially responsible. Every account opened, every loan written and every customer who chooses to bank with us helps generate the profits that are reinvested into our local communities.

Together, we continue to prove that Community Banking is about far more than financial service, it is about creating stronger communities and improving lives.



Bob Stensholt
Chair

Inner East Community Support Ltd

Three years ago, Inner East Community Finance established a sister charity, **Inner East Community Support Ltd (IECS)**. IECS was established as a company limited by guarantee, with IECF being its sole members and appointing its Board members. IECF has provided seed capital to IECS of $1.5 million from its community investment funds to enable its early years of operation.

The 2025/26 financial year marked the first full year of operations for IECS and demonstrated the value of establishing a dedicated charitable organisation to complement the community investment activities of IECF.

During the year, IECS continued to build a strategic portfolio of community partnerships focused on improving educational opportunity, food security, community wellbeing, social inclusion and support for vulnerable members of our community. IECS committed more than $327,000 during FY2025/26 across 16 activities, with a total investment of $362,550 since its establishment. The portfolio comprised 10 active projects, three pilot initiatives, two completed projects and one one-off grant, supporting 14 community organisations. Four organisations had successfully completed and acquitted their funding during the year.

The year's investments reflected longer-term partnerships capable of delivering sustained community outcomes. Multi-year funding arrangements were established or continued with organisations including Hawthorn Community Chest and Education Chances Foundation, providing greater certainty for community organisations while strengthening their capacity to deliver lasting impact.

IECS supported a diverse range of local initiatives addressing identified community needs. These included educational support for disadvantaged students, emergency food and medical assistance, community meal programs, therapeutic gardening, autism education programs, and projects designed to reduce social isolation.

A feature of the IECS model has been its emphasis on accountability and measuring community impact. Throughout the year the Board implemented a comprehensive rolling impact register, providing transparent reporting on grant outcomes, acquittals, promotional recognition, cumulative funding and future commitments. This framework enables both organisations to monitor the effectiveness of investments and ensure community funds continue to deliver meaningful outcomes.

The Board thanks the Directors of Inner East Community Support, together with staff and community partners, for their vision, commitment and dedication during this important first full year of operations helping to strengthen the wellbeing and resilience of communities across Melbourne's inner east.

Chief Executive Officer's report

For year ending 30 June 2026

True community banking is anchored in local presence and meaningful relationships. We take pride in maintaining our branches within vibrant local shopping precincts, ensuring they serve not just as transactional spaces, but as essential hubs for connection and support. While our dedication to personalised, face-to-face service remains unwavering, our agile mobile lending team ensures we can also meet our clients on their term, whether at their home or workplace. Every new relationship forged and financial solution provided directly fuels our ability to give back and strengthen the communities we serve.

Our foundational values and community-first purpose continue to act as the compass for our strategic decisions. As we navigate a dynamic banking landscape, our definition of success remains multifaceted and focused on sustainable impact. We measure our achievements by:

- Sustaining our physical branch network to provide continuous, accessible service to our local neighbourhoods.
- Driving substantial, purpose-led community investment to generate measurable local outcomes.
- Cultivating, retaining, and developing a diverse and highly skilled local workforce.
- Delivering consistent and valuable returns to our dedicated shareholders.

This financial year presented continued challenges, particularly with the ongoing impacts of interest rate fluctuations influencing both lending activity and deposit flows. Despite a shifting market environment, our financial performance remained resilient.

We delivered a pleasing revenue result of $7.87 million, up from $7.75 million in the previous financial year, maintaining our performance in line with budgetary expectations. Through a rigorous focus on expense management and cost control, we achieved an operating profit of $2.03 million.

Our total footings concluded the year at $1.22 billion, representing a decrease of $39 million (-3%). This comprised a decrease of $13 million (-2%) in Lending and a $26 million (-3.5%) decrease in Deposits. While shifting investment strategies among our clients have influenced our portfolio expansion, we continue to see strong engagement in targeted areas, particularly in wealth transition and deposit structuring.

Importantly, our customer base remains strong at 15,167. We are particularly pleased to note that our customers are choosing to deepen their relationship with us, evidenced by an increase in our products per customer (PPC) ratio to 2.84 up from 2.79. This growth is a direct reflection of the exceptional experience delivered by our dedicated team.

A cornerstone highlight of the 2025/26 financial year has been the continued success of our Community Investment Program. I am exceptionally proud to report that we contributed almost $1.5 million back into our local communities, representing 73% of our operating profit. This remarkable milestone brings our total cumulative community investment to almost $12.4 million to date. This funding provides vital support to a wide range of grassroots organisations, sporting clubs, and community initiatives that impact so many.

Our people remain our greatest asset. This year, we were incredibly proud to celebrate several long-term staff members reaching new tenure milestones. Retaining these highly experienced individuals is a significant success for our business, ensuring that our customers continue to benefit from deep institutional knowledge and trusted relationships. While the retail sector has faced broader staffing challenges, our focused 'One Team' approach has enabled us to manage our workforce effectively, maintaining the high standard of personalised service our customers expect.

Our branch network continues to play an essential role in supporting local businesses and residents. In-branch access guarantees personalised service without the reliance on call centres. Furthermore, our specialist lenders continue to deliver premium, tailored service to our high-net-worth clients, consistently receiving excellent feedback.

As we look to the future, we have completed a comprehensive new strategic operational plan, which has been fully endorsed by the Board of Directors. This strategy sets a clear trajectory for sustainable growth and operational excellence. Key priorities include:

- Growth: Targeting a 5% year-on-year increase in overall business footings and a 5% year-on-year increase in our customer base.
- Restructuring for Excellence: Creating a new 'lending hub' by restructuring our branch lenders to deliver enhanced outcomes and efficiencies for all stakeholders.
- Community Integration: Expanding our community connections and leveraging these vital partnerships to drive further reciprocal business growth.
- Workforce strengthening: Strengthening our workforce capacity to ensure we deliver on our budget outcomes and seamlessly execute our operational objectives.

I would like to extend my gratitude to our executive team, Maggie Stamoulis (Senior Manager) and Anna Gration (Marketing Manager), for their leadership and dedication. To our branch operations managers, mobile and specialist banking managers, and all our staff: thank you for navigating this year with outstanding professionalism. Your genuine connection to our community drives our success.

I also wish to acknowledge the invaluable support and strategic guidance of our Chair, Bob Stensholt, our Treasurer, Ian Dinnison, and the entire Board of Directors. We are privileged to be guided by such a passionate group. Furthermore, our enduring partnership with Bendigo and Adelaide Bank Ltd remains foundational to our operations; thank you to Regional Manager Craig Taylor and his team for their continued collaboration.

Most importantly, our achievements and our $12.4 million community investment since establishment would simply not be possible without the ongoing loyalty of our customers and shareholders. We enter the upcoming year with renewed confidence, a robust strategic plan, and the right team in place to deliver on our promises.

Nick Coker
Chief Executive Officer

Treasurer's report

For year ending 30 June 2026

Operating results

We faced a challenging banking market during the year, resulting in a small decline in our total footings. However, an increase in the net margin paid to us by Bendigo Bank enabled our revenue to remain stable.

We continued to closely monitor our costs throughout the year. The largest increase in expenditure related to payroll, reflecting additional headcount and the usual annual salary increases. As a result, Operating Profit for FY26 was $2.03M compared to $2.11M in the previous year.

Operating Profit again includes a $420,000 expense relating to the final write-off of the cost of acquiring the Kew East book in May 2023. Notwithstanding this expense, the acquisition continues to perform strongly and is expected to deliver ongoing benefits well into the future.

During the year, we distributed $1.44 million to local community groups, representing over 70% of our FY26 Operating Profit.

Despite this significant and pleasing investment in our community, our free cash reserves increased by $700,000 during the year to $4.7 million

The capital management policies implemented by the Board in recent years have enabled us to build prudent reserves that we will support the continued success of the business while maximising future returns to local community groups.

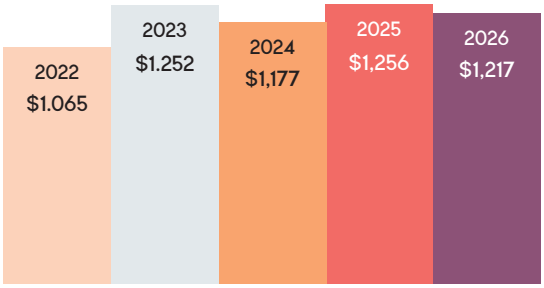
In October 2025, the Company paid a dividend of 12 cents per share based on the performance of the 2025 financial year.

The Directors have determined that a fully franked dividend of 12 cents per share will be paid for the 2026 year, which is to be paid in October 2026.

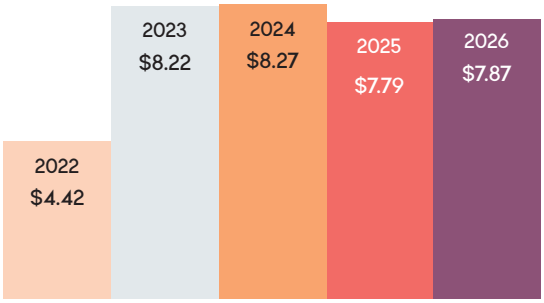
At the 2025 AGM, shareholders approved the Board's proposal to continue the on-market share buy-back program during 2026 to reduce the Company's equity and improve the overall use of capital. During the year ended 30 June 2026, the Company bought back 44,140 shares at prices of up to up to $1.50 per share.

Ian Dinnison
Treasurer

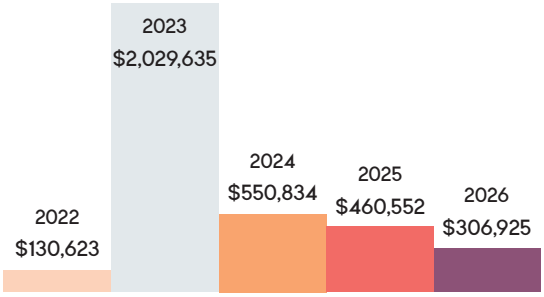
Footings ($ millions)



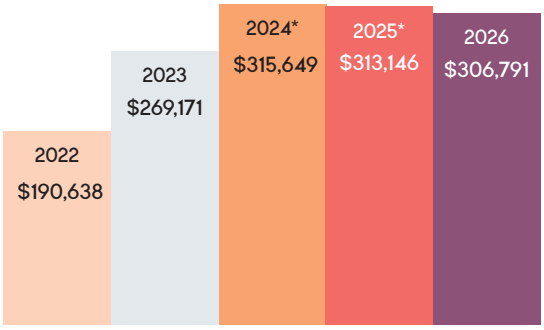
Revenue ($ millions)



Net Profit after Tax ($)



Fully Franked Dividend ($)



* Fully Franked Dividend declared from profits in FY26.

The year in review

For year ending 30 June 2026

Growing Our Community Impact

Our objectives

- Drive substantial, purpose-led community investment that delivers measurable local impact.
- Support a thriving, resilient communities through the return of profit directly to community.
- Balance strong financial performance with meaningful community returns.
- Strengthen long-term partnerships with local organisations.

Our actions

- Invested more than $1.4 million into local communities, representing 70% of operating profit, bringing total community investment to almost $12.4 million.
- Provided more than 220 community grants and sponsorships, funding grassroots organisations, sporting clubs and community initiatives.
- Maintained strong financial discipline and cost management to continue delivering significant community investment while creating shareholder value.

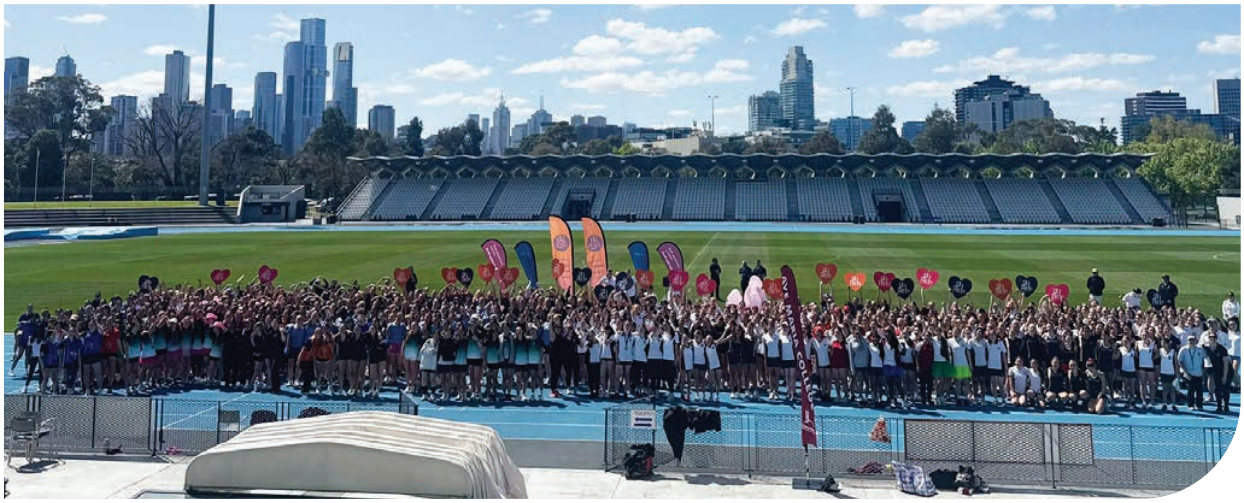
Building a Strong and Sustainable Business

Our objectives

- Maintain a sustainable and resilient financial position.
- Provide accessible, relationship-based banking through our branch network.
- Deliver exceptional customer service through experienced, engaged staff.
- Strengthen specialist banking services to meet evolving customer needs.

Our actions

- Delivered a resilient financial performance despite ongoing economic pressures and changing lending and deposit markets.
- Continued to provide personalised face-to-face banking across our branch network, supporting local residents and businesses without reliance on call centres.
- Celebrated significant staff tenure milestones, retaining experienced employees and maintaining high levels of customer service through our One Team approach.
- Continued to grow and enhance our specialised lenders service, delivering tailored solutions and consistently strong customer feedback.



Shaping Our Future

Our objectives

- Deliver sustainable business growth.
- Improve operational efficiency and customer outcomes.
- Strengthen community partnerships and reciprocal business growth.
- Ensure the Community Bank model remains sustainable into the future
- Strengthen workforce capacity to ensure we deliver on our budget outcomes and execute our operational objectives.

Our actions

- Adopted a new Board-endorsed Strategic Plan focused on the three pillars of Business, People and Community.
- Established clear growth targets, including 5% annual growth in both business footings and customer numbers.
- Commenced development of a new lending hub to improve efficiencies and enhance customer outcomes.
- Continued to advocate with Bendigo and Adelaide Bank for a next-generation Community Bank model that preserves local ownership, sustainable returns and community investment.

Community report

For year ending 30 June 2026

Since 2003, we've contributed almost $12.4 million to our community, delivering meaningful support to local organisations, projects, and initiatives, and creating lasting positive impact across the community.

COMMUNITY
$12.38 million
INVESTMENT

Sporting Clubs
$5 million

Community Support
$2.7 million

Community Welfare
$2.6 million

Education
$0.6 million

Community Projects
$1.4 million

COMMUNITY
$1,494,633.18
in 2025/26
INVESTMENT

In the past 12 months, we have proudly reinvested almost $1.5 million into our local community through 220 projects and initiatives, helping strengthen our community and create lasting positive change.

Every investment reflects our commitment to supporting the people, organisations and initiatives that make our community stronger, more connected and more inclusive. From grassroots sporting clubs and local schools to community services and organisations providing vital support, we are proud to back those making a meaningful difference every day. We focus on organisations that aim to improve community links and provide services that benefit the local community. Each dollar invested reflects our belief in the power of local partnerships and the value of long-term community wellbeing.

Our investment in the **community support sector** focused on strengthening the services and organisations that underpin a healthy, connected and resilient community. Through significant support for Eastern Health, we helped improve healthcare outcomes by investing in equipment, research and workforce development. We strengthened the long-term sustainability of local Neighbourhood Houses and Community Centres, enabling them to expand essential services and respond to growing community needs. We also continued to support local traders' associations, helping

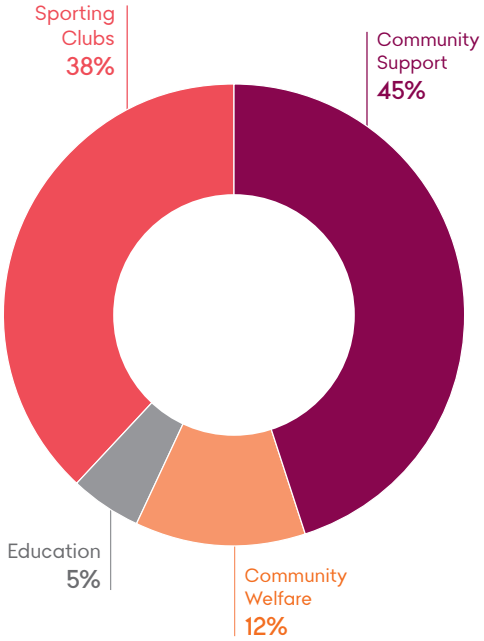
create vibrant precincts that foster economic resilience and community connection. Beyond our local area, we contributed to the Bendigo Bank Bushfire Appeal, standing alongside Victorian communities in times of crisis and supporting recovery efforts where they were needed most.

Our investment in **community welfare** focused on creating opportunities for greater independence, inclusion and support for people facing disadvantage. Our largest-ever community investment funded a transitional home at Alkira, providing people living with an intellectual disability the opportunity to build the skills and confidence to live more independently. We continued to support The Edge Community Fund, helping local children and families access essential opportunities such as playgroups, education, school camps and sport. Through our support of Burke & Beyond, we also strengthened digital inclusion and disability services, enabling more people to build life skills, develop meaningful connections and participate fully in their communities.

In **education** we focused on expanding opportunities for young people to learn, grow and reach their full potential. Through our support of Swinburne University's scholarship and Children's University programs, we helped inspire lifelong learning and broaden educational aspirations for students from disadvantaged communities. We continued to back local schools and kindergartens through community fundraising events that enhance learning environments while strengthening connections between families, volunteers and local businesses. We also invested in the next generation of leaders by supporting students to attend the Magic Moments Youth Leadership Summit, equipping them with the confidence, resilience and leadership skills to make a positive impact in their schools and communities.

We continue to focus on building healthier, more connected and resilient communities through grassroots **sport**. We supported 76 local sporting clubs across 18 different sports, helping remove barriers to participation while funding equipment, facilities, coaching and inclusive programs that enable clubs to thrive. Through our partnership with Sport and Life Training (SALT), we also delivered mental health and wellbeing programs to local clubs, strengthening support for players, coaches and volunteers. In addition, our investment to the Eastern Cricket Association enabled them to deliver the ClubMAP program, aimed at building stronger leadership, governance and long-term sustainability across more than 80 sporting clubs.

2025/2026 Allocation of funds by sector



Please refer to our **2026 Community Impact Report** for full details on our Community Investment Program.

All figures included in the Community Report are inclusive of GST.

Director profiles

Bob Stensholt, Chair

(appointed February 2002)

BA, BD(Hons), M Int Law, Dip Phil

Bob has had an extensive career including roles as a senior diplomat, Assistant Director General for AusAID, senior research fellow, consultant and for over ten years as the state Member of Parliament for Burwood. Bob was most recently a Chief of Staff to a Victorian Government Minister and is currently involved in many local community organisations.

Committee member: Community Investment Committee, Performance and Remuneration Committee and Finance Committee.

Board member, Inner East Community Support Ltd.

Neil Dalrymple, Deputy Chair

(appointed July 2023)

Neil was appointed as a Director in July 2023. Neil has an inclusive and pragmatic approach and is strongly committed to organisational transparency and good corporate governance and has been highly successful in his endeavours within Australian sport for nearly three decades. He is currently the CEO of World Bowls and has previously been the CEO of Bowls Australia, NT Cricket and Softball Australia. Neil has an excellent understanding of and strong commitment to the myriad health and wellbeing benefits engagement with sport has for all Australians, regardless of gender, background or ability.

Committee member: Community Investment Committee (Chair since November 2023) Audit and Governance Committee and Finance Committee.

Juliann Byron, Non-Executive Director

(appointed July 2004)

BCom, Grad Dip CM, FCPA, FAICD, AGIA

Juliann has extensive experience in the accounting and finance fields. She has also provided corporate secretarial, management and governance consulting services over many years, and is a Non-executive Director on public and not for profit company boards. Juliann was Chair for 11 years.

Committee member: Community Investment Committee, Finance Committee, Performance and Remuneration Committee (Chair since November 2023)

Chair, Inner East Community Support Ltd.

Nick Coker, Executive Director

(appointed October 2022)

AdvDipFinServ(Plan), GAICD

Nick is the Chief Executive Officer and has been employed by IECF since 1 July 2009. He has been the CEO since June 2019 and previously held the role of Senior Manager. Nick is a long-term banking executive with over 30 years' experience in both retail and business banking.

Committee member: Community Investment Committee, Audit & Governance Committee and Finance Committee.

Coral Ross AM, Non-Executive Director

(appointed December 2022)

BA (Hons), CF, FAICD

Coral was appointed as a Director in December 2022. A professional journalist with more than 20 years' experience, Coral has had an esteemed career in local government. She was a councillor at the City of Boroondara for more than 18 years and served as Mayor of the City of Boroondara three times and was also previously the President of the Municipal Association of Victoria.

Coral is passionate about gender equality and Chairs the Australian Gender Equality Council

Coral was made a Member of the Order of Australia (AM) in the 2021 Queen's Birthday Honours. In 2019 Coral was inducted into the Victorian Women's Honour Roll and in 2014 she was named as one of the 100 Women of Influence by Westpac/Fairfax. She is also a Fellow of the Australian Institute of Company Directors.

Committee member: Community Investment Committee, Audit & Governance Committee, Performance and Remuneration Committee

Deputy Chair, Inner East Community Support Ltd.

Steve Miller, Non-Executive Director and Company Secretary

(Secretary: appointed October 2022, Non-Executive Director: appointed March 2025)

LLB (Hons), Master of Legal Business Management, Grad Dip Applied Corporate Governance, FGIA, MAICD

Steve has extensive experience in providing governance and corporate secretarial advice and consulting and is legally qualified. He has long-standing experience as a financial services executive in the superannuation industry, acting as Company Secretary, contributing to business strategy and heading up the legal business area. Prior to this, Steve practised in law firms both in Australia and overseas.

Committee member: Audit, Risk & Governance Committee (Chair since 2022) and Finance Committee

Company Secretary, Inner East Community Support Ltd.

Ian Dinnison, Treasurer

(appointed December 2016)

LLB, BEc

Ian has had more than 35 years' experience in industry, government departments and professional services firms in financial and management roles. He is the Chair of the Finance Committee and attends the Board and Audit, Risk and Governance Committee meetings as required as a non-voting member.

Corporate governance statement

The Board and management of the Company are committed to ensuring that the Company is both well managed and operates with the standard of ethics expected of a community focused organisation. As such, the Board and management are committed to both the principles of good corporate governance and its practical implementation. Corporate governance encompasses the policies, rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations.

The Board is ultimately responsible for governance of the Company and ensuring that Directors, management and staff comply with the Company's ethical and operational standards.

The responsibilities of the Board include:

- Preparing the Company's strategy and objectives
- Supporting the interests of the local community
- Promoting and developing the Company's business interests
- Reviewing and approving the budgets and business plans prepared by management and Bendigo and Adelaide Bank
- Reviewing the performance of the Company against objectives, both financial and non-financial
- Liaising with Bendigo and Adelaide Bank Limited
- Ensuring that grants and sponsorships are appropriately managed
- Ensuring the effectiveness of the governance of the Company
- Ensuring the adequacy of the internal controls, procedures and policies of the Company; and
- Reporting to shareholders and other stakeholders.

Directors are required to attend all Board meetings unless prevented by other circumstances. The Board meets monthly, together with management, to review the performance of the business, assess its involvement in and support for community activities, review the activities of the Board Committees, monitor compliance with applicable legislation and other obligations, and discuss any other relevant matters. Additional meetings are convened as required to address specific matters. The Board also conducts regular planning sessions to review the Company's strategy and objectives and put in place action plans to achieve these objectives.

Policies and procedures to ensure compliance with the law

The Company's corporate governance practices and policies have been developed by taking into account applicable requirements and recommendations in such things as the:

- Corporations Act 2001 (Cth)
- National Stock Exchange Listing Rules; and
- Bendigo and Adelaide Bank Franchise Agreement.

Accordingly, the Board has adopted the following governance strategies, policies and procedures to ensure that high ethical and operational standards are maintained by the Board, management and staff of the Company.

Board Governance Framework

The Board has identified and documented the roles and obligations of its Directors and Officers in a Board Governance Framework. The Board Governance Framework promotes ethical, considered and independent judgment of the matters before the Board, set out as a Code of Conduct. It highlights the statutory obligations of Directors and Officers generally and sets out the expectations that are placed on them in terms of the time dedicated to the Company's affairs.

Regulatory and Compliance Calendar

The Company's regulatory and compliance requirements have been defined and listed in an annual regulatory and compliance calendar, which is regularly reviewed by the Audit, Risk and Governance Committee. The individual items due for completion are reported by the Company Secretary to the Board each month. The Company Secretary manages all NSX and ASIC reporting requirements, and monitors compliance with the Franchise Agreement and Company's Constitution.

Share Trading Policy

Relevant staff including Directors and Officers are not permitted to trade in the Company's shares except during two periods following the disclosure of the Company's accounts, and provided that they are not in possession of "Inside Information".

Privacy Policy

The requirements of the Australian Privacy Principles have been incorporated into a Privacy Policy that considers the privacy of shareholders, community groups and other stakeholders.

Audit, Risk and Governance Committee

This Board Committee has a special role in ensuring the Company complies with its corporate governance obligations and requirements. More details are set out below.

Policies and procedures to ensure the Board acts with due care and diligence and in the interests of its shareholders

Company structure

The Company does not have an extensive executive structure because of its scale and the desire of the Board to be directly connected to the local community. The executive consists of the Chief Executive Officer (CEO), Senior Manager, Marketing Manager, Company Treasurer and Company Secretary.

Due to the size and scale of the Company, Directors engage in operational activities such as marketing and risk management that might otherwise be overseen by an executive in a larger company. Directors are not specifically remunerated for this (see details of this policy on page 19 of the Remuneration Report). The Board in conjunction with the Performance and Remuneration Committee monitors and reviews Director remuneration on at least a biennial basis.

To assist the Board in managing the business and achieve its objective of maintaining the highest standards of corporate governance, the Board delegates certain activities to Board Committees. Each of the Board Committees is comprised of Directors and assisted by selected staff. The Treasurer, Company Secretary and other individuals are also members of certain Board Committees. The Board Committees meet as required to review their respective functions. Details of each Board Committee are provided below.

In addition, certain powers have been delegated by the Board to management to allow the Company to carry on its business in the most efficient manner. These delegated authorities are approved by the Board and include certain financial and non-financial matters. Management provides regular information to the Board in a concise and timely manner to enable the Board to review the operations of the Company and make informed decisions and discharge its duties. Where necessary, the Board will request further information.

The Board is ultimately responsible for ensuring integrity and serving its local community, while at the same time, protecting shareholder interests. At the date of this report, the Board consisted of six (6) Directors. It is the Board's policy that a majority of its Directors are independent. This is currently the case.

Board performance review

The Board Governance Framework identifies how the Board's performance is reviewed. The broad policy requires:

- a review to be conducted of the entire Board annually. This may be an externally facilitated review if the Board considers this necessary
- each Committee to conduct an annual review of its performance when reviewing its Terms of Reference; and

- the Chair to meet with each Director annually to review each Director's personal performance.

The CEO has a documented performance plan that is approved by the Board annually for the following financial year and this is monitored by the Chair.

Role of the Board Chair

The Chair's role is defined in the Board Governance Framework and is responsible for a range of roles that deal with leadership of the Board and the Company generally. The principal role is to facilitate effective discussion and decision making at Board meetings of material relevant to the conduct of the Company. The Chair must be and is an independent, Non-executive Director.

Role of the Chief Executive Officer

The CEO provides leadership to programs that broadly include implementation of business and people and culture strategies, business growth, asset management, communications and community relations. The CEO is responsible for the banking operations and provides the Board with a direct link to Bendigo and Adelaide Bank and its systems and procedures.

Board appointments

The Board has prepared a Skills Matrix to identify the various skills and experience of its current Directors and to assist it to identify the skills that need to be recruited to the Board in the future. The Board does not have a standing Nominations Committee but may appoint a Nominations Committee from time to time when considering the appointment of a new Director. All new Directors must satisfy a comprehensive due diligence process that meets the requirements of the Company's and Bendigo and Adelaide Bank's risk management systems including police and background checks.

Directors are elected by shareholders for a maximum of three years with retirements on a rotating basis. The Chair, as part of their annual discussion with Directors, will canvas each Director's view of their future plans to remain on the Board. The Board considers succession planning for the Board, CEO and Senior Manager at least annually.

An induction procedure is in place to ensure all new Directors are able to learn as much about the Company as possible in a short time frame and contribute to the Board's functions as soon as possible.

The Board does not have a formal diversity policy because of the scale of the Company and the small geographic area the Company serves. The Board does have an aspiration to ensure diversity on the Board, while being mindful that service on the Board is not remunerated on commercial terms and the limitations this creates.

Policies and procedures to identify and deal with conflicts of interest

The Company maintains a Register of Interests to record each Director's ongoing material personal interests. The register is managed by the Company Secretary and is tabled at each Board meeting. Every Board and Committee meeting also has a scheduled item calling for Directors to declare any actual or potential conflicts of interest ahead of the scheduled agenda items.

The Register of Interests is supported by a written policy on how actual and potential conflicts of interest must be managed. Conflicted Directors are required to abstain from discussion(s) on the conflicted issue. The policy also defines how a decision to obtain products or services from a Director must be taken, including ensuring that any transactions are on arm's length terms.

Policies and procedures to protect the interests of shareholders

The Board is committed to providing its shareholders with appropriate information regarding any matter that may materially affect the operation of the Company, or more generally considered by the Board to be in shareholders' best interests. The Company encourages its shareholders to attend and actively participate in the Annual General Meeting.

Communication procedures

The Company aims to provide timely and relevant information to shareholders throughout the year via its website https://iecf.com.au/

The Company also releases a number of communications including dividend payment advices and notice of annual general meeting, which are sent directly to shareholders. It also writes directly to shareholders when the Board considers information is sufficiently important.

The Company applies a rigorous process regarding its continuous disclosure obligations in order to comply with the requirements of the Corporations Act. These disclosures are published on the NSX website at http://www.nsx.com.au. (company code: IEC).

The Company website includes an investor section with greater information resources. The Company recognises the importance of its Governance Framework and provides all stakeholders with access to this information on the website at https://iecf.com.au/investor-relations/

Shareholders can access forms and assistance for the management of their shareholding from the Company's share registry provider, Boardroom Pty Limited at http://www.boardroomlimited.com.au.

Risk management

The Company has developed its own formal Risk Management System (RMS) and tools to identify and record the various risks to the Company and its business. The RMS is based on the international standard ISO 31000-2018 Risk Management and is monitored by the Audit, Risk & Governance Committee.

Bendigo and Adelaide Bank, as the franchisor to the Company, provides support for the development and implementation of the RMS. Bendigo and Adelaide Bank provides an internal audit system for the operational and lending risks to each branch and reports the results of these audit visits to the CEO, Senior Manager and the Board.

The Audit, Risk and Governance Committee monitors these reports and reviews the implementation of any recommended changes. The Committee may also interview Bendigo and Adelaide Bank Audit staff from time to time to discuss the findings from these audits. It also monitors and reviews the Company's risks at least annually.

Policies and procedures to protect the interests of other stakeholders

All Committees have been established by the Board and each have written terms of reference. The Directors appointed to each Committee are set out on page 17 of Directors Report.

The Board Committees and their major objectives are:

Audit, Risk and Governance Committee

To monitor the Company's overall risk and governance frameworks and where appropriate, recommend changes to the Company's processes and systems.

Community Investment Committee

To facilitate community investment. It considers how these investments will contribute to the growth of the Company, how they can position our branches as the primary choice within their community for local banking and how we can promote their activities to the community. The Board has delegated the Committee with authority to approve sponsorships and grants up to $30,000. Applications for more than this amount must be considered by the Board.

In addition, the Committee's terms of reference prohibit it from considering donations, grants or sponsorship for political or religious purposes, except in limited circumstances (such as fetes or events) for the purposes of tolerance and understanding. The Company has made no such donations during the 2025-26 financial year.

Finance Committee

To review, monitor and report on finance strategy and direction, financial performance and reporting, financial risk and investments of the Company, and review monthly revenue reports from Bendigo and Adelaide Bank.

Performance and Remuneration Committee

To manage policy issues regarding the Company's employees including remuneration policies, communication with the employees, reward programs and development pathways.

Directors' report

For the financial year ended 30 June 2026

Directors' Report

The Directors submit their report of the Company for the financial year ended 30 June 2026.

Directors' details

The names of the Company's Directors in office during the financial year and since the end of the financial year, including their skills, experience and responsibilities are set out on page 10 and 11.

Company secretary

Steve Miller was appointed Company Secretary in October 2022. His skills and experience are set out on page 11.

Principal activities

The principal activities of the Company during the course of the financial period were in providing Community Bank branch services under management rights to operate four franchised branches of Bendigo and Adelaide Bank Limited in Canterbury, Surrey Hills, Ashburton and Balwyn, Victoria.

Operating and financial review

The review of operations is set out on page 6 to 7. Further details of the Company's results are provided in the financial statements on pages 22 to 25.

Dividends

A fully franked dividend of 12 cents per share was declared and paid for the year ended 30 June 2025 on 6 October 2025. Subsequent to the end of the financial year, a fully franked dividend of 12 cents per share will be paid for the year ended 30 June 2026 on 6 October 2026.

Options

The Company has granted no options over issued shares at any time.

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

Events subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

Likely future developments

The Company will continue its policy of providing banking services to the community.

Environmental regulation

The Company is not subject to any significant environmental regulation.

Indemnification and insurance of Directors and Officers

The Company is required under its Constitution to indemnify each Officer (including each Director) of the Company out of assets of the Company to the relevant extent against any liability incurred by that Officer arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith.

The Company has Directors and Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties. Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors' meeting attendance

The number of meetings of the Board and each Board Committee held during the financial year, and the number of meetings attended by each Director, are set out below:

			Committee meetings attended							
	Board meetings attended		Audit, Risk and Governance		Community Investment		Finance		Performance & Remuneration	
	E	A	E	A	E	A	E	A	E	A
Non-Executive Directors										
Juliann Byron	11	11	-	-	4	4	6	6	3	3
Neil Dalrymple	11	8	3	0	4	4	6	6	-	-
Steve Miller	11	9	3	3	-	-	4	3	-	-
Coral Ross	11	10	3	2	4	4	-	-	3	2
Bob Stensholt	11	11	1	1	4	4	6	5	3	3
Executive Director										
Nick Coker	11	11	3	3	4	4	6	6	-	-

E – eligible to attend A – number attended

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 intervene in any proceedings which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any 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*.

Non-audit services

The amount paid or payable to the Auditor (RSD Audit) for non-audit services provided during the year ended 30 June 2026 was $Nil (2025: $Nil).

Remuneration Report

Remuneration policy

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain key management personnel to run and manage the Company, as well as create alignment between Directors, Executives and shareholders.

***Non-Executive Director remuneration*:**

The Company's special position as a for-profit, community-based company places particular restrictions on how it should remunerate its Directors. The Board's policy is to remunerate Non-Executive Directors for their time, commitment and responsibilities. The amount paid is determined by the Board.

The Board's overall policy was last considered and approved by shareholders at the 2024 Annual General Meeting. The Company recognises that the expectation and role of Directors and Officers has increased significantly in recent years.

The current fee is $15,000 per annum. Each Non-Executive Director (together with the Treasurer and Company Secretary) is paid this fee plus a superannuation guarantee contribution required by the government.

The roles of certain individuals have a further fee attaching to them as some compensation for the additional work undertaken by them. Currently, an additional fee applies to the following position:

Bob Stensholt (as Board Chair)	$20,000
Juliann Byron	$10,000

Fees for Non-Executive Directors are not linked to the performance of the Company.

CEO remuneration:

The remuneration of the CEO is determined by the Board. The remuneration of the CEO has been split into two parts. The first is a base salary plus a superannuation guarantee contribution required by the government, that is not contingent upon Company performance.

The second is a bonus, the quantum of which is approved by the Board following a review of the performance of the Company and various Key Performance Indicators set by the Board for the CEO. All bonuses are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving bonuses. Any changes must be justified by reference to measurable performance criteria. All remuneration is made on a cash basis.

The CEO is subject to annual performance reviews. The CEO is employed under an ongoing contract, and the period of notice required under the contract to terminate the employment is four weeks. The terms of this contract are not expected to change in the immediate future.

The Company did not engage any remuneration consultants in reviewing its remuneration structure for the 2026 financial year. From 1 July 2011, public companies have additional reporting obligations if they receive a 'no' vote of 25% or higher at their previous AGM. At the 2025 AGM, the Company recorded a 'no' vote of 6.25% (2024: 4.65%) on its remuneration report.

Key management personnel (KMP) remuneration

Remuneration of key management personnel for the years ended 30 June 2026 and 30 June 2025 is set out in the table below. For the purpose of Section 300A(1) of the *Corporations Act 2001*, the amount of each prescribed detail is nil unless set out in the table:

	Financial year	Short term benefits		Post employment benefits
		Cash salary/ fees	Bonuses	Superannuation
Juliann Byron	2026	$25,000	-	$3,000
	2025	$21,250	-	$2,444
Neil Dalrymple	2026	$15,000	-	$1,800
	2025	$16,726	-	-
Steve Miller[1]	2026	$16,800	-	-
	2025	$16,726	-	-
Coral Ross	2026	$15,000	-	$1,800
	2025	$15,000	-	$1,725
Bob Stensholt	2026	$35,000	-	$4,200
	2025	$35,000	-	$4,025
Nick Coker	2026	$221,007	$8,246	$39,508
	2025	$205,527	$12,004	$36,661
Ian Dinnison – Treasurer	2026	$15,000	-	$1,800
	2025	$15,000	-	$1,725

1 Appointed as a Non-Executive Director effective from 27 March 2025. For FY 2025, $12,545 relates to non KMP remuneration as Company Secretary.

Key management personnel (KMP) shareholdings

Key management personnel held the following interests in the Company as at 30 June 2026 (including related shareholdings). The amount of each detail is nil unless set out in the table

	Fully paid ordinary shares		
Name	Balance at start of year (1 July 2025)	Changes during the year	Balance at end of year (30 June 2026)
Juliann Byron	28,100	-	28,100
Neil Dalrymple	2,200	1,100	3,300
Steve Miller	-	-	-
Coral Ross	3,300	-	3,300
Bob Stensholt	20,350	-	20,350
Nick Coker	7,650	-	7,650
Ian Dinnison - Treasurer	33,500	5,340	38,840

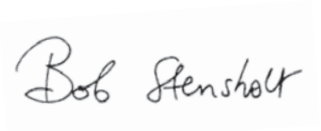
Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

Auditor Independence Declaration

The Auditor Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21. No Officer of the Company is or has been a partner of the Auditor of the Company.

Signed in accordance with a resolution of the Directors in Melbourne on 26 August 2026.



Bob Stensholt
Chair

Auditor's independence declaration

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Inner East Community Finance Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Inner East Community Finance Limited. As the lead auditor for the audit of the financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSD Audit

Mahesh Silva
Partner

27 August 2026

RSD Audit Pty Ltd | ABN: 85 619 186 908
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www.rsdaudit.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Financial statements

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue			
Revenue from contracts with customers	7	7,633,328	7,589,796
Finance income	8	174,220	164,000
Other revenue		65,881	31,689
		7,873,429	**7,785,485**
Expenses			
Employee benefits expense	9	(3,893,601)	(3,638,412)
Depreciation and amortisation	9	(1,030,347)	(1,129,859)
Administration and general costs		(681,830)	(627,865)
Occupancy expenses		(240,206)	(274,998)
		(5,845,984)	**(5,671,134)**
Operating profit before community investments and sponsorships		**2,027,445**	**2,114,351**
Community investments and sponsorships	9	(1,439,052)	(1,294,379)
Profit before income tax		**588,393**	**819,972**
Income tax expense	10	(281,468)	(359,420)
Profit for the year after income tax		**306,925**	**460,552**
Other comprehensive income			
Total comprehensive income for the year		**306,925**	**460,552**
Profit attributable to the ordinary shareholders of the company		306,925	460,552
Total comprehensive income attributable to ordinary shareholders of the company		**306,925**	**460,552**
Earnings per share		**¢**	**¢**
- basic and diluted earnings per share	29	11.84	17.52

The accompanying notes form part of these financial statements

Statement of Financial Position
For the year ended 30 June 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	11	2,110,054	2,425,421
Trade and other receivables	12	699,529	648,599
Financial assets	13	3,000,000	2,000,000
Current tax asset	18	-	19,228
Other assets	14	161,370	170,636
Total current assets		**5,970,953**	**5,263,884**
Non-current assets			
Property, plant and equipment	15	888,631	992,245
Right-of-use assets	16	2,253,697	2,594,440
Intangible assets	17	168,063	700,877
Deferred tax assets	18	73,273	-
Total non-current assets		**3,383,664**	**4,287,562**
Total assets		**9,354,617**	**9,551,446**
Liabilities			
Current liabilities			
Trade and other payables	19	769,953	720,025
Current tax liability	18	153,562	-
Lease liabilities	20	325,581	305,525
Employee benefits	21	383,992	384,854
Total current liabilities		**1,633,088**	**1,410,404**
Non-current liabilities			
Trade and other payables	19	36,561	51,961
Lease liabilities	20	2,210,046	2,563,046
Employee benefits	21	18,070	9,936
Deferred tax liability	18	-	8,821
Total non-current liabilities		**2,264,677**	**2,633,764**
Total liabilities		**3,897,765**	**4,044,168**
Net assets		**5,456,852**	**5,507,278**
Equity			
Issued capital	22	1,039,177	1,108,102
Retained earnings	23	4,417,675	4,399,176
Total equity		**5,456,852**	**5,507,278**

The accompanying notes form part of these financial statements

Statement of Changes in Equity
For the year ended 30 June 2026

	Note	Issued capital $	Retained earnings $	Total equity $
Balance at 1 July 2024		**1,134,177**	**4,254,141**	**5,388,318**
Comprehensive income for the year				
Profit for the year		-	460,552	460,552
Transactions with owners in their capacity as owners				
Share buy-backs		(26,075)		(26,075)
Dividends paid or provided	28	-	(315,517)	(315,517)
Balance at 30 June 2025		**1,108,102**	**4,399,176**	**5,507,278**
Balance at 1 July 2025		**1,108,102**	**4,399,176**	**5,507,278**
Comprehensive income for the year				
Profit for the year		-	306,925	306,925
Transactions with owners in their capacity as owners				
Share buy-backs		(68,925)	-	(68,925)
Dividends paid or provided	28	-	(288,426)	(288,426)
Balance at 30 June 2026		**1,039,177**	**4,417,675**	**5,456,852**

The accompanying notes form part of these financial statements

Statement of Cash Flows
For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		8,222,843	8,289,765
Payments to suppliers and employees		(6,663,829)	(6,817,822)
Interest paid		(98,958)	(123,314)
Interest received		174,220	164,000
Income tax paid		(190,772)	(899,156)
Net cash flows provided by operating activities	**24b**	**1,443,504**	**613,473**
Cash flows from investing activities			
Purchase of property, plant and equipment		(53,178)	(5,947)
Sale proceeds of investments		(1,000,000)	600,000
Purchase of intangible assets		(15,400)	(13,999)
Net cash flows from/(used in) investing activities		**(1,068,578)**	**580,054**
Cash flows from financing activities			
Repayment of lease liabilities		(332,942)	(285,827)
Payment for share buy-back		(68,925)	(26,075)
Dividends paid		(288,426)	(315,517)
Net cash flows used in financing activities		**(690,293)**	**(627,419)**
Net increase/(decrease) in cash held		**(315,367)**	**566,108**
Cash and cash equivalents at beginning of financial year		2,425,421	1,859,313
Cash and cash equivalents at end of financial year	**24a**	**2,110,054**	**2,425,421**

The accompanying notes form part of these financial statements

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Corporate Information

These financial statements and notes represent those of Inner East Community Finance Ltd (the Company) as an individual entity. Inner East Community Finance Ltd is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 26th August 2026.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the Company's related party relationships is provided in Note 26.

Note 2. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Note 3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Economic Dependency

The Company has a franchise agreement with Bendigo and Adelaide Bank Limited (Bendigo Bank) that governs the management of its branches at Canterbury, Surrey Hills, Ashburton and Balwyn. The Company's current franchise agreement is due to expire in October 2028, with no automatic right of renewal. The Company is currently engaging pro-actively with Bendigo Bank regarding its future franchise arrangements beyond the expiry date of the existing agreement.

The Company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank.

All transactions with customers conducted through the Company are effectively conducted between the customers and Bendigo Bank.

(b) Revenue From Contracts With Customers

The Company has a franchise agreement with Bendigo Bank that 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.

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreements. Under AASB 15 Revenue from *Contracts with Customers* (AASB 15), revenue recognition for the Company's revenue stream is as follows:

Note 3. Summary of Significant Accounting Policies (continued)

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income	When the Company satisfies its obligation to arrange the services to be provided to the customer by Bendigo Bank	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 14 days of month end

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Other Revenue

The Company's activities include the generation of income from sources other than the core products under the franchise agreement. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

All revenue is stated net of the amount of GST.

(d) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

(e) Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Income 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.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

Note 3. Summary of Significant Accounting Policies (continued)

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue or expense item.
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO is classified as part of operating cash flows.

(f) Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(g) Property, Plant & Equipment

Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Leasehold improvements	Straight line	10 years
Plant & equipment	Straight line	3-12 years
Plant & equipment	Diminishing value	2-20 years

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

(h) Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise and goodwill from the purchase of the rights to income from footings.

Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Note 3. Summary of Significant Accounting Policies (continued)

Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

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

Asset Class	Method	Useful Life
Goodwill	Straight line	3-5 years

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

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents and leases.

Recognition & Initial Measurement

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not treated as Fair Value Through Profit and Loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

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

Note 3. Summary of Significant Accounting Policies (continued)

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Impairment

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 Company performed a historical assessment of receivables from Bendigo Bank and found no instances of default. As a result no impairment loss allowance has been made in relation to trade receivables as at 30 June 2026.

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

(k) Issued Capital

Ordinary Shares

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

(l) Leases

As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the Company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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.

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

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

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and

Note 3. Summary of Significant Accounting Policies (continued)

- the exercise price under a purchase option the Company is reasonable certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases & Leases of Low-value Assets

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

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

As Lessor

The Company has not been a party in an arrangement where it is a lessor.

(m) Standards Issued But Not Yet Effective

There are no new standards effective for annual reporting periods beginning after 1 July 2025 that are expected to have a significant impact on the Company's financial statements.

(n) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 4. Significant Accounting Judgements, Estimates & Assumptions

During preparation of the financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual outcomes and balances may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to these estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note	Judgement
Note 7 - Revenue	Whether revenue is recognised over time or at a point in time
Note 20 - Leases:	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the Company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset
(b) Lease term	Whether the Company is reasonably certain to exercise extension options, termination periods, and purchase options
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the Company and underlying asset including: • the amount • the lease term • economic environment • any other relevant factors

Note 4. Significant Accounting Judgements, Estimates & Assumptions (continued)

(b) Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2026 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note	Assumption
Note 18 - Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised
Note 15 - Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset
Note 21 - Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation

Note 5. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company does not utilise any derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The Company's franchise agreement limits the Company's credit exposure to one financial institution, being Bendigo Bank.

(b) 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 remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

30-Jun-26		Contractual Cash Flows		
Non-derivative Financial Liability	Carrying Amount	< 12 Months	1 - 5 Years	> 5 Years
Lease liabilities	2,535,627	413,363	1,528,405	972,954

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

Note 5. Financial Risk Management (continued)

Price Risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. There is no exposure to the Company in regard to commodity price risk.

Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo Bank and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company has no borrowings.

The Company held cash and cash equivalents of $2,110,054 at 30 June 2026 (2025: $2,425,421). The cash and cash equivalents are held with Bendigo Bank, which are rated BBB on Standard & Poor's credit ratings.

Note 6. Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors 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:

(a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and

(b) 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 community investments and sponsorships. Community investments and sponsorships paid for the year ended 30 June 2026 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 7. Revenue From Contracts With Customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo Bank. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2026 $	2025 $
Revenue		
- Revenue from contracts with customers	7,633,328	7,589,796
Disaggregation of Revenue From Contracts With Customers		
- Margin income	7,069,320	7,048,451
- Fee income	211,614	212,274
- Commission income	352,394	329,071
	7,633,328	**7,589,796**

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

Note 8. Finance Income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2026 $	2025 $
Finance Income		
- Interest from term deposits and savings account	174,220	164,000
	174,220	**164,000**

Note 9. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Employee Benefits Expense

	2026 $	2025 $
Employee Benefits Expense		
- Wages and salaries	3,253,739	3,103,638
- Superannuation costs	376,438	344,274
- Other expenses related to employees	263,424	190,500
	3,893,601	**3,638,412**

(b) Depreciation and Amortisation Expense

	2026 $	2025 $
Depreciation of Non-current Assets		
- Leasehold improvements	148,312	147,484
- Plant and equipment	8,479	12,951
	156,791	**160,435**
Depreciation of Right-of-use Assets		
- Leased buildings	340,742	352,540
	340,742	**352,540**
Amortisation of Intangible Assets		
- Franchise fees	52,934	52,934
- Goodwill	479,880	563,950
	532,814	**616,884**
Total depreciation and amortisation expense	**1,030,347**	**1,129,859**

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the Company's accounting policy (see Note 3(g) and 3(h) for details).

Note 9. Expenses (continued)

(c) Community Investments and Sponsorship

Under the Community Bank model, the Company provides community investment and sponsorships to local organisations.

	2026 $	2025 $
Community Investments and Sponsorships		
- Direct sponsorship and grant payments	1,439,052	1,294,379
	1,439,052	**1,294,379**

Note 10. Income Tax Expense

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

(a) The Components of Tax Expense

	2026 $	2025 $
Current tax expense	363,562	250,772
Deferred tax expense	(82,094)	112,575
Under / (over) provision of prior years	-	(3,927)
	281,468	**359,420**

(b) Prima Facie Tax Payable

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2026 $	2025 $
Prima facie tax on profit before income tax at 25% (2025: 25%)	147,098	204,993
Add Tax Effect Of:		
- Non-deductible expenses	14,483	17,366
- Goodwill amortisation	119,887	140,988
- Under / (over) provision of prior years	-	(3,927)
- Temporary differences	82,094	(112,575)
- Movement in deferred tax	(82,094)	112,575
Income tax attributable to the entity	**281,468**	**359,420**
The applicable weighted average effective tax rate is:	47.84%	43.83%

Note 11. Cash and Cash Equivalents

	2026 $	2025 $
Cash at bank and on hand	2,110,054	2,425,421
	2,110,054	**2,425,421**

Note 11. Cash and Cash Equivalents (continued)

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Note 12. Trade and Other Receivables

	2026 $	2025 $
Current		
Trade receivables	699,529	648,599
	699,529	**648,599**

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo Bank monthly profit share distribution, which is deposited within 14 days each month. There are no items that require the application of the lifetime expected credit loss model.

Note 13. Financial Assets

	2026 $	2025 $
At Amortised Cost		
Term deposits	3,000,000	2,000,000
	3,000,000	**2,000,000**

Term deposits classified as financial assets include only those with a maturity period greater than three months.

Note 14. Other Assets

	2026 $	2025 $
Security bond	109,073	109,047
Accrued interest	52,297	56,064
Prepayments	-	5,525
	161,370	**170,636**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Note 15. Property, Plant and Equipment

(a) Carrying Amounts

	2026 $			2025 $		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Written Down Value
Leasehold improvements	1,507,706	(655,198)	852,508	1,459,645	(506,886)	952,759
Plant & equipment	400,057	(363,934)	36,123	394,940	(355,454)	39,486
Total	**1,907,763**	**(1,019,132)**	**888,631**	**1,854,585**	**(862,340)**	**992,245**

Note 15. Property, Plant and Equipment (continued)

(b) Movements in Carrying Amounts

2026	Leasehold Imp. $	Plant & Equipment $
Opening carrying value	952,759	39,486
Additions	48,061	5,116
Disposals		
Depreciation expense	(148,312)	(8,479)
Closing carrying value	**852,508**	**36,123**

2025	Leasehold Imp. $	Plant & Equipment $
Opening carrying value	1,100,243	46,490
Additions	-	5,947
Disposals	-	-
Depreciation expense	(147,484)	(12,951)
Closing carrying value	**952,759**	**39,486**

(c) Capital Expenditure Commitments

The Company does not have any capital expenditure commitments as at 30 June 2026 (2025: None).

(d) Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

Note 16. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The Company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The Company's lease portfolio includes buildings.

Options to Extend or Terminate

"The option to extend or terminate is contained in the property leases of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset."

AASB 16 Amounts Recognised in the Statement of Financial Position

	2026	2025
	Leased Buildings $	Leased Buildings $
Leased asset	3,969,558	3,969,558
Accumulated Depreciation	(1,715,861)	(1,375,118)
	2,253,697	**2,594,440**

Note 16. Right-of-use Assets (continued)

Movements in carrying amounts:

2026	Leased Buildings $
Opening carrying value	2,594,440
Additions	-
Depreciation expense	(340,742)
Net carrying amount	**2,253,698**

2025	Leased Buildings $
Opening carrying value	2,792,569
Additions	154,411
Depreciation expense	(352,540)
Net carrying amount	**2,594,440**

AASB 16 Amounts Recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2026 $	2025 $
Depreciation expense related to right-of-use assets	340,742	352,540
Interest expense on lease liabilities	98,958	111,516

Note 17. Intangible Assets

(a) Carrying Amounts

	2026			2025		
	At Cost / Valuation	Accumulated Amortisation	Written Down Value	At Cost / Valuation	Accumulated Amortisation	Written Down Value
Franchise fees	301,545	(178,523)	123,022	965,224	(789,268)	175,956
Goodwill	1,812,001	(1,766,960)	45,041	1,812,001	(1,287,080)	524,921
	2,113,546	**(1,945,483)**	**168,063**	**2,777,225**	**(2,076,348)**	**700,877**

(b) Movements in Carrying Amounts

2026	Franchise Fees $	Goodwill $
Opening carrying value	175,956	524,921
Additions	-	-
Disposals	-	-
Amortisation expense	(52,934)	(479,880)
Closing carrying value	**123,022**	**45,041**

Note 17. Intangible Assets (continued)

2025	Franchise Fees $	Goodwill $
Opening carrying value	228,890	1,088,871
Additions	-	-
Disposals	-	-
Amortisation expense	(52,934)	(563,950)
Closing carrying value	**175,956**	**524,921**

Note 18. Tax Assets and Liabilities

(a) Current Tax

	2026 $	2025 $
Current tax (asset)/liability	153,562	(19,228)

(b) Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2026:

	30 June 2025 $	Recognised in P & L $	30 June 2026 $
Deferred Tax Assets			
- Expense accruals	33,279	59,333	92,612
- Employee provisions	98,698	1,818	100,516
Total deferred tax assets	**131,977**	**61,151**	**193,128**
Deferred Tax Liabilties			
- Right-of-use assets	68,533	1,950	70,483
- Accrued income	(14,016)	942	(13,074)
- Property, plant & equipment	(195,315)	18,051	(177,264)
Total deferred tax liabilities	**(140,798)**	**20,943**	**(119,855)**
Net deferred tax Asset	**(8,821)**	**82,094**	**73,273**

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	30 June 2024 $	Recognised in P & L $	30 June 2025 $
Deferred Tax Assets			
- Expense accruals	195,424	(162,145)	33,279
- Employee provisions	100,313	(1,615)	98,698
Total deferred tax assets	**295,737**	**(163,760)**	**131,977**
Deferred Tax Liabilties			
- Right-of-use assets	46,779	21,754	68,533
- Accrued income	(20,975)	6,959	(14,016)
- Property, plant & equipment	(222,864)	27,549	(195,315)
Total deferred tax liabilities	**(197,060)**	**56,262**	**(140,798)**
Net deferred tax liabilities	**98,677**	**(107,498)**	**(8,821)**

Note 19. Trade and Other Payables

	2026 $	2025 $
Current		
Trade creditors	113,144	173,829
Other creditors and accruals	656,809	546,196
	769,953	**720,025**
Non-Current		
Other creditors and accruals	36,561	51,961
	36,561	**51,961**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Note 20. Lease Liabilities

Lease liabilities were measured at amounts equal to the present value of enforceable future payments of the term reasonably expected to be exercised, discounted at the appropriate incremental borrowing rate on the adoption date. The discount rate used on recognition was 4.39%.

The discount rate used in calculating the present value of enforceable future payments takes into account the particular circumstances applicable to the underlying leased assets (including the amount, lease term, economic environment, and other relevant factors).

The Company has applied judgement in estimating the remaining lease term including the effects of any extension or termination options reasonably expected to be exercised, applying hindsight if appropriate.

(a) Lease Portfolio

The Company's lease portfolio includes:

Lease	Details
Ashburton Branch	The lease agreement is a non-cancellable lease with an initial term of three years which commenced in October 2023. The lease has two further three year extension options available.
Balwyn Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in August 2021. The lease has two further five year extension options available.
Canterbury Head Office	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in August 2023. The lease has one further five year extension option available.
Canterbury Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in April 2025. The lease has one further five year extension option available.
Surrey Hills Branch	The lease agreement is a non-cancellable lease with an initial term of three years which commenced in March 2026. The lease has one further three year extension option available.

The Company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Note 20. Lease Liabilities (continued)

(b) Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2026 $	2025 $
Current	325,581	305,525
Non-current	2,210,046	2,563,046

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2026 were as follows:

	Minimum lease payments due				
	< 1 Year	1 - 2 Years	3 - 5 Years	> 5 years	Total
30-Jun-26					
Lease payments	413,363	405,502	1,122,903	972,954	2,914,722
Finance charges	(87,782)	(76,131)	(159,147)	(56,035)	(379,095)
Net present values	**325,581**	**329,371**	**963,756**	**916,919**	**2,535,627**
30-Jun-25					
Lease payments	404,483	413,363	1,144,737	1,384,042	3,346,625
Finance charges	(98,958)	(87,782)	(194,116)	(97,198)	(478,054)
Net present values	**305,525**	**325,581**	**950,621**	**1,286,844**	**2,868,571**

Note 21. Employee Benefits

	2026 $	2025 $
Current		
Provision for annual leave	155,812	170,682
Provision for long service leave	228,180	214,172
	383,992	**384,854**
Non-Current		
Provision for long service leave	18,070	9,936
	18,070	**9,936**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

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.

Note 22. Issued Capital

	2026		2025	
	Number	$	Number	$
Ordinary shares - fully paid	2,609,547	1,108,102	2,630,407	1,134,177
Less: shares bought back during the year	(44,140)	(68,925)	(20,860)	(26,075)
	2,565,407	**1,039,177**	**2,609,547**	**1,108,102**

Note 22. Issued Capital (continued)

Ordinary shares are classified as equity.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

Note 23. Retained Earnings

	Note	2026 $	2025 $
Balance at the beginning of the reporting period		4,399,176	4,254,141
Profit for the year after income tax		306,925	460,552
Dividends paid	28	(288,426)	(315,517)
Balance at the end of the reporting period		**4,417,675**	**4,399,176**

Note 24. Cash Flow Information

(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to the Statement of Cash Flows as follows:

	Note	2026 $	2025 $
Cash and cash equivalents	11	2,110,054	2,425,421
As per the Statement of Cash Flows		**2,110,054**	**2,425,421**

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

	2026 $	2025 $
Profit for the year after income tax	306,925	460,552
Non-cash flows in profit		
- Depreciation	497,533	512,975
- Amortisation	532,814	616,884
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(50,930)	75,605
- (Increase) / decrease in prepayments and other assets	9,266	12,026
- Increase / (decrease) in trade and other payables	49,928	(518,370)
- (Increase) / decrease in deferred tax liabilities	(82,094)	107,498
- Increase / (decrease) in current tax assets	172,790	(647,234)
- Increase / (decrease) in provisions	7,272	(6,463)
Net cash flows from operating activities	**1,443,504**	**613,473**

Note 25. Financial Instruments

The following shows the carrying amounts for all financial instruments at amortised cost. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note 25. Financial Instruments (continued)

	Note	2026 $	2025 $
Financial Assets			
Trade and other receivables	12	699,529	648,599
Cash and cash equivalents	11	2,110,054	2,425,421
Term deposits	13	3,000,000	2,000,000
		5,809,583	**5,074,020**
Financial Liabilities			
Trade and other payables	19	806,514	771,986
Lease liabilities	20	2,535,627	2,868,571
		3,342,141	**3,640,557**

Note 26. Related Parties

(a) Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the Chief Executive Officer and the Treasurer who are listed in the Directors' Report.

(b) Key Management Personnel Compensation

	2026 $	2025 $
Short-term employee benefits	351,053	328,979
Post-employment benefits	52,108	47,011
Total key management personnel compensation	**403,161**	**375,990**

Short-term Employee Benefits

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 the Executive Director.

Post-employment Benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

(c) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) Transactions With Key Management Personnel & Related Parties

During the year, the Company provides goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value $
Ashburton Traders Association	Sponsorship	50,000
Edge Community Fund	Sponsorship	21,000
Eastern Cricket Association	Sponsorship	11,000

Note 26. Related Parties (continued)

(e) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Directors' Report.

Note 27. Auditor's Remuneration

The appointed auditor of Inner East Community Finance Ltd for the year ended 30 June 2026 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2026 $	2025 $
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	7,150	6,800
Total auditor's remuneration	**7,150**	**6,800**

Note 28. Dividends

The following dividends were provided for and paid to shareholders during the reporting period as presented in the statement of changes in equity and statement of cash flows.

	2026		2025	
	Number	$	Number	$
Fully franked dividend	-	311,017	-	315,517
adjustment to prior year	-	(22,591)	-	-
Dividends provided for and paid during the year	**-**	**288,426**	**-**	**315,517**

The tax rate at which dividends have been franked is 25% (2025: 25%).

Note 29. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2026 $	2025 $
Profit attributable to ordinary shareholders	306,925	460,552

	Number	Number
Weighted average number of ordinary shares	2,592,449	2,628,574

	¢	¢
Basic and diluted earnings per share	11.84	17.52

Note 30. Events After the Reporting Period

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

Note 31. Commitments & Contingencies

Any commitments for future expenditure associated with leases are recorded in Note 20. Details about any capital commitments are detailed in Note 15(c).

The Company has no other commitments requiring disclosure.

There were no contingent liabilities or assets at the date of this report that would have an impact on the financial statements.

Note 32. Company Details

The registered office of the Company is:

Inner East Community Finance Ltd	143A Maling Road, Canterbury Vic 3126

The principal places of business are:

Ashburton Branch	241 High Street, Ashburton Vic 3147
Balwyn Branch	278 Whitehorse Road, Balwyn Vic 3103
Canterbury Branch	145 Maling Road, Canterbury Vic 3126
Surrey Hills Branch	107 Union Road, Surrey Hills Vic 3127

Consolidated Entity Disclosure Statement

As at 30 June 2026

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

Inner East Community Finance Ltd has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Directors' declaration

For the year ended 30 June 2026

In accordance with a resolution of the directors of Inner East Community Finance Ltd, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

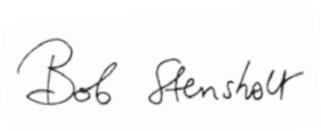
  (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

  (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The information disclosed in the attached consolidated entity disclosure statement, on page 46 is true and correct.

This declaration is made in accordance with a resolution of the board of directors.



Bob Stensholt
Chair

Dated this 26th August 2026

Independent audit report

Independent Auditor's Report

To the Members of Inner East Community Finance Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Inner East Community Finance Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with the *Corporations Act 2001*, including:

a) 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 then ended; and
b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

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

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

RSD Audit Pty Ltd | ABN: 85 619 186 908
(03) 4435 3550 | 41A Breen St, Bendigo VIC 3550
www.rsdaudit.com.au

Liability limited by a scheme approved under Professional Standards Legislation

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

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

Independence

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* (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.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Directors are responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

RSD Audit

Mahesh Silva
Partner

27 August 2026

NSX report

Additional Information

In accordance with National Stock Exchange Listing Rule 6.9, the Company provides the following information as at 30 June 2026:

(a) The principal activities of the Company are set out on page 16.

(b) The Company has established Inner East Community Support Limited, a company limited by guarantee, and is its sole member. IECS has been established with a charitable purpose.

(c) The interests of each Director and Officer in the Company are set out on page 19.

(d) The accounts presented with this report do not differ materially from any forecast previously issued by the Company.

(e) There are no service contracts for Directors that are proposed for election at the forthcoming Annual General Meeting.

(f) No Director holds any right to subscribe to equity or debt securities of the Company.

(g) No Director has a material interest in contracts or proposed contracts with the Company.

(h) There are no arrangements under which a Director has waived or agreed to waive any emoluments.

(i) There are no arrangements under which a shareholder has waived or agreed to waive any dividends.

(j) Five year comparative table of financial results

	2026 ($)	2025 ($)	2024 ($)	2023 ($)	2022 ($)
Profit & Loss					
Revenue from operating activities	7,873,428	7,785,485	8,271,535	8,226,210	4,412,989
Total Expenses	7,285,036	6,965,513	7,324,180	5,467,404	4.239,553
Profit from ordinary activities before income tax expense	588,393	819,972	947,355	2,578,806	173,436
Income tax expense	281,468	359,420	396,521	729,171	42,813
Net profit/loss after tax	306,925	460,552	550,834	2,029,635	130,623
Net profit/loss attributable to shareholders	306,925	460,552	550,834	2,029,635	130,623
Balance Sheet					
Current assets	5,970,953	5,263,884	5,366,178	4,168,864	2,574,404
Non-current assets	3,383,664	4,287,562	5,355,740	4,940,317	3.947,681
Total assets	9,354,617	9,551,446	10,721,918	9,109,181	6,522,085
Current liabilities	1,633,088	1,410,404	2,502,600	1,655,430	713,202
Non-current liabilities	2,264,677	2,633,764	2,831,000	2,273,096	2,450,355
Total liabilities	3,897,765	4,044,168	5,333,600	3,928,526	3,163,557
Shareholders' funds	5,456,852	5,507,278	5,388,318	5,180,655	3,358,528
Earnings per share (in cents)	11.84	17.52	20.76	74.95	4.82
Dividends per share (in cents)	12.00	12.00	12.00	10.00	7.00
Net assets value per share (in cents)	206.1	211.1	204.8	192.47	123.95
Price earnings ratio	12.67	7.14	6.02	1.33	19.71

(k) The Treasurer's Report is set out on page 5.

(l) The Corporate Governance Statement is set out on page 12 to 15.

(m) The following table shows the distribution of fully paid ordinary shareholders:

Holdings ranges	Total shareholders	Number of shares	Percentage of issued capital
1-1,000	129	75,035	2.92%
1,001-5,000	428	895,966	34.92%
5,001-10,000	65	440,230	17.16%
10,001-100,000	56	1,044,176	40.70%
100,001+	1	110,000	4.29%
Total	**679**	**2,565,407**	**100.00%**

Each of the above shareholders is entitled to one (1) vote, irrespective of the number of shares held. There are no substantial shareholders (holding more than 5% of the voting rights) as each shareholder is entitled to one vote.

There are 12 shareholders holding less than a marketable parcel of shares ($500 in value), based on the closing price on 30 June 2026 of $1.50 per share.

There are no restricted securities on issue.

All shares on issue are fully paid ordinary shares. There are no unquoted equity securities.

(n) The following table shows the ten (10) largest shareholders:

Shareholder	Number of shares	Percentage of issued capital
ADRIENNE LESLIE MURRAY	110,000	4.29%
THOMAS LEIGH PTY LTD <THE WARING FAMILY S/F A/C>	81,040	3.16%
MRS MARGARET RHODA STANIFORTH MENTING	55,202	2.15%
LEIGH SMITH & FELICITY SMITH <ATF EB INVESTMENT FUND A/C>	44,000	1.72%
RICHARD MIDDLETON <ATF MARPJZ SUPER FUND A/C>	44,000	1.72%
WAYNE AUSTEN & ERICA AUSTEN	41,800	1.63%
IAN ADRIAN DINNISON	38,840	1.51%
JOHN HENRY ANDERSON & PATRICIA NOREEN ANDERSON	33,000	1.29%
DAMIEN LEO HUDSON	26,682	1.04%
RODNEY STROYAN WEATHERHEAD	23,650	0.92%
Total	**498,214**	**19.42%**

Registered office and principal administrative office

The registered office of the Company, and its principal administrative office, is located at:

Shop 2
143 Maling Road,
Canterbury VIC 3126
Telephone: +61 3 9836 9466

Security register

The Company's security register (share register) is kept at:

Boardroom Pty Limited
Level 8
210 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600

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Community Bank Inner East

Canterbury
145 Maling Road, Canterbury VIC 3126
Phone: 03 9836 9466
Email: canterbury@bendigobank.com.au

Surrey Hills
107 Union Road, Surrey Hills VIC 3127
Phone: 03 9890 7188
Email: surreyhills@bendigobank.com.au

Ashburton
241 High Street, Ashburton VIC 3147
Phone: 03 9885 2666
Email: ashburton@bendigobank.com.au

Balwyn
278 Whitehorse Road, Balwyn VIC 3103
Phone: 03 9836 8029
Email: balwyn@bendigobank.com.au

iecf.com.au

Franchisee: Inner East Community Finance Limited
ABN: 96 099 590 593
PO Box 439, Canterbury VIC 3126

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR26002) (08/26)