

**Queensland
Country Bank**



About our front cover

The cover of this year's Annual Report celebrates 55 years of Queensland Country Bank through the people, places and moments that have shaped our story – reflecting the generations of Members, employees and communities who have contributed to our growth from a regional credit union with beginnings in Mount Isa in 1971 into the member-owned bank across Queensland we are today.

While much has changed over five and a half decades, our purpose remains constant: to help Queenslanders live better lives through better financial wellbeing.

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Acknowledgment of Country

We respectfully acknowledge the Traditional Custodians of lands across Australia and pay our respects to their Elders past and present. For us, "Country" is a state of mind rather than our geography. It's about being genuine in everything we do; it's about being honest, up-front with Members, and contributing to the sustainability of our communities. Our motif was designed by Luke Duffy, a Kalkatungu artist who draws inspiration from symbols and vibrant colours as he expresses experiences and creates understanding of stories.

Title of the artwork: Warukara Yaunati.

Meaning: Pathway, tracks growing.



Celebrating 55 Years

Since 1971, Queensland Country Bank has helped Queenslanders build better financial futures. What began as a credit union serving local workers in Mount Isa has grown into a modern, member-owned bank serving more than 125,000 Members. Our name, reach and services have evolved, and: as a member-owned bank, we reinvest in the products, people and communities that matter most to our Members - combining personal, face-to-face service with the convenience of digital banking.

In 2026, we mark 55 years of serving Queenslanders - a milestone to celebrate how far we've come, recognise the people who shaped our journey, and look confidently to what's next. Our heartland and home in regional Queensland continues to drive our practical understanding of the communities we serve, and a belief in personal relationships, genuine care and accessible banking. As we've grown, we're proud to have seen our member-focused model and values resonate strongly with more and more Queenslanders choosing to bank with us each year.

Every milestone in our history has been made possible by people - past and present employees, Directors, Members and community partners who have shaped our culture and carried our purpose forward. Community has always been central to who we are: through grants, sponsorships, partnerships and volunteering, from grassroots initiatives to major partnerships we believe our success should create value beyond our own walls.

The five years since our 50th anniversary brought significant growth: we expanded services for small and medium businesses, joined the United Nations Global Compact, and refreshed our brand following the sale of our Health Fund business. We strengthened our Queensland presence through the Brisbane Heat partnership, the purchase and refurbishment of 247 Adelaide Street Brisbane city, a new Maroochydore and Townsville city branch and extended naming rights for Queensland Country Bank Stadium - while introducing a Farm Management Deposit Account for agribusiness Members and approaching \$5 billion in total assets. Together, these milestones reflect a bank that continues to evolve while staying grounded in its member-owned purpose.



Championing financial wellbeing has been a constant thread throughout our history. Whether Members are opening their first account, buying a home, managing bills, upgrading their car, building a business or planning retirement, our role is to provide practical products, clear guidance and personal support - because financial wellbeing isn't just about products, it's about trusted relationships built over time.

We continue to combine personal, face-to-face service with convenient digital banking services. Our physical branches remain an important part of the communities we serve, supported by digital options that give Members choice in how and when they bank with us.

An anniversary is a chance to reflect, but also to look ahead. We're investing in technology, services, workplaces and capability to meet changing Member expectations and support sustainable growth - guided by the same values that shaped our first 55 years: Be Genuine, Put People First, Embrace Change and Bring Your Best. To our Members, employees and communities, we say thank you. This milestone belongs to everyone who has been part of our story, and together, we look forward to what comes next.



Chair and CEO Report



**Lewis Ramsay, Chair and
Aaron Newman, CEO**

The close of the 2025–26 financial year caps an exceptional year for Queensland Country Bank, made all the more meaningful as we celebrate our 55th anniversary. As a member-owned bank, our measures of success extend beyond the balance sheet to the strength of the relationships we build with our Members, employees and communities, and we are proud of what we have achieved together this year.

We are pleased to report that more than \$1 billion in loan settlements were made to Members this year, helping more Queenslanders buy homes and cars, invest in their businesses and farms, and work towards their financial goals. This record lending result underpinned strong asset growth during the year which included loan book growth of 13%, almost twice the industry loan growth. Deposit growth reached \$483 million, and we welcomed almost 12,000 new Members over the year, taking our total membership beyond 125,000. This growth was matched by a strong Member experience, with an overall Net Promoter Score of +85, well above target, a result that reflects the genuine care our people bring to every Member interaction. Our products also earned external recognition during the year, including multiple Canstar and WeMoney awards for outstanding customer value and home loans.

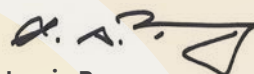
Important progress was also made this year on investments that will shape the Bank's future. Our digital transformation program advanced significantly, with our Fiserv and VeriPark partnerships set to underpin a new core banking platform and the next generation of Member experiences. We also improved our mobile banking, payment security, ATM functionality, internal communications and telephony infrastructure, strengthening our foundations and making banking simpler and more secure for our Members. New products launched this year included a specialised residential lending product and a farm management deposit account, reflecting our continued focus on our regional, rural and agribusiness Members, while we also continued encouraging e-statement adoption as part of our broader sustainability efforts.

None of this would be possible without our people. Their knowledge, care and commitment underpin every Member interaction and are central to this year's results. We were proud to be certified as a Great Place to Work for the fourth consecutive year and named among Australia's Best Workplaces in Finance and Insurance, a reflection of the culture our people create and the value we place on their development and wellbeing.

As a member-owned bank, we know success means more than financial performance, and we have continued to invest in the communities we serve. Our employees donated \$25,000 through workplace giving this year, and more than \$220,000 was distributed to sixteen organisations through our Good for Good Community Grants Program. We were also proud to support DV Safe Phone, providing safe mobile phones for people experiencing domestic and family violence, and we continued to actively advocate for Queenslanders' access to face-to-face banking services in regional and remote communities at local, State and Federal levels of government. This advocacy was delivered directly to government and also through our association with the Regional Banking Investment Alliance.

Protecting our Members and the trust they place in us remains top priority. We continued to invest in fraud and scam prevention, and payment security this year, as well as further strengthening our anti-money laundering and counter-terrorism financing frameworks - all part of our broader commitment to responsible banking, sound governance and operational resilience.

Looking to the year ahead, our priorities include progressing our digital transformation program and completing our move into our new premises at 247 Adelaide Street, Brisbane, all while continuing to invest in our people, products, security and service channels. Our 55th anniversary is an opportunity to recognise how far we have come, but our purpose remains unchanged: helping Queenslanders live better lives through better financial wellbeing. We thank our Members for their continued trust, our employees for their contribution, our Board for their guidance and support, and our community partners for walking alongside us as we build the next chapter of Queensland Country Bank.



Lewis Ramsay
Chair



Aaron Newman
Chief Executive Officer

Queensland Country Bank Board of Directors:

Sean Kelly, Aileen Cull, Patricia O'Callaghan, Lewis Ramsay, Lauren Shepherd and Karl Grant.



A Tribute to John Weier

We were deeply saddened by the passing of former Queensland Country Bank Director and Deputy Chair John Weier on 10 July 2026. John devoted more than four decades to customer-owned banking, beginning at Coal Miners Credit Union (later Discovery Credit Union) in 1980, becoming General Manager in 1981 and holding the role for 27 years. John became CEO of Queenslanders Credit Union, leading it until its merger with Queensland Country Credit Union in 2018.

John continued his service as a Director of Queensland Country Bank for 7 years, including as Deputy Chair, before retiring in July 2025. John will be remembered for his leadership, professionalism and enduring commitment to Members, colleagues and the customer-owned banking sector. Our heartfelt condolences to his wife Carol, his children Brad and Alyson, and all who knew and worked alongside him. John's contribution forms an important part of our story and will be remembered with gratitude.

Bank Financial Highlights

Net Assets

2026

\$372.6M

2025

\$364.5M

2.20% growth

Total Assets

2026

\$4.8B

2025

\$4.3B

11.43% growth

Gross Loan Balances

2026

\$3.54B

2025

\$3.13B

13.08% growth

Total Deposits

2026

\$3.94B

2025

\$3.46B

13.95% growth

Capital Adequacy

2026

20.45%

2025

21.42%

-0.97% decrease

Profit Before Tax

2026

\$11M

2025

\$11.7M

-0.7m decrease

Profit After Tax

2026

\$8M

2025

\$10.0M

-2.0m decrease

Helping Queenslanders Achieve Their Goals

A Member Story: Simone and Amanda

Simone opened her first Queensland Country Bank account in Townsville at the age of 15. More than two decades later, that same relationship helped her take one of life's biggest steps: buying her first home. Living in Far North Queensland, Simone purchased her home with support from Queensland Country Bank and the Regional First Home Buyer Guarantee, working with the Bank to secure pre-approval and using one of our flagship products, SmartBudget, to strengthen her financial position.

Simone's experience

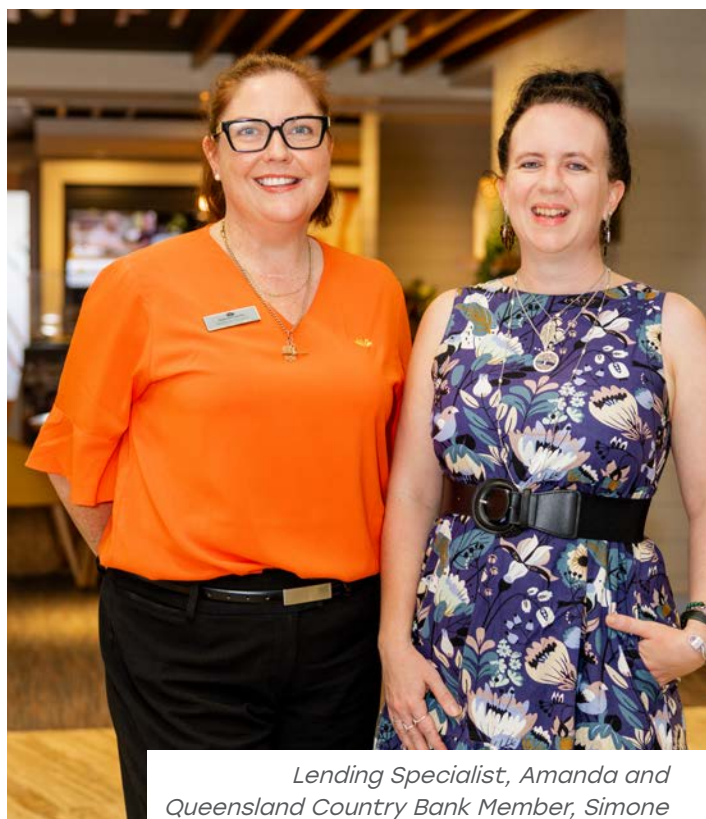
"I've always felt like part of the family with Queensland Country Bank. That feeling of connection has never changed."

Lending Specialist Amanda made a complex process feel manageable - explaining costs, answering questions without judgement, and guiding Simone through every step from preparation to purchase.

A trusted guide

"As a first home buyer on my own, I was full of anxiety. Amanda made everything feel easy. Every time I was uncertain, she would say, 'You'll be fine. Come in and we'll go through it together.' And we did."

Amanda said supporting Simone was a reminder of why personal guidance matters: "It is a privilege to support Members through every step... I am proud that we could help make the experience less daunting." Simone's journey reflects what Member-owned banking means in practice - building relationships over time, listening carefully, and helping Members feel informed and confident at important moments in their lives.



Lending Specialist, Amanda and Queensland Country Bank Member, Simone

Supporting More Members Finding Their Pathway to Home Ownership

Queensland Country Bank continues to help eligible Members understand Government Support Schemes and explore available pathways to home ownership. Changes to the Australian Government's 5% Deposit Scheme took effect on 1 October 2025, removing place limits and income caps and raising property price caps - expanding access for eligible home buyers. Eligible first-home buyers may now apply with a minimum 5% deposit, and eligible single parents or legal guardians with a minimum 2% deposit, through participating lenders, subject to the Scheme's eligibility requirements and each lender's credit assessment.



Award-Winning Products and Service

In 2025-26 Queensland Country Bank earned external recognition across home loans, personal loans, transaction accounts, credit cards, car loans and business banking - including Canstar's home loan awards, back-to-back wins in the WeMoney Banking and Business Awards, and a Top-Rated Bank distinction in the 2026 ProductReview Awards.

- Canstar Customer Owned Bank of the Year, First Home Buyer, Queensland for the fourth consecutive year.
- Canstar Outstanding Value home loan recognition across lending categories for both owner-occupiers and investors.
- ProductReview Top-Rated Bank for 2026.
- WeMoney Customer-Owned Bank of the Year - second consecutive year.
- WeMoney recognition across personal loans, home loans, credit cards, car loans and business accounts.

This kind of recognition reflects the everyday work of our people, the value we deliver to Members through our products and the exceptional customer service being what sets us apart.

For our Members, we understand buying your first home is one of the biggest financial and personal milestones in life and it can also be one of the most daunting. To be recognised by Canstar as Queensland's Customer Owned Bank of the Year for First Home Buyers for a fourth consecutive year is something our entire team is enormously proud of.



Queensland Country Bank CEO, Aaron Newman and Canstar CEO, Mark Gracey

CEO Perspective

“First home buyers need more than a competitive rate. They need someone to help them understand the process, their options and what home ownership will mean for them financially beyond settlement day.

Our approach is to support Members through that entire journey - from those first conversations about deposits and borrowing capacity to getting the keys and then managing their home loan for the years ahead.

This award belongs to our people as much as it does our products. Buying your first home is something people remember for the rest of their lives. Being trusted to help a Member achieve that milestone is a privilege, and our team never loses sight of that.”

A Better Banking Experience

Throughout 2025–26, we continued investing in the services, technology and locations that support a convenient, secure and personal banking experience - centred on Member choice. We're improving digital capability while maintaining access to branches, our Queensland-based Contact Centre and personal support when Members need it.

Improving digital banking. We delivered improvements across mobile and Internet Banking and introduced Confirmation of Payee - a payment-security feature that checks account details against the recipient bank's records to help catch mistaken or fraudulent payments before they proceed. We also upgraded our ATM network with deposit-enabled ATMs, higher withdrawal limits, contactless functionality and PIN-management options. The next stage of our Digital Transformation Program progressed agreements with Fiserv and VeriPark to support our future core banking and digital-service environment.

Investing in our branch network. In September 2025, our Townsville City team moved to a new location at 139 Sturt Street, providing better spaces for Member conversations and an improved team environment. We also progressed Queensland Country Centre Brisbane at 247 Adelaide Street - a new Brisbane City branch, Contact Centre and administration workplace within a reimagined existing building, which opened to Members on 27 July 2026.



Listening to Members. In June 2026, we introduced a Member Panel giving volunteer Members an ongoing way to share feedback on digital experiences and proposed initiatives - supporting better-informed decisions. We also continued reviewing our digital and branch-assisted onboarding experiences, covering account-opening pathways, identity verification, compliance and controls to enhance our Members' experience.

Protecting Members from fraud and scams.

Alongside Confirmation of Payee, we introduced an Enterprise Scam Management Strategy and continued drawing on industry intelligence through COBA's FraudNet and the Australian Financial Crimes Exchange. Member awareness campaigns addressed remote-access scams, investment scams, account takeover, phishing, business email compromise and impersonation scams, complementing our specialist teams' work, while we further strengthened our anti-money laundering and counter-terrorism financing framework.

Strengthening resilience. We continued strengthening the policies, governance and response arrangements supporting information security and operational resilience - updating our Information Security Management Policy for our cloud environment and evolving obligations, and progressing work to operationalise APRA CPS 230, including reviewing critical business functions and strengthening controls for key service providers.

Choice in how Members bank. While more Members are choosing digital banking, one channel won't suit everyone. Members can bank via our mobile app, Internet Banking, Contact Centre or branch network, with alternative support available wherever a digital process isn't suitable. We've also expanded online access to key brochures and disclosures - together, these improvements reflect our commitment to combining modern, secure technology with personal service and genuine choice.

Strengthening Queensland Communities

Advocating for Regional Banking Access

Face-to-face banking remains vital to regional and remote communities, providing everyday services and personal support with scams, fraud and complex financial matters.

Headquartered in Townsville and employing more than 400 staff, Queensland Country Bank continues to invest in its branch network and evolve services to meet changing Member needs. Our regional base keeps us connected to the communities we serve and informs our decisions.

As a founding member of the Regional Banking Investment Alliance (RBIA), we advocate to local, state and federal governments for sustainable face-to-face banking across regional Australia. The Alliance is calling for a low-cost, bank-funded cost-sharing model to help preserve essential services and local banking jobs.

Around 30% of transactions in our banks involve pass-through banking, where customers access our services while their funds remain with major banks. Without a corresponding contribution from those banks, supporting these transactions limits our capacity to grow and invest. The proposed model would share this cost across the industry, helping maintain services for communities that rely on them.

In October 2025, we hosted the Regional HQ Forum in Townsville, bringing together more than 24 delegates from banks across Queensland, New South Wales, Victoria, the Northern Territory and Tasmania to discuss shared challenges and opportunities to sustain regional banking in communities across the country.

CEO Perspective

Our branches support local jobs, economies and community liveability. As a customer-owned bank, we remain committed to investing in regional communities and advocating for a fair, sustainable model that keeps face-to-face banking accessible.

Standing with Families When They Need It Most

Queensland Country Bank is proud to continue its partnership with Ronald McDonald House Queensland, helping families stay close and supported while their seriously ill or injured child receives medical care. With a strong presence across regional Queensland, we understand the challenges distance creates when families need critical services that aren't available close to home - travelling for treatment often means leaving behind familiar surroundings, extended family and community support. By providing a place to stay and practical assistance, Ronald McDonald Houses let families focus on what matters most: being together and supporting their child.

This partnership resonates deeply with our people and Members, many of whom have their own experience of Ronald McDonald House or know families who've relied on its support. Our employees bring it to life through volunteering in-hospitals with the RMHC Hospitality Carts, Family Rooms as well as fundraising activities across Queensland.

Aaron Newman *Chief Executive Officer*

"Our regional Queensland presence gives us a strong understanding of the challenges families face when distance becomes another barrier to accessing critical medical care. Ronald McDonald House provides essential practical support for families to remove some of those barriers and I am incredibly proud of the way our people bring this partnership to life through volunteering, fundraising and initiatives. Together with Ronald McDonald House, we are helping families remain close, connected and supported when they need each other most."



Member for Mundingburra and Assistant Minister for Community Safety Janelle Poole, CEO Aaron Newman, Nikki Firmin from DV Safe Phone, Head of Retail Banking Rebekah Haynes and Samantha Schulte from The Survivor Service.

Turning Forgotten Phones into Lifelines

In 2025-26 Queensland Country Bank continued to support DV Safe Phone, helping provide safe, reliable mobile phones to people affected by domestic and family violence. A secure phone can be vital for someone seeking help - a way to contact emergency services, specialist support, safe accommodation, police or trusted family and friends, while restoring privacy, connection and independence.

During a statewide collection campaign, Queensland Country Bank branches served as collection points for donated phones, which were securely prepared, repaired where needed, and repurposed as Safe Phones. This gave employees, Members and communities a simple, practical way to help - and through our Good for Good Community Grants Program, we also funded the delivery of DV Safe Phone Kits.

Together, the collection campaign and grant funding show how our branches, people and community investment can work together to support an important need across Queensland.

20 Years of Good for Good Community Grants

In 2025-2026, our Good for Good Community Grants program marked 20 years of backing community-led projects across Queensland - 682 grants and more than \$3.27 million invested since it began, spanning regional communities statewide. This year alone, 16 grants totaling more than \$220,000 supported projects in Sport and Recreation, Health, Education, Environment, and Arts, Culture and Heritage - a clear reflection of our member-owned philosophy, with profits reinvested into the products, services and communities that matter to our Members.

CEO perspective

“Every community has passionate people working hard to make life better for others, and often all they need is a helping hand to turn a great idea into reality. Our Good for Good Community Grants are about backing those people and those projects.”

Here's a snapshot of what we funded across the state this year:

North Queensland

- Reading Out of Poverty Inc (ROOP), Cairns - 1,500 literacy packs for new parents from low-income backgrounds.
- The Innisfail & District Show Society Inc, Innisfail - new horse stables at the Innisfail Showgrounds.
- Parkside United Junior Football Club Inc, Mount Isa - upgraded training equipment for young athletes.

Central Queensland

- Gardening Community of Bowen Inc, Bowen - gardening tools, garden beds and timber for a new pergola.
- Bowen Seagulls Rugby League, Bowen - installation of a solar power system.
- Magnetic Island RSL Sub Branch Inc, Magnetic Island - quality marquees for RSL and community use.
- DV Safe Phone, Townsville - funding to deliver DV Safe Phone Kits for people affected by domestic violence.
- Scottvale Park Squash League Incorporated, Rockhampton - facility maintenance and technology upgrades.

South East Queensland

- Artworks Granite Belt Inc, Stanthorpe - upgraded and modernised electrical system.
- Maleny Community Centre Inc, Maleny - LED display board for sharing community information.
- Aboriginal & Islander Independent Community School, Brisbane - support for the school's Coffee Cart Program.
- Roderick Street Community Kindergarten, Ipswich - solar panels and inverter to reduce operating costs.
- Queensland Country Women's Association Beaudesert Branch, Beaudesert - ducted air conditioning.
- Marburg Mt Crosby Thunder Cricket Club, Tivoli - permanent shade shelter at Tivoli Sports Complex.
- Beaudesert & District Cricket Association Inc, Beaudesert - inflatable roller for cricket pitch covers.
- Maroochy River Rowing Club, Maroochydore - new sculls for their “Our Future in Every Stroke” initiative.

682

Local projects supported

\$3.27 million

Invested since 2005

Supporting Communities

Across regional and remote Queensland

Grant Recipient's Spotlight

Mount Isa's Parkside United Junior Football Club is set for an exciting season, thanks to Good for Good funding that upgraded essential training equipment and kept young players kicking. Club President Joshua Littlemore said the grant replaced a large portion of outdated, worn and unsafe equipment: "We've replaced every soccer ball, training marker, soccer ball training bag, soccer net, target net, and for the younger ages, new soccer goals. This ensures our players can train safely and confidently... It sets us on the right path to guiding juniors in North West Queensland to learn and love our great game for another 50 years to come."

Local Manager, Jude Enriquez said supporting grassroots sport is core to our community commitment: "I played junior team sports growing up and know how important these opportunities are for children and young people. In a small community like Mount Isa, having access to safe, modern equipment makes a huge difference - not just for the sport, but for building confidence, teamwork and community spirit. We're proud to support Parkside United Junior Football Club and see these kids thrive."



Representatives of grant recipient, Maroochy River Rowing Club, alongside local Queensland Country Bank branch leaders

People and Culture

A Great Place to Work and Grow

Queensland Country Bank was certified as a Great Place to Work for the fourth consecutive year and named on Australia's Best Workplaces in Finance and Insurance 2026 list - recognitions based primarily on employee feedback that reflect the culture our people create together. When employees feel trusted, supported and connected to purpose, they're better placed to deliver the personal service our Members value.

Chief People Officer Katherine Brennan said the recognition reflected the bank's strong values-led culture.

"What makes this kind of recognition particularly special is that our own people have had such a significant voice in it. You can write values on a wall, but ultimately your people will tell you whether they experience them every day. For our team to tell us they feel supported, connected and empowered is something we're incredibly proud of."

Our values guide how we work:

Be Genuine - act with honesty, empathy and authenticity;

Put People First - place Members and colleagues at the heart of decisions;

Embrace Change - adapt and improve as needs evolve; and

Bring Your Best - pursue growth, curiosity and continuous improvement.

These values shape the everyday moments that make Queensland Country Bank a place where people feel proud to work, and proud to serve.

During the year, we continued investing in leadership capability, development pathways, modern tools and employee wellbeing - supporting greater clarity, confidence and connection across our branches, contact centres and administration teams.

That sentiment is reflected by team members across the organisation, including Townsville Area Manager, Amy Hawkins, who said the culture had been evident from the beginning of her career.

"I started working at Queensland Country Bank almost 18 years ago, and one of the first things I noticed was the number of team members with long tenure and how positively they spoke about working here. I am now one of those advocates. I have been given amazing support throughout my career and have always had leaders who are genuinely invested in my growth and development. We truly are a caring organisation that looks after its people, provides opportunities to reach our potential, and creates a workplace I couldn't imagine leaving."

This long-standing connection to the organisation is shown across the workforce, with 110 of our employees having achieved more than a decade of service.

A great employee experience supports a great Member experience - that connection is central to how we attract, develop and retain people who care about our purpose.



Diversity, Equity and Inclusion

Building a diverse and inclusive workforce, and actively promoting equality, should be the standard for every organisation - and it's a standard we're proud to uphold.

From entry-level roles to the boardroom, we seek to build a workforce and leadership group that reflects the communities we serve - because that's how we put our Members first. We go beyond simply offering opportunities: we act on them fairly, with a leadership team that reflects the makeup of our workforce and helps us understand and celebrate our differences. This commitment is evident in our longstanding tradition of strong female leadership. We're proud that women hold 3 of 6 Board positions and 3 of 8 senior Executive roles, and that our workforce is predominantly female in a traditionally male-dominated industry.

We are committed to equal opportunity for all our people and to fostering a safe, respectful environment free from discrimination. Our workforce reflects the diverse communities we serve, and we're proud that this diversity is matched by behaviours that align with our values.

Giving Back Through Volunteering and Workplace Giving

Across our communities, our employees quietly contributed more than 1,500 hours of hands-on volunteering, supporting causes close to home, heart and country. Through our Community Volunteer Leave Program, employees can use two paid days each year to support eligible charities - with 430 employees, that's hundreds of extra hands and thousands of hours invested across Queensland every year, supporting causes including Ronald McDonald House, Lifeblood, RSPCA, Lifeline, community events, environmental organisations and local sporting groups.

We also partnered with Volunteering North Queensland to help volunteer-involving organisations across the region stay connected to training, events and volunteer networks.

The contributions of our people are valued and celebrated within their communities, like Deeragun Branch Manager Mario Romeo (pictured right) being recognised with the Inspiring Brighter Futures Foundation Local Legend Award for his mentoring of young people.

As part of our Workplace Giving Program, staff raised \$12,578, which Queensland Country Bank matched to bring the total to \$25,156, split evenly between four staff-chosen charities: R U OK? Foundation, Australian Cancer Research Foundation, DV Connect and Australian Wildlife Conservancy.



Deeragun Branch Manager, Mario Romeo (second from right)

Sustainability

Climate and Sustainability

Queensland Country Bank recognises that climate change can influence the economic, environmental and social wellbeing of the communities we serve, and acknowledges the evolving risks and opportunities this may present for our Members.

We continue to reduce our direct environmental impacts while strengthening our sustainability practices in ways that reflect our purpose and respond to the evolving needs of the Members at the heart of our organisation.

In 2025–26, our sustainability efforts focused on three priorities that support long-term value and help guide our role in the communities where we operate: impact and engagement, regulatory readiness, and climate risk management.

Together, these priorities help us deepen community connection, make transparent decisions, meet evolving regulatory expectations, and better understand environmental risks and opportunities through our Risk Management Framework.

As a Group 2 entity under the Australian Sustainability Reporting Standards, we are preparing for our first mandatory sustainability report for the year ending 30 June 2027, aligned with AASB S2 Climate-related Disclosures. This report will outline our approach to climate-related governance, strategy, risk management, and metrics and targets, marking an important step in our commitment to transparency, accountability and sustainable growth.

Our Progress

 Complete
  Ongoing
  Coming soon

Impact & Engagement		Current & Future Regulatory Obligation		Climate Risk	
Continue to support communities through community grants, grass roots and corporate sponsorships, and community volunteering		Australian Sustainability Report Standards S2 capability GAP Assessment		Climate Risk policy review	
Magnify our impacts through collaboration with community groups, industry and government		GHG Boundary Assessment		Annual Climate Risk Assessment and Report	
2 days per year fully funded volunteer leave for staff		2024 Expanded Greenhouse Gas Inventory		Foundational Scenario Analysis	
Launch Reflect Reconciliation Action Plan (RAP)		Implementation of a roadmap of works to ensure ASRS S2 compliance		Point in time assessment of existing mortgage portfolio exposure to natural perils	
Participation in United Nations Global Compact Network Australia including public reporting		2025 Greenhouse Gas Inventory & Carbon Report		Second line review of under-insurance risks	
Build organisational capability and ambition in climate change action including mitigation and adaptation measures		PCAF aligned scope 3 financed emissions calculation: Residential Mortgage, Personal Vehicles		Commence second formal scenario analysis	
Results from our first ever Member Materiality Assessment		Published Carbon reduction Targets		Climate Transition Planning	

What Matters Most to Members

Our first Member Materiality Survey gathered responses from 306 Members to identify the social and environmental issues most important to them and inform our sustainability strategy. The results showed a strong preference for practical, locally focused action - particularly supporting vulnerable people, strengthening communities, maintaining access to banking services and protecting local habitats, waterways and wildlife. These themes also aligned closely with four years of internal staff survey findings.

Member perspective

"I think as a bank you just want people who can genuinely help you with financial literacy and choices. If they can make a positive impact in the community, with their Members and be careful with choices i.e. environmental choices, then that is the bonus."

Helping local communities was considered important by 97% of respondents, including 72% who rated it very important. Financial literacy guidance and support were important to 95%, while 87% valued action to protect endangered species and habitats.

Members also emphasised Queensland Country Bank's role as a trusted community partner and the importance of offering both physical and digital service channels. The findings reinforced our strategic direction: sustainability initiatives will have the greatest relevance when they deliver clear, tangible benefits for Members and their local communities.

Progressing Reconciliation

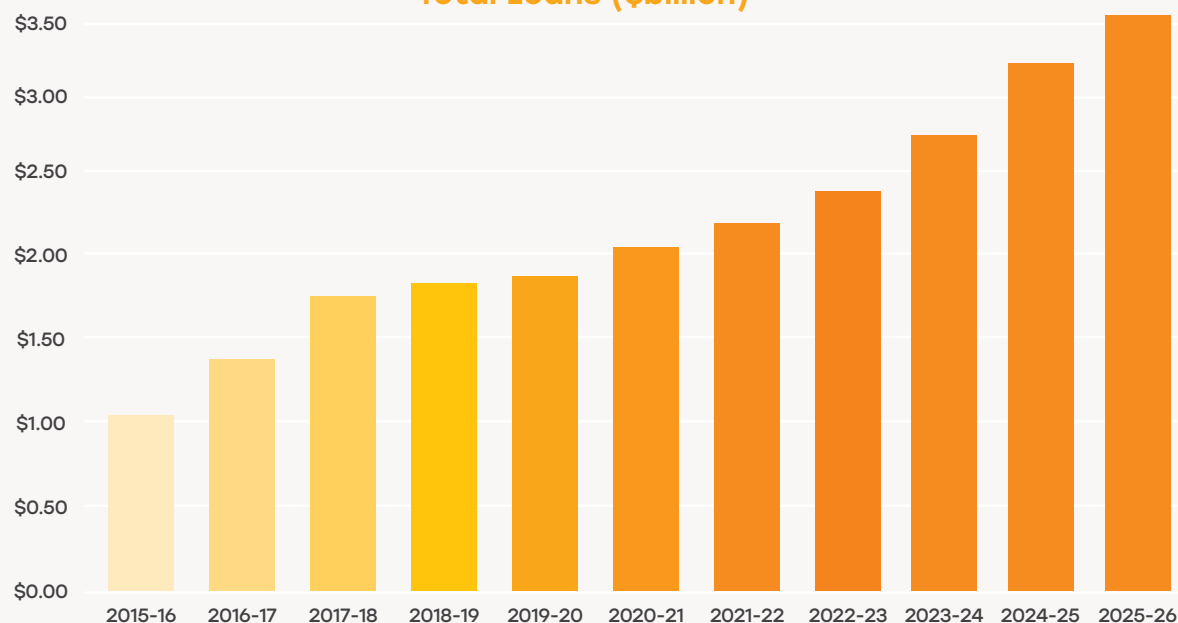
In September 2025, we commenced our second Reconciliation Action Plan and first Innovate RAP, covering the period to September 2027. Structured around Relationships, Respect, Opportunities and Governance, the plan provides a practical framework for strengthening cultural capability, building meaningful relationships and creating opportunities for Aboriginal and Torres Strait Islander peoples, businesses and communities - including employee cultural learning, participation in National Reconciliation Week and NAIDOC Week, First Nations employment pathways, and regular monitoring and reporting.



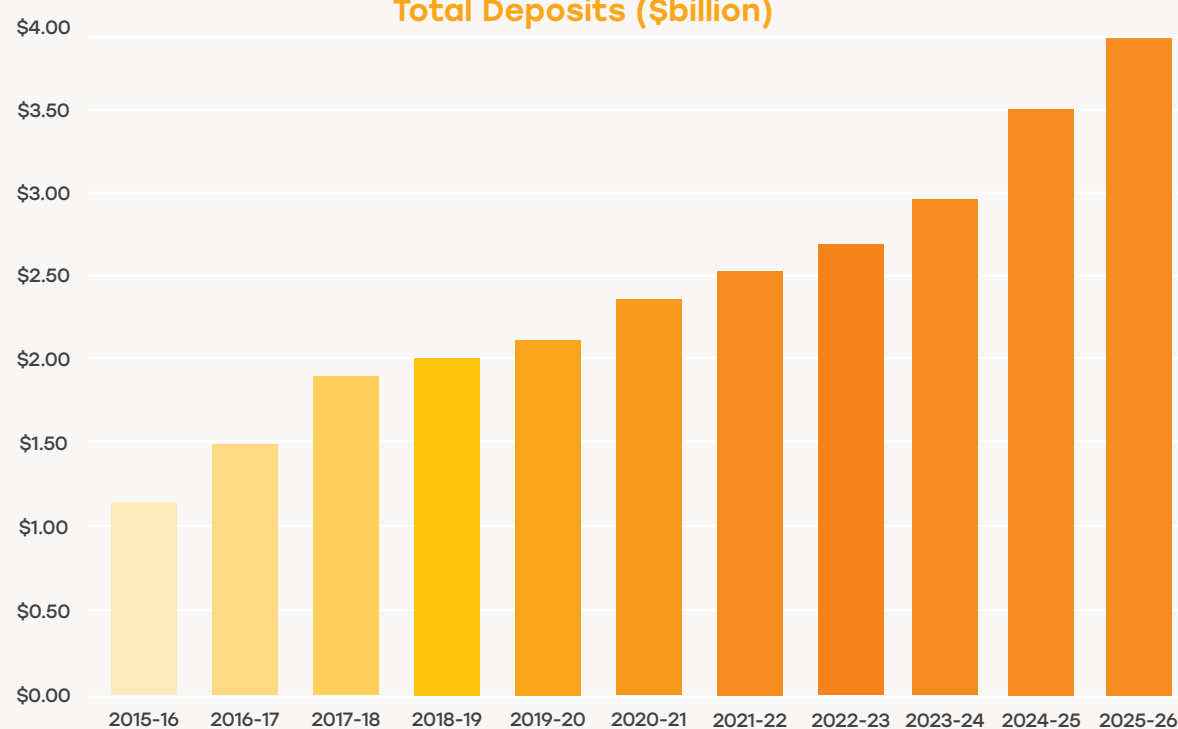
Kalkatungu artist, Luke Duffy, and representatives from Queensland Country Bank.

Our formal partnership with the Clontarf Foundation supports the education and employment aspirations of young Aboriginal and Torres Strait Islander men through financial literacy sessions, work experience, traineeships and Clontarf-led events. Implementation is overseen by our Reconciliation Working Group, which includes Aboriginal and Torres Strait Islander representation and monitors progress against the RAP's commitments.

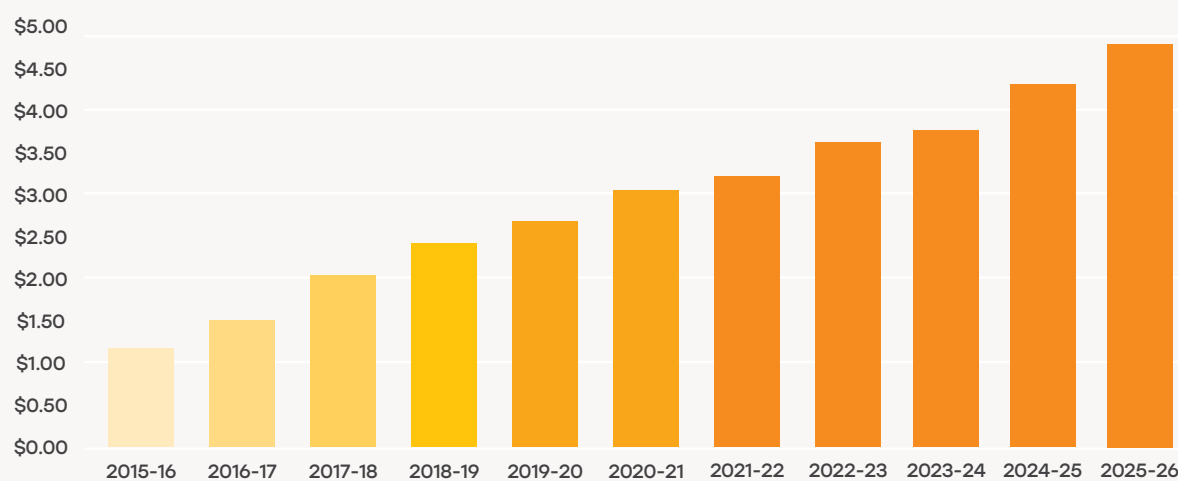
Total Loans (\$billion)



Total Deposits (\$billion)



Total Assets (\$billion)





Profit and Loss

at a glance

The 2025–26 Financial Year

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Interest Income	235,031	225,075	215,487	203,809
Interest Expense	-149,075	-146,684	-124,400	-119,902
Net Interest Income	85,956	78,391	91,087	83,907
Other Operating Income	22,401	21,353	17,269	15,837
Operating Expenses	-96,912	-87,547	-96,165	-86,855
Impairment Loss	-479	-513	-479	-513
Profit before Income Tax	10,966	11,684	11,712	12,376
Income Tax Expense	-3,755	-3,599	-3,770	-3,490
Net Profit after Tax	7,211	8,085	7,942	8,886
Other Comprehensive Income after Tax	827	1,943	827	1,943
Total Comprehensive Income	8,038	10,028	8,769	10,829

	Bank			
	2025/2026	2024/2025	2023/2024	2022/2023
Net Interest Income	86.0m	78.4m	69.0m	62.0m
Total Comprehensive Income	8.0m	10.0m	4.2m	149.8m

Profit and Loss commentary

Operating Profit

The Bank delivered a solid operating result for the year, with Profit before income tax decreasing to \$11.0m from \$11.7m in the prior year. Net operating income increased, supported by growth in net interest income and other operating income. This increase was more than offset by higher operating expenses, as the Bank continued to invest in its people, operations and future capability while maintaining a strong focus on the needs of our Members.

Interest Margin

Net interest margin ended the year at 2.12%, down slightly from 2.15% in the prior year. Margin declined from 2.15% in July 2025 to 2.08% in January 2026, before improving to 2.12% by year end. The interest rate environment remained dynamic, with the RBA cash rate decreasing from 3.85% to 3.60% in August 2025, before increasing through three consecutive 25 basis point rises in early 2026 to close the year at 4.35%. Throughout this period, the Bank remained focused on balancing the needs of borrowers and depositors while continuing to provide Members with market-competitive rates.

Other Income

Other income increased from \$21.4m to \$22.4m, contributing positively to net operating income for the year. The increase was primarily driven by higher commission and dividend income, partly offset by lower securitisation income.

Operating Expenses

Operating expenses for the Bank increased from \$87.5m to \$96.9m. The increase was mainly driven by employee expenses, which increased from \$45.5m to \$50.5m, along with higher transaction processing, occupancy and equipment, administration and marketing, and information technology costs. Information technology costs continue to be a significant expense as we invest in the Bank's digital capability, operational resilience and Member services.

Impairment Costs

Impairment costs decreased slightly this year from \$513k to \$479k. The provision for expected credit losses increased from \$2.3m to \$2.6m, reflecting growth in the lending portfolio and updated forward-looking economic assumptions. The loan portfolio continues to be closely monitored through the Bank's established credit risk management framework. Arrears rates remained low, demonstrating the continued quality of the underlying loan portfolio.

Balance Sheet

at a glance

The 2025–26 Financial Year

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Cash and Investments	1,155,347	1,079,820	726,090	643,311
Property, Plant and Equipment	66,773	63,247	61,416	57,142
Loans to Members (net of provision)	3,563,716	3,150,289	3,563,716	3,150,289
Other Assets	9,920	10,448	7,393	8,755
Total Assets	4,795,756	4,303,804	4,358,615	3,859,497
Deposits from Members	3,944,201	3,461,271	3,944,201	3,461,271
Borrowings	431,606	438,039	0	0
Payables and Provisions	47,363	39,946	47,397	39,978
Total Liabilities	4,423,170	3,939,256	3,991,598	3,501,249
Net Assets	372,586	364,548	367,017	358,248

	Bank			
	2025/2026	2024/2025	2023/2024	2022/2023
Gross Loans to Members	3,544.7m	3,134.7m	2,711m	2,370.8m
Deposits from Members	3,944.2m	3,461.3m	2,924.8m	2,687.2m
Total Assets	4,795.8m	4,303.8m	3,751.5m	3,613.3m
Net Assets	372.6m	364.5m	354.5m	350.3m
Capital Adequacy	20.45%	21.42%	23.45%	24.50%

Balance Sheet commentary

Assets and Lending

Total Assets for the Bank increased by 11.4% to \$4.8b from \$4.3b, supported by another strong lending year. Total Loans grew by 13.1% to \$3.6b, supporting the Bank's strategy of advancing the organisation in size and strength while continuing to meet the lending needs of our Members.

Deposits and Funding

Queensland Country's funding continues to be sourced primarily from Member deposits. Deposits grew significantly throughout the year, increasing by 14.0% from \$3.5b to \$3.9b.

Liquidity and Capital

Liquidity remained well above prudential and Board-approved minimum requirements throughout the year, finishing at 16.4% on 30 June 2026. The Bank continues to have access to an Internal Securitisation Trust, a facility established to support the Bank's ongoing liquidity management framework and provide an emergency liquidity backstop through eligible repurchase arrangements with the Reserve Bank of Australia.

Queensland Country's capital, comprising reserves accumulated from past profits and reserves associated with previous business combinations, increased by \$8.0m to \$372.6m. Capital levels remained well above APRA minimum capital adequacy requirements and Board-approved minimums throughout the year, finishing at 20.45% on 30 June 2026. This strong capital position supports the Bank's strategic focus on sustainable growth and continued investment, while providing a robust buffer for future needs.

Directors' report 2025-26

Your Directors present their report on the affairs of the Group for the financial year ended 30 June 2026.

The Parent Entity is a company registered under the Corporations Act 2001.



Lewis Ramsay B Bus (Com); GAICD; MBA
Independent Non-Executive Director Chair (since 23 November 2023)

Term of office: Appointed 1 February 2020

Skills & Experience:

A fifth-generation Townsville resident, Lewis is a former General Manager of the Townsville Bulletin and surrounding regional newspapers. Lewis has also worked for the Federal Government in Canberra (Tourism portfolio), served as the Commercial Manager for the North Queensland Cowboys and the Brisbane Broncos Rugby League Clubs, and spent nearly two years as Director, Commercial of Brisbane Marketing (Brisbane's Office of Economic Development.) Over the past 15 years he has held Director positions on a range of local boards and committees including Queensland

Country Health Fund Ltd, Mater Health NQ, the Townsville Water Security Taskforce and as Chair of the Townsville City Deal Stakeholder Reference Group. Lewis currently holds a non-executive Directorship with the North Queensland Cowboys where he has sat as the current Board Chair since 2020.



John Weier (Vale) Dip FS; GAICD; FAMI
Independent Non-Executive Director Deputy Chair (from 23 November 2023 to 31 May 2025)*

Term of office: Appointed 1 April 2018 to 30 July 2025
John Weier ceased as a Director on 30 July 2025.

Skills & Experience:

John was an Ipswich local who began his career in the credit union industry at the Coal Miners Credit Union (later Discovery Credit Union) in 1980, before being appointed General Manager in 1981 and holding that position for 27 years. Discovery Credit Union merged with Queenslanders Credit Union in December 2007, and John led Queenslanders Credit Union as Chief Executive Officer from January 2008 until the

merger of that organisation with Queensland Country Credit Union in April 2018. John was actively involved in the Ipswich area through his membership of various sporting and community groups. After serving seven years on the Board of Queensland Country, John made the decision to retire on 30 July 2025 after making an important contribution to the achievement of the organisation's strategic objectives.

*John Weier's term of appointment concluded 30 July 2025. John did not serve on any committees or attend any Board meetings during FY 2025/26.



Patricia O'Callaghan B Com; GAICD
Independent Non-Executive Director Deputy Chair (since 1 June 2025)

Term of office: Appointed 1 November 2015

Skills & Experience:

Patricia is the Director-General, Department of the Environment, Tourism, Science and Innovation and was appointed to the role in November 2024. Patricia has held significant senior executive positions during the past 15 years which included the Chief Executive Officer of Tourism and Events Queensland. Patricia's diverse career includes four years heading up the Mount Isa Chamber of Commerce, four years as the General Manager of Tourism and Events at Townsville Enterprise, and five years

as the CEO of Townsville Enterprise. Patricia has been awarded during her career the Young Manager of the Year through the Australian Institute of Management and the Australian Financial Review Young BOSS Executive of the Year and is a graduate of the Australian American Young Leadership Dialogue. Patricia is currently on the board of Tourism and Events Queensland, and the Great Barrier Reef Marine Park Authority, and was previously a Director of Queensland Country Health Fund Ltd.

Directors' report 2025-26



Gregory (Greg) Nucifora B Com; FCA; FAICD
Independent Non-Executive Director

Term of office: Appointed 1 April 2017 to 27 November 2025
Gregory (Greg) Nucifora ceased as a Director on 27 November 2025

Skills & Experience:

Greg is a private client advisor with Bell Potter Securities in Cairns. Greg has extensive Board experience, including current appointments as Director on the Board of the Australian Reinsurance Pool Corporation and Chair of the Australian Reinsurance Pool Corporation's Risk and Compliance Committee, Director and Finance & Performance Committee Chair of the Cairns and Hinterland Hospital and Health Board, Chair of St Michael's Parish Finance Committee Gordonvale, Chair of the Catholic Development Fund for Diocese of Cairns, and Chair of the Finance and Audit Risk Management Committee for Tourism Tropical North Queensland. Greg was formerly Chair of ECU Australia Ltd, which merged with Queensland Country Credit Union in April 2017. Greg was previously a Director of Queensland Country Health Fund Ltd.



Karl Grant MBA; GAICD
Independent Non-Executive Director

Term of office: Appointed 23 March 2023

Skills & Experience:

Karl is an experienced Executive and Director with a background in technology and cyber security. Karl was previously the CEO of one of Queensland Country Bank's primary technology providers, Data Action Pty Ltd, and a Director of a key digital supplier, Fusion Enterprise Pty Ltd. Prior to this, Karl spent nearly two decades at the US multi-national company, HP (Hewlett Packard), in various national and international roles across many sectors, including Banking and Financial Services.



Aileen Cull FCPA, GAICD, Diploma of Business (Accounting), Graduate Diploma Applied Finance and Investment
Independent Non-Executive Director

Term of office: Appointed 23 November 2023

Skills & Experience:

Aileen's banking career began in Melbourne and Sydney. Aileen has held a variety of roles at Queensland Country Bank, including serving as Chief Executive Officer for 10 years. Since 2019, Aileen has contributed in a voluntary capacity as a Director of Ronald McDonald House North Australia, including two years as Chair, concluding in 2025. Aileen was also a member of the CopperString 2032 Regional Reference Group until 2024, and currently provides advisory services to a small manufacturing business.

Aileen brings to the Board a detailed knowledge of the banking sector and regulatory environment, along with a deep appreciation of the history of Queensland Country.

Directors' report 2025-26



Sean Kelly LLB, GAICD
Independent Non-Executive Director

Term of office: Appointed 1 January 2025

Skills & Experience:

Sean is a Barrister in private practice and a member of 31 Sturt Chambers. Prior to being called to the Bar, Sean had a 17 year career as a solicitor, specialising in commercial litigation. Since 2004, Sean has been a registered adjudicator with the Queensland Building and Construction Commission and, in that role, decides disputes under Queensland's security of payment legislation. Sean also acts in building and construction law matters as part of his broader practice.



Lauren Shepherd B Com; CPA; GAICD
Independent Non-Executive Director

Term of office: Appointed 31 July 2025

Skills & Experience:

Lauren is a highly accomplished finance professional with 20 years' experience as an accountant, and over 10 years as a Certified Practising Accountant (CPA), with a strong commitment to financial excellence and innovation. Lauren has a deep connection to Queensland Country Bank, having been a proud member for 20 years. Lauren is the proprietor of Lauren Shepherd Consulting, where she delivers strategic financial advisory services with a focus on operational efficiency, digital transformation, and sustainable growth. Lauren is also currently serving as Senior Finance Manager at

Carey Group's Townsville office. Lauren has contributed significantly to the community through her previous role as a Director of the Cowboys Leagues Club Ltd. Her leadership in this capacity underscores her expertise in financial governance, risk management, and strategic oversight.

Company Secretaries

The names of the Company Secretaries in office as at 30 June 2026 are;

- Kirsten Atkinson ((BA/LLB and admitted to the Supreme Court of Queensland in October 2011, Masters of Anti-Money Laundering and Counter-Terrorism Financiering (2021), Graduate Diploma of Legal Practice (2022)) and;
- Lisa Parker (Bachelor of Management (Business) (2004), Bachelor of Laws/Diploma of Legal Practice (2008), Master of Law (2011), Graduate of the Australian Institute of Company Directors (2021), Certificate in Company Secretary Essentials (2025).

Kirsten Atkinson and Lisa Parker have held the role of Company Secretary at Queensland Country Bank Limited since 2024.

Committee Memberships

From 1 July 2025 to 30 July 2025.

Audit: Aileen Cull (Chair), Greg Nucifora, Lewis Ramsay

Remuneration and Governance: Lewis Ramsay (Chair), Patricia O'Callaghan, Sean Kelly.

Risk Management: Sean Kelly (Chair), Aileen Cull, Karl Grant, Greg Nucifora.

Strategic Projects and ICT: Karl Grant (Chair), Aileen Cull, Patricia O'Callaghan.

Merger Strategy: Greg Nucifora (Chair), Lewis Ramsay, Karl Grant.

Nominations: Lewis Ramsay (Chair), Stephen Howell and Jane Seawright (Independent Representatives).

*John Weier's term of appointment concluded 30 July 2025. John did not serve on any committees during FY 2025/26.

Directors' report 2025-26

From 31 July 2025 to 27 November 2025.

Audit: Aileen Cull (Chair), Greg Nucifora, Lauren Shepherd

Remuneration and Governance: Lewis Ramsay (Chair), Patricia O'Callaghan, Sean Kelly.

Risk Management: Sean Kelly (Chair), Aileen Cull, Karl Grant, Greg Nucifora.

Strategic Projects and ICT: Karl Grant (Chair), Aileen Cull, Patricia O'Callaghan.

Merger Strategy: Greg Nucifora (Chair), Lewis Ramsay, Karl Grant.

Nominations: Lewis Ramsay (Chair), Stephen Howell and Jane Seawright (Independent Representatives).

*Lauren Shepherd's term of appointment commenced on 31 July 2025. Greg Nucifora's term of appointment concluded on 27 November 2025.

From 28 November 2025 to 30 June 2026.

Audit: Aileen Cull (Chair), Lauren Shepherd, Lewis Ramsay.

Remuneration and Governance: Lewis Ramsay (Chair), Patricia O'Callaghan, Sean Kelly.

Risk Management: Sean Kelly (Chair), Aileen Cull, Karl Grant.

Strategic Projects and ICT: Karl Grant (Chair), Aileen Cull, Patricia O'Callaghan.

Merger Strategy: Patricia O'Callaghan (Chair), Lewis Ramsay, Lauren Shepherd.

Nominations: Lewis Ramsay (Chair), Stephen Howell and Jane Seawright (Independent Representatives).

Directors' Meeting Attendance

The table below shows the attendance record for the number of meetings Board members were eligible to attend.

	Board		Audit	Remuneration and Governance	Risk Management	Strategic Projects and ICT	Merger Strategy	Nominations
No. of Meetings held	[10]		[4]	[3]	[5]	[11]	[2]	[2]
Lewis Ramsay	10/10	COMMITTEES	2/2	3/3		2/2	2/2	2/2
Greg Nucifora	5/5		2/2		3/3		1/1	
Patricia O'Callaghan	10/10			2/3		10/11	1/1	
John Weier	0/1							
Karl Grant	10/10				5/5	10/11	1/1	
Aileen Cull	10/10		4/4		5/5	11/11		
Sean Kelly	10/10			3/3	5/5			
Lauren Shepherd	10/10		3/4				1/1	

Directors' report 2025-26

Directors' Benefits

No Director has received or become entitled to receive during, or since the financial year, a benefit because of a contract made by the Group, a subsidiary, or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest.

Indemnification of Officers

The Company has agreed to indemnify the current and former Directors and Company Secretary and all current and former executive officers of the Company and of any related body corporate, against any liability that may arise from their positions within the Company to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability indemnified.

Insurance of Officers

The Company has paid premiums in respect of Directors' and Officers' liability insurance during the financial year. The contract of insurance does not include details of premiums paid in respect of individual officers of the Company and prohibits disclosure of the amount of the premium paid.

Principal Activities

The principal activities of the Group during the year were the provision of financial services to Members in the form of lending and taking deposits, as prescribed by the Constitution.

Operating Results

The net profit of the Group for the year after providing for income tax was \$8,769,000 (2025: \$10,829,000).

Options

No options over unissued shares or interests in the Parent Entity or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares have been issued as a result of the exercise of an option.

Review of Operations

The results of the Bank's operations from its activities of providing financial services to its Members, decreased from those of the previous year from \$10,028,000 to \$8,038,000. Net operating income increased from \$99,744,000 to \$108,357,000 with the increase mostly attributable to an increase in net interest income from \$78,391,000 to \$85,956,000. Operating expenses increased from \$87,547,000 to \$96,912,000 resulting mainly from an increase in employee expenses.

Total Assets of the Bank increased by 11.4%, total loans increased by 13.12% and investments increased by 4.89%.

Capital Management

The capital adequacy ratio measured for prudential purposes as at reporting date decreased to 20.45% (2025: 21.42%), the movement attributable to the strong loan growth for the year.

The Australian Prudential Regulation Authority (APRA) sets and monitors capital requirements for the Bank under Australian Prudential Standard (APS) 110 Capital Adequacy. Under the Standard the Bank must maintain minimum levels of Tier 1 capital and may also hold Tier 2 capital up to certain prescribed limits.

Tier 1 capital comprises the highest quality components of capital that fully satisfy the following essential characteristics:

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

The Bank's Tier 1 Capital includes realised reserves and retained profits.

Tier 2 capital comprises capital instruments that, to varying degrees, fall short of the quality of Tier 1 capital but exhibit some of the features of equity and contribute to the overall strength of the Bank as a going concern.

Directors' report 2025-26

The Bank's Tier 2 capital includes collective impairment allowances where the standardised approach is used (general reserve for credit losses).

Capital in the Bank is made up as follows:

	2026 \$'000	2025 \$'000
Tier 1 Capital		
General Reserves	104,543	110,185
Retained earnings	268,042	254,363
Less:		
Prescribed deductions	(11,081)	(17,399)
Net Tier 1 capital	361,504	347,149
Tier 2 Capital		
Reserve for credit losses	1,960	1,793
Net Tier 2 capital	1,960	1,793
Total capital	363,464	348,942

The Bank is required to maintain a minimum capital level of 8% as compared to the risk weighted assets at any given time in accordance with APRA Prudential Standards. The Bank has complied with all externally imposed capital requirements throughout the period.

The level of the capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. The capital ratios as at the end of each reporting period, for the past 5 years are as follows:

2026	2025	2024	2023	2022
20.45%	21.42%	23.45%	24.50%	15.30%

Significant Changes in State of Affairs

Apart from disclosures elsewhere in this report, there were no significant changes in the state of the affairs of the Group during the year.

Events Subsequent to the End of the Reporting Period

Subsequent to year end, the Bank entered into contracts in relation to a multi-year digital transformation program. Expenditure associated with the program will be recognised in future periods in accordance with applicable accounting standards. As the contracts were entered into after 30 June 2026, no liability existed at the reporting date and, accordingly, no adjustment has been made to these financial statements. Aside from this, there are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, or state of affairs of the Bank or the Group in subsequent financial years.

Likely Developments and Results

Looking ahead in an increasingly competitive and challenging environment, the Board remains committed to making decisions that support the Bank's long-term sustainability and its ongoing ability to deliver financial services to its members.

The Bank has commenced a multi-year digital transformation program designed to enhance technology capability, operational efficiency, cyber resilience and member experience. The program is expected to involve significant investment over the coming years. The Board expects the program to deliver long-term strategic benefits for members and the Bank. Expenditure associated with the program, and the timing of recognition of those costs in accordance with applicable accounting standards, may materially affect operating results during the implementation phase.

Directors' report 2025-26

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

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

in the financial years subsequent to this financial year.

Further information about likely developments in the operations of the Bank and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Bank.

Proceedings

No person has applied for leave of the Court to bring proceedings on behalf of the Group or interfere in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Rounding

The Company is of a kind referred to in *ASIC Legislative Instrument 2026/183 (Instrument)* dated 24 March 2026, relating to the rounding off of amounts in the Directors' Report. Amounts contained in the Directors' Report have been rounded to the nearest one thousand dollars in accordance with the Instrument.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2026 forms part of this report and a copy of this declaration is attached.

Directors' report 2025-26

CORPORATE GOVERNANCE DISCLOSURES

Board

The Board of Queensland Country Bank Limited has responsibility for the overall management and strategic direction of the Bank. All Directors are independent of Management and appointed pursuant to the provisions of the Bank's Constitution.

As of 30 June 2026 four (4) of six (6) Board members are elected by members on a 3-yearly rotational basis. Two (2) of six (6) Board members are appointed pursuant to clause 50A.1 of the Constitution, which allows for the Board to appoint a person as a Director if the Board considers the person has skills or expertise of particular benefit to the Board. The maximum number of Directors that can be appointed pursuant to clause 50A.1 is three (3), on the basis that member-elected Directors are the majority.

Each Director must be eligible to act under the Company Constitution and in accordance with Corporations Act 2001 criteria. The Directors also need to satisfy APRA Fit and Proper requirements.

The Board has established policies to govern conduct of Board meetings, Director conflicts of interest, and training so as to maintain Director awareness of emerging issues and to satisfy all governance requirements.

Board Remuneration

The Board receives remuneration from the Bank in the form of director fees agreed to each year at the AGM and out of pocket expenses. Directors receive no other benefits from the Bank.

Board Committees

An Audit Committee, Merger Strategy Committee, Remuneration & Governance Committee, Risk Management Committee, and Strategic Projects & ICT Committee have been formed to assist the Board in relevant matters of corporate governance. Only Directors are members of these committees with participation of Management as required.

A Nominations Committee has also been established to assist the Board in assessing persons for election or appointment as a Director. In accordance with the company Constitution, the Committee comprises one Director and two persons independent of the Board and Executive Management.

Audit Committee

The responsibilities of the Audit Committee include:

- Ensuring effectiveness of systems for monitoring compliance with laws, statutory requirements, and Board policies;
- Overseeing the Bank's audit function and providing a forum for communication between the Board, external auditor, and internal auditor;
- Reviewing significant accounting and reporting issues and annual audited financial statements to ensure integrity and completeness of information to external parties;
- Ensuring any Related Party Transactions are appropriate; and
- Ensuring a Whistleblower Policy is established, maintained, and communicated.

Merger Strategy Committee

The Merger Strategy Committee is established to support the Board and Management with the identification, analysis and execution of merger opportunities which align with Queensland Country's Strategic Plan and make recommendations to the Board as to whether a proposed merger is in the best interests of Members.

Remuneration and Governance Committee

The responsibilities of the Remuneration and Governance Committee include, in relation to Remuneration:

- Initiating and overseeing the annual process of reviewing performance and remuneration of the Chief Executive Officer and the Chief Executive Officer's direct reports;
- Each year, reviewing and providing recommendations in relation to appropriate Executive and Director Remuneration and generally reviewing remuneration strategies, practices, and disclosures;

Directors' report 2025-26

- Reviewing and proposing revisions to the Bank's governance policies and practices, including the Board Charter;
- Reviewing and proposing revisions to the Bank's Constitution;
- Initiating and overseeing the evaluation of Board and Director Performance as required by the Board Charter; and
- Co-ordinating the process of Director orientation.

Risk Management Committee

The responsibilities of the Risk Management Committee include:

- Ensuring the Board is aware of the risks to which the organisation is exposed and that management operate within an appropriate 'risk management control framework';
- Assisting the Board to set risk limits and parameters appropriate to the Board's appetite for risk and ensuring adequate management reporting against set limits;
- Ensuring Board policies reflect the Board's risk appetite;
- Ensuring adequacy of Business Continuity Management; and
- Ensuring adequacy and effectiveness of the Bank's compliance program and actions to address identified compliance weaknesses.

Strategic Projects and ICT Committee

The Strategic Projects and ICT Steering Committee assists the Board in monitoring the digital transformation strategy, strategic projects, cyber security and the ongoing development and maintenance of our ICT framework.

Risk, Legal and Compliance

The Bank has a Risk, Legal and Compliance (including AML and Governance) department responsible for maintaining the awareness of staff for all changes in compliance obligations and responding to staff inquiries on compliance matters. The Legal and Compliance (including AML and Governance) department also monitors compliance with the Australian Financial Services and Australian Credit Licence obligations, AML/CTF and other regulatory obligations.

External Audit

For the 2025/2026 Financial Year, External Audit is performed by PwC, a leading international accounting firm.

Internal Audit

There is an established Internal Audit function which deals with the areas of internal control.

Internal audit matters are also examined by the External Auditors. The work performed by the External Auditors is examined by the Audit Committee to ensure that it is consistent with the current external audit reporting role and does not impair their independence.

Dispute Resolution

The Internal Dispute Resolution officer, or delegate, responds to all internal and external dispute resolution matters.

Regulation

The Bank is regulated by:

- Australian Prudential Regulation Authority (APRA) for the Prudential risk management of the Bank; and
- ASIC for adherence to the disclosure requirements in the Corporations Act, Accounting Standards disclosures in the financial report and Australian Financial Services Licence (AFSL) and Australian Credit Licence (ACL).

Under the AFSL all staff who deal with the public are required to be trained and certified to a level of skill commensurate with the services provided.

Directors' report 2025-26

APRA conducts periodic inspections. The external auditors report to both authorities on an annual basis regarding compliance with respective requirements.

The external auditors also report to ASIC on FSR compliance and APRA on Prudential policy compliance.

Workplace Health & Safety (WH&S)

Whilst the finance industry does not carry the physical hazard profile of higher-risk sectors, the safety of our people and our Members remains a primary responsibility of the Board and management. Our approach reflects the modern understanding that workplace risk is as much psychological as it is physical.

The Bank maintains a WH&S policy and supporting procedures, reviewed annually for relevance and effectiveness and aligned to our duties under the *Work Health and Safety Act 2011* (Qld). Independent consultants review our policy and procedures and recommend improvements, and all matters of concern are reported for actioning by management, with oversight provided to the Board.

Consistent with the Queensland Code of Practice on managing psychosocial hazards, we manage risks to psychological health alongside physical risks — including exposure to distressing customer interactions, scam and elder-abuse matters, and support for hybrid and remote working. The Bank also acts on its positive duty to eliminate sexual harassment and discrimination through training, clear reporting pathways and support for those affected. Employees have access to a confidential Employee Assistance Program and to trauma counselling following any incident that may affect their sense of safety at work.

On physical safety, staff are trained in armed hold-up and customer aggression procedures, and premises are designed to reduce risk by minimising cash held in accessible areas, maintaining camera coverage, and applying secure cash handling procedures. Premises are examined regularly for electrical and physical safety, with independent security consultants reporting periodically on improvement opportunities. Ergonomic risks, including repetitive strain and manual handling, are managed through workstation assessment and training, extended to home-based workstations where hybrid arrangements apply. Safety performance is monitored through incident and near-miss reporting, hazard identification and employee consultation, with trends reviewed by management and reported to the Board.

Sustainability Statement

Queensland Country acknowledges that climate change may affect the prosperity and sustainability of the communities in which it operates and may also give rise to financial risks for the organisation, including through credit, operational, strategic, liquidity and reputational risk channels. As regulatory requirements and stakeholder expectations continue to evolve, Queensland Country is continuing to develop its understanding of climate-related matters and consider them within its risk management and business decision-making processes. In doing so, Queensland Country remains mindful of the challenges and opportunities for Members and regional communities, including those connected to mining and agriculture, and supports a measured transition that considers access to secure, reliable and affordable energy.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



L. Ramsay
Chair



A. Cull
Director

Signed and dated this 24th day of September 2026



Auditor's Independence Declaration

As lead auditor of Queensland Country Bank Limited's financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in blue ink, appearing to read 'L. van der Horst', written over a horizontal line.

Partner
PricewaterhouseCoopers

Brisbane
24 September 2026

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000,
GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

pwc.com.au

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Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

	NOTE	Bank		Group	
		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Interest income	2.1.1	235,031	225,075	215,487	203,809
Interest expense	2.1.1	(149,075)	(146,684)	(124,400)	(119,902)
Net interest income		85,956	78,391	91,087	83,907
Other operating income	2.1.2	22,401	21,353	17,269	15,837
Net operating income		108,357	99,744	108,356	99,744
Operating expenses	2.2	(96,912)	(87,547)	(96,165)	(86,855)
Impairment (loss)/reversal on loans and advances	3.4	(479)	(513)	(479)	(513)
Profit before income tax		10,966	11,684	11,712	12,376
Income tax expense	2.3	(3,755)	(3,599)	(3,770)	(3,490)
Net profit after income tax		7,211	8,085	7,942	8,886
Other comprehensive income for the year, net of income tax					
<i>Items that will be reclassified to profit or loss</i>					
Net changes in the fair value of debt investments at fair value through other comprehensive income		(148)	-	(148)	-
Net movement transferred to profit or loss		(219)	-	(219)	-
Income tax benefit relating to these items	2.3	110	-	110	-
<i>Items that will not be reclassified to profit or loss</i>					
Net changes in the fair value of equity investments at fair value through other comprehensive income		1,549	2,776	1,549	2,776
Income tax (expense) relating to these items	2.3	(465)	(833)	(465)	(833)
Other comprehensive income/(loss) for the year, net of income tax		827	1,943	827	1,943
Total comprehensive income for the year		8,038	10,028	8,769	10,829

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

Statements of Financial Position

as at 30 June 2026

	NOTE	Bank		Group	
		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
ASSETS					
Cash and cash equivalents	3.1	100,147	63,335	120,890	76,826
Debt investments at amortised cost	3.2.1	476,580	1,006,043	26,580	556,043
Debt investments at FVOCI	3.2.2	578,620	-	578,620	-
Loans and advances	3.4	3,563,716	3,150,289	3,563,716	3,150,289
Other assets	4.1	6,405	9,701	4,089	8,204
Property, plant and equipment	4.2	59,696	56,327	54,339	50,222
Right-of-use assets	4.3	7,077	6,920	7,077	6,920
Intangible assets		18	89	18	89
Equity investments	3.3	-	10,442	-	10,442
Deferred tax assets	2.3	3,497	658	3,286	462
TOTAL ASSETS		4,795,756	4,303,804	4,358,615	3,859,497
LIABILITIES					
Deposits	3.5	3,944,201	3,461,271	3,944,201	3,461,271
Borrowings	3.6	431,606	438,039	-	-
Other payables	4.4	30,146	25,839	30,180	25,871
Income tax payable		4,043	1,800	4,043	1,800
Lease liabilities	4.3	6,811	6,808	6,811	6,808
Provisions	4.5	6,363	5,499	6,363	5,499
TOTAL LIABILITIES		4,423,170	3,939,256	3,991,598	3,501,249
NET ASSETS		372,586	364,548	367,017	358,248
EQUITY					
Reserves		104,543	110,185	104,543	110,185
Retained earnings		268,043	254,363	262,474	248,063
TOTAL EQUITY		372,586	364,548	367,017	358,248

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

Statements of Changes in Equity

For the year ended 30 June 2026

	FVOCI Reserve	Business Combination Reserve	General Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank					
Balance at 1 July 2024	4,782	60,543	44,257	244,938	354,520
<i>Total comprehensive income for the year</i>					
Profit after tax	-	-	-	8,085	8,085
Other comprehensive income/(loss) after tax	1,943	-	-	-	1,943
<i>Total comprehensive income for the year</i>	1,943	-	-	8,085	10,028
Transfer of gain on disposal of equity investments at FVOCI to retained earnings (net of tax)	(1,340)	-	-	1,340	-
Balance as at 30 June 2025	5,385	60,543	44,257	254,363	364,548
Group					
<i>Total comprehensive income for the year</i>					
Profit after tax	-	-	-	7,211	7,211
Other comprehensive income/(loss) after tax	827	-	-	-	827
<i>Total comprehensive income for the year</i>	827	-	-	7,211	8,038
Transfer of gain on disposal of equity investments at FVOCI to retained earnings (net of tax)	(6,469)	-	-	6,469	-
Balance as at 30 June 2026	(257)	60,543	44,257	268,043	372,586
Bank					
Balance at 1 July 2024	4,782	60,543	44,257	237,837	347,419
<i>Total comprehensive income for the year</i>					
Profit after tax	-	-	-	8,886	8,886
Other comprehensive income/(loss) after tax	1,943	-	-	-	1,943
<i>Total comprehensive income for the year</i>	1,943	-	-	8,886	10,829
Transfer of gain on disposal of equity investments at FVOCI to retained earnings (net of tax)	(1,340)	-	-	1,340	-
Balance as at 30 June 2025	5,385	60,543	44,257	248,063	358,248
Group					
<i>Total comprehensive income for the year</i>					
Profit after tax	-	-	-	7,942	7,942
Other comprehensive income/(loss) after tax	827	-	-	-	827
<i>Total comprehensive income for the year</i>	827	-	-	7,942	8,769
Transfer of gain on disposal of equity investments at FVOCI to retained earnings (net of tax)	(6,469)	-	-	6,469	-
Balance as at 30 June 2026	(257)	60,543	44,257	262,474	367,017

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

Statements of Cash Flows

for the year ended 30 June 2026

		Bank		Group	
		2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
NOTE		Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
		238,930	226,629	220,205	205,272
		604	258	604	258
		21,796	21,078	16,664	15,562
		(148,855)	(144,575)	(124,233)	(117,795)
		(88,904)	(84,305)	(88,901)	(84,314)
		(4,706)	(185)	(4,706)	(185)
		(410,245)	(423,795)	(410,245)	(423,795)
		483,139	534,741	483,191	534,742
Net cash provided by operating activities	3.1	91,759	129,846	92,579	129,745
CASH FLOWS FROM INVESTING ACTIVITIES					
		(37,533)	(103,891)	(37,533)	(103,890)
		(7,200)	(23,824)	(7,201)	(23,823)
		32	65	32	65
Net cash used in investing activities		(44,701)	(127,650)	(44,702)	(127,648)
CASH FLOWS FROM FINANCING ACTIVITIES					
		(6,433)	(3,139)	-	-
		(3,813)	(3,422)	(3,813)	(3,422)
Net cash used in financing activities		(10,246)	(6,561)	(3,813)	(3,422)
		36,812	(4,365)	44,064	(1,325)
		63,335	67,700	76,826	78,151
Cash at the end of the financial year	3.1	100,147	63,335	120,890	76,826

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

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Basis of Preparation

- 1.1. Reporting entity
- 1.2. Basis of accounting
- 1.3. Basis of consolidation
- 1.4. Adoption of new or amended accounting standards and future developments

Note 2. Financial Performance

- 2.1. Operating income
- 2.2. Operating expenses
- 2.3. Income tax

Note 3. Capital and balance sheet management

- 3.1. Cash and cash equivalents
- 3.2. Debt investments
- 3.3. Equity investments
- 3.4. Loans and advances
- 3.5. Deposits
- 3.6. Borrowings
- 3.7. Financial risk management
- 3.8. Fair value measurement
- 3.9. Capital management

Note 4. Other assets and liabilities

- 4.1. Other assets
- 4.2. Property, plant and equipment
- 4.3. Lease arrangements
- 4.4. Other payables
- 4.5. Provisions

Note 5. Other notes

- 5.1. Auditor's remuneration
- 5.2. Commitments
- 5.3. Related party transactions
- 5.4. Events occurring after the reporting date

Notes to the financial statements

for the year ended 30 June 2026

Note 1. Basis of Preparation

1.1. Reporting entity

The financial report of Queensland Country Bank Limited (the 'Company', 'Parent Entity' or 'Bank') and its subsidiaries (the 'Group' or the 'Consolidated Entity') for the year ended 30 June 2026, was approved and authorised for issue by the Board of Directors on 24 September 2026.

The Bank is a for-profit public company limited by shares, incorporated and domiciled in Australia. Its registered office is 333 Ross River Road, Aitkenvale QLD 4814. The Group operates principally in Australia and the principal activity of the Group is the provision of financial services to its members.

1.2. Basis of accounting

The financial report:

- is a general-purpose financial report;
- has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**);
- has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*;
- is presented in Australian Dollars, with all values rounded to the nearest thousand dollars in accordance with *ASIC Corporations Instrument 2016/191* unless otherwise stated;
- has been prepared on a going concern basis using a historical cost basis, with the exception of financial instruments at fair value through other comprehensive income (**FVOCI**) that have been measured at fair value;
- where required, presents restated comparative information for consistency with current year presentation; and
- contains accounting policies that have been consistently applied to all periods presented.

1.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank, being the parent entity, and entities controlled by the Bank.

Subsidiaries are all entities (including special purpose entities) over which the Bank has control. The Bank controls an entity when it has:

- power over the relevant activity of the entity, for example through voting rights;
- exposure to, or rights to, variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns from the entity.

Business combinations are accounted for using the acquisition method of accounting. Subsidiaries are consolidated from the date on which control is transferred to the Group and deconsolidated when control ceases. Intercompany transactions and balances between Group entities are fully eliminated on consolidation. The names of the subsidiaries are contained in note 5.3(b) and are accounted for at cost in the separate financial statements of the Bank, less any impairment charge.

1.4. Adoption of new or amended accounting standards and future developments

New and amended standards adopted in the current year

Standards, amendments to standards and interpretations issued by the AASB and the IASB that were effective for the period ending 30 June 2026 have not resulted in significant changes to the accounting policies of the Bank or the Group, or to the amounts reported in these financial statements.

Standards issued but not yet effective

A number of new and amended standards and interpretations have been issued but are not yet effective and have not been early adopted by the Group in preparing these financial statements. Those that may be relevant to the Bank and the Group are set out below. Management is currently assessing the detailed implications of

Notes to the financial statements

for the year ended 30 June 2026

applying these standards and, except where indicated, does not expect their application to have a material effect on the Bank or the Group.

- **AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments** (amending AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures*). The amendments clarify the recognition and derecognition dates for financial assets and liabilities — including an option to derecognise a financial liability settled through an electronic payment system before its settlement date — and clarify the assessment of contractual cash flow characteristics for financial assets with contingent features (such as ESG-linked features) and for non-recourse and contractually linked instruments. The amendments apply to annual reporting periods beginning on or after 1 January 2026 and will first apply to the Group for the year ending 30 June 2027. Given the nature of the Group's financial instruments, the amendments are not expected to have a material impact on the classification or measurement of its financial assets and liabilities.
- **AASB 18 Presentation and Disclosure in Financial Statements**, which replaces AASB 101 *Presentation of Financial Statements*. AASB 18 introduces defined categories and subtotals within the statement of profit or loss (including operating, investing and financing categories and a defined operating profit subtotal), requires the disclosure of management-defined performance measures, and enhances the requirements for aggregating and disaggregating information. AASB 18 applies to annual reporting periods beginning on or after 1 January 2027 and will first apply to the Group for the year ending 30 June 2028, with restated comparatives. While it will not change the recognition or measurement of items in the financial statements, AASB 18 is expected to affect the presentation and structure of the statement of profit or loss and the related disclosures. Management is assessing the impact, including the changes required to systems and the financial reporting pack.

Sustainability and climate-related financial disclosures

- The Australian Government has introduced a mandatory climate-related financial disclosure regime through amendments to the *Corporations Act 2001*, supported by AASB S2 *Climate-related Disclosures* (and the voluntary AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*), issued by the AASB in September 2024. In-scope entities are required to prepare an annual sustainability report containing climate statements prepared in accordance with AASB S2, on a phased basis determined by entity size. Having assessed its consolidated revenue, gross assets and employee numbers against the size thresholds in the *Corporations Act 2001*, the Group is a **Group 2** entity, with its first sustainability report required for the year ending 30 June 2027. The sustainability report is a separate report and does not affect the recognition or measurement of the amounts reported in these financial statements. Management is undertaking preparatory work — covering governance, strategy, risk management, and data and process readiness — ahead of the first reporting period.

Notes to the financial statements

for the year ended 30 June 2026

Note 2. Financial Performance

2.1. Operating income

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
2.1.1. Net interest income				
(a) Interest income				
Cash and cash equivalents	2,743	2,635	3,849	3,735
Debt investments at amortised cost	21,796	47,671	1,145	25,305
Debt investments at FVOCI	24,942	-	24,943	-
Loans and advances	185,550	174,769	185,550	174,769
Total interest income	235,031	225,075	215,487	203,809
(b) Interest expense				
Deposits	123,576	119,174	123,576	119,174
Borrowings	25,069	27,143	393	361
Lease liability interest	430	367	431	367
Total interest expense	149,075	146,684	124,400	119,902

Accounting policies

Interest income and expense for all financial assets and liabilities measured at amortised cost, and debt investments measured at FVOCI, are recognised in the profit or loss using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The rate includes all fees paid or received that are an integral part of the effective interest rate, transaction costs, upfront and trail commissions, and all other premiums or discounts which are amortised over the expected life of the financial instrument.

Critical accounting estimates and judgements

When applying the effective interest method, the Group has estimated the behavioural term of loans and advances, by reference to historical prepayment rates, refinances, and the contractual maturity.

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
2.1.2. Other operating income				
- Dividends received	604	258	604	258
- Fees and commissions	14,639	13,736	14,639	13,736
- Securitisation income	5,131	5,516	-	-
- Other income	2,027	1,843	2,026	1,843
Total other operating income	22,401	21,353	17,269	15,837

Accounting policies

Unless included in the effective interest rate, fees, commissions, and other banking-related income are recognised when performance obligations in relation to the contract have been satisfied, which are either as at a point in time, or over time.

Dividends are recognised when control of a right to receive consideration is established.

Notes to the financial statements

for the year ended 30 June 2026

	Bank		Group	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
2.2. Operating expenses				
- Fees and commissions	1,300	1,117	1,300	1,117
- Occupancy and equipment expenses	11,213	10,039	10,466	9,347
- Employee expenses	50,540	45,522	50,540	45,522
- General administration & marketing costs	8,345	7,535	8,345	7,535
- Information technology costs	13,126	12,468	13,126	12,468
- Transaction processing costs	9,840	8,643	9,840	8,643
- Other operating expenses	2,548	2,223	2,548	2,223
Total Operating expenses	96,912	87,547	96,165	86,855

Accounting policies

Operating expenses are recognised as the relevant service is received and costs can be reliably measured.

2.3. Income tax

2025 Income tax					
(a)	Numerical reconciliation of income tax expense to prima facie tax payable:				
	Profit before income tax	10,966	11,684	11,712	12,376
	Tax at the Australian tax rate of 30% (2025: 30%)	3,290	3,505	3,514	3,713
	Add Tax effect of:				
	Other assessable income	78	33	78	33
	Non-deductible expenses	392	156	251	156
		3,760	3,694	3,843	3,902
	Less Tax effect of:				
	Tax offset for franked dividends	(259)	(111)	(259)	(111)
	Tax building depreciation/building allowance	(26)	(164)	(26)	(286)
		3,475	3,419	3,558	3,505
	Adjustment recognised for prior periods	280	180	212	(15)
	Income tax expense	3,755	3,599	3,770	3,490
(b)	Major components of tax expense/(income):				
	- Current tax expenses	3,895	3,501	3,922	3,459
	- Deferred tax expenses	(420)	(82)	(364)	46
	- Adjustment recognised for prior periods	280	180	212	(15)
		3,755	3,599	3,770	3,490
(c)	Major components of tax expense/(income) recognised in Other Comprehensive Income:				
	- Current tax expenses	2,773	574	2,773	574
	- Deferred tax expenses	(2,418)	259	(2,418)	259
		355	833	355	833
(d)	Franking credits based on 30% tax (2025: 30%)	127,157	119,971	127,157	119,971
(e)	(i) Deferred tax assets comprise temporary differences attributable to:				
	- provision for impairment	777	682	777	682
	- employee benefits	2,582	2,277	2,582	2,277
	- depreciation	498	522	498	522
	- land and buildings	1,061	844	850	648
		4,918	4,325	4,707	4,129
	Amounts recognised in OCI				
	- debt investments	110	-	110	-
	Total deferred tax assets	5,028	4,325	4,817	4,129
	(ii) Deferred tax liabilities comprise temporary differences attributable to:				
	- other	(1,531)	(1,359)	(1,531)	(1,359)
		(1,531)	(1,359)	(1,531)	(1,359)
	Amounts recognised in OCI				
	- equity investments	-	(2,308)	-	(2,308)
	Total deferred tax liabilities	(1,531)	(3,667)	(1,531)	(3,667)
	Net deferred tax assets	3,497	658	3,286	462

Notes to the financial statements

for the year ended 30 June 2026

2.3. Income tax – Cont.

Accounting policies

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

Current tax is the expected tax payable/receivable on the taxable income/loss for the year and any adjustment to the tax payable/receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

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 unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Note 3. Capital and balance sheet management

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
3.1. Cash and cash equivalents				
Cash on hand	4,794	4,301	4,794	4,301
Cash and short-term deposits with ADIs	95,353	59,034	116,096	72,525
Total cash and cash equivalents	100,147	63,335	120,890	76,826

Notes to the statements of cash flows

Reconciliation of profit for the year to net cash provided by operating activities:

Profit after income tax	7,211	8,085	7,942	8,886
Gain on sale of property, plant and equipment	(1)	-	(1)	-
Depreciation and amortisation	3,871	3,610	3,124	2,918
Depreciation – right of use asset	3,609	3,153	3,609	3,153
Provision for loan impairment	479	513	479	513
(Increase) in loans and advances	(411,602)	(425,795)	(411,602)	(425,795)
Decrease/(increase) in interest receivable	2,506	(127)	2,506	(127)
(Increase) in prepayments	(423)	(263)	(422)	(263)
(Increase)/decrease in sundry debtors	1,214	(2,150)	2,031	(2,242)
Decrease/(increase) in deferred tax assets	(2,839)	411	(2,824)	302
Increase in member deposits	483,139	534,741	483,191	534,742
Increase in interest payable	220	2,109	167	2,107
Increase in income tax payable	1,888	3,003	1,888	3,003
Increase in provisions	505	413	505	413
Increase in payables and other liabilities	1,982	2,143	1,986	2,135
Net cash provided by/(used in) operating activities	91,759	129,846	92,579	129,745

Notes to the financial statements

for the year ended 30 June 2026

3.1. Cash and cash equivalents – Cont.

Accounting policies

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less, which are subject to insignificant risks of changes in their value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are initially recognised at fair value and subsequently measured at amortised cost. Interest is recognised using the effective interest method.

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
3.2.1 Debt investments at amortised cost				
Bank bills of exchange and certificates of deposit	-	153,397	-	153,397
Deposits with ADIs	26,580	68,559	26,580	68,559
MTG QCCU Trust – Class A floating rate notes	401,200	401,200	-	-
MTG QCCU Trust – Class B floating rate notes	48,800	48,800	-	-
Other investments	-	334,087	-	334,087
Total debt investments at amortised cost	476,580	1,006,043	26,580	556,043

Investments at amortised cost expected to mature more than 12 months after the reporting date for the Bank amounted to nil (2025: \$257,030,000), for the Group amounted to nil (2025: \$257,030,000).

Queensland Country Bank Limited has transferred loans and advances to a securitisation entity known as The MTG QCCU Trust Repo Series No. 1 (The Trust). This Trust has been established to support the on-going liquidity management framework of the Bank. The Bank has purchased the floating rate notes issued by the Trust. The senior notes held by the Bank are eligible to be utilised as collateral in repurchase arrangements with the Reserve Bank of Australia (RBA). The total floating rate notes as at 30 June 2026 amounted to \$450,000,000 (2025: \$450,000,000), split between Class A and Class B notes.

Accounting policies

The Group's business model for these debt investments is to hold the financial assets in order to collect contractual cash flows. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These investments are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method and are presented net of provision for impairment (where applicable). Any gain or loss arising on derecognition is recognised directly in profit or loss.

During the year, the Group changed its business model for managing a portion of its debt investment portfolio from one whose objective is to hold the assets to collect contractual cash flows, to one whose objective is achieved by both collecting contractual cash flows and selling the assets. As a result, these debt investments were reclassified from amortised cost to fair value through other comprehensive income (FVOCI) with effect from 1 July 2025 (see note 3.2.2). In accordance with AASB 9, the reclassification has been applied prospectively from that date and comparative information has not been restated.

Notes to the financial statements

for the year ended 30 June 2026

	Bank		Group	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
3.2.2 Debt investments at FVOCI				
Bank bills of exchange and certificates of deposit	156,968	-	156,968	-
Floating rate notes	312,680	-	312,680	-
Bonds	70,245	-	70,245	-
Fixed term deposits	37,124	-	37,124	-
Residential mortgage-backed securities	1,603	-	1,603	-
Total debt investments at FVOCI	578,620	-	578,620	-

Investments at FVOCI expected to mature more than 12 months after the reporting date for the Bank amounted to \$328,953,000 for the Group amounted to \$328,953,000.

Accounting policies

The Group holds these debt investments within a business model whose objective is achieved by both collecting contractual cash flows and selling the assets. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These investments are initially recognised at fair value plus directly attributable transaction costs and are subsequently measured at fair value.

Interest income is recognised in profit or loss using the effective interest method. All other changes in the fair value of these investments are recognised in other comprehensive income and accumulated in the FVOCI reserve.

On derecognition, the cumulative gain or loss previously recognised in the FVOCI reserve is reclassified from equity to profit or loss.

The business model for managing a portion of the debt investment portfolio changed during the year. Refer to note 3.2.1 for further details.

Critical accounting estimates and judgements

The measurement of fair value of debt instruments classified at FVOCI involves estimation uncertainty arising from the pricing inputs and valuation techniques applied.

	Bank		Group	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
3.3. Equity investments				
Shares in unlisted entities	-	7,421	-	7,421
Shares in Australian listed entities	-	3,021	-	3,021
Total Equity investments	-	10,442	-	10,442

The Equity investments related to shareholdings in Indue Limited and Cuscal Limited. These companies were created to supply services to the member credit unions and mutual banks, and the investments were held to enable the Group to receive essential banking services. During the year, the Bank disposed of its entire shareholding in both companies, and accordingly the Group held no equity investments at 30 June 2026 (2025: \$10,442,000). A fair value gain of \$1,549,000 (\$1,084,000 net of income tax) was recognised in other comprehensive income in respect of these investments prior to their disposal. Consistent with the treatment of equity instruments designated at FVOCI, no amount was recognised in profit or loss on disposal; the cumulative gain in the FVOCI reserve of \$6,469,000 (net of tax) was instead transferred directly to retained earnings.

Accounting policies

Investments in this category were equity investments that have been irrevocably designated at initial recognition at FVOCI. Gains or losses arising from changes in the fair value of these financial instruments were recognised in other comprehensive income and were not subsequently reclassified to profit and loss, including on disposal. On derecognition, the cumulative gain or loss recognised in other comprehensive income was transferred within equity to retained earnings. Dividends, when representing a return on equity investments, continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Notes to the financial statements

for the year ended 30 June 2026

	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
3.4. Loans and advances				
Loans and advances outstanding				
- Overdrafts	22,477	22,026	22,477	22,026
- Term loans	3,509,268	3,099,980	3,509,268	3,099,980
- Credit cards	12,997	12,654	12,997	12,654
Gross loans and advances	3,544,742	3,134,660	3,544,742	3,134,660
Deferred Loan Fees	21,563	17,902	21,563	17,902
Provision for expected credit losses	(2,589)	(2,273)	(2,589)	(2,273)
Net loans and advances	3,563,716	3,150,289	3,563,716	3,150,289

Loans and advances expected to be recovered more than 12 months after the reporting date for the Bank amounted to \$3,432,035,000 (2025: \$3,003,552,000), and for the Group amounted to \$3,432,035,000 (2025: \$3,003,552,000).

a) Expected Credit Losses (ECL) on loans and advances

The following table discloses the breakdown of the ECL by component for the years ended 30 June 2026 and 30 June 2025:

Bank and Group	Stage 1 12-month ECL Collective \$'000	Stage 2 Lifetime ECL Collective \$'000	Stage 3 Lifetime ECL Collective \$'000	Total \$'000
Opening balance at 1 July 2024	900	523	440	1,863
Net transfer between stages	(323)	(43)	366	-
New loans originated	371	1	-	372
Loans derecognised	(140)	(2)	(269)	(411)
Change in measurement	473	34	77	584
Loan impairment expense/(benefit) during the year	381	(10)	174	545
Write-offs from the provision	-	-	(135)	(135)
Loss allowance at 30 June 2025	1,281	513	479	2,273

Bank and Group	Stage 1 12-month ECL Collective \$'000	Stage 2 Lifetime ECL Collective \$'000	Stage 3 Lifetime ECL Collective \$'000	Total \$'000
Opening balance at 1 July 2025	1,281	513	479	2,273
Net transfer between stages	(345)	(67)	412	-
New loans originated	683	-	44	727
Loans derecognised	(227)	(3)	(247)	(477)
Change in measurement	532	(407)	134	259
Loan impairment expense/(benefit) during the year	643	(477)	343	509
Write-offs from the provision	-	-	(193)	(193)
Loss allowance at 30 June 2026	1,924	36	629	2,589

Notes to the financial statements

for the year ended 30 June 2026

3.4. Loans and advances – Cont.

The table below discloses the gross carrying amount of loans and advances in the different stages for the Bank and Group during the years ended 30 June 2026 and 30 June 2025:

	Stage 1 12-month ECL Collective \$'000	Stage 2 Lifetime ECL Collective \$'000	Stage 3 Lifetime ECL Collective \$'000	Total \$'000
Bank and Group				
Gross loans and advances at 1 July 2024	2,694,673	12,672	3,623	2,710,968
Net transfer between stages	(10,399)	8,134	2,265	-
New loans originated	972,310	1,292	-	973,602
Loans derecognised including write offs	(423,373)	(2,538)	(2,404)	(428,315)
Change in balances for loans already provided for	(121,012)	(507)	(76)	(121,595)
Gross loans and advances at 30 June 2025	3,112,199	19,053	3,408	3,134,660
Net transfer between stages	(158)	(2,251)	2,409	-
New loans originated	1,123,083	1,377	455	1,124,915
Loans derecognised including write offs	(572,801)	(5,149)	(1,886)	(579,836)
Change in balances for loans already provided for	(134,298)	(641)	(58)	(134,997)
Gross loans and advances at 30 June 2026	3,528,025	12,389	4,328	3,544,742

b) ECL - Sensitivity analysis and forward-looking information

The table below provides a summary of macroeconomic assumptions and weightings in each forward-looking scenario used at 30 June 2026:

Scenario	Weighting	Assumptions applied
Upside	32.5%	<p>This scenario reflects the Bank's forward-looking economic assumptions, broadly reflecting the RBA's current economic forecasts for the next 12 months. Specifically, the following assumptions have been applied:</p> <ul style="list-style-type: none"> Property prices will increase by up to 10%; Low to moderate growth in GDP, and low levels of unemployment will continue; and Interest rates will reduce by 50bps from current levels. <p>As a result, this scenario assumes that the probability of members defaulting on their loans in the future will remain consistent with what is currently experienced.</p>
Base Case	60%	<p>This scenario reflects a moderate deterioration in economic conditions compared to those currently prevalent, seeing the economy slide into a mild recession. Specifically, the following assumptions have been applied:</p> <ul style="list-style-type: none"> Property prices will fall by up to 5%; GDP will fall, resulting in an increase in unemployment levels to those currently experienced; and Interest rates will increase by 50bps from current levels. <p>As a result, this scenario assumes that the probability of members defaulting on their loans in the future will increase somewhat compared to the levels currently experienced.</p>

Notes to the financial statements

for the year ended 30 June 2026

3.4. Loans and advances – Cont.

b) ECL - Sensitivity analysis and forward-looking information – cont.

This scenario reflects a significant deterioration in economic conditions compared to those currently prevalent. Specifically, the following assumptions have been applied:

Downside	7.5%	<ul style="list-style-type: none"> Property prices will fall by up to 30%; GDP will fall significantly, resulting in high levels of unemployment and a significant portion of members experiencing financial stress; and Interest rates will increase by 100bps from current levels.
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As a result, this scenario assumes that the probability of members defaulting on their loans in the future will increase significantly compared to the levels currently experienced.

The table below provides a summary of macroeconomic assumptions and weightings in each forward-looking scenario used at 30 June 2025:

Scenario	Weighting	Assumptions applied
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Upside	75%	<p>This scenario reflects the Group's forward-looking economic assumptions, largely reflecting the current Reserve Bank of Australia's economic forecasts for the next 12 months. Specifically, the following assumptions have been applied:</p> <ul style="list-style-type: none"> Property prices will increase by up to 5%; Low to moderate growth in GDP, and low levels of unemployment will continue; and Interest rates will reduce by 25bps from current levels.
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As a result, this scenario assumes that the probability of members defaulting on their loans in the future will remain consistent with what is currently experienced.

Base Case	18%	<p>This scenario reflects a moderate deterioration in economic conditions compared to those currently prevalent, seeing the economy slide into a mild recession. Specifically, the following assumptions have been applied:</p> <ul style="list-style-type: none"> Property prices will fall by up to 5%; GDP will fall, resulting in an increase in unemployment levels to those currently experienced; and Interest rates will increase by 85bps from current levels.
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As a result, this scenario assumes that the probability of members defaulting on their loans in the future will increase somewhat compared to the levels currently experienced.

Downside	7%	<p>This scenario reflects a significant deterioration in economic conditions compared to those currently prevalent. Specifically, the following assumptions have been applied:</p> <ul style="list-style-type: none"> Property prices will fall by up to 30%; GDP will fall significantly, resulting in high levels of unemployment and a significant portion of members experiencing financial stress; and Interest rates will increase by 125bps from current levels.
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As a result, this scenario assumes that the probability of members defaulting on their loans in the future will increase significantly compared to the levels currently experienced.

Notes to the financial statements

for the year ended 30 June 2026

3.4. Loans and advances – Cont.

b) ECL - Sensitivity analysis and forward-looking information – cont.

In addition to the modelled scenarios, the Group also considers the need for additional overlays for model risk and/or other forward-looking factors not adequately captured within the model. As at 30 June 2026, the Group did not hold an overlay (2025: \$500,000).

The following table compares the reported ECL to approximate levels of ECL under each scenario assuming a 100% weighting was applied to each scenario with all other assumptions held constant. The table reflects the modelled outputs excluding management overlays:

Bank and Group	2026 \$'000	2025 \$'000
Reported probability weighted ECL	2,589	1,773
100% Upside scenario	1,574	1,379
100% Base case scenario	2,627	2,053
100% Downside scenario	6,673	5,220

c) Loan write-offs

A reconciliation of the impairment expense on loans and advances to members is provided below:

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Impairment expense on loans and advances				
- Net new and increased collective provisions	509	545	509	545
- Bad debts recovered	(30)	(32)	(30)	(32)
Total impairment expense/(benefit) for loans and advances	479	513	479	513

Accounting policies

(i) Recognition and measurement

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term. The Group's business model for the loan book is to collect contractual cash flows, with sales of loans only being made internally to a consolidated securitisation vehicle for the purpose of collateralising notes issued, with no resulting derecognition by the Group. The contractual cash flows on these financial assets comprise the payment of principal and interest only.

Loans and advances are initially recognised at fair value, plus directly attributable transaction costs. They are subsequently measured at each reporting date at amortised cost using the effective interest method.

(ii) Expected Credit Losses (ECL)

The Group applies a three-stage approach to measuring ECL on loans and advances, including loan commitments. Exposures are assessed on a collective basis in each stage unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on estimated future cash flows. Where such evidence exists, the exposure is assessed on an individual basis. The measurement basis for each stage is as detailed below:

- Stage 1 – 12-month ECL: For loans where there has not been a significant increase in credit risk (**SICR**) since original recognition, the portion of lifetime ECL associated with the probability of default (**PD**) events occurring within the next 12 months is recognised as the 12-month ECL, adjusted for forward-looking information. Stage 1 includes facilities where the credit risk has improved, and the loan has been reclassified from Stage 2 or Stage 3.
- Stage 2 – Lifetime ECL (not impaired): Where there has been a SICR, the lifetime ECL is determined with reference to the probability of default events occurring throughout the life of a loan, adjusted for forward-looking information. Stage 2 includes facilities where the credit risk has improved, and the loan has been reclassified from Stage 3.

Notes to the financial statements

for the year ended 30 June 2026

3.4. Loans and advances – Cont.

Accounting policies – cont.

- Stage 3 – Lifetime ECL (credit impaired): The provision is also equivalent to the lifetime ECL, but interest income is measured based on the carrying amount of the loan net of the associated ECL.

The credit risk of loans is continuously monitored by the Group. At each reporting date, the Group assesses the credit risk of exposures in comparison to the risk at initial recognition, to determine the stage that applies to the associated ECL measurement. For this purpose, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information combined with a forward-looking approach that accounts for any known and unknown upcoming uncertainties.

SICR:

The Group considers a loan to have experienced a SICR if any of the following indicators are present:

- Significant financial difficulties of the borrower; or
- The borrower is more than 29 days past due on their contractual repayments for loans or revolving credit facilities.

Default:

The Group considers a loan to be in default (which is fully aligned with the definition of credit-impaired) if any of the following indicators are present:

- The borrower is more than 89 days past due on their contractual repayments for loans or revolving credit facilities.

A loan is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a continuous period of six months.

Calculation of Expected Credit Losses:

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. Loans have been grouped by product type (commercial loans, housing loans, personal loans, overdrafts, and credit cards) for the purpose of modelling ECL.

The ECL is measured on either a 12-month or lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. Where ECL is modelled collectively for portfolios of exposures, it is modelled primarily as the discounted product of the Probability of Default (**PD**), Exposure at Default (**EAD**), and Loss Given Default (**LGD**), defined as follows:

- The 12-month and lifetime PD represent the likelihood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation, respectively, based on conditions existing at balance date and future economic conditions that affect credit risk;
- EAD is based on the amounts the Group expects to be owed at the time of default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a facility; and
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral and the time value of money.

The Group recognises an impairment provision for such losses at each reporting date. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, and the time value of money. The discount rate used in the ECL calculation is 10% (2025: 10%).

Notes to the financial statements

for the year ended 30 June 2026

3.4. Loans and advances – Cont.

Accounting policies – cont.

Incorporation of forward-looking information:

In addition to considering historical experience, the Group incorporates forward-looking information and multiple economic scenarios to determine ECL. The Group considers three forward-looking macro-economic scenarios (upside, base case, downside) which are then probability weighted based on the likelihood of the scenario occurring to ensure ECL appropriately captures forward-looking effects and considers the range of possible economic outcomes.

Consideration of forward-looking macroeconomic conditions requires expert judgment, and the Group considered the judgment of an internal expert panel to understand how the loan portfolio is likely to respond to changes in the macroeconomic environment. The internal expert panel is comprised of members of senior management, including the Chief Executive Officer and the Chief Financial Officer.

Economic outlook factors that are taken into consideration include GDP, unemployment, interest rates, commercial and residential property price indexes, and require an evaluation of both the current and forecast direction of the macro-economic cycle.

Incorporating forward-looking information, including macroeconomic forecasts, increases the degree of judgement required to assess how changes in these data points will affect ECL. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Write-offs:

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Critical accounting estimates and judgements:

While the methodology utilised in determining the Group's expected credit losses remains consistent with the prior period, there are a number of judgements and estimates made by management in relation to the underlying assumptions that are continuously reviewed and revised on a periodic basis, which include, but are not limited to:

- probability of default, loss given default and exposure at default estimates;
- forward-looking macroeconomic conditions; and
- macroeconomic scenario weightings.

Notes to the financial statements

for the year ended 30 June 2026

	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
3.5. Deposits				
Call deposits	2,408,483	2,152,666	2,408,483	2,152,666
Term deposits	1,425,710	1,271,390	1,425,710	1,271,390
Negotiable Certificates of Deposit	110,008	37,215	110,008	37,215
Total Deposits	3,944,201	3,461,271	3,944,201	3,461,271

Deposits expected to be settled more than 12 months after reporting date for the Bank and the Group amounted to \$5,487,000 (2025: \$2,919,000).

There are no deposits from any individual, or association groups which exceed 10% of total liabilities of the Bank or Group in the current or prior year.

Accounting policies

Deposits are initially recognised at fair value, net of any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method.

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
3.6. Borrowings				
MTG QCCU Trust Repo Series No. 1	431,606	438,039	-	-

Accounting policies

Borrowings are initially recognised at fair value, net of any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method.

3.7. Financial risk management

The Board has endorsed a strategy of compliance and risk management to suit the risk profile of the Group.

Key risk management policies encompassed in the overall risk management framework include:

- Risk Management Strategy;
- Interest Rate (Market) Risk Management;
- Credit Risk Management;
- Liquidity and Funding Risk Management; and
- Capital Management.

(a) Market risk

The objective of the Group's market risk management is to manage and control market risk exposures in order to optimise risk and return.

Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and other volatilities will have an adverse effect on the Group's financial condition or results. The Group does not have any material exposure to market risk other than interest rate risk and equity price risk. As such disclosures have not been made for foreign currency risks. The management of market risk is the responsibility of the Asset and Liability Committee (ALCO).

Notes to the financial statements

for the year ended 30 June 2026

3.7. Financial risk management – Cont.

(a) Market risk – cont.

(i) Interest rate risk

Interest rate risk is the risk of variability of the fair value of future cash flows arising from financial instruments due to changes in interest rates. The Group is exposed to interest rate risk in relation to its treasury operations and banking activities. The Group's exposure to interest rate risk is measured and monitored using interest rate sensitivity models. There has been no change to the Group's exposure to interest rate risk or the way it is managed and measured in the reporting period.

The policy of the Group is to maintain a balanced 'on book' strategy by ensuring the net interest rate gaps between assets and liabilities are within Board approved risk appetite. The gap is measured monthly to identify any large exposures to the interest rate movements and to rectify the excess through targeted fixed rate interest products available through investment assets, and term deposit liabilities to rectify the imbalance to within acceptable levels.

The Bank and Group's exposure to interest rate risk at the end of the reporting period was as follows:

Bank	Floating Interest Rate	Fixed interest rate maturing:		Non Interest Sensitive	Total
		1 year or less	1 to 5 years		
Repricing Period: 30 June 2026	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
- Cash and cash equivalents	85,591	-	-	14,556	100,147
- Trade debtors	-	-	-	138	138
- Debt investments at cost	450,000	26,580	-	-	476,580
- Debt investments at FVOCI	20,057	488,318	70,245	-	578,620
- Loans and advances	2,751,814	288,255	502,084	21,563	3,563,716
Total Financial Assets	3,307,462	803,153	572,329	36,257	4,719,201
Financial Liabilities					
- Deposits	2,425,636	1,513,078	5,487	-	3,944,201
- Borrowings	431,606	-	-	-	431,606
- Trade payables	-	-	-	1,508	1,508
- Trail commissions payable	-	-	-	13,997	13,997
Total Financial Liabilities	2,857,242	1,513,078	5,487	15,505	4,391,312
Bank					
Repricing Period: 30 June 2025					
Financial Assets					
- Cash and cash equivalents	52,413	-	-	10,922	63,335
- Trade debtors	-	-	-	325	325
- Debt investments	469,978	499,065	37,000	-	1,006,043
- Loans and advances	2,433,692	492,167	206,528	17,902	3,150,289
- Equity investments	-	-	-	10,442	10,442
Total Financial Assets	2,956,083	991,232	243,528	39,591	4,230,434
Financial Liabilities					
- Deposits	2,170,030	1,288,322	2,919	-	3,461,271
- Borrowings	438,039	-	-	-	438,039
- Trade payables	-	-	-	1,264	1,264
- Trail commissions payable	-	-	-	11,693	11,693
Total Financial Liabilities	2,608,069	1,288,322	2,919	12,957	3,912,267

Notes to the financial statements

for the year ended 30 June 2026

3.7. Financial risk management – Cont.

(a) Market risk – cont.

(i) Interest rate risk - cont.

Group Repricing Period: 30 June 2026	Floating Interest Rate \$'000	Fixed interest rate maturing:		Non Interest Sensitive \$'000	Total \$'000
		1 year or less \$'000	1 to 5 years \$'000		
Financial Assets					
- Cash and cash equivalents	106,334	-	-	14,556	120,890
- Trade debtors	-	-	-	138	138
- Debt investments at cost	26,580	-	-	-	26,580
- Debt investments at FVOCI	20,057	488,318	70,245	-	578,620
- Loans and advances	2,751,814	288,255	502,084	21,563	3,563,716
Total Financial Assets	2,904,785	776,573	572,329	36,257	4,289,944
Financial Liabilities					
- Deposits	2,425,636	1,513,078	5,487	-	3,944,201
- Trade payables	-	-	-	1,508	1,508
- Trail commissions payable	-	-	-	13,997	13,997
Total Financial Liabilities	2,425,636	1,513,078	5,487	15,505	3,959,706

Group Repricing Period: 30 June 2025

Financial Assets					
- Cash and cash equivalents	65,904	-	-	10,922	76,826
- Trade debtors	-	-	-	325	325
- Debt investments	19,978	499,065	37,000	-	556,043
- Loans and advances	2,433,692	492,167	206,528	17,902	3,150,289
- Equity investments	-	-	-	10,442	10,442
Total Financial Assets	2,519,574	991,232	243,528	39,591	3,793,925
Financial Liabilities					
- Deposits	2,170,030	1,288,322	2,919	-	3,461,271
- Trade payables	-	-	-	1,264	1,264
- Trail commissions payable	-	-	-	11,693	11,693
Total Financial Liabilities	2,170,030	1,288,322	2,919	12,957	3,474,228

Based on calculations at 30 June 2026 the net profit and equity impact to the Bank and the Group of a 1% (2025:1%) movement in interest rates would be \$2,210,000 (2025: \$1,100,000).

(ii) Price risk

The Group's exposure to price risk arises from equity investments and debt instruments classified in the balance sheet as FVOCI.

Equity instruments at FVOCI relate to the shares held by the Bank in Indue Limited and Cuscal Limited. During the year, the Bank disposed of its entire shareholding in both Indue Limited and Cuscal Limited (refer note 3.3). Accordingly, the Group held no equity investments at 30 June 2026 and the Group's maximum exposure to equity price risk at that date was nil (2025: \$10,442,000).

Debt instruments at FVOCI include a portfolio of bonds, floating rate notes, bank bills of exchange, certificates of deposit and other similar investments held for liquidity management purposes. The Group is not exposed to material price risk on these debt instruments.

(iii) Foreign exchange risk

The Group does not have a material exposure to foreign exchange risk.

Notes to the financial statements

for the year ended 30 June 2026

3.7. Financial risk management – Cont.

(b) Credit risk

Credit risk is the risk that members, financial institutions and other counterparties will be unable to meet their obligations to the Group which may result in financial losses. Credit risk arises from on-balance sheet financial assets (including cash and cash equivalents, debt investments, trade debtors, and loans and advances to members) and from off-balance sheet financial assets (including on loans approved but not yet advanced (LANA)).

The Group's principal exposure to credit risk arises from its loan portfolio. Credit risk in relation to the loan portfolio is managed by way of strict adherence to the credit assessment policies before loans are approved and close monitoring of defaults in the repayment of loans thereafter on a regular basis. The credit policy has been endorsed by the Board to ensure that loans are only made to members that are creditworthy (capable of meeting loan repayments).

The Bank has established policies over the:

- Credit assessment and approval of loans and facilities covering acceptable risk assessment, security requirements;
- Limits of acceptable exposure over the value to individual borrowers, non-mortgage secured loans, commercial lending and concentrations of geographic and industry groups considered a high risk of default;
- Reassessing and review of the credit exposures on loans and facilities;
- Establishing appropriate provisions to recognise the expected credit losses for loans and facilities;
- Debt recovery procedures; and
- Review of compliance with the above policies.

The Group holds collateral against loans and advances to Members in the form of mortgage interest over real property, other registered securities over assets and guarantees. To mitigate credit risk, the Group can take possession of the collateral held against the loans and advances as a result of Member default.

(i) Maximum exposure to credit risk

The Group's maximum exposure to credit risk at balance date in relation to each class of financial asset is the carrying amount of those assets as recognised on the balance sheet. In relation to off-balance sheet loan commitments, the maximum exposure to credit risk is the maximum committed amount as per the loan contract. The maximum credit risk exposure does not take into account the value of any security held or the value of any mortgage or other insurance taken out to mitigate the risk exposure.

The Group's maximum exposure to credit risk on loans and advances by stage is shown below:

	Stage 1 12-month ECL Collective \$'000	Stage 2 Lifetime ECL Collective \$'000	Stage 3 Lifetime ECL Collective \$'000	Total \$'000
Bank and Group				
30 June 2026				
- Commercial	174,992	81	-	175,073
- Housing	3,200,708	11,984	3,883	3,216,575
- Personal	117,031	287	272	117,590
- Overdraft	22,440	9	58	22,507
- Credit cards	12,854	28	115	12,997
Gross carrying amount	3,528,025	12,389	4,328	3,544,742
Impairment provision	1,924	36	629	2,589

Notes to the financial statements

for the year ended 30 June 2026

3.7. Financial risk management – Cont.

(b) Credit risk – cont.

(i) Maximum exposure to credit risk – cont.

Bank and Group	Stage 1 12-month ECL Collective \$'000	Stage 2 Lifetime ECL Collective \$'000	Stage 3 Lifetime ECL Collective \$'000	Total \$'000
30 June 2025				
- Commercial	124,282	-	145	124,427
- Housing	2,828,200	18,267	2,997	2,849,464
- Personal	125,297	673	119	126,089
- Overdraft	21,931	93	2	22,026
- Credit cards	12,487	20	147	12,654
Gross carrying amount	3,112,197	19,053	3,410	3,134,660
Impairment provision	1,280	513	480	2,273

The credit risk on the Group's other financial assets is considered to be low, as they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term.

(ii) Credit quality

From 1 July 2025, business credit exposures are assigned an expert judgement credit risk grade at origination, at each review, or whenever circumstances change materially.

The following table outlines the gross carrying amount and associated credit impairment provision of the Group's business loans and advances by internal credit rating grade (CRG) and ECL stage. The Group's internal credit risk rating grades broadly align with S&P rating scale as follows:

Internal credit rating category	Internal CRG	S&P equivalent	Carrying Amount \$'000	Impairment Provision \$'000
High Grade	A	A+ to A-	24,310	23
Satisfactory	B	BBB+ to BBB-	145,813	119
Weak	C - D	BB+ to CC	4,950	3
Total			175,073	145

The grade combines a probability of default rating, assessed against transaction, management, debt servicing capacity, capital and environmental, social and governance criteria, with a loss given default rating based on the security risk rating, expressed as a loan to security value ratio.

The Group does not use a credit grading system for its retail loans and advances, and therefore the credit grade of loans within each retail portfolio is considered comparable.

(iii) Concentration of exposure for gross loans and advances

The Group lends predominantly to regional Queensland and therefore is exposed to economic conditions in this geographic region. Factors such as unemployment and property prices can impact the credit risk of loans in this region. The maximum exposure to credit risk arising from loans originated in regional areas in Queensland at 30 June 2026 is \$3,164,573,000 (2025: \$2,798,137,000). There are no significant exposures to individuals or groups of individuals in the current or prior years.

Notes to the financial statements

for the year ended 30 June 2026

3.7. Financial risk management – Cont.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments (e.g. borrowing repayments or member withdrawal demands). It is the policy of the Group to maintain adequate cash reserves and credit facilities so as to meet these commitments. This includes:

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

Under the APRA Prudential Standards, the minimum requirement is to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 24 hours. The Group's policy is to maintain at least 11% of funds as liquid assets. The Group operated above these limits at all times during the current and prior year. The Group also has access to an overdraft facility through Indue Limited. These facilities as shown below are floating rate, and may be withdrawn at any time without notice:

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Overdraft facility approved	500	500	500	500
Overdraft facility used	-	-	-	-
Overdraft facility available	500	500	500	500

Notes to the financial statements

for the year ended 30 June 2026

3.7. Financial risk management – Cont.

(c) Liquidity risk – cont.

The maturity profile of financial liabilities based on the contractual repayment terms is set out in the following table. The table shows the periods in which the financial liabilities mature. Contractual cash flows shown in the table are at undiscounted values (including future interest expected to be paid). Accordingly, these values may not agree to the carrying amounts.

Bank - Maturity profile of financial liabilities									
2026	Financial Liabilities	Carrying amount \$'000	Total cash flows \$'000	Within 1 month \$'000	1 – 3 months \$'000	3 – 12 months \$'000	1 – 5 years \$'000	Over 5 years \$'000	
	- Deposits	3,944,201	3,958,104	2,618,690	557,744	775,839	5,831	-	-
	- Borrowings	431,606	431,606	431,606	-	-	-	-	-
	- Trade payables	1,508	1,508	1,508	-	-	-	-	-
	- Trail commissions payable	13,997	13,997	233	467	2,100	11,197	-	-
	- Unrecognised loan commitments	94,022	94,022	52,519	30,782	6,474	4,247	-	-
	Total Financial Liabilities	4,485,334	4,499,237	3,104,556	588,993	784,413	21,275		
2025	Financial Liabilities								
	- Deposits	3,461,271	3,528,951	2,298,650	467,899	759,352	3,050	-	-
	- Borrowings	438,039	438,039	438,039	-	-	-	-	-
	- Trade payables	1,264	1,264	1,264	-	-	-	-	-
	- Trail commissions payable	11,693	11,693	195	390	1,754	9,354	-	-
	- Unrecognised loan commitments	91,526	91,526	51,125	29,965	6,303	4,133	-	-
	Total Financial Liabilities	4,003,793	4,071,473	2,789,273	498,254	767,409	16,537		
Group – Maturity profile of financial liabilities									
2026	Financial Liabilities	Carrying amount \$'000	Total cash flows \$'000	Within 1 month \$'000	1 – 3 months \$'000	3 – 12 months \$'000	1 – 5 years \$'000	Over 5 years \$'000	
	- Deposits	3,944,201	3,958,104	2,618,690	557,744	775,839	5,831	-	-
	- Borrowings	-	-	-	-	-	-	-	-
	- Trade payables	1,508	1,508	1,508	-	-	-	-	-
	- Trail commissions payable	13,997	13,997	233	467	2,100	11,197	-	-
	- Unrecognised loan commitments	94,022	94,022	52,519	30,782	6,474	4,247	-	-
	Total Financial Liabilities	4,053,728	4,067,631	2,672,950	588,993	784,413	21,275		
2025	Financial Liabilities								
	- Deposits	3,461,271	3,528,951	2,298,650	467,899	759,352	3,050	-	-
	- Borrowings	-	-	-	-	-	-	-	-
	- Trade payables	1,264	1,264	1,264	-	-	-	-	-
	- Trail commissions payable	11,693	11,693	195	390	1,754	9,354	-	-
	- Unrecognised loan commitments	91,526	91,526	51,125	29,965	6,303	4,133	-	-
	Total Financial Liabilities	3,565,754	3,633,434	2,351,234	498,254	767,409	16,537		

Notes to the financial statements

for the year ended 30 June 2026

3.8. Fair value measurement

(a) Fair value hierarchy

The Group measures fair values of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument. The quoted market price for financial assets is the current bid price;
- Level 2: valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets and liabilities valued using:
 - Quoted market prices in active markets for similar instruments;
 - Quoted prices for identical or similar instruments in markets that are considered less than active; or
 - Other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: valuation techniques using significant unobservable inputs. This category includes all assets and liabilities where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

To the extent possible, assumptions used are based on observable market prices and rates at the end of the reporting date. The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer. The assets carried at fair value by the Bank and the Group in the current year are the debt investments measured at FVOCI. In the prior year, the assets carried at fair value were the equity investments in Indue Limited and Cuscal Limited, which were classified as level 1 for Cuscal Limited and level 3 for Indue Limited in the fair value hierarchy. Measurement of the value of the level 1 Cuscal shares was made with reference to the quoted market price per share and measurement of the level 3 Indue shares was made with reference to the net asset backing per share, taken from the most recent available audited financial statements of that entity.

		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Bank and Group					
2026	Debt investments at FVOCI	177,865	400,755	-	578,620
Total		177,865	400,755	-	578,620
2025	Equity investments at FVOCI	3,021	-	7,421	10,442
Total		3,021	-	7,421	10,442

The debt investments measured at FVOCI comprise negotiable certificates of deposit, floating rate notes, bonds, fixed term deposits and residential mortgage-backed securities.

Government and Semi-Government securities and SSA's are classified as level 1, as their fair value is determined by reference to quoted market prices for these instruments at the reporting date. The remaining investments are classified as level 2, as they are not quoted in an active market and their fair value is determined using valuation techniques based on observable market inputs, including benchmark yield curves and credit spreads appropriate to the issuer and the remaining term to maturity. For deposits repayable at call or on short notice, the carrying amount is considered to approximate fair value.

Notes to the financial statements

for the year ended 30 June 2026

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
3.8. Fair value measurement – Cont.				
Level 1				
Semi-Government & SSA bonds	45,532	-	45,532	-
Semi-Government floating rate notes	132,333	-	132,333	-
Total Level 1	177,865	-	177,865	-
Level 2				
Fixed term deposits	37,124	-	37,124	-
Negotiable certificates of deposit	156,968	-	156,968	-
Floating rate notes	180,347	-	180,347	-
Bonds	24,713	-	24,713	-
RMBS	1,603	-	1,603	-
Total Level 2	400,755	-	400,755	-
Total debt investments at FVOCI	578,620	-	578,620	-

Movements in level 1 of the fair value hierarchy – Listed equity investments

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Balance at the beginning of the financial year	3,021	-	3,021	-
Transfers into/(out of) Level 1	-	3,645	-	3,645
Gains/(losses) recognised in other comprehensive income	1,350	1,893	1,350	1,893
Additions/(disposals)	(4,371)	(2,517)	(4,371)	(2,517)
Balance at the end of the financial year	-	3,021	-	3,021

Movements in level 3 of the fair value hierarchy – Unlisted equity investments

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Balance at the beginning of the financial year	7,421	10,183	7,421	10,183
Transfers into/(out of) Level 3	-	(3,645)	-	(3,645)
Gains/(losses) recognised in other comprehensive income	199	883	199	883
Additions/(disposals)	(7,620)	-	(7,620)	-
Balance at the end of the financial year	-	7,421	-	7,421

During the year, the Bank disposed of its entire shareholding in both Indue Limited and Cuscal Limited (refer note 3.3). Accordingly, the Group held no equity investments at 30 June 2026. The disposal resulted in a transfer of cumulative gain in respect of these instruments from FVOCI reserve to retained profits of \$6,469,000. Fair value gains on these equity investments of \$1,549,000 (\$1,084,000 net of tax) were recognised in other comprehensive income prior to disposal (2025: \$2,776,000 gross, \$1,943,000 net of tax).

Notes to the financial statements

for the year ended 30 June 2026

3.8. Fair value measurement – Cont.

(a) Fair value hierarchy – cont.

During the year, the Group and the Bank recognised \$604,000 (2025: \$258,000) of dividends from equity investments at FVOCI in profit or loss (other income).

Measurement of the value of Level 3 equity investments is as per below:

Valuation approach	Unobservable inputs used	Fair value at 30 June 2026 \$'000	Fair value at 30 June 2025 \$'000	Relationship of unobservable inputs to fair value
Measurement of the value of the shares has been made with reference to the net asset backing per share, taken from the most recent available audited financial statements from the organisation.	Indue No valuation required for current year, as the Group held no equity investments at 30 June 2026. A Directors' valuation at 30 June 2025 was used for prior year The financial statements noted that although the majority of assets were disclosed at cost, the cost was considered to be equivalent to fair value based on the short-term nature of the assets. 30 June 2025: \$555 per share	-	7,421	An increase/decrease of 15% (2025: 15%) on the net asset backing per share would result in an increase/decrease in the fair value by nil (2025: \$1,113,000).

(b) Financial instruments carried at amortised cost

The table below details the fair value of financial instruments carried at amortised cost, by classification per the statements of financial position and hierarchy level:

		30 June 2026		30 June 2025	
Bank	Level of hierarchy	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial Assets					
Cash and cash equivalents	2	100,147	100,147	63,335	63,335
Trade debtors	3	138	138	325	325
Debt investments at amortised cost	2	476,580	476,580	1,006,043	1,006,043
Loans and advances	3	3,563,716	3,567,317	3,150,289	3,159,444
Total Financial Assets		4,140,581	4,144,182	4,219,992	4,229,147
Financial Liabilities					
Trade payables	3	1,508	1,508	1,264	1,264
Trail commissions payable	3	13,997	13,997	11,693	11,693
Deposits	2	3,944,201	3,944,762	3,461,271	3,462,195
Borrowings	2	431,606	431,606	438,039	438,039
Total Financial Liabilities		4,391,312	4,391,873	3,912,267	3,913,191

Notes to the financial statements

for the year ended 30 June 2026

3.8. Fair value measurement – Cont.

(b) Financial instruments carried at amortised cost – cont.

Group	Level of hierarchy	30 June 2026		30 June 2025	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial Assets					
Cash and cash equivalents	2	120,890	120,890	76,826	76,826
Trade debtors	3	138	138	325	325
Debt investments at amortised cost	2	26,580	26,580	556,043	556,043
Loans and advances	3	3,563,716	3,567,317	3,150,289	3,159,444
Total Financial Assets		3,711,324	3,714,925	3,783,483	3,792,638
Financial Liabilities					
Trade payables	3	1,508	1,508	1,264	1,264
Trail commissions payable	3	13,997	13,997	11,693	11,693
Deposits	2	3,944,201	3,944,762	3,461,271	3,462,195
Total Financial Liabilities		3,959,706	3,960,267	3,474,228	3,475,152

Valuation techniques used to value financial instruments carried at amortised cost include:

- Cash and cash equivalents, trade debtors, debt investments, trade payables, trail commissions payable and borrowings from securitisation activities – due to the short-term nature of these assets and liabilities their carrying amounts are considered to approximate their fair values.
- Loans and advances - for variable rate loans, the carrying value is considered to be a reasonable approximation of the fair value. The fair value for fixed rate loans was calculated by utilising discounted cash flow models based on the maturity of the loans. The discount rates applied were based on the current benchmark rate offered for the average remaining term of the portfolio as at balance date.
- Deposits – the fair value of at-call and variable rate deposits and fixed rate deposits repricing within twelve months approximates the carrying value. Discounted cash flow models based upon deposit types and related maturities were used to calculate the fair value of other term deposits. The discount rates applied were based on the current benchmark rate offered for the actual remaining term of the portfolio as at balance date.

3.9. Capital management

The Group's objective is to maintain sufficient capital resources to support business activities and operating requirements and to ensure continuous compliance with prudential capital ratios. To manage the Group's capital, the Group reviews the ratio monthly and monitors major movements in asset levels. Policies have been implemented which require reporting to the Board and the regulator if the capital ratio falls below 15.35% (2025: 15.50%).

The Group's capital ratios throughout the year were in compliance with both APRA minimum capital adequacy requirements and the Board-approved minimums. The Group is required to inform APRA immediately of any breach or potential breach of its minimum prudential capital adequacy requirements, including details of remedial action taken or planned to be taken.

The Group holds the following reserves as part of equity:

- FVOCI Reserve – Changes in the fair value of equity and debt investments measured at FVOCI are accumulated within the FVOCI reserve within equity. On disposal of these instruments, any related balance within the FVOCI reserve is reclassified to retained earnings for equity instruments and other income within profit or loss for debt instruments.
- Business Combination Reserve - recognises the net assets acquired on previous mergers; and
- General Reserve - records funds set aside for future expansion of the Bank.

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for the year ended 30 June 2026

Note 4. Other assets and liabilities

Accounting policies

Other assets are tested for impairment whenever events or changes indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.1. Other assets

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Accrued interest	322	2,828	322	2,828
Trade debtors	138	325	138	325
Sundry debtors	3,114	4,140	798	2,643
Prepayments	2,831	2,408	2,831	2,408
Total Other assets	6,405	9,701	4,089	8,204

All other asset balances are expected to mature within 12 months after the reporting date for the Bank and the Group in both periods presented.

Accounting policies

Trade debtors are classified and measured as financial instruments at amortised cost. Accrued interest is recognised on an accruals basis. The remaining other assets are recognised on an accrual or service performed basis and amortised over the period in which the economic benefits of those assets are realised.

4.2. Property, plant and equipment

(a) Carrying amounts

Land				
- At cost	9,319	8,684	11,122	10,487
Buildings				
- At cost	42,070	37,941	38,220	34,209
- Accumulated depreciation	(11,298)	(9,576)	(14,462)	(13,606)
	30,772	28,365	23,758	20,603
Investment Property				
- At cost	14,959	13,500	14,959	13,500
- Accumulated depreciation	(685)	(250)	(685)	(250)
	14,274	13,250	14,274	13,250
Leasehold improvements				
- At cost	9,786	9,574	9,786	9,574
- Accumulated amortisation	(8,179)	(7,973)	(8,179)	(7,973)
	1,607	1,601	1,607	1,601
Plant and equipment				
- At cost	9,549	9,461	9,403	9,314
- Accumulated depreciation	(5,825)	(5,034)	(5,825)	(5,033)
	3,724	4,427	3,578	4,281
Total property, plant and equipment	59,696	56,327	54,339	50,222

Notes to the financial statements

for the year ended 30 June 2026

4.2. Property, plant and equipment – Cont.

(b) Movements in carrying amounts

	Land \$'000	Buildings \$'000	Investment Property \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Total \$'000
Bank						
Balance at 1 July 2025	8,684	28,365	13,250	1,601	4,427	56,327
- Additions	-	4,792	1,459	405	544	7,200
- Transfers	635	(635)	-	-	-	-
- Disposals	-	(9)	-	(6)	(16)	(31)
- Depreciation expense	-	(1,741)	(435)	(393)	(1,231)	(3,800)
Balance at 30 June 2026	9,319	30,772	14,274	1,607	3,724	59,696
Balance at 1 July 2024	6,711	24,578	-	756	4,062	36,107
- Additions	1,973	5,506	13,500	1,069	1,776	23,824
- Disposals	-	(16)	-	(12)	(37)	(65)
- Depreciation expense	-	(1,703)	(250)	(212)	(1,374)	(3,539)
Balance at 30 June 2025	8,684	28,365	13,250	1,601	4,427	56,327
Group						
Balance at 30 June 2025	10,487	20,603	13,250	1,601	4,281	50,222
- Additions	-	4,793	1,459	405	544	7,201
- Transfers	635	(635)	-	-	-	-
- Disposals	-	(9)	-	(6)	(16)	(31)
- Depreciation expense	-	(994)	(435)	(393)	(1,231)	(3,053)
Balance at 30 June 2026	11,122	23,758	14,274	1,607	3,578	54,339
Balance at 30 June 2024	8,514	16,125	-	756	3,916	29,311
- Additions	1,973	5,505	13,500	1,069	1,776	23,823
- Disposals	-	(16)	-	(12)	(37)	(65)
- Depreciation expense	-	(1,011)	(250)	(212)	(1,374)	(2,847)
Balance at 30 June 2025	10,487	20,603	13,250	1,601	4,281	50,222

Accounting policies

Property, plant and equipment (excluding investment property)

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of all property, plant and equipment including buildings but excluding freehold land, is depreciated over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful life of the improvements. The following are the rates of depreciation applied on a straight-line basis:

- Buildings 5.0%
- Plant & Equipment 2.5% - 50.0%
- Leasehold Improvements 10.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised in profit or loss.

Investment Property

Investment properties are initially recognised at cost, which includes purchase prices and directly attributable transaction costs. After initial recognition, these properties are carried at cost, less accumulated depreciation and impairment losses, if applicable.

Notes to the financial statements

for the year ended 30 June 2026

4.2. Property, plant and equipment – Cont.

To ensure that the pattern of consumption of the asset's future economic benefits is accurately reflected, the depreciable amount of the investment property is divided into components that are significant in value and have similar uses. Depreciation is applied on a straight-line basis to each component of the investment property at the following rates:

- Buildings 5.0%
- Plant & Equipment 2.5% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised in profit or loss.

During the financial year ended 30 June 2025, the Group acquired a property in Brisbane City. This property was initially purchased to meet the Group's business requirements for office and branch space. However, a portion of the excess capacity of the building was leased out to external tenants. As at 30 June 2026, the Group utilised 27% of the property for its internal use purposes.

The Bank and the Group engage an independent valuer to assess the market value of its significant commercial properties on a three-year rotational basis. As of 30 June 2026, the fair value of the land and building classified as investment property was materially equal to its carrying amount.

4.3. Lease arrangements

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
This note provides information for leases where the Group is a lessee.				
(i) Amounts recognised in the Statements of Financial Position				
<i>Right-of-use Assets</i>				
Buildings	6,219	6,131	6,219	6,131
Equipment	858	789	858	789
Total Right-of-use Assets	7,077	6,920	7,077	6,920
<i>Lease Liabilities</i>				
Payable within 12 Months	2,271	2,612	2,271	2,612
Payable > 12 Months	4,540	4,196	4,540	4,196
Total Lease Liabilities	6,811	6,808	6,811	6,808

Additions to the Right-of-use assets during the 2026 financial year for the Bank were \$1,186,000 (2025: \$1,372,000), and for the Group were \$1,186,000 (2025: \$1,372,000).

(ii) Amounts recognised in the Statements of Profit or Loss

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Depreciation charge on right-of-use assets				
Buildings	3,127	2,697	3,127	2,697
Equipment	482	456	482	456
Total Depreciation	3,609	3,153	3,609	3,153
Interest expenses				
Expense relating to short-term leases	84	42	84	42
Expenses relating to variable lease payments not included in lease liabilities	2	2	2	2

The total cash outflow for leases in 2026 for the Bank amounted to \$3,813,000 (2025: \$3,422,000), and for the Group amounted to \$3,813,000 (2025: \$3,422,000).

Notes to the financial statements

for the year ended 30 June 2026

4.3. Lease arrangements – Cont.

Accounting policies

(i) Lessee accounting

Leases are recognised as a Right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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 restore the site on which it is located, less any lease incentives received. The right-of use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is measured at the present value of the lease payments outstanding at commencement date, discounted using the Group's incremental borrowing rate applied to the lease term. The lease liability is then increased by the interest expense on the lease liability and decreased by the lease payments made. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease liability is remeasured where a change in future lease payments arises. When the lease liability is remeasured, a corresponding adjustment is made to the carrying value of the Right-of-use asset or in the profit or loss if the Right-of-use asset has been fully written down.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of furniture and equipment.

(ii) Lessor accounting

The Group is a lessor of office facilities. The Group retains the leased assets, and accounts for operating leases by recognising income received (net of lease incentives provided to the lessee) on a straight-line basis over the term of the lease. Contingent rentals are recognised at the point in time that the underlying transaction is completed.

	Bank		Group	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
4.4. Other payables				
Accrued expenses	3,021	3,118	3,021	3,118
Employee entitlements – Annual leave	4,201	3,688	4,201	3,688
Trade payables	1,508	1,264	1,508	1,264
Other liabilities	7,419	6,076	7,453	6,108
Trail commissions payable	13,997	11,693	13,997	11,693
Total Other payables	30,146	25,839	30,180	25,871

Accounting policies

Liabilities for wages, salaries and bonuses and the value of fringe benefits received (including non-monetary benefits) that are expected to be settled wholly within twelve months of the end of the reporting period are recognised in other payables in respect of employee services provided to the end of the reporting period and are measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Trade payables are short term payables due by the Group to other parties. These are initially measured at fair value, and subsequently at amortised cost using the effective interest method. Other liabilities and accruals are measured at the contractual amount payable.

The Group recognises a provision for trail commissions payable to brokers arising from the inception of underlying loan contracts. The costs associated with trail commissions payable have been capitalised as part of the total balance of loans and advances and are subsequently amortised through the profit or loss statement as effective interest income under the effective interest method.

Critical accounting estimates and judgements

The measurement of trail commission liabilities is dependent on assumptions about the behavioural life and future outstanding balances of the underlying transactions. A provision for trail commissions is only recognised to the extent that the Group can reliably estimate the future cash flows arising from a past event.

Notes to the financial statements

for the year ended 30 June 2026

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
4.5. Provisions				
Employee entitlements - long service leave	4,407	3,902	4,407	3,902
Make good provision	1,956	1,597	1,956	1,597
Total Provisions	6,363	5,499	6,363	5,499

Make good provision

The movements in the provisions were as follows:

- Carrying amount – opening balance	1,597	1,431	1,597	1,431
- Additional provisions raised during the year	381	206	381	206
- Amounts used	(22)	(40)	(22)	(40)
- Carrying amount – closing balance	1,956	1,597	1,956	1,597

Accounting policies

Provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably measured. Where the time value of money is material, the amount of the provision is measured as the present value of expenditures required to settle the obligation, based on a market observable rate. Where a payment to settle an obligation is not probable or cannot be reliably estimated, no provision is recognised. Such obligations are disclosed as contingent liabilities.

Provisions for employee entitlements such as long service leave and annual leave that are not expected to be settled within twelve months of the end of the reporting period are measured at the present value of the expected future payments to be made in respect of services provided to the end of the reporting period. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted by reference to the appropriate corporate bond rates. Any remeasurements for changes in assumptions of obligations are recognised in profit or loss in the periods in which the change occurs.

Note 5. Other notes

	Bank		Group	
	2026 \$	2025 \$	2026 \$	2025 \$
5.1. Auditor's remuneration				
Auditor Remuneration PricewaterhouseCoopers Australia:				
Auditing of financial statements	264,400	247,500	264,400	247,500
Other assurance services				
- audit and review of prudential returns	151,700	95,000	151,700	95,000
- other assurance services	49,200	15,300	49,200	15,300
Total remuneration for audit, review and assurance services	465,300	357,800	465,300	357,800
Other non-audit services				
- tax consulting and compliance services	-	16,700	-	16,700
Total remuneration for audit, review, assurance and other services	465,300	374,500	465,300	374,500

Notes to the financial statements

for the year ended 30 June 2026

	Bank		Group	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
5.2. Commitments				
(a) Customer funding commitments				
- Loans approved but not funded	94,022	91,526	94,022	91,526
- Redraws	147,617	129,216	147,617	129,216
- Undrawn overdraft, line of credit and visa facilities	61,295	60,890	61,295	60,890

In the normal course of business, the Group makes commitments to extend credit to its customers. Most commitments either expire if not taken up within a specified time or can be cancelled by the Group within one year. Credit risk is significantly less than the notional amount and does not crystallise until a commitment is funded.

(b) Future capital commitments

Capital expenditure that has been contractually committed but not yet recognised in the financial statements includes construction work related to the recently purchased property located in Brisbane city. The contractual commitment is \$2,270,000 (2025: \$6,265,000).

5.3. Related party transactions

a) Key management personnel

Key management personnel include those that have held the position of Director or in Executive Management at any time during the year, and are considered as having authority and responsibility, either directly or indirectly for planning, directing and controlling the activities of the Group.

(i) Remuneration of key management personnel (KMP)

Compensation of KMPs in total and for each of the following categories was as follows:

	\$	\$	\$	\$
- short term employee benefits	3,552,243	3,280,267	3,552,243	3,280,267
- post-employment benefits – superannuation contributions	311,078	302,732	311,078	302,732
- other long-term benefits – net increase/(decrease) in long service leave provision	116,220	63,831	116,220	63,831
- terminations	-	-	-	-
Total	3,979,541	3,646,830	3,979,541	3,646,830

(ii) Loans to KMPs and their close family members

The Group's policy for lending to KMPs is that all loans are assessed on an individual basis and approved in accordance with terms and conditions that applied to members for each class of loan. There are no benefits or concessional terms and conditions applicable to the close family members of the KMPs. There are no loans that are impaired in relation to the loan balances with KMPs. There are also no loans that are impaired in relation to the loan balances with close family relatives of KMPs.

The aggregate value of loans at year end	15,223,186	10,680,973	15,223,186	10,680,973
The aggregate value of other credit facilities at year end	148,000	148,000	148,000	148,000
Amounts drawn down included in the aggregate value	(93,678)	(91,355)	(93,678)	(91,355)
Net balance available	54,322	56,645	54,322	56,645

During the year, the aggregate value of loans disbursed amounted to:

- Term loans	12,478,279	2,003,821	12,478,279	2,003,821
	12,478,279	2,003,821	12,478,279	2,003,821
Interest and other revenue earned on loans and revolving credit facilities	722,488	578,829	722,488	578,829

Notes to the financial statements

for the year ended 30 June 2026

5.3. Related party transactions – Cont.

a) Key management personnel – cont.

(iii) Other transactions with KMPs and their close family members

KMPs have received interest on deposits with the Group during the financial year. Interest has been paid on terms and conditions no more favourable than those available on similar transactions to members of the Group.

	Bank		Group	
	2026 \$	2025 \$	2026 \$	2025 \$
Total value of deposits at year end	2,375,014	2,260,651	2,375,014	2,260,651
Total interest and fees paid on these deposits	47,841	51,650	47,841	51,650

The Bank's policy for receiving deposits from other related parties, and in respect of other related party transactions, is that all transactions are approved, and deposits accepted on the same terms and conditions that apply to members for each type of deposit. There are no other benefits paid or payable to the close family members of the KMPs. There are no service contracts to which KMPs, or their close family members are an interested party.

(iv) Transactions with other entities related to KMPs

A number of key management personnel (KMP) hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with Queensland Country Bank Limited in the reporting period. The terms and conditions of the transactions with key management personnel related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with entities not related to key management personnel on an arm's length basis.

There were no loans provided during the year relating to related parties of the KMP.

The aggregate amounts of deposits with Queensland Country Bank Limited during the year relating to related parties of the KMP were as follows:

Deposits from related parties of the KMP	Closing Balance \$	Opening Balance \$	Total deposit interest \$	Number of deposits
2026	5,235,549	6,418,600	125,898	7
2025	6,418,600	4,970,243	5,079	5

b) Subsidiaries

The parent entity is Queensland Country Bank Limited. Particulars in relation to subsidiaries are outlined below:

Name of entity	Country of incorporation	2026 %	2025 %
MTG QCCU Trust Repo Series No. 1	Australia	100	100

(i) Transactions with subsidiaries

Transactions with the subsidiaries are on normal commercial terms and conditions unless otherwise stated. Transactions during the year comprised:

	2026 \$'000	2025 \$'000
- Balance of Notes - MTG QCCU Trust Repo Series No. 1	450,000	450,000
- Interest received on Notes - MTG QCCU Trust Repo Series No. 1	20,651	22,366
- Servicing and Custodian fee received - MTG QCCU Trust Repo Series No. 1	698	698
- Securitisation Income - MTG QCCU Trust Repo Series No. 1	4,434	4,818
- Balance of Borrowings - MTG QCCU Trust Repo Series No. 1	431,606	438,039
- Interest paid on Borrowings - MTG QCCU Trust Repo Series No. 1	24,675	26,782
- Receivable - MTG QCCU Trust Repo Series No. 1	2,317	1,498

Notes to the financial statements

for the year ended 30 June 2026

5.3. Related party transactions – Cont.

b) Subsidiaries – cont.

(ii) Securitisation

Internal securitisation arrangements enable the Bank to raise funds from the RBA utilising its loans and advances as the underlying security. The Bank has retained substantially all the risks and rewards of ownership of the relevant loans and advances as it has retained credit risk and interest rate risk.

Due to the retention of substantially all the risks and rewards of ownership, the Bank continues to recognise the transferred assets within loans and advances, and the transfer is accounted for as a secured financing transaction. The Bank assigned mortgage secured loans to the securitisation entity during 2026 amounting to \$94,221,000 (2025: \$93,395,000). The total assigned mortgage secured loans to the securitisation entity amounted to \$431,606,000 (2025: \$438,039,000) at 30 June 2026. This is also the carrying amount of associated liabilities held.

The Bank collects the cash receipts relating to the loans and advances and passes these receipts on to the MTG QCCU Trust Repo Series No. 1. The Bank cannot use the transferred assets as they have been transferred to the Trust and pledged as security for securities issued by the Trust.

All transactions between the Bank and the Trusts are eliminated on consolidation.

Accounting policies

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transfers result in derecognition if the Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Where these criteria are not met, then the assets are not derecognised.

Where the assets are derecognised, the Group also recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. In addition to this, the Group may receive any residual income of the securitisation program once all associated costs have been met. The residual income is recognised as revenue when received. The timing and amount of cash flows and any residual income to be earned cannot be reliably measured because of the significant uncertainties inherent in estimating future repayment rates on the related mortgage loans and the associated loan interest margins. Consequently, any residual income receivable has not been recognised as an asset and no gain is recognised on sale of the housing mortgage loans. Any associated income or expenditure is recognised when receivable or payable.

The Trustee of the securitisation program has funded the purchase of housing mortgage loans through the issue of securities. The securities issued by the Trust do not represent deposits or liabilities of the Group. The Group does not guarantee the capital value or performance of the securities, or the assets of the Trust. The Group does not guarantee the payment of interest or the repayment of principal due on the securities. The Group is not obliged to support any losses incurred by investors in the Trust and does not intend to provide such support. The Group has no right to repurchase any of the securitised loans.

5.4. Events occurring after the reporting date

Subsequent to year end, the Bank entered into contracts in relation to a multi-year digital transformation program. The program is expected to require significant investment over future reporting periods. Expenditure associated with the program will be recognised in future periods in accordance with applicable accounting standards. As the contracts were entered into after 30 June 2026, no liability existed at the reporting date and, accordingly, no adjustment has been made to these financial statements. Aside from this, there are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, or state of affairs of the Bank or the Group in subsequent financial years.

Consolidated Entity Disclosure Statement

for the year ended 30 June 2026

At 30 June 2026, the following entities were part of the Group’s consolidated entity disclosure statement:

Name of entity	As at 30 June 2026					
	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of incorporation	Australian resident	Foreign jurisdiction(s) of foreign residents
Queensland Country Bank Limited	Body corporate	-	100	Australia	Yes	n/a
The MTG QCCU Trust Repo Series No. 1	Trust	-	100	Australia	Yes	n/a

Directors' Declaration

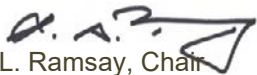
for the year ended 30 June 2026

DIRECTORS' DECLARATION

The Directors of Queensland Country Bank Limited declare that:

- (a) The Financial Statements, comprising the Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position, Statements of Cash Flows, Statements of Changes in Equity and accompanying notes are in accordance with the Corporations Act 2001, and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the Bank and of the Group;
- (b) Note 1.2 to the financial statements includes a statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (c) The consolidated entity disclosure statement is true and correct; and
- (d) In the Directors' opinion, there are reasonable grounds to believe that Queensland Country Bank Limited will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



L. Ramsay, Chair

Dated this 24th day of September 2026



Independent auditor's report

To the members of Queensland Country Bank Limited

Our opinion

In our opinion, the accompanying financial report of Queensland Country Bank Limited (the Bank) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Bank's and Group's financial positions as at 30 June 2026 and of their financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the Group and Bank statements of financial position as at 30 June 2026;
- the Group and Bank statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Bank statements of changes in equity for the year then ended;
- the Group and Bank statements of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000,
GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

pwc.com.au

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report.

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

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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/apzlwnoy/ar3_2024.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

KIRSTY VAN HORCK
Partner

Brisbane
24 September 2026





Queensland Country Bank Limited

ABN: 77 087 651 027 AFSL: 244 533

Registered office: 'Queensland Country Centre'
Level 1, 333 Ross River Road, AITKENVALE QLD 4814

1800 075 078 | www.queenslandcountry.bank



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