ANNUAL REPORT

2024

MOVE BANK

RAILWAYS CREDIT UNION LIMITED
trading as MOVE Bank
ABN 91 087 651 090

FINANCIAL REPORT
For the year ended 30 June 2024

Contents to Financial Report

Directors' Report

The Directors submit their report on Railways Credit Union Limited trading as MOVE Bank ("MOVE Bank") for the financial year ended 30 June 2024.

MOVE Bank is a company registered under the *Corporations Act 2001.*

Directors

The names of the Directors in office at any time during or since the end of the year are:

Scott J Riedel (Chair)	
Rachel L Adair	
Thomas (Bill) W Armagnacq	
Bronwyn (Bron) D Davies	Retired 31 January 2024
Sarah Dixon	Appointed 27 March 2024
Marcus Salouk	
Michael (Mick) F Skinner	
Timothy (Tim) J Staley	

The names of the Company Secretaries in office at any time during or since the end of the year are:

Michael (Mike) Currie
Craig A Nichols
Melissa (Mel) J Treacy

Qualifications, experience and special responsibilities

Scott J Riedel	BEng (Hons), RPEQ, Grad Dip Business, GAICD Elected Director of MOVE Bank since 2016 Appointed Board Chair in November 2022 Member of the Risk Management Committee, Audit & Compliance Committee and the Remuneration & Succession Committee
Rachel L Adair	LLB (hons), FCA, GAICD, Head of Finance - Bulk, Aurizon Elected Director of MOVE Bank since 2021 Member of the Risk Management Committee to January 2024 and a member of the Audit & Compliance Committee from April 2024
Thomas (Bill) W Armagnacq	B Com, FCA, FAICD Company Director Appointed as an External Director of MOVE Bank since October 2019 Chair of the Audit & Compliance Committee and a member of the Remuneration & Succession Committee
Bronwyn (Bron) D Davies	B.Ec, Grad Cert Technology (BS), CPA, CIA, GAICD Chief Auditor, Airservices Australia Elected Director of MOVE Bank since 2012 to January 2024 Appointed Board Chair in November 2019 (to October 2022) Member of the Audit & Compliance Committee to January 2024
Sarah Dixon	BCom, Bachelor of Science Executive General Manager Infrastructure Planning and Capital, Seqwater Casual Director of MOVE Bank since March 2024 Member of the Risk Management Committee from May 2024

Qualifications, experience and special responsibilities (continued)

Marcus Salouk	F Fin, BE (hons), CPEng, RPEQ, MSc Analytics, MAppFin&Invest, GAICD, Executive Director (Technology Consulting Company) Appointed as an External Director of MOVE Bank since July 2021 Chair of the Remuneration & Succession Committee
Michael (Mick) F Skinner	BBus (Transport & Logistics Mgt), Grad Cert (Intermodal Transport), FCILT, GAICD Company Director Elected Director of MOVE Bank since 2016 (and previously from 2003 to 2006) Member of the Risk Management Committee
Timothy (Tim) J Staley	BCom, FCPA, GAICD Chief Operating Officer / Transport & Logistics Lead, NCS Australia Elected Director of MOVE Bank since 2020 Chair of the Risk Management Committee

All Directors have held their office from 1 July 2023 to the date of this report unless otherwise stated.

Company Secretaries

Qualifications and experience

Michael (Mike) Currie	Bachelor of Business (Banking and Finance), GAICD, SF Fin, Master of Applied Finance Appointed as Company Secretary on 8 March 2023
Craig Nichols	Bachelor of Commerce, Bachelor of Laws, Master of Applied Finance Member Queensland Law Society Appointed as Company Secretary on 7 May 2024
Melissa (Mel) J Treacy	Bachelor of Laws, Diploma of Financial Services, GAICD Member Queensland Law Society Appointed as Company Secretary on 6 June 2023, resigned on 19 April 2024

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Meetings of Board & Committees	Board	Risk Management	Audit & Compliance	Remuneration & Succession
Number of meetings held	11	4	3	2
Number of meetings attended	Attended/Eligible to attend			
Scott J Riedel	11/11	4/4	3/3	2/2
Rachel L Adair	11/11	2/3	1/1	-
Thomas (Bill) W Armagnacq	10/11	-	3/3	2/2
Bronwyn (Bron) D Davies	6/6	-	2/2	-
Sarah Dixon	4/4	-	-	-
Marcus Salouk	11/11	-	-	2/2
Michael (Mick) F Skinner	10/11	4/4	-	-
Timothy (Tim) J Staley	11/11	4/4	-	-

Insurance and Indemnification of Directors, Officers or Auditor

Insurance premiums have been paid to insure each of the Directors and officers of MOVE Bank, against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as a director or officer of MOVE Bank. In accordance with normal commercial practice disclosure of the premium amount and the nature of the insured liabilities is prohibited by a confidentiality clause in the contract. An indemnity has been provided to Directors to the extent permitted by law.

No insurance cover or indemnity has been provided for the benefit of the auditors of MOVE Bank.

Principal Activities

The principal activities of MOVE Bank during the year were the provision of financial services to members as prescribed by the Constitution.

No significant changes in the nature of these activities occurred during the year.

Operating Results for the Year

The net profit of MOVE Bank for the year ended 30 June 2024 after providing for income tax was $1,051,676 (2023: $1,418,676).

Review of Operations

MOVE Bank's operations from its activities of providing financial services to its members did not change from the previous financial year.

This year's operating environment was characterised by the Reserve Bank of Australia ("RBA") increasing the cash rate to 4.35% in November 2023 and maintaining it at that level throughout the rest of the year to combat inflationary pressure within the domestic economy. House prices have remained buoyant throughout the current financial year.

MOVE Bank's after-tax profit of $1.1m decreased 25.9% from the prior year result. While total income increased by 2.2%, the after-tax profit decrease was primarily driven by an increase of 6.7% in operating expenses.

Loan growth of 15.0% negated the effect of a tightening net interest margin – decreasing from 2.06% to 1.92% during the year. Other income remained relatively steady year on year.

While MOVE Bank's operating expenses increased significantly during the financial year, the increase was mainly due to an inflationary increase in staff costs, information technology costs increasing due to the outsourcing of the bank's core-banking infrastructure to a third party and an increase in referral costs associated with externally sourced loans. The contracting of its core-banking infrastructure was a continuation of the bank's investment in its information technology capability to enhance its operational resilience and deliver its digital strategy to improve the member experience.

In addition, the bank relocated its branch functions from its Central Railway Station location to its Ann Street head office in January 2024.

Dividends

No dividends have been paid or declared since the beginning of the financial year and no dividends have been recommended or provided for by the Directors of MOVE Bank.

Options

No options over unissued shares or interests in MOVE Bank were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Significant Changes in the State of Affairs

In the opinion of the Directors there have been no significant changes in the state of affairs during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the reporting period which have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of MOVE Bank in subsequent financial years.

Likely Developments and Expected Results

MOVE Bank is committed to continuing to provide a full range of retail financial products and services to our members.

MOVE Bank's strategy remains centred on sustainable growth through strong relationships with our members and leveraging investments in technology and capability. MOVE Bank plans a continuation of the investment in its information technology capability to deliver its digital strategy to improve the member experience. MOVE Bank is committed to maintaining and growing relationships with employees of the transport and logistics industry, increasing our focus on those organisations supporting Australia's rail networks. The bank will continue to streamline its business through improved efficiencies, promoting a strong risk culture and attracting and retaining the right people.

Environmental Regulation and Performance

MOVE Bank is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Directors' Report

Proceedings

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

Auditor Independence

The Directors received an independence declaration from the auditor, BDO Audit Pty Ltd. A copy has been included on the following page of the report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

S Riedel	T W Armagnacq
Scott J Riedel	Thomas W (Bill) Armagnacq
Chair	Chair, Audit & Compliance Committee

Brisbane, 25 September 2024

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DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF RAILWAYS CREDIT UNION LIMITED (TRADING AS MOVE BANK)

As lead auditor of Railways Credit Union Limited (Trading as MOVE Bank) for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Tim Kendall

T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 25 September 2024

Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2024

	Note	2024 $	2023 $
Interest income	4(a)	36,516,980	25,926,837
Interest expense	4(b)	(21,751,407)	(11,523,045)
Net interest income	4	14,765,573	14,403,792
Other income	5	1,584,803	1,598,285
Employee benefits expense	6(a)	(6,928,230)	(6,688,750)
Depreciation and amortisation expense	6(b)	(597,826)	(542,222)
Credit impairment (loss) / gain	6(c),13(a)	(36,613)	(66,210)
Other expenses	6(d)	(7,484,501)	(6,840,122)
Profit before income tax		1,303,206	1,864,773
Income tax expense	7	(251,530)	(446,097)
Profit for the year		1,051,676	1,418,676
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss			
Net loss on revaluation of land and buildings	14(a)	-	(143,200)
Income tax relating to these items	7(d)	-	35,800
Other comprehensive income for the year, net of income tax		-	(107,400)
Total comprehensive income for the year		1,051,676	1,311,276

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

Statement of Financial Position
as at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Cash and cash equivalents	8	33,030,448	15,972,826
Other receivables	10	1,000,279	900,527
Financial assets at amortised cost	11	108,228,312	104,912,174
Loans and advances	12	663,588,092	577,242,819
Investment securities	9	1,772,211	1,772,211
Property, plant and equipment	14	3,843,566	3,786,773
Intangible assets	15	496,645	288,507
Other assets		206,494	499,846
TOTAL ASSETS		812,166,047	705,375,683
LIABILITIES			
Deposits	16	737,280,410	621,080,021
Other payables	17	1,975,574	1,958,917
Income tax payable		68,431	92,604
Borrowings	18	-	9,836,483
Lease liabilities	19	-	413,583
Deferred tax liabilities	7	230,994	253,579
Provisions	20	204,147	385,681
TOTAL LIABILITIES		739,759,556	634,020,868
NET ASSETS		72,406,491	71,354,815
EQUITY			
Redeemed preference shares	21	248,670	243,740
Reserves	22	72,157,821	71,111,075
TOTAL EQUITY		72,406,491	71,354,815

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

Statement of Changes in Equity
for the year ended 30 June 2024

	Asset revaluation reserve	Fair value reserve	General reserve	Redeemed preference shares	Total equity
	$	$	$	$	$
Balance at 1 July 2023	3,131,906	501,591	67,477,578	243,740	71,354,815
Profit for the year	-	-	1,051,676	-	1,051,676
Other comprehensive income for the year					
Net loss on revaluation of land & buildings, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	1,051,676	-	1,051,676
Transfers					
Redeemed preference shares	-	-	(4,930)	4,930	-
Total transfers	-	-	(4,930)	4,930	-
30 June 2024	3,131,906	501,591	68,524,324	248,670	72,406,491
Balance at 1 July 2022	3,239,306	501,591	66,064,882	237,760	70,043,539
Profit for the year	-	-	1,418,676	-	1,418,676
Other comprehensive income for the year					
Net loss on revaluation of land & buildings, net of tax	(107,400)	-	-	-	(107,400)
Total comprehensive income for the year	(107,400)	-	1,418,676	-	1,311,276
Transfers					
Redeemed preference shares	-	-	(5,980)	5,980	-
Total transfers	-	-	(5,980)	5,980	-
Balance at 30 June 2023	3,131,906	501,591	67,477,578	243,740	71,354,815

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

Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 $	2023 $
Operating activities			
Interest received		36,396,997	25,528,060
Payments to suppliers and employees		(15,257,375)	(13,927,316)
Dividends received		103,474	92,829
Fees and commissions received		1,649,603	1,611,042
Other income		332,366	277,523
Interest and other costs of finance paid		(19,343,595)	(10,268,293)
Income tax paid		(298,290)	(319,892)
Net movement in financial assets at amortised cost		(3,316,138)	19,551,125
Net movement in loans and advances		(86,066,538)	(46,368,640)
Net movement in deposits		113,781,853	34,562,540
Net movement in borrowings		(9,815,442)	(14,699,451)
Net cash inflows/(outflows) from operating activities	23(b)	18,166,915	(3,960,473)
Investing activities			
Purchase of property, plant and equipment		(659,158)	(146,485)
Purchase of intangible assets		(361,830)	(5,219)
Net cash flows used in investing activities		(1,020,988)	(151,704)
Financing activities			
Principal portion of lease liabilities paid		(88,305)	(154,189)
Net cash flows used in financing activities	23(c)	(88,305)	(154,189)
Net increase/(decrease) in cash and cash equivalents		17,057,622	(4,266,366)
Cash and cash equivalents at 1 July		15,972,826	20,239,192
Cash and cash equivalents at 30 June	8	33,030,448	15,972,826

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

Notes to the Financial Statements
for the year ended 30 June 2024

1. CORPORATE INFORMATION

The financial statements cover Railways Credit Union Limited trading as MOVE Bank for the financial year ended 30 June 2024 and were authorised for issue in accordance with a resolution of the Directors on 25 September 2024.

MOVE Bank is an unlisted public company limited by shares, incorporated and domiciled in Australia.

For the purpose of preparing the financial statements, MOVE Bank is a for profit entity.

The registered office and principal place of business of MOVE Bank is Level 1, 179 Ann Street, Brisbane, Queensland 4000.

The principal activities of MOVE Bank during the year were the provision of financial services to members.

2. BASIS OF PREPARATION

Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards including Australian Accounting Interpretations.

The financial statements have been prepared on an accruals basis and are based on historical costs except for land and buildings and financial assets at Fair Value through Other Comprehensive Income (FVOCI).

The presentation currency of the financial statements is Australian Dollars.

Compliance with IFRS

The financial statements comply with Australian Accounting Standards and interpretations and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board in their entirety.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(i) Significant accounting judgements

Impairment of non-financial assets

MOVE Bank assesses impairment of all assets at each reporting date by evaluating conditions specific to MOVE Bank and to the particular asset that may lead to impairment. No impairment indicators were noted during this review.

Fair value of property, plant and equipment

Refer to Note 14.

(ii) Significant accounting estimates and assumptions

Impairment of loans and advances

The measurement of the Expected Credit Loss (ECL) allowance for loans and advances measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 13(a).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- determining the relevant period of exposure to credit risk when measuring ECL for credit cards and revolving credit facilities.

Refer to Note 13 for policies regarding impairment of loans and advances.

Estimation of useful life of assets

The estimation of the useful life of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment), remainder of lease term (for leasehold improvements) and turnover policies (for motor vehicles). There have been no changes in the estimated useful lives of assets during the year.

In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life and adjustments are made when considered necessary.

Depreciation charges are included in Note 14.

4. NET INTEREST INCOME

	2024 $	2023 $
(a) Interest income on assets carried at amortised cost		
Cash and cash equivalents	565,730	397,684
Financial assets at amortised cost	5,937,112	4,292,502
Loans and advances	30,014,138	21,236,651
Total interest income	36,516,980	25,926,837
(b) Interest expense on liabilities carried at amortised cost		
Borrowings	10,284	48,205
Lease liabilities	733	7,873
Deposits	21,740,390	11,466,967
Total interest expense	21,751,407	11,523,045
Total net interest income	14,765,573	14,403,792

Recognition and measurement

Interest income and interest expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, future cash flows are estimated considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

Loan origination fees and loan transaction costs that are direct and incremental to the establishment of loans are deferred and amortised as a component of the calculation of the effective interest rate in relation to the originated loans. Fees charged on loans after origination of the loan are recognised in profit or loss when the service is provided.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves. For information on when financial assets are credit-impaired, see Note 13.

5. OTHER INCOME

	2024 $	2023 $
Fees and commission income from contracts with customers	1,472,254	1,488,423
Dividend income	103,474	92,829
Bad debts recovered	7,220	13,884
Other	1,855	3,149
Total other income	1,584,803	1,598,285

Recognition and measurement

Fee and commission income and expense

MOVE Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which MOVE Bank expects to be entitled in exchange for providing the services.

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Loan fees that are recognised using the effective interest method are included with loan balances in the statement of financial position.

Other fee and commission income – including account servicing fees, loan discharge and administration fees – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Insurance brokerage commission income - MOVE Bank offers insurance arrangements to customers acting as agent on behalf of an insurer and receives a commission on each insurance product as a percentage of premium paid by customers for each policy. MOVE Bank has generally concluded that it is the agent in its insurance arrangements because it typically does not act in the capacity of an insurer and its responsibility is limited to arranging or mediating the provision of insurance for the third party insurer.

MOVE Bank's performance obligation is to execute the insurance policy on behalf of the insurer and revenue is recognised once the policy has been executed or renewed (ie. on the trade date). Payment of the commission is typically due on the trade date.

MOVE Bank estimates the amount to which it will be entitled, but constrains that amount until it is highly probable that including the estimated fee in the transaction price will not result in a significant revenue reversal, which generally occurs upon satisfaction of the performance obligation, on the trade date. The transaction price is determined by taking the commission fee earned, less an allowance for credits for policies which may be cancelled during the policy period. The credits are calculated based on the average customer retention rate provided by the insurer.

Dividend income

Dividend income is recognised on an accrual basis when MOVE Bank's right to receive the dividend is established. Dividends are presented in net income from other financial instruments at Fair Value through Profit or Loss (FVTPL) or other revenue based on the underlying classification of the equity investment. Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in Other Comprehensive Income (OCI).

6. EXPENSES

	2024 $	2023 $
(a) Employee benefits expense		
Wages, salaries and other employee benefits expense	6,345,117	6,143,617
Workers' compensation costs	9,326	12,151
Defined contribution superannuation expense	573,787	532,982
Total employee benefits expense	6,928,230	6,688,750
(b) Depreciation and amortisation expense		
Depreciation of property, plant and equipment		
Buildings	67,991	76,800
Plant and equipment	155,046	131,608
Total depreciation of property, plant and equipment	223,037	208,408
Amortisation of intangible assets		
Computer software	153,692	179,511
Total amortisation of intangible assets	153,692	179,511
Depreciation of right-of-use assets		
Properties	221,097	154,303
Total depreciation of right-of-use assets	221,097	154,303
Total depreciation and amortisation expense	597,826	542,222
(c) Credit Impairment		
Credit impairment loss / (gain)	36,613	66,210
(d) Other expenses		
Audit and other accounting expenses	308,988	347,035
Director fees and other expenses	395,695	421,237
Information technology expenses	2,774,382	2,416,770
Loan administration expenses	1,031,836	672,977
Marketing and promotion expenses	369,601	503,292
Member transaction expenses	1,121,507	1,112,277
Other occupancy expenses	205,161	213,046
Other expenses	958,014	855,244
Telephone and postage expenses	319,317	298,244
Total other expenses	7,484,501	6,840,122
(e) Other expenses relating to leases		
Short-term lease expenses included in other expenses 6(d)	12,247	12,520

7. TAXATION

(a) Components of income tax expense

The major components of income tax expense are:

	2024 $	2023 $
Current income tax charge	363,371	442,699
Deferred tax relating to temporary differences	(111,841)	(3,539)
Over provision of prior year deferred tax	-	6,937
Income tax expense	251,530	446,097

(b) Reconciliation of income tax expense to prima facie tax payable

	2024 $	2023 $
Accounting profit before tax	1,303,206	1,864,773
At company statutory income tax rate of 25.0% (2023: 25.0%)	325,802	466,193
Non-deductible entertainment	749	2,742
Rebatable fully franked dividends	(44,346)	(39,783)
Other deductible items	(41,762)	-
Other non-deductible items	11,087	10,008
Over provision of prior year deferred tax	-	6,937
Income tax expense	251,530	446,097

(c) Recognised deferred tax assets and liabilities

Deferred income tax as at 30 June relates to the following:

(i) Deferred tax liabilities

	2024 $	2023 $
Land & buildings - recognised in other comprehensive income	201,690	201,690
Land & buildings - recognised in profit or loss	258,447	274,610
Other receivables	43,466	45,506
Shares – recognised in other comprehensive income	183,510	183,510
Gross deferred tax liabilities	687,113	705,316

(ii) Deferred tax assets

	2024 $	2023 $
Provisions	266,272	337,208
Depreciation	128,237	93,159
Other	61,610	21,370
Gross deferred tax assets	456,119	451,737
Net deferred tax asset/(liabilities)	(230,994)	(253,579)

7. TAXATION (continued)

(d) The movement in deferred tax assets and liabilities during the year is as follows:

	Deferred Tax Assets	Deferred Tax Liabilities	Net deferred tax asset/(liabilities)
Balance at 1 July 2023	451,737	705,316	(253,579)
Change recognised in other comprehensive income	-	-	-
Change recognised in profit or loss	(28,385)	(140,226)	111,841
Over provision of prior year deferred tax	-	-	-
Prior year adjustment	32,767	122,023	(89,256)
Balance at 30 June 2024	456,119	687,113	(230,994)
Balance at 1 July 2022	542,305	827,331	(285,026)
Change recognised in other comprehensive income	-	(35,800)	35,800
Change recognised in profit or loss	(89,613)	(93,152)	3,539
Over provision of prior year deferred tax	-	6,937	(6,937)
Prior year adjustment	(955)	-	(955)
Balance at 30 June 2023	451,737	705,316	(253,579)

(e) Franking credit balance	2024 $	2023 $
Balance of the franking account at year-end adjusted for franking credits or debits arising from payment of the provision for income tax or receipt of dividends receivable at the end of the reporting period based on a tax rate of 25.0% (2023: 25.0%)	26,870,713	26,907,159

Recognition and Measurement

Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the Australian corporate tax rate of 25.0% (2023: 25.0%) adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, offset by any unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deductible temporary differences brought to account as deferred tax assets is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that MOVE Bank will derive sufficient future assessable income to enable the deferred tax asset to be realised and comply with the conditions of deductibility imposed by the law.

7. TAXATION (continued)

Recognition and measurement (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where MOVE Bank has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

8. CASH AND CASH EQUIVALENTS	2024 $	2023 $
Deposits with Authorised Deposit-Taking Institutions (ADIs)	33,030,448	15,972,826

(a) Reconciliation to Statement of Cash Flows

For the purposes of the statement of cash flows, cash includes cash on hand and 'at call' deposits, net of overdrafts with other financial institutions. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Deposits with ADIs	33,030,448	15,972,826

9. INVESTMENT SECURITIES	2024 $	2023 $
At fair value through other comprehensive income		
Investment securities	1,772,211	1,772,211
Amount of investment securities expected to be recovered more than 12 months after the reporting date	1,772,211	1,772,211

Shares in Cuscal Limited (Cuscal) and Indue Ltd (Indue)

These companies provide transactional banking solutions to various financial institutions across Australia. The shares are not publicly traded and are not redeemable.

Recognition and measurement

Investment securities are instruments that meet the definition of equity from the issuer's perspective; that is the instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

Investment securities are measured at fair value and any fair value changes are recognised through other comprehensive income. It is MOVE Bank's policy to designate investment securities as FVOCI when those investments are held for purposes other than to generate investment returns and the MOVE Bank intends to hold for the foreseeable future.

9. INVESTMENT SECURITIES (continued)

Recognition and measurement (continued)

Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when MOVE Bank's rights to receive payment is established. When MOVE Bank benefits from such proceeds as a recovery of part of the cost of the financial asset, such gains are recognised in other comprehensive income.

Impairment

All equity instruments designated at fair value through other comprehensive income are not subject to impairment under AASB 9.

10. OTHER RECEIVABLES	2024 $	2023 $
Accrued interest	788,217	668,234
Sundry debtors	212,062	232,293
Total other receivables	1,000,279	900,527
Amount of other receivables expected to be recovered more than 12 months after the reporting date	-	-

11. FINANCIAL ASSETS AT AMORTISED COST	2024 $	2023 $
ADI interest bearing deposits	103,304,153	98,292,601
Investments in residential mortgage-backed securities	4,924,159	6,619,573
Total financial assets at amortised costs	108,228,312	104,912,174
Amount of financial assets amortised cost expected to be recovered more than 12 months after the reporting date	35,524,159	41,469,573

Recognition and Measurement

Financial assets at amortised cost includes deposits held with financial institutions with original maturities of more than three months and investments in residential mortgage-backed securities. Authorised deposit-taking institutions (ADI) interest bearing deposits and investments in residential mortgage-backed securities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Impairment of financial assets at amortised cost

No provision for impairment is required against ADI interest bearing deposits. MOVE Bank considers these assets to have a low credit risk as the ADIs have a credit rating that is "investment grade"; or if the ADI is unrated the ADI is highly capitalised (see Note 24(c)(ii)).

No provision for impairment is required against MOVE Bank's residential mortgage-backed securities as they all have a AAA credit rating.

12. LOANS AND ADVANCES

	2024 $	2023 $
Overdrafts	18,599,814	21,531,372
Term loans	644,186,802	555,205,037
Gross loans and advances	662,786,616	576,736,409
Deferred application fees	(278,182)	(186,973)
Deferred loan document and settlement costs	246,901	222,624
Deferred loan referral costs	1,328,715	999,422
Deferred valuation fee costs	116,346	63,359
Provisions for credit impairment (Note 13)	(612,304)	(592,022)
Net loans and advances	663,588,092	577,242,819
Amount of loans and advances expected to be recovered more than 12 months after the reporting date	641,654,519	555,366,989

(a) Collateral held

MOVE Bank holds collateral against loans and advances to members as detailed below:

Loans and advances with no collateral	4,239,056	4,852,852
Loans and advances with collateral	658,547,560	571,883,557
Gross loans and advances	662,786,616	576,736,409

Where collateral is held, it is in the form of mortgage interests over property, other registered securities over assets, mortgage insurance and guarantees. The fair value of the collateral is measured at the time of providing the loan and advance and is required to be no less than 100% of the loan or advance not including capitalised fees and insurances. The fair value of the collateral is generally not updated except when a loan or advance is individually assessed as impaired. Collateral is usually not held over loans and advances to, or deposits with, other financial institutions. Collateral is usually not held against non-property investment securities.

Recognition and measurement

Loans and advances are financial assets for which the contractual cash flows are solely repayments of principal and interest and that are held in a business model with the objective of collecting contractual cash flows.

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the origination of the loan or advance, which are primarily brokerage and origination fees. These costs are amortised over the estimated life of the loan. Subsequently, loans and advances are measured at amortised cost using the effective interest rate method, net of any provision for credit impairment.

13. IMPAIRMENT OF LOANS AND ADVANCES

(a) Allowance for impairment

The following tables show reconciliations from the opening to the closing balance of the allowance for ECL by stage for loans and advances.

Loans and advances to members at amortised cost

2024	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Balance at 1 July 2023	61,012	409,832	121,178	592,022
Transfer to 12-month ECL	5,951	(2,478)	(3,473)	-
Transfer to lifetime ECL not credit-impaired	(5,333)	5,333	-	-
Transfer to lifetime ECL credit-impaired	(18,649)	(29,871)	48,520	-
Bad debts written off	-	-	(15,712)	(15,712)
Net remeasurement of loss allowance	(18,252)	57,212	(2,347)	36,613
Other movements	(619)	-	-	(619)
Balance at 30 June 2024	24,110	440,028	148,166	612,304

2023	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Balance at 1 July 2022	69,867	294,148	219,322	583,337
Transfer to 12-month ECL	68,126	(9,010)	(59,116)	-
Transfer to lifetime ECL not credit-impaired	(32,349)	32,349	-	-
Transfer to lifetime ECL credit-impaired	(50,107)	-	50,107	-
Bad debts written off	-	-	(57,387)	(57,387)
Net remeasurement of loss allowance	5,613	92,345	(31,748)	66,210
Other movements	(138)	-	-	(138)
Balance at 30 June 2023	61,012	409,832	121,178	592,022

The allowance for impairment in these tables includes ECL on loan commitments for certain retail products such as credit cards and overdrafts, because MOVE Bank cannot separately identify the ECL on the loan commitment component from those on the financial instrument component.

13. IMPAIRMENT OF LOANS AND ADVANCES (Continued)

(a) Allowance for impairment (continued)

Explanation of the changes in the allowance for impairment

The main changes in the allowance for impairment are:

- All of the total loan and advance write-offs of $15,712 had been recognised as being subject to a significant increase in credit risk at least 12 months prior to the write-off occurring.

- The stage 2 ECL increase from the prior year is mainly due to an increase in the stage 2 ECL allowance for concerns as to the impact of sustained high interest rates on increased unemployment rates, borrowers' capacity to meet required repayments and potentially property values. MOVE Bank management increased the allowance for impairment for forward looking macro-economic factors by $57,212 in the current year.

- The increase in the stage 3 ECL is mainly due to increases totalling $48,520 in the allowance for impairment for loans that transitioned from stage 1 to stage 3 of $18,649 and from stage 2 to stage 3 of $29,871.

Impact of movements in gross carrying amount on provision for impairment

The changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance can be summarised as follows:

2024	Stage 1	Stage 2	Stage 3	
	Gross Loans classified as 12-month ECL	Gross Loans classified as Lifetime ECL not credit-impaired	Gross Loans classified as Lifetime ECL credit-impaired	Total
Balance at 1 July 2023	574,149,663	1,579,582	1,007,164	576,736,409
Transfer to 12-month ECL	1,774,378	(886,481)	(887,897)	-
Transfer to lifetime ECL not credit-impaired	(563,859)	563,859	-	-
Transfer to lifetime ECL credit-impaired	(360,828)	(693,101)	1,053,929	-
Bad debts written off	-	-	(15,712)	(15,712)
Net movement in loan balances	86,076,098	-	(10,179)	86,065,919
Balance at 30 June 2024	661,075,452	563,859	1,147,305	662,786,616

The contractual amount outstanding on loans that were written off during the year ended 30 June 2024 and that are still subject to enforcement activity is $nil (2023: $nil).

13. IMPAIRMENT OF LOANS AND ADVANCES (Continued)

(a) Allowance for impairment (continued)

2023	Stage 1	Stage 2	Stage 3	
	Gross Loans classified as 12-month ECL	Gross Loans classified as Lifetime ECL not credit-impaired	Gross Loans classified as Lifetime ECL credit-impaired	Total
Balance at 1 July 2022	527,893,975	1,119,096	1,412,223	530,425,294
Transfer to 12-month ECL	1,737,584	(789,465)	(948,119)	-
Transfer to lifetime ECL not credit-impaired	(1,185,642)	1,368,321	(182,679)	-
Transfer to lifetime ECL credit-impaired	(728,515)	(89,870)	818,385	-
Bad debts written off	-	-	(57,387)	(57,387)
Net movement in loan balances	46,432,261	(28,500)	(35,259)	46,368,502
Balance at 30 June 2023	574,149,663	1,579,582	1,007,164	576,736,409

Recognition and measurement

Impairment of loans and advances

MOVE Bank applies a three-stage approach to measuring ECLs for the following categories of financial assets that are not measured at FVTPL:

- financial assets that are debt instruments carried at amortised cost (loans and advances to members); and
- loan commitments issued.

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.

Stage	Measurement basis
12-months ECL (Stage 1)	The portion of lifetime ECL associated with the probability of default events occurring within the next 12 months.
Lifetime ECL – not credit impaired (Stage 2)	ECL associated with the probability of default events occurring throughout the life of an instrument.
Lifetime ECL – credit impaired (Stage 3)	Lifetime ECL, but interest revenue is measured based on the carrying amount of the instrument net of the associated ECL.

At each reporting date, MOVE Bank assesses the default risk of exposures in comparison to the risk at initial recognition, to determine the stage that applies to the associated ECL measurement. If the default risk of an exposure has increased significantly since initial recognition, the loan will migrate to Stage 2. If no significant increase in default risk is observed, the loan will remain in Stage 1. Should a loan become impaired it will be transferred to Stage 3.

MOVE Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, for this purpose. This includes quantitative and qualitative information and also forward-looking analysis. Refer to Note 24 (c) Credit risk management.

13. IMPAIRMENT OF LOANS AND ADVANCES (Continued)

(a) Allowance for impairment (continued)

MOVE Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- other financial assets measured at amortised cost that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of loans under the expected credit loss model, MOVE Bank defines default (a 'non-performing loan') in accordance with its Credit Policy and procedures, which includes defaulted loans and impaired loans as described below. Default occurs when a loan obligation is 90 days or more past due, or when it is considered unlikely that the credit obligation to MOVE Bank will be paid in full without recourse to actions, such as realisation of security.

Impaired exposures under the expected credit loss model consist of:

- Loans which are contractually 90 days or more past due.
- Loans that are subject to a debt repayment arrangement whereby some of the debt is highly unlikely to be fully repaid
- Off-balance sheet credit exposures where current circumstances indicate that losses may be incurred.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, MOVE Bank considers both quantitative and qualitative information, including expert credit risk assessment, forward looking information and analysis based on MOVE Bank's historical experience.

For loans and advances MOVE Bank uses the number of days past due (DPD) or the relative change in probability of default at account level, to determine significant increase in credit risk. This includes loans for which MOVE Bank has agreed to a temporary change in the repayment arrangements because of the borrower's financial circumstances having changed.

In addition, as a backstop, MOVE Bank considers that significant increase in credit risk occurs when an asset is more than 30 days past due (DPD).

Calculation of expected credit losses

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date*: as the present value of all cash shortfalls (ie. the difference between the cash flows due to MOVE Bank in accordance with the contract and the cash flows that MOVE Bank expects to receive);
- *financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments*: as the present value of the difference between the contractual cash flows that are due to MOVE Bank if the commitment is drawn down and the cash flows that MOVE Bank expects to receive.

13. IMPAIRMENT OF LOANS AND ADVANCES (Continued)

(a) Allowance for impairment (continued)

Restructured loans

If the terms of a loan are renegotiated or modified or an existing loan is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the loan should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing loan, then the expected cash flows arising from the modified loan are included in calculating the cash shortfalls from the existing loan.

- If the expected restructuring will result in derecognition of the existing loan, then the expected fair value of the new loan is treated as the final cash flow from the existing loan at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing loan that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing loan.

Credit-impaired financial assets

At each reporting date, MOVE Bank assesses whether loans carried at amortised cost are credit impaired.

A loan is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the loan have occurred.

Evidence that a loan is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by MOVE Bank on terms that MOVE Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- loans and advances measured at amortised cost: as a deduction from the gross carrying amount of the loans and advances;
- loan commitments generally, as a provision;
- where a loan includes both a drawn and an undrawn component and MOVE Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: MOVE Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.
- Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Write off

Loans and advances are written off when there is no realistic prospect of recovery. This is generally the case when MOVE Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with MOVE Bank's procedures for recovery of amounts due.

14. PROPERTY, PLANT AND EQUIPMENT

	2024 $	2023 $
Land and buildings		
At fair value	3,200,000	3,200,000
Accumulated depreciation	(67,991)	-
Net carrying amount	3,132,009	3,200,000
Plant and equipment		
At cost	4,151,808	3,492,650
Accumulated depreciation	(3,440,251)	(3,285,205)
Net carrying amount	711,557	207,445
Right-of-use assets		
At cost	-	1,119,487
Accumulated depreciation	-	(740,159)
Net carrying amount	-	379,328
Total property, plant and equipment		
At fair value	3,200,000	3,200,000
At cost	4,151,808	4,612,137
	7,351,808	7,812,137
Accumulated depreciation and impairment	(3,508,242)	(4,025,364)
Net carrying amount	3,843,566	3,786,773

(a) Reconciliation of carrying amount at beginning and end of the period

	Land and buildings	Plant and equipment	Right-of-use property	Total property, plant & equipment
Balance at June 2022	3,420,000	192,612	533,631	4,146,243
Additions	-	146,485	-	146,485
Disposals	-	(44)	-	(44)
Depreciation charge for the year	(76,800)	(131,608)	(154,303)	(362,711)
Net revaluation movements	(143,200)	-	-	(143,200)
Balance at June 2023	3,200,000	207,445	379,328	3,786,773
Additions	-	659,158	-	659,158
Disposals	-	-	-	-
Depreciation charge for the year	(67,991)	(155,046)	(221,097)	(444,134)
Lease modification adjustment	-	-	(158,231)	(158,231)
Balance at June 2024	3,132,009	711,557	-	3,843,566

14. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Revaluation of land and buildings

The valuation of MOVE Bank's freehold land and buildings as at June 2024 was undertaken by MOVE Bank Directors. MOVE Bank obtains an independent valuation of its freehold land buildings every three years. The last independent valuation was undertaken by John Watt and Associates Valuers and Development Consultants on 2 June 2023 and assessed the carrying value of MOVE Bank's land and buildings to be $3,200,000.

Discussions with John Watt & Associates on 4 June 2024 indicated that post-COVID work from home arrangements are persisting, resulting in lower than anticipated occupation rates. While this is placing downward pressure on commercial property rentals and values, the market is proving resilient given there is reasonable demand for properties and limited stock available for purchase. MOVE Bank directors in assessing that carrying value of land buildings considered this advice and assessed the carrying value of land and buildings at $3,200,000 as at June 2024.

If revalued land and buildings were stated at historical cost, amounts would be as follows:

	2024 $	2023 $
Cost	1,347,967	1,347,967
Accumulated depreciation	(1,347,967)	(1,347,967)
Net book value	-	-

Valuation techniques used to derive level 3 fair values recognised in the financial statements

The fair value measurement for land and buildings has been categorised as a level 3 fair value based on the inputs to the valuation technique used. Details of the significant inputs used and the relationship between unobservable inputs and the fair values are:

Description	Valuation approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Land and Buildings	Sale price comparison approach undertaken by an external valuer or the Board. Sales prices of comparable land and buildings in a similar location are adjusted for differences in key attributes such as property size and standard. The valuation model is based on a price per square metre.	Sale Prices	$3,267 to $6,534 per square metre	The greater the sales price per square metre of the property the greater the fair value.

Recognition and Measurement

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

Property

Freehold land and buildings are measured at their fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation increase is credited to other comprehensive income unless it reverses a revaluation decrease on the same asset previously recognised in profit or loss. A revaluation decrease is recognised in profit or loss unless it directly offsets a previous revaluation increase on the same asset in the asset revaluation reserve. On disposal, any revaluation reserve relating to sold assets is transferred to retained earnings.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition and Measurement (continued)

It is the policy of MOVE Bank to have an independent valuation every three years, with annual appraisals being made by the Directors.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment including buildings and capitalised leased assets but excluding freehold land, is depreciated over their useful lives to MOVE Bank 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.

Property, plant and equipment is depreciated on a straight-line basis. A summary of rates used:

Buildings	4%
Plant and equipment	10% - 40%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where MOVE Bank expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

MOVE Bank has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

15. INTANGIBLE ASSETS

	2024 $	2023 $
Computer software		
At cost	3,531,740	3,169,910
Accumulated amortisation	(3,035,095)	(2,881,403)
Net carrying amount	496,645	288,507

(a) Reconciliation of carrying amount at beginning and end of the period

Computer software		
Balance at the beginning of the year at cost	288,507	462,799
Additions	361,830	5,219
Amortisation expense	(153,692)	(179,511)
Balance at the end of the year	496,645	288,507

Recognition and Measurement

Items of computer software which are not integral to the computer hardware owned by MOVE Bank are classified as intangible assets with a finite life.

Computer software is amortised on a straight-line basis over the expected useful life of the software ranging from 3 – 5 years.

16. DEPOSITS

	2024 $	2023 $
Call deposits (including withdrawable shares)	491,858,851	485,253,910
Term deposits (including accrued interest)	245,421,559	135,826,111
	737,280,410	621,080,021
Amount of deposits expected to be settled more than 12 months after the reporting date	10,074,707	11,820,013

(a) Concentration of deposits

There are no concentrations of deposits greater than 10% of total deposits.

(b) Fair value

Refer to Note 31(c) for details of the fair value of these financial instruments.

Recognition and measurement

Deposits are initially measured at fair value less directly attributable transaction costs, and subsequently measured at their amortised cost using the effective interest method. Interest on deposits is recognised on an accrual basis. Interest accrued at the end of the reporting date is shown as a part of deposits.

17. OTHER PAYABLES

	2024 $	2023 $
Annual leave	270,119	299,578
Sundry creditors and accrued expenses	1,705,455	1,659,339
	1,975,574	1,958,917
Amount of other payables expected to be paid more than 12 months after the reporting date	-	-

Recognition and Measurement

Short-term employee benefits

Liabilities for wages, salaries, annual leave entitlements 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.

18. BORROWINGS

	2024 $	2023 $
Term funding facility	-	9,836,483
Amount of borrowings expected to be paid more than 12 months after the reporting date	-	-
The borrowings and interest accrued at 30 June 2024 are repayable as follows:		
Second draw on 23 April 2021 repayable on 23 April 2024	-	4,747,120
Third draw on 25 May 2021 repayable on 25 May 2024	-	5,089,363
	-	9,836,483

(a) Term Funding Facility

The Term Funding Facility (TFF) was offered by the Reserve Bank of Australia to all ADIs since the onset of the COVID-19 pandemic. The borrowings were each for a term of 3 years and at a fixed interest rate and were fully repaid during the financial year.

(b) Fair value

Refer to Note 31(c) for details of the fair value of these financial instruments.

Recognition and Measurement

Borrowings are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

19. LEASE LIABILITIES

	2024 $	2023 $
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
Movement schedule of lease liabilities		
Balance at the beginning of the year	413,583	567,772
Accretion of interest	733	7,873
Payments	(89,038)	(162,062)
Remeasurement of lease liability	(325,278)	-
Balance at the end of the year	-	413,583
Amount of property leases expected to be paid more than 12 months after the reporting date	-	-

(a) Property leases

Lease liabilities related to the former tenancy at Central Railways Station, Brisbane (Plaza Level). The lease required monthly payments in advance. The lease was contracted to expire on 15 December 2025, however, effective 6 July 2023 the lease was modified to expire on 15 January 2024.

Recognition and Measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, MOVE Bank's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

20. PROVISIONS

	2024 $	2023 $
Long service leave and associated costs	204,147	385,681
Amount of provisions expected to be paid more than 12 months after the reporting date	81,737	129,136

Recognition and Measurement

Long-term employee benefits

Liabilities for long service leave and annual leave which are not expected to be settled within twelve months of the end of the reporting period are recognised as provisions for employee benefits and 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. Consideration is given to expected future salary and wage increases, experience of employee departures and periods of service.

Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Contributions are made by MOVE Bank to employee superannuation funds and are recognised in profit or loss when incurred except those included in the provision for long service leave and associated costs.

21. REDEEMED PREFERENCE SHARES

	2024 $	2023 $
Redeemed preference shares	248,670	243,740

Under the *Corporations Act 2001* member shares are classified as redeemable preference shares. The redemption of these shares is required under the Act to be made from profits. The value of the shares that have been paid to members is in accordance with the terms and conditions of the share issue and the redemption account represents the amount of profits appropriated.

22. RESERVES

Nature and purpose of reserves

(a) Asset revaluation reserve

The asset revaluation reserve records revaluations of land and buildings.

(b) Fair value reserve

The fair value reserve records the movement in the fair value of investment securities at each reporting date.

(c) General reserve

The general reserve records funds set aside for future expansion and to ensure the prudential strength of MOVE Bank.

23. STATEMENT OF CASH FLOWS RECONCILIATION

(a) Statement of cash flows on a net basis

Cash flows arising from the following activities are presented on a net basis in the statement of cash flows:

- Deposits in and withdrawals from savings and other deposit accounts;
- Sales and purchases of dealing securities (if applicable);
- Sales and purchases of maturing certificates of deposit; and
- Provision of member loans and the repayment of such loans.

(b) Reconciliation of net profit after tax to net cash flows from operating activities

	2024 $	2023 $
Net profit for the year	1,051,676	1,418,676
Adjustments for:		
Depreciation	444,134	362,711
Amortisation	153,692	179,511
Impairment of loans and advances	36,613	66,210
Make good component in lease asset remeasurement	(167,047)	-
Net (loss) / profit on disposal of property, plant and equipment	-	44
Changes in assets and liabilities		
(Increase)/decrease in other receivables	(99,752)	(424,029)
(Increase)/decrease in financial assets amortised cost	(3,316,138)	19,551,125
(Increase)/decrease in loans and advances	(86,381,886)	(46,769,034)
(Increase)/decrease in other assets	293,352	(141,475)
(Decrease)/increase in current tax payable	(24,173)	121,852
(Decrease)/increase in provisions	(181,534)	4,475
(Decrease)/increase in other payables	16,657	545,499
(Decrease)/increase in net deferred taxes	(22,585)	4,353
(Decrease)/increase in deposits	116,200,389	35,882,944
(Decrease)/increase in borrowings	(9,836,483)	(14,763,335)
Net cash (outflows)/inflows from operating activities	18,166,915	(3,960,473)

(c) Reconciliation of movements of net debt to cash flows arising from financing activities

		Cashflows	Non-cash changes		
Year ended 30 June 2024	**Net debt opening balance $**	**Repayments $**	**Initial recognition $**	**Remeasurement changes $**	**Net debt closing balance $**
Lease liabilities	413,583	(88,305)	-	(325,278)	-

		Cashflows	Non-cash changes		
Year ended 30 June 2023	**Net debt opening balance $**	**Repayments $**	**Initial recognition $**	**Remeasurement changes $**	**Net debt closing balance $**
Lease liabilities	567,772	(154,189)	-	-	413,583

24. FINANCIAL RISK MANAGEMENT

MOVE Bank's activities principally relate to the use of financial instruments. MOVE Bank accepts deposits and provides loans at both fixed and floating rates for various periods. Surplus liquidity is invested in high quality assets. Accordingly, the activities of MOVE Bank expose it to the following key financial risks; market risk (including interest rate risk), credit risk and liquidity risk.

Treasury risk management is carried out by an appropriately skilled and trained management team and is monitored by the Board Risk Management Committee, under Board mandated and approved risk policies. The management team identifies, evaluates and if deemed appropriate, hedges financial risk. The Board approves written principles for overall risk management, as well as detailed policies covering specific areas, such as mitigating interest and credit risk, specific large credit exposures and management of delinquent loans.

(a) Risk management

MOVE Bank has appointed a Chief Risk Officer whose responsibilities include maintaining and continuously reviewing MOVE Bank's risk management framework. Oversight of risk management is the responsibility of the Board's Risk Management Committee operating in accordance with formal risk policies approved by the Board.

The Risk Management Committee, which meets regularly, comprises independent non-executive Directors. It recommends to the Board the risk management policies which the Board's Audit & Compliance Committee monitor. This includes the identification, assessment and reporting of risks. It also ensures that contingency plans are in place to achieve business continuity in the event of serious disruptions to business operations.

The Audit & Compliance Committee, which comprises independent non-executive Directors, oversees the testing and assessment of internal controls implemented by management to manage material risk. The internal audit program is approved by this committee, and it considers the outcome of both internal and external audit reports.

The Audit & Compliance Committee monitors compliance with Board policies as well as prudential and statutory requirements.

The committee reviews annual financial statements prior to sign off by the Board and oversees breach reporting to regulatory bodies such as APRA and ASIC.

The Chair of the Board and the Chair of the Risk Management Committee annually certify to APRA that senior management and the Board have identified key risks facing MOVE Bank, established systems to monitor those risks, including setting and requiring adherence to a series of prudential limits and adequate, timely reporting processes, and they ensure that these risk management systems are operating effectively and are adequate having regard to the risks they are designed to control. Any breaches in compliance are reported to the Board in a timely manner in accordance with the applicable policy.

(b) Market risk

Market risk is the potential adverse change in MOVE Bank's income or the value of MOVE Bank's net worth arising from movements in interest rates. The objective of MOVE Bank is to manage and control market risk exposure in order to minimise risk and optimise return. MOVE Bank is not exposed to currency risk or any other significant price risk. It does not trade in the financial instruments it holds on its books and is only exposed to interest rate risk arising from changes in market interest rates.

The management of market risk is the joint responsibility of the Chief Financial Officer (CFO) and CEO. Market risk is also monitored by management through the Asset & Liability Committee (ALCO) on a monthly basis.

Market risk is measured and reported using a variety of techniques, according to the appropriateness of the technique to the exposure concerned. The techniques used to measure interest rate risk include interest rate repricing gap analysis, sensitivity analysis and interest rate risk management profiles which are conducted by management using a system developed by an independent risk management consultancy. Refer to Note 24(e) below for the details of these policies and for quantitative disclosures in respect of interest rate risk.

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk is the risk of financial loss as a result of a default by counterparties to discharge contractual obligations. MOVE Bank assumes credit risk predominantly from its lending activities. Exposure also arises from investment activities and off-balance sheet financial instruments such as loan commitments.

Credit risk policy

Credit risk, being the most significant risk faced by MOVE Bank, is managed to ensure exposure is minimised while supporting sound growth.

(i) Loans and advances

The method of managing credit risk is by way of strict adherence to the credit assessment policies before the loan is approved and close monitoring of defaults in the repayment of loans thereafter. The credit policy has been endorsed by the Board to ensure that loans are only made to borrowers who are considered capable of meeting loan repayments. A regular review of compliance with these policies is conducted as part of the scope of external audit.

(ii) Liquid investments

Credit risk in relation to liquid investments is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in MOVE Bank incurring a financial loss. Refer to Note 24(d).

Credit risk management

(i) Loans and advances

Concentrations of risk arise when loans are extended to borrowers of similar risk characteristics, such as industry and geographic location. Credit risk is minimised by dealing with many individual members. A sizeable portion of the loan book is represented by residential mortgages. The primary means of reducing the risk on these loans is the acquisition of security, which is residential property in Australia.

MOVE Bank has a concentration in retail lending to members who are employees of Queensland Rail or Aurizon. This concentration is considered acceptable as MOVE Bank was formed to service these members, and the employment concentration is not exclusive.

Should members leave the industry, the loans continue, and other employment opportunities are available to the members to facilitate the repayment of the loans.

It is the policy of MOVE Bank to allow members with a secured loan or advance reasonable assistance and opportunity to rectify a breach prior to recovery procedures being initiated. However, if a counterparty has failed to make a payment when contractually due, various actions are triggered such as re-negotiation, enforcement of covenants or legal proceedings and the impairment and provisioning policies are actioned.

Concentrations of credit risk on loans greater than 10% of capital currently arise in the following categories:

2024	Maximum credit exposure	
Industry	$	% Total Loans
Queensland Rail	81,977,182	12.37%
Aurizon	32,206,196	4.86%

2023	Maximum credit exposure	
Industry	$	% Total Loans
Queensland Rail	89,012,204	15.43%
Aurizon	40,646,664	7.05%

At the reporting date there were no concentrations of credit risk on loans to individual members (including associated members) greater than 10% of capital.

(ii) Liquid investments

To limit the concentration of risk, MOVE Bank uses the following credit rating limits:

	Eligible capital base	
	Investment in an individual ADI	Investment in a number of ADIs
Credit Rating	Maximum	Maximum
AAA to A-	25%	N/A
BBB+ to BBB-	25%	100%
Unrated*	5%	15%

*Deposits with Indue Limited (Indue) are excluded from the calculation relevant to these limits. Indue provides transaction and settlement services and MOVE Bank must deposit with Indue a security amount calculated based on previous twelve month's average banking transactions provided by Indue to MOVE Bank.

The eligible capital base for the purposes of the exposures to individual ADIs is MOVE Bank's tier 1 regulatory capital.

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The maximum exposure limit to a number of ADIs rated BBB+ to BBB- only applies when MOVE Bank's liquidity ratio is below 18%.

Measurement of credit risk

(i) Loans and advances

Lending conditions are continually monitored to compare the position of MOVE Bank to the rest of the market to ensure that opportunities are maximised and MOVE Bank is prepared for downturns.

Comprehensive reports are tabled on a regular basis to the Board and senior executive dissecting the loan book balance into various risk profiles. For example, in relation to retail loans risk characteristics such as geographic distribution of loans, security type, occupancy type, loan to value ratios, and mortgage insurance percentages are detailed.

Stress testing is an integral tool in the management of credit risk exposure, by projecting financial impacts of movements in market conditions including economic downturn resulting in low business growth, increase in unemployment and reduction in property values. Recent stress testing has indicated that MOVE Bank is resistant to a significant downturn in the economy.

(ii) Liquid investments

MOVE Bank uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposures.

Prior to placing an investment with an acceptable unrated ADI, Management must ensure sufficient due diligence is undertaken to satisfy itself that the unrated ADI is a financially viable and stable entity. As part of this process, Management will review the unrated ADI's most recent annual report, and such other financial information as may be available. Management will also ensure the unrated ADI is regulated by APRA.

The carrying values associated with liquidity investments held by MOVE Bank are as follows:

Credit Rating	2024	2023
	$	$
ADI exposures		
AAA to A-	72,208,406	55,785,364
BBB+ to BBB-	51,515,569	48,443,303
Unrated	12,610,625	10,036,760
RMBS exposures		
AAA to A-	4,924,159	6,619,573
Total	141,258,759	120,885,000

Impairment and provisioning policies

(i) Loans and advances

On 1 January 2022 a revised credit risk management prudential standard came into effect. This standard adopts the principles of AASB9 for the purposes of recognising an allowance for impairment losses.

Refer to Note 13 (a) allowance for impairment of loans and advances.

Credit risk exposure

MOVE Bank's maximum credit risk exposure, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the Statement of Financial Position where the maximum credit risk exposure is $716,506,599 (2023: $626,874,240).

In relation to loans, the maximum credit exposure is the value of the Statement of Financial Position plus the undrawn facilities (loans approved not advanced and undrawn overdraft limits). Details of undrawn facilities are shown in Note 25(a). Details of collateral held as security are disclosed in Note 12(a).

24. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

Liquidity risk is the risk that MOVE Bank 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 Board that MOVE Bank maintains adequate cash reserves to meet the member withdrawal demands when requested.

Liquidity risk management

MOVE Bank manages liquidity risk by:

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

MOVE Bank has a long standing arrangement with the industry liquidity support scheme, CUFSS, which can access industry funds to provide support to MOVE Bank should this be necessary at short notice.

MOVE Bank is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 48 hours under the APRA Prudential Standards. MOVE Bank's policy is to apply an operational minimum of 12.5% of funds as liquid assets to maintain adequate funds for meeting member withdrawal requests.

The ratio is checked daily and should the liquidity ratio fall below this level, Management will take action to raise additional liquid funds from new deposits from members and/or access borrowing facilities available. Note 18 describes the borrowing facilities as at reporting date.

The ratio of liquid funds over the past year is set out below:

	2024	**2023**
Ratio to total adjusted liabilities:		
As at 30 June	16.61%	16.14%
Average for the year	16.34%	17.04%
Minimum during the year	14.90%	15.03%
Ratio to total deposits:		
As at 30 June	17.23%	16.94%

Maturity profile of financial liabilities

The table shows the undiscounted cash flows on MOVE Bank's financial liabilities, including unrecognised loan commitments on the basis of the earliest possible contractual maturity. These values will not agree to the statement of financial position.

MOVE Bank's expected cash flows on financial liabilities vary significantly from this analysis. For example, on-call deposits from members are expected to maintain a stable or increasing balance and any unrecognised loan commitments are not expected to be all drawn down immediately.

To manage the liquidity risk arising from financial liabilities, MOVE Bank holds liquid assets comprising cash and cash equivalents and investment grade investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements.

24. FINANCIAL RISK MANAGEMENT (continued)

The maturity profile of MOVE Bank's financial liabilities is shown in the following table:

Year ended 30 June 2024	Carrying value	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Gross nominal outflows
	$	$	$	$	$	$	$
FINANCIAL LIABILITIES							
Deposits	737,280,410	529,008,706	50,478,391	153,062,704	10,967,267	-	743,517,068
Other payables	1,975,574	1,710,944	-	264,630	-	-	1,975,574
Borrowings	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Total financial liabilities	**739,255,984**	**530,719,650**	**50,478,391**	**153,327,334**	**10,967,267**	**-**	**745,492,642**
Off balance sheet items undrawn loan commitments (Note 25(a)	-	53,719,983	-	-	-	-	-

Year ended 30 June 2023	Carrying value	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Gross nominal outflows
	$	$	$	$	$	$	$
FINANCIAL LIABILITIES							
Deposits	621,080,021	499,507,778	25,712,388	86,409,556	12,648,014	-	624,277,737
Other payables	1,958,917	1,660,928	-	297,989	-	-	1,958,917
Borrowings	9,836,483	-	-	9,844,943	-	-	9,844,943
Lease liabilities	413,583	-	41,095	126,640	254,311	-	422,045
Total financial liabilities	**633,289,013**	**501,168,706**	**25,753,483**	**96,679,128**	**12,902,325**	**-**	**636,503,642**
Off balance sheet items undrawn loan commitments (Note 25(a)	-	50,137,831	-	-	-	-	-

(e) Interest rate risk

Interest rate risk is the risk or variability of the fair value of future cash flows arising from financial instruments due to the changes in interest rates.

The policy of MOVE Bank is to maintain a balanced 'on book' strategy by ensuring the net interest rate gaps between assets and liabilities are not excessive. MOVE Bank aims to limit any loss due to a change in interest rates to be no greater than 1.5% of regulatory capital.

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. MOVE Bank can undertake derivative transactions to reduce the interest rate risks.

A review of the interest rate risk management profile is conducted by Management through the Asset & Liability Committee. The Board monitors interest rate risk through these reviews and other Management reports.

24. FINANCIAL RISK MANAGEMENT (continued)

(e) Interest rate risk (continued)

Based on calculations as at 30 June 2024, the profit before tax and equity impact for a 1% (2022: 1%) movement in interest rates would be as follows:

2024

Movement in interest rates	Impact on Profit before tax	Impact on Equity
1% increase	(313,300)	(234,975)
1% decrease	313,300	234,975

2023

Movement in interest rates	Impact on Profit before tax	Impact on Equity
1% increase	(632,900)	(474,675)
1% decrease	632,900	474,675

The method used in determining the sensitivity is to evaluate the profit impact based on the timing of the interest repricing on the banking book of MOVE Bank for the next 12 months. In doing the calculation the assumptions applied were that:

- The interest rate change would be applied equally to loans, term deposits and savings;
- The rate change would be as at the beginning of the 12-month period and no other rate changes would be effective during the period;
- The term deposits would all reprice to the new interest rate at the term maturity;
- Savings that are considered by MOVE Bank to be sensitive to interest rate changes would all reprice in the event of a rate change within 30 days;
- Savings that are not considered by MOVE Bank to be sensitive to interest rate changes and are as a consequence less likely to change in the future, would reprice no earlier than 1 year;
- Variable interest rate mortgage loans would all reprice to the new interest rate within 30 days;
- Fixed rate mortgage loans would all reprice at a new interest rate at the expiry of their fixed rate period.
- Variable interest rate personal loans would reprice to the new interest rate within 2 years;
- Fixed rate personal loans would not reprice as the rate is fixed for the duration of the loan;
- All loans would be repaid in accordance with the current average repayment rate (or contractual repayment terms);
- The value and mix of call savings to term deposits remains unchanged; and
- The value and mix of personal loans to mortgage loans remains unchanged.

There has been no significant change to MOVE Bank's exposure to market risk or the way MOVE Bank manages and measures interest rate risk in the reporting period

Interest rate risk maturity profile

MOVE Bank's exposure to interest rate risk, which is the risk that a financial instrument's value or cash flows will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate on classes of financial assets and financial liabilities, is set out below.

24. FINANCIAL RISK MANAGEMENT (continued)

(e) Interest rate risk (continued)

2024	Floating interest rate	Fixed interest rate maturing			Non-interest sensitive	Total	Effective interest rate
		Within 1 year	1-5 years	Over 5 years			
	$	$	$	$	$	$	%
ASSETS							
Cash and cash equivalents	23,143,636	9,886,812	-	-	-	33,030,448	4.07%
Investment securities	-	-	-	-	1,772,211	1,772,211	N/A
Other receivables	-	-	-	-	1,000,279	1,000,279	N/A
Financial assets at amortised cost	-	108,228,312	-	-	-	108,228,312	5.05%
Loans and advances	414,104,831	196,833,565	45,798,922	6,850,774	-	663,588,092	5.21%
Total assets	**437,248,467**	**314,948,689**	**45,798,922**	**6,850,774**	**2,772,490**	**807,619,342**	
LIABILITIES							
Deposits	491,858,851	235,181,346	10,240,211	-	-	737,280,408	3.00%
Other payables	-	-	-	-	1,975,574	1,975,574	N/A
Borrowings	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Total liabilities	**491,858,851**	**235,181,346**	**10,240,211**	**-**	**1,975,574**	**739,255,982**	

2023	Floating interest rate	Fixed interest rate maturing			Non-interest sensitive	Total	Effective interest rate
		Within 1 year	1-5 years	Over 5 years			
	$	$	$	$	$	$	%
ASSETS							
Cash and cash equivalents	10,036,016	5,936,810	-	-	-	15,972,826	3.92%
Investment securities	-	-	-	-	1,772,211	1,772,211	N/A
Other receivables	-	-	-	-	900,527	900,527	N/A
Financial assets at amortised cost	-	104,912,174	-	-	-	104,912,174	4.49%
Loans and advances	332,543,485	113,482,796	124,227,774	6,988,764	-	577,242,819	4.52%
Total assets	**342,579,501**	**224,331,780**	**124,227,774**	**6,988,764**	**2,672,738**	**700,800,557**	
LIABILITIES							
Deposits	485,253,910	124,006,098	11,820,013	-	-	621,080,021	2.35%
Other payables	-	-	-	-	1,958,917	1,958,917	N/A
Borrowings	-	9,836,483	-	-	-	9,836,483	0.10%
Lease liabilities	-	413,583	-	-	-	413,583	1.58%
Total liabilities	**485,253,910**	**134,256,164**	**11,820,015**	**-**	**1,958,917**	**633,289,006**	

24. FINANCIAL RISK MANAGEMENT (continued)

(f) Operational risk

Operational risk is the risk of loss to MOVE Bank resulting from deficiencies in processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks. Operational risks in MOVE Bank relate mainly to legal, compliance, business continuity, data infrastructure, outsourced services, fraud and employee errors.

MOVE Bank's objective is to manage operational risk to balance the avoidance of financial losses through the implementation of controls, whilst avoiding procedures which inhibit innovation. These risks are managed through the implementation of policies and systems to monitor the likelihood of the events and minimise the impact.

- Systems of internal control are enhanced through: segregation of duties between employee duties and functions, including approval and processing duties;
- documentation of the policies and procedures, employee job descriptions and responsibilities, to reduce the incidence of errors and inappropriate behaviour;
- implementation of whistleblowing policies to promote a compliance culture and awareness of duty to report exceptions by staff;
- education of members to review their account statements and report exceptions to MOVE Bank promptly;
- effective dispute resolution procedures to respond to member complaints;
- effective insurance arrangements to reduce the impact of losses;
- contingency plans for dealing with loss of functionality of systems or premises or staff; and
- use of a software system designed to manage controls and compliance related tasks.

Fraud

Fraud can arise from members' banking activities including where either Personal Identification Numbers (PINs) or passwords become compromised as a result of members failing to protect them adequately. It can also arise from other system failures.

MOVE Bank has systems in place which are considered to be robust enough to prevent any material fraud. However, in common with all retail ADIs fraud is potentially a real cost to MOVE Bank. Fraud losses have arisen from Visa card transactions and internet banking activity.

IT Systems

MOVE Bank manages the majority of its IT environment with the contracted support of specialist organisations. MOVE Bank's investment in its IT environment and training of the IT staff is significant to ensure that MOVE Bank is able to meet member expectations and service requirements.

Other network suppliers are engaged on behalf of MOVE Bank by Indue to service the settlements with other financial institutions for direct entry, Visa cards, member chequing, New Payments Platform and BPay.

MOVE Bank's disaster recovery site is sufficiently equipped to mitigate the risk of a disaster having a significant impact on MOVE Bank's financial position

(g) Capital management

MOVE Bank is regulated by APRA. As a result, MOVE Bank must, for capital adequacy purposes, hold the minimum levels of capital required by Australian Prudential Standard – APS 110 Capital Adequacy. As part of these requirements MOVE Bank must hold tier 1 capital and may also include tier 2 capital as part of its required capital holding up to certain prescribed limits.

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

(a) provide a permanent and unrestricted commitment of funds;
(b) are freely available to absorb losses;
(c) do not impose any unavoidable servicing charge against earnings; and
(d) rank behind claims of depositors and other creditors in the event of winding up.

24. FINANCIAL RISK MANAGEMENT (continued)

(g) Capital management (continued)

For the purpose of calculating MOVE Bank's capital base, tier 1 capital consists of retained earnings, realised reserves and current year earnings. MOVE Bank's tier 1 capital consists entirely of common equity tier 1 capital.

Tier 2 capital includes other components that, to varying degrees, fall short of the quality of tier 1 capital, however, still contribute to the overall strength of the financial institution as a going concern.

Capital held by MOVE Bank comprises:

Tier 1 Capital	2024 $	2023 $
General reserve net of provisions for future losses	68,065,521	67,039,083
Asset revaluation reserve	3,131,906	3,131,906
Asset fair value reserve	501,591	501,591
Capitalised loan origination and settlement costs	(1,575,616)	(1,222,046)
Prescribed deductions	(2,268,856)	(2,060,718)
Net tier 1 capital	67,854,546	67,389,816
Tier 2 Capital		
Provisions for Future Losses	458,803	438,495
Net Tier 2 capital	458,803	438,495
Total Capital	68,313,349	67,828,311
Less deductions from total capital	-	-
Total Capital	68,313,349	67,828,311

APRA requires authorised deposit-taking institutions (ADIs) to maintain a minimum capital ratio of 8% of risk weighted assets at any given time in accordance with Prudential Standards. In addition, APRA imposes ADI specific minimum capital ratios.

MOVE Bank's capital ratios as at the end of the financial year for the past 5 years are as follows:

Year	Capital ratio
2024	21.12%
2023	23.58%
2022	21.71%
2021	20.15%
2020	21.17%

The level of capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. MOVE Bank measures the capital ratio on a monthly basis and monitors any major movements in asset levels.

Policies have been implemented which require reporting to the Board and APRA if the capital ratio falls below 15%. During the financial year, MOVE Bank has complied with its capital ratio requirements at all times.

The component of the AASB 9 provision that provides for future credit losses is classified as Tier 2 capital. Tier 1 capital includes MOVE Bank's General Reserve net of the provision for future losses. The General Reserve in MOVE Bank's Statement of Changes in Equity is therefore the combined values of these Tier 1 and Tier 2 capital items.

25. COMMITMENTS

	2024 $	2023 $
(a) Outstanding loan commitments		
Loans and credit facilities approved but not funded or drawn at the end of the financial year:		
Loans approved but not funded	24,853,929	17,556,771
Undrawn overdrafts	28,866,054	32,581,060

26. CONTINGENCIES

Credit Union Financial Support Scheme (CUFSS)

MOVE Bank is a participant in CUFSS. The purpose of the CUFSS is to protect the interests of its Mutual ADI members, increase stability in the industry and provide liquidity in excess of current borrowing limits in times of need. The balance of the debt at 30 June 2024 was Nil (2023: Nil).

27. AUDITORS' REMUNERATION

The auditor of MOVE Bank is BDO Audit Pty Ltd.

	2024 $	2023 $
Amounts received or due and receivable by BDO Audit Pty Ltd for:		
An audit or review of the financial report of MOVE Bank	109,650	102,000
Other statutory assurance services - regulatory or prudential audits	51,600	48,000
	161,250	150,000

28. KEY MANAGEMENT PERSONNEL

(a) Remuneration of Key Management Personnel

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of MOVE Bank, directly or indirectly, including any Director (whether executive or otherwise) of MOVE Bank.

As at the reporting date, KMP comprises 7 Directors (2023: 7) and 5 members of Management (2023: 6) responsible for the day-to-day financial and operational management of MOVE Bank.

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

	Directors		Other KMP	
	2024 $	2023 $	2024 $	2023 $
Short-term employee benefits	307,450	314,346	1,670,113	1,408,845
Termination payment (including long service leave and annual leave)	-	-	266,378	73,252
Post-employment (including superannuation)	31,785	26,912	145,698	115,334
Other long-term (including long service leave)	-	-	(18,139)	25,285
	339,235	341,258	2,064,050	1,622,716

Remuneration shown as short-term benefits means (where applicable) wages, salaries, sick leave, annual leave and the value of fringe benefits received, but excludes out of pocket expense reimbursements. Long service leave is not expected to be paid within 12 months of the reporting date.

28. KEY MANAGEMENT PERSONNEL (continued)

All remuneration to Directors was approved by the members at the 2023 Annual General Meeting of MOVE Bank.

(b) Loans to KMP and their Close Family Members

All loans disbursed to KMP were approved on the same terms and conditions applicable to members for each class of loan. There are no loans that are impaired in relation to the loan balances with KMP.

No KMP received a concessional rate of interest on their loans and facilities.

There are no benefits or concessional terms and conditions applicable to the close family members of the KMP. There are no loans that are impaired in relation to the loan balances with close family relatives of KMP.

	2024 $	2023 $
The aggregate value of loans	787,257	2,156,187
The total value of other credit facilities to KMP as at the balance date amounted to:	5,000	5,000
Less amounts drawn down and included in the above balance	(1)	-
Net balance available	4,999	5,000
During the year the value of term loans funded to KMP	-	224,231
	-	224,231
During the year the aggregate value of revolving credit facility limits granted or increased to KMP amounted to:	-	-
Interest and other revenue earned on loans and revolving credit facilities to KMP and related parties	21,002	38,566

(c) Other Transactions of KMP and their Close Family Members

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

	2024 $	2023 $
Total value term and savings deposits at year end	1,279,736	1,835,510
Total interest paid on deposits	20,239	8,323

MOVE 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 benefits paid or payable to the close family members of the KMP. There are no service contracts to which KMP or their close family members are an interested party.

29. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstance have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of MOVE Bank in subsequent financial years.

30. CLASSES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following is a summary of financial instruments by class.

	2024 $	2023 $
Financial assets at amortised cost		
Cash and cash equivalents	33,030,448	15,972,826
Other receivables	1,000,279	900,527
Financial assets at amortised cost	108,228,312	104,912,174
Loans and advances	663,588,092	577,242,819
	805,847,131	699,028,346
Financial assets at fair value through other comprehensive income		
Investment securities	1,772,211	1,772,211
Financial liabilities measured at amortised cost		
Deposits	737,280,410	621,080,021
Other payables	1,975,574	1,958,917
Borrowings	-	9,836,483
	739,255,984	632,875,421

31. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

MOVE Bank 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;
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (ie. derived from prices). This category includes instruments 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 instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's 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.

Fair values for assets and liabilities traded in active markets are based on quoted market prices at reporting date. The quoted market price for financial assets is the current bid price. The fair value of assets and liabilities that are not traded in an active market are determined using valuation techniques. To the extent possible assumptions used are based on observable market prices and rates at the end of the reporting date.

31. FAIR VALUE MEASUREMENT (continued)

(b) Fair value estimates

The fair value estimates were determined as follows:

Cash and cash equivalents and other receivables

The carrying values approximate their fair value as they are short term in nature or are receivable on demand.

Investment securities measured at fair value through other comprehensive income

The shareholdings in Cuscal and Indue are measured at fair value and any changes in that fair value are recognised through other comprehensive income under AASB 9. These companies were created by credit unions to supply services to the shareholding credit unions.

During the 2015/16 year, MOVE Bank purchased shares in Indue which now provides the banking services to MOVE Bank. The shares in both companies are not able to be publicly traded and are not redeemable.

The financial reports of Cuscal and Indue record net tangible assets backing of these shares exceeding their cost value. Shares may be sold to other shareholders of the companies.

The fair value of the shareholdings in Cuscal and Indue was determined using an adjusted net tangible assets calculation.

The carrying values of financial assets amortised cost approximate their fair value due to either the investment being for a short-term or if the investment initially has a long term to maturity, the investment's interest rate is re-set on a short-term basis (either monthly or quarterly).

Loans and advances

For variable rate loans the carrying value is a reasonable estimate of 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 30 June 2024.

Deposits

The fair value of at call and variable rate deposits, and fixed rate deposits repriced within twelve months, approximates the carrying value.

Discounted cash flow models based upon deposit types and related maturities were used to calculate 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 30 June 2024.

Other payables

The carrying value approximates their fair value as they are short term in nature.

Borrowings

The Term Funding Facility was a fixed rate borrowing that was fully repaid during the current financial year. The fair value for the prior year was calculated by utilising discounted cash flow models based on the maturity of the borrowing. The discount rates applied were based on the current benchmark rate offered for the average remaining term of the borrowing as at 30 June 2023.

31. FAIR VALUE MEASUREMENT (continued)

(c) Financial assets and liabilities

The table below summarises the fair values of financial assets and liabilities at reporting date.

		2024		2023	
		Carrying value	Fair value	Carrying value	Fair value
	Note	$	$	$	$
Financial Assets					
Cash and cash equivalents	8	33,030,448	33,030,448	15,972,826	15,972,826
Other receivables	10	1,000,279	1,000,279	900,527	900,527
Financial assets at amortised cost	11	108,228,312	108,228,312	104,912,174	104,912,174
Loans and advances	12	663,588,092	663,903,768	577,242,819	539,182,508
Investment securities	9	1,772,211	1,772,211	1,772,211	1,772,211
Financial Liabilities					
Deposits	16	737,280,410	737,868,906	621,080,021	620,592,166
Other payables	17	1,975,576	1,975,576	1,958,917	1,958,917
Borrowings	18	-	-	9,836,483	9,384,267

The values reported have not been adjusted for any changes in credit ratings of the assets.

(d) Fair value hierarchy levels

The table below categorises assets and liabilities measured and recognised at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

	Level 1	Level 2	Level 3	Total
2024	$	$	$	$
Financial Assets				
Investment securities	-	-	1,772,211	1,772,211
Non-Financial Assets				
Land and buildings	-	-	3,132,009	3,132,009
	-	-	4,904,220	4,904,220
2023				
Financial Assets				
Investment securities	-	-	1,772,211	1,772,211
Non-Financial Assets				
Land and buildings	-	-	3,200,000	3,200,000
	-	-	4,972,211	4,972,211

Transfers into and out of the different fair value hierarchy levels are recognised at the date the event or change in circumstances that caused the transfer to occur. There have been no significant transfers into or out of each level during the year ended 30 June 2024 or the prior year.

The table below categorises assets and liabilities not measured and recognised at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

31. FAIR VALUE MEASUREMENT (continued)

(d) Fair value hierarchy levels (continued)

	Level 1 $	Level 2 $	Level 3 $	Total Fair Values $	Total Carrying Amount $
2024					
Financial Assets					
Loans and advances	-	663,903,768	-	663,903,768	663,588,092
Financial Liabilities					
Deposits	-	737,868,906	-	737,868,906	737,280,410
Borrowings	-	-	-	-	-
2023					
Financial Assets					
Loans and advances	-	539,182,508	-	539,182,508	577,242,819
Financial Liabilities					
Deposits	-	620,592,166	-	620,592,166	621,080,021
Borrowings	-	9,384,267	-	9,384,267	9,836,483

(e) Level 3 fair value hierarchy

	2024 $	2023 $
Balance at the end of the financial year	1,772,211	1,772,211
Total gains/losses for the period included in other income in profit or loss that relate to assets held at the end of the reporting period	-	-

Please refer to Note 14 (a) for movement reconciliation of land and buildings

32. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by MOVE Bank in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Financial assets and financial liabilities

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when MOVE Bank becomes a party to the contractual provisions of the financial instruments. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the profit or loss.

(ii) Classification and subsequent recognition and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

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

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

On initial recognition of an equity investment that is not held for trading, MOVE Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, MOVE Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

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

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

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

32. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial assets and financial liabilities (continued)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (eg. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, MOVE Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, MOVE Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit MOVE Bank’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after MOVE Bank changes its business model for managing financial assets. There were no changes to any of MOVE Bank business models during the current year (2023: Nil).

Financial liabilities

MOVE Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL

(iii) De-recognition

Financial assets

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

(i) On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and
(ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by MOVE Bank is recognised as a separate asset or liability.

In transactions in which MOVE Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, MOVE Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, MOVE Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial liabilities

MOVE Bank de-recognises a financial liability when its contractual obligations are discharged or cancelled or when they expire.

32. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial assets and financial liabilities (continued)

(iv) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, MOVE Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, MOVE Bank recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

(v) Offsetting

Financial assets and financial liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, MOVE Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(vi) Fair value measurement

Refer to Note 31(d) for details.

(b) Fair value measurement

Fair values may be used for financial and non-financial asset and liability measurement as well as sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, MOVE Bank.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, MOVE Bank uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant.

External valuers are selected based on market knowledge and reputation.

Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

32. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Impairment of assets (excluding financial assets)

At each reporting date, MOVE Bank reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss (except for items carried at a revalued amount).

Where it is not possible to estimate the recoverable amount of an individual asset, MOVE Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(e) New and amended accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been early adopted by the MOVE Bank. None of these are expected to have a material effect on the financial statements of the MOVE Bank.

Consolidated Entity Disclosure Statement as at 30 June 2024

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% share of capital held	Country of incorporation	Australian resident or foreign resident	Foreign tax jurisdiction(s) of foreign residents
Railways Credit Union Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A
MTG MOVE Bank Repo Series No.1 Trust	Trust	-	N/A	Australia	Australian	N/A

The MTG MOVE Bank Repo Series No.1 Trust did not trade during the year and accordingly consolidated financial reports are not required.

Basis of preparation
The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of tax residency
Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:
(a) Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

(b) Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Directors' Declaration

The Directors of Railways Credit Union Limited trading as MOVE Bank declare that:

(a) The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001* and:

  (i) comply with Australian Accounting Standards and Interpretations and the *Corporations Regulations 2001*; and

  (ii) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date.

(b) Railways Credit Union Limited has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards; and

(c) In the Directors' opinion, there are reasonable grounds to believe that Railways Credit Union Limited will be able to pay its debts as and when they become due and payable.

(d) The information disclosed in the consolidated entity disclosure statement is true and correct.

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

S Riedel

Scott J Riedel
Chair
Brisbane

T W Armagnacq

Thomas W (Bill) Armagnacq
Chair, Audit & Compliance Committee
Brisbane

Dated this 25th day of September 2024.

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INDEPENDENT AUDITOR'S REPORT

To the members of Railways Credit Union Limited trading as MOVE Bank

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Railways Credit Union Limited trading as MOVE Bank (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Railways Credit Union Limited trading as MOVE Bank, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information 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 Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

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

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Tim Kendall

T J Kendall
Director

Brisbane, 25 September 2024