

2025 Voluntary Tax Transparency Report

Tax Strategy and Governance

Our Business

Bank Australia started in 1957 as the CSIRO Cooperative Credit Society and has grown and evolved, adding 72 credit unions and cooperatives to become Australia's first customer owned bank. In 2015 we changed our name to Bank Australia (the Company).

Our Culture

Through engagement with customers and staff using a human-centered design approach, the bank has adopted a set of values more closely aligned to the values of our customers and employees.

Honesty and Integrity

Walk the talk

Future and Generational Thinking

Enrich the future

Care and Empathy

Nurture people

Authenticity and Transparency

Be true to yourself and clear to others

Belonging and Community

Build togetherness and shared purpose

Our Approach to Tax

Bank Australia implements its Tax Strategy and Governance approach through its Tax Policy. This Policy is approved by the Board and is in line with the Company's Risk Management Framework.

As part of our Tax Policy, we maintain a Tax Risk Management and Governance Framework which covers: *code of practice, roles and responsibilities, reporting requirements, policies and procedures, approach to significant and material transactions, internal controls and record keeping and control monitoring and testing*

The Tax Policy states that the Company will act ethically and responsibly in its management of tax requirements, and will maintain an open and transparent relationship with revenue authorities.

In ensuring an ethical and responsible approach, the Company has no appetite for any transaction that is motivated by the avoidance of tax. In the event of doubt regarding application of tax law, the Company will engage with revenue authorities and seek appropriate tax advice.

In supporting an open and transparent relationship, the Company's commitment to revenue authorities is to ensure compliance with laws and regulations and to behave in a way that maintains trust. In doing this, commitment has been made to complete Voluntary Tax Transparency Reporting.

International Related Party Dealings

Bank Australia is a 100% customer-owned bank, with operations only in Australia, it has no international related party details.

Tax Contribution Paid

The following chart illustrates the Company's tax contributions paid to Australian tax authorities for the financial year ended 30 June 2025.

Tax Item	The Company 2025 \$m	The Company 2024 \$m
Corporate income tax	11	3
Employer Payroll Tax/ Other Taxes (including Land Tax and FBT)	5	4
Employer PAYG withheld	18	19
GST not recovered	3	4

Contingent tax risk

The tax affairs of the Company are subject to reviews by the ATO and Revenue Offices of various Australian States and Territories. These reviews cover all facets of tax affairs including prior tax returns lodged and compliance with various customer data reporting regimes, and may result in additional tax-related liabilities and payments (including interest and penalties). Where appropriate, provisions have been made. The potential outcome and total costs associated with these activities remain uncertain.

Reconciliation of accounting profit to tax expense and income tax payable and effective tax rate (ETR)

	The Company 2025 \$m	The Company 2024 \$m
Profit before income tax (PBT)	52	37
Prima Facie income tax expense based on local statutory tax rate	16	11
Permanent differences		
Dividends – franking credits	(3)	(1)
Other assessable income	7	–
Permanent difference from share sale	(5)	–
Income tax expense relating to current year liability	16	11
Temporary differences (movement)		
Provision for impaired loans	–	–
Other provisions	1	1
Property, plant and equipment & leases	1	1
Derivative financial instruments and sale of shares	5	–
Other	3	–
Under/(over) provision of income tax in prior years	–	–
Total temporary differences (movement)	9	1
Other adjustments impacting current tax payable	–	–
Current year income tax payable from continuing operations	25	12
Total income tax expense (ITE)		
Income tax expense relating to current year liability	25	12
Prior year adjustments to amounts provided	–	–
Other	–	–
Total income tax expense from continuing operations	25	12
Effective tax rate (ITE/PBT)	48% ¹	31%
Statutory tax rate	30%	30%

1 The higher rate is driven by taxable gain on sale of Cuscal shares (\$5m corporate tax) and reduced deductions for merger costs which is required to be claimed over 5 years for tax purposes.

Reconciliation of taxes payable

	The Company 2025 \$m	The Company 2024 \$m
Tax payable / (refundable) at the beginning of the period	(2)	(10)
Prior period adjustments	–	–
Less: income taxes paid during the year	(11)	(3)
Income tax payable for current financial year	25	11
Tax payable / (refundable) at the end of the period	12	(2)