

Annual Report 2025



Dnister Ukrainian Credit Co-operative Limited
ABN 59 087 651 394 | AFSL 240673



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Our Strategic Intent

Proud of our Past.
Invested in your Future.
For every member,
For every moment.
For the future we share.

Our Purpose

To be a member-owned bank that helps our members and their communities grow, thrive and prosper.

Our Vision

Growing with Purpose, Serving with Heart.

To thrive as a trusted and valued member-owned bank by delivering exceptional service, giving back to our communities and committing to evolve with and for our members.

Our Mission

To be more than a bank. A trusted partner for the Ukrainian and Latvian communities and those who share their spirit.
Staying connected and valued through meaningful products, services and support that help our members and communities thrive.

Our Values

				
COMMUNITY FIRST	CULTURAL PRIDE & INCLUSION	INTEGRITY	EMPOWERMENT THROUGH KNOWLEDGE	EXCELLENCE IN SERVICE
We exist for our members and the communities we serve.	We honour our heritage while welcoming all who share our values.	We do what's right, not what's easy.	We help our team & members grow.	We are here for our members, every step of the way.

Chair's Report

A Year of Renewal, Resilience and Direction

Introduction

On behalf of our hardworking staff, the Executive Team and the Dnister Board, I am proud to present the Annual Report for the financial year ended 30 June 2025.

In FY25 we delivered not only strong financial results, supported our members and communities through moments of celebration and challenge, but also set a clear strategic direction for the future to be a member-owned bank that helps our members and their communities financially grow, thrive and prosper.

Strong Financial Performance

Our financial results for FY25 reflect disciplined management, resilience in a challenging environment and our commitment to delivering long term value for our members.

Dnister delivered a strong and disciplined set of financial results:

- Total assets grew to \$287.1 million
- Member deposits reached \$254.6 million
- Loans increased to \$210.7 million
- Members' equity rose to \$28.2 million
- Net profit before tax was \$0.756 million
- Maintained strong financial resilience with capital adequacy of 21.0%

At the same time, we preserved strong credit quality, controlled costs, and continued to strengthen our financial foundations.

These outcomes reflect not just growth - but confidence in our direction and the trust our members place in us.

Our Role in the Community

Dnister's mission has never been just about banking. It's about being more than a bank - a trusted partner to the Ukrainian and Latvian communities and to those who share their spirit.

In FY25, we contributed over \$635,000 in community support and have now provided more than \$4 million over the past decade.

This year, we also offered both financial support and in-kind support to more than 25 community organisations, including CYM, Plast, Future Ukrainian, the Ukraine Crisis Appeal, and the Ukrainian Catholic Church providing access to our people, premises, facilities and services where needed.

We also rallied together as one team when the fire at our Essendon office disrupted operations. The resilience and care shown by our staff reminded us that community is not just something we support - it's something we live.

Lifting Our Capabilities

This year, we focussed on building strong foundations for the future – strengthening alignment across the organisation and beginning to enhance our capabilities and ways of working to make banking simpler and more rewarding for our members and our people.

During the year, we:

- Launched a new five-year strategic plan;
- Implemented a new digital loan origination platform;
- Introduced a new operating rhythm and delivery approach;
- Progressed regulatory, service and technology upgrades to lift efficiency, resilience and member experience.

These initiatives laid the foundation for a more agile, connected and capable organisation - one that's ready to grow and evolve.

Under the leadership of our new CEO, Ashley Hood, we are now moving forward with clarity and momentum – guided by a refreshed Purpose, Vision and strategy for the future.

At the heart of everything we do is our Purpose – To be a member owned bank that helps our members and their communities grow, thrive and prosper.

This purpose shapes the way we serve, the decisions we make and the direction we're taking.

Our new Vision brings that purpose to life - "Growing with Purpose, Serving with Heart" - to thrive as a trusted and valued member-owned bank by delivering exceptional service, giving back to our communities, and committing to evolve with and for our members.

To support this Vision, we've launched a new five year strategy that defines our direction and defines our priorities . It's focussed on ensuring Dnister remain relevant, resilient and responsive to the changing needs of our members and communities.

Our strategy is anchored in four key priorities:-

- Growth - expanding our reach and impact so we can serve more members and communities.
- Financial sustainability - ensuring we remain strong, secure and able to reinvest in our future.
- Community relevance - staying deeply connected to the people, culture, and causes we care about.
- Purposeful change - evolving thoughtfully so we stay modern, effective and member-focused.

Looking ahead, we're focused on making Dnister simpler, easier and more rewarding for our members. That means:

- Streamlining our processes so banking feels seamless;
- Offering simpler, more transparent products and services;
- Making it easier for members to join, engage, and get support;
- Continuing to upgrade our systems and digital platforms;
- Strengthening the capability of our people and teams.

We don't want to grow by being the same - we want to grow by being different. We're here to be distinctive - clear in our purpose, human in our service, and committed to creating lasting and meaningful value for the communities we serve.

In Closing

On behalf of the Board, I want to thank our CEO, Executive team and our talented, dedicated staff who have contributed wholeheartedly to Dnister's achievements over the past year. I'm incredibly grateful for their passion, resilience and commitment - they've laid the foundation for our continued success.

To our members - thank you. Your trust, loyalty, and belief in Dnister's purpose is what makes all of this possible.

As we look to the future, we do so with clarity, capability, and optimism - guided by our purpose, delivering on our mission, and bringing our vision to life for generations to come.



Andrew Pavuk
Chair

2025 in numbers



Directors' Report

Your Directors submit their report for the year ended 30 June 2025.

DIRECTORS

The names and details of the Directors in office during the financial year or until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

ANDREW PAVUK Chair

B.Arts, Dip of Ed, B Law, Solicitor and Member of the Law Society of NSW MAICD.

Non-Executive Chair, Corporate Governance Committee Chair.

Andrew established Pavuk Legal in 2007 with extensive experience as a specialist in the areas of Financial Services, Corporate Law, Taxation, Life Insurance, Superannuation, Managed Funds, Estate Planning and Succession. Andrew has acted for Plast K P S Executive, the Ukrainian Catholic Church in Australia, various parishes, priests and Charitable Funds.

JOHN LIPKIEWICZ Deputy Chair

BA (Eco.), MBA, MAICD.

Non-Executive Deputy Chair, Corporate Governance Committee Member.

John is an experienced executive having worked with large national and international companies in the Banking and Financial Services Industry. His most recent role was Executive General Manager Professional Services, with Beyond Bank Australia (formerly a Credit Union) and was responsible for Business Banking, Insurance, Wealth and Advice Services. John's areas of strength and expertise include strategy, leadership, corporate governance, risk and compliance, change management, and financial outcomes. He was also responsible for the Bank's wholly owned Wealth Management subsidiary reporting directly to a separate Board. In addition, he was a Responsible Manager on two Australian Financial Services Licences. John was also the founding CEO of a start-up master trust business Personal Choice Pty Ltd. He was previously a Non-Executive Director of Dnister from 2009 till 2012 and was Director/Acting Deputy Chair of Hoverla Credit Union from 1998 to 2004.

BOHDAN WOJEWIDKA Director

B.App. Sc (Comp. Sci), MBA, GAICD.

Non-Executive Director, Corporate Governance Committee and Risk Committee Member.

Bohdan has an extensive background as a Chief Information Officer / General Manager for major Australian corporations. His most recent position was General Manager – Technology at People's Choice Credit Union. Bohdan's previous roles were at ABB Grain Ltd as Executive Manager Business Process and Information Systems, South Australian Chamber of Mines and Energy as Assistant Chief Executive and Newmont Australia Executive General Manager Business Information and Communications Technology.

Bohdan has served as President of Plast Ukrainian Scouts in South Australia and is presently Vice-President of the Association of Ukrainians in South Australia and a non-executive Director on the Plast National Board. He served as Chair of the Dnister Community Advisory Committee in South Australia in 2008.

NICHOLAS BUGRYN Director

B.Comm (Fin, Eco & Intl Trade),

Non-Executive Director, Audit Committee Chair and Risk Committee Member.

Nick is a Melbourne based director who has extensive experience working in large banks across various roles including a Director within Global Markets at NAB and Head of Commsec Investment Management at CBA.

Nick's core area of experience is understanding markets, investments and managing risk in institutional environments and has executed this through leadership roles within the industry. Most recently this was at the AMP but also included his time at both NAB & CBA.

Nick seeks to leverage contacts developed through his career to drive growth and positive outcomes for Dnister members. Nick is passionate about working and representing community interests. He has held numerous roles and responsibilities for community groups including participating in the Raise Adolescent Mentoring Program, coaching at Essendon Doutta Stars Football Club and committee Member for Morland Council Childcare Centre.

Nick is currently an Investment Specialist at AMP Investments and has been a Non-Executive Director of Dnister since 2022

Directors’ Report

Continued.

PAVLO SMOLIY Director

B.Sc Honours (Eco, Fin & Management), ACA

Non-Executive Director, Audit Committee Member.

Pavlo has over eighteen years’ experience working with the CFOs and other C-suite leaders on all aspects related to organisational strategy, finance and operations. He started his professional career with Deloitte, advising on corporation tax and audit matters, as well as on ways to acquire and carve out businesses in an efficient manner. He obtained his Chartered Accountancy qualification in the UK and later transitioned into the role of a Finance Management Consultant. Pavlo is currently CEO of an ESG technology company based in Adelaide, helping the business scale its operations and capture the market in the carbon accounting and reporting space.

LUKE GALASHCHUK Director

B.Bus Systems (Honours), Grad Diploma of Applied Finance, Advanced Diploma of Financial Services, CFP

Non-Executive Director, Risk Committee Chair & Audit Committee Member.

Luke has over twenty years’ experience in the financial planning and superannuation industry. He started his career with the Commonwealth Bank and has held roles with Colonial First State, AMP, WHK Crowe Horwath, Mortgage Choice and Aware Super where he is currently Senior Risk and Compliance Manager. Luke provides strategic and operational advice on Risk Management and Compliance to protect and support achievement of business strategy. Luke is involved in numerous community organisations including former board member of the Kalyna Ski club.

MICHAEL KARASZKEWYCZ Director

Non-Executive Director from 13 November 2024 until 19 March 2025.

COMPANY SECRETARY

ASHLEY HOOD Chief Executive Officer from 20 December 2024

BCom (UQ), FFIN, MAICD.

ANDREW JAMES Chief Executive Officer until 20 December 2024

MBA (Melb), Post Grad Dip. Bus.

DIRECTORS’ MEETINGS

The number of Directors’ meetings held and attended for the financial year were:

	Board Meetings Held 13	Board Committee Meetings Held		
		Audit Committee 4	Risk Committee 4	Corporate Governance 4
B Wojewidka	13 (of 13)	-	4 (of 4)	3 (of 4)
J Lipkiewicz	13 (of 13)	2 (of 2)	-	4 (of 4)
A Pavuk	13 (of 13)	-	1 (of 1)	4 (of 4)
N Bugryn	11 (of 13)	2 (of 2)	1 (of 1)	1 (of 1)
P Smoliy	12 (of 13)	4 of (4)	1 of (1)	-
L Galashchuk	13 of (13)	4 of (4)	4 of (4)	-
M Karaszkewycz	6 of (6)	1 of (1)	2 of (2)	-

Directors' Report

Continued.

PRINCIPAL ACTIVITIES

During the year there were no significant changes to the principal activities of Dnister, these being the provision of retail financial services, which includes receiving funds on deposits, advancing loans, providing payment services and the leasing of commercial property.

OPERATING AND FINANCIAL REVIEW

Net profit before income tax for the year ending 30 June 2025 is \$756,000 (2024: \$849,000).

Total Assets increased by \$29.4m to \$287.1m with Members' Equity increasing by \$0.1m to \$28.2m. The loan portfolio increased by \$18.1m to \$210.4m and deposits increased by \$30.1m to \$254.6m.

There were no significant changes in the operations of Dnister.

DIVIDENDS

In accordance with the constitution, no dividend is paid in respect of any shares.

BOARD MONITORING OF PERFORMANCE

Management and the Board monitor Dnister overall performance from the implementation of the strategic plan through to the performance against budget. The Board, together with management, have identified key performance indicators (KPIs) that are used to monitor performance.

LIQUIDITY AND FUNDING

Dnister has a short-term overdraft facility of \$350,000 (2024: \$350,000). Dnister has sufficient funds to finance its operations and maintains these facilities primarily to allow Dnister to manage short-term funding as required.

RISK MANAGEMENT

Dnister takes a pro-active approach to risk management. The Board is responsible for ensuring that risks are identified on a timely basis and that strategic objectives are aligned with those risks.

The Board has a number of mechanisms in place to ensure that strategic objectives and activities are aligned with the risks and opportunities approved by the Board. These include the following:

- Board approval of the Strategic Plan, which encompasses the strategic intent, purpose, vision, mission and values, designed to meet Members' needs and manage business risk.
- Implementation of Board approved budget and Board monitoring of progress against budget, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- The establishment of committees to report on specific business risks.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date to be brought to the attention of Members for the financial year ended 30 June 2025.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The operations of Dnister are expected to continue in line with current objectives and strategies.

INDEMNITY AND INSURANCE

During the year, a premium was paid in respect of a contract insuring Directors and officers of the company against liability. The officers of Dnister are covered by the insurance contract include the Directors, executive officers, secretary and employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract. No insurance cover has been provided for the benefit of the auditors.

Directors' Report

Continued.

COMMITTEE MEMBERSHIP

As at the date of this report, Dnister had an Audit Committee, Risk Committee and Corporate Governance Committee.

Members of the Board acting on the committees of the Board at the date of this report are:

AUDIT COMMITTEE

N Bugryn (Chair)

P Smoliy

L Galashchuk

RISK COMMITTEE

L Galashchuk (Chair)

B Wojewidka

N Bugryn

CORPORATE GOVERNANCE COMMITTEE

A Pavuk (Chair)

B Wojewidka

J Lipkiewicz

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 11 of the financial report.

Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of Dnister Ukrainian Credit Co-operative Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2025 there have been no contraventions of:

- 1) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- 2) Any applicable code of professional conduct in relation to the audit.



CROWE MELBOURNE



BRADLEY D BOHUN
Partner

1 October 2025
Albury

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries. Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity.

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Non-Audit Services

The following non-audit services were provided by the entity`s auditor Crowe Melbourne. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. Crowe Melbourne received or are due to receive the following amounts for the provision of non-audit services:

Tax Compliance Service	\$12,261
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The report is signed in accordance with a resolution of the Directors.

On behalf of the Board



Andrew Pavuk
Chair of the Board
30 September 2025



Nick Bugryn
Chair of the Audit Committee
30 September 2025

Corporate Governance Statement

The Board of Directors of Dnister Ukrainian Credit Co-operative Limited are responsible for the corporate governance of Dnister. The Board guides and monitors the business on behalf of the Members by whom they are elected and to whom they are accountable. An important feature of the Board is to ensure compliance with the prudential and solvency requirements of the Australian Prudential Regulatory Authority (APRA) and the Australian Securities & Investments Commission (ASIC).

The key responsibilities of the Board include:

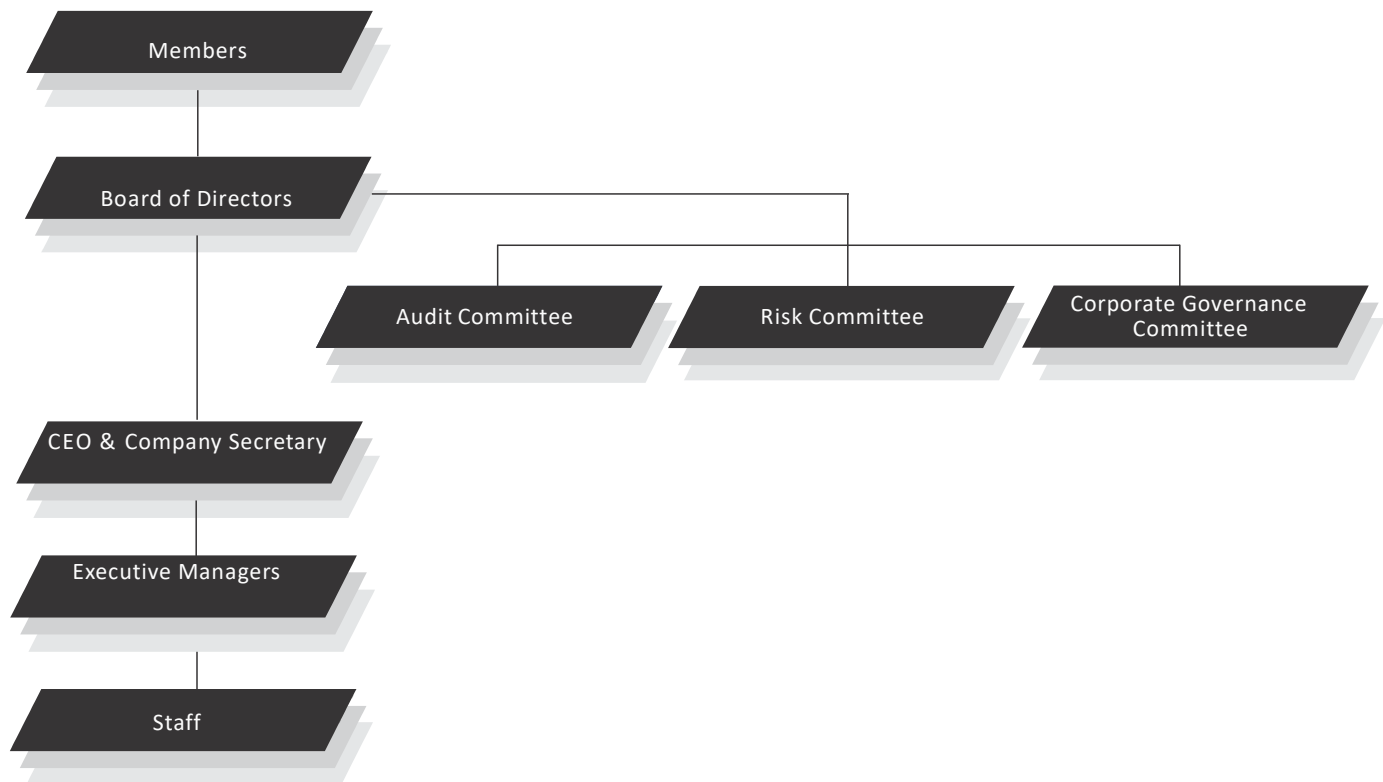
- Approving the strategic direction and related objectives and monitoring management performance in the achievement of these objectives.
- Adopting an annual budget and monitoring the financial performance of Dnister.
- Overseeing the establishment and maintenance of internal controls and effective monitoring systems.
- Ensuring all major business risks are identified and effectively managed.
- Ensuring Dnister meets all its legal and statutory obligations.

The Board of Directors undertook the annual Board performance assessment for the year ended 30 June 2025. The key outcomes of this review are:

- Identification of skill enhancements
- Further training requirements for the Board Members

STRUCTURE OF THE BOARD

Directors are considered to be independent and free from any business or other relationship that could interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.



Corporate Governance Statement

Continued.

AUDIT COMMITTEE

The Board has an Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists in the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information.

The Members of the Audit Committee at the end of the year were:

N Bugryn (Chair)
P Smoliy
L Galashchuk

The term in office held by each Director at the date of this report is as follows:

A Pavuk	10 years
B Wojewidka	8 years
J Lipkiewicz	6 years
N Bugryn	3 years
P Smoliy	2 years
L Galashchuk	2 years

RISK COMMITTEE

The Board has a Risk Committee which operates under a charter approved by the Board. The Board has delegated the responsibility for the establishment and maintenance of a risk framework to the Risk Committee.

The Members of the Risk Committee at the end of the year were:

L Galashchuk (Chair)
B Wojewidka
N Bugryn

CORPORATE GOVERNANCE COMMITTEE

The Board has a Corporate Governance Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that there is sound and prudent management of the Co-operative. The Board has delegated the responsibility for the establishment and maintenance of principles of Good Corporate Governance and Best Practice to the Corporate Governance Committee.

It is the Boards' objective to provide maximum stakeholder benefit through the retention of an Executive team by remunerating key executives fairly and appropriately with reference to employment market conditions. Dnister does not pay any performance-based bonuses.

The Members of the Corporate Governance Committee at the end of the year were:

A Pavuk (Chair)
B Wojewidka
J Lipkiewicz

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NOTES TO THE FINANCIAL STATEMENTS

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Directors' Declaration

for the year ended 30 June 2025

In accordance with a resolution of the Directors of Dnister Ukrainian Credit Co-operative Limited, we state that:

1. In the opinion of the Directors:

(a) the financial statements and notes of the Co-operative are in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;

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

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

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

2. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2025.

On behalf of the Board



Andrew Pavuk
Chair of the Board
30 September 2025



Nick Bugryn
Chair of the Audit Committee
30 September 2025

Dnister Ukrainian Credit Co-operative Limited

Independent Auditor's Report to the Members of Dnister Ukrainian Credit Co-operative Limited

Opinion

We have audited the financial report of Dnister Ukrainian Credit Co-operative Limited (the 'Company'), which comprises the statement of financial position as at 30 June 2025, 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 statements, including the material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Dnister Ukrainian Credit Co-operative Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards report and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report information contained in the Company's annual report for the year ended 30 June 2025, 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, 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

- the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- 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:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- 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 ability of the Company 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



CROWE MELBOURNE



BRADLEY D BOHUN
Partner

1 October 2025
Albury

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation to Crowe's personnel involved in preparing this document, please speak to your Crowe adviser. Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries. Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity.

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Consolidated Entity Disclosure Statement

for the year ended 30 June 2025

Name of Entity	Type of Entity	Trustee, partner or participant in joint venture	% Share Capital Held	Country of Incorporation	Australian Resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Dnister Ukrainian Credit Co-operative Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
INCOME			
Interest income	3	14,500	13,509
Interest expense	4	(8,453)	(7,677)
Net interest income		6,047	5,832
Fees and commission income	5	199	200
Other operating income	6	1,176	1,302
Total operating income		7,422	7,334
Credit loss expense / (income)	7	100	-
Net operating income		7,522	7,334
Salaries and associated costs		(3,300)	(3,276)
Depreciation and amortisation	14.1 & 14.2	(182)	(140)
Community sponsorships, support and beneficiary contributions	22	(63)	(103)
Other operating expenses	8	(3,221)	(2,966)
Total operating expenses		(6,766)	(6,485)
Profit before tax		756	849
Income tax expense	9(a)	(187)	(217)
Net Profit for the period		569	632
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Fair value revaluation of FVOCI investments		(580)	443
Adjustment to deferred tax due to temporary differences on revalued assets		142	(108)
Other comprehensive income for the period, net of tax		(438)	335
Total comprehensive income available to members		131	967

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

30 June 2025

		2025	2024
		\$'000	\$'000
ASSETS			
Cash and Cash Equivalents	10	9,693	6,943
Financial Investments – Term & Negotiable Certificates of Deposits	11.1	18,498	9,748
Financial Investments – Bonds and Shares	11.2	31,174	30,986
Loans and Advances (Net)	12	210,414	192,267
Investment Properties	13	4,046	4,046
Property & Equipment	14.1	11,627	12,352
Intangibles	14.2	354	102
Deferred Tax Asset	9	261	313
Other Financial Investments	15	544	482
Other Assets	16	439	386
Total Assets		287,050	257,625
LIABILITIES			
Deposits	17	254,561	224,456
Current Tax Liability		74	20
Borrowings		-	-
Other Liabilities	18	2,569	3,289
Provisions	19	545	546
Deferred Tax Liabilities	9	1,073	1,217
Total Liabilities		258,822	229,528
NET ASSETS		28,228	28,097
Retained Earnings	20	15,045	14,476
Credit Loss Reserve	20	631	631
Business Combination Reserve	20	4,436	4,436
Asset Revaluation Reserve	20	7,645	8,244
FVOCI Investments Reserve	20	471	310
TOTAL MEMBERS EQUITY		28,228	28,097

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 2025

	Retained Earnings	Other Reserves see (note 21)	Total
	\$'000	\$'000	\$'000
TOTAL AT 1 JULY 2024	14,476	13,621	28,097
Net profit attributable to Members	569	-	569
Other comprehensive income / (expense)	-	(438)	(438)
Total comprehensive income	15,045	13,183	28,228
Decrease in general reserve for credit losses	-	-	-
TOTAL AT 30 JUNE 2025	15,045	13,183	28,228

	Retained Earnings	Other Reserves see (note 21)	Total
	\$'000	\$'000	\$'000
TOTAL AT 1 JULY 2023	13,844	13,286	27,130
Net profit attributable to Members	632	-	632
Other comprehensive income	-	335	335
Total comprehensive income	14,476	13,621	28,097
Increase in general reserve for credit losses	-	-	-
TOTAL AT 30 JUNE 2024	14,476	13,621	28,097

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 2025

	Notes	2025 \$'000	2024 \$'000
OPERATING ACTIVITIES			
Profit before tax		756	849
Adjustments for:			
- Changes in operating assets	21	(1)	(41)
- Changes in operating liabilities (including tax payable)	21	(808)	941
- Non-cash items included in profit before tax	21	82	99
- Income tax paid		(47)	(224)
- Net increase in deposits		30,105	8,821
- Net increase in loans and advances		(18,047)	(7,151)
Net cash flows from operating activities		12,040	3,294
INVESTING AND FINANCING ACTIVITIES			
Net term & negotiable certificate deposit investments sold/(purchase)		(8,750)	500
Net purchase of financial investments – bonds and shares		(36)	(2,207)
Net (decrease) in wholesale borrowings		-	(2,737)
Purchases of property and equipment and intangible assets		(504)	(804)
Net cash flows used in investing and financing activities		(9,290)	(5,248)
Net increase/(decrease) in cash and cash equivalents		2,750	(1,954)
Cash and cash equivalents at 1 July		6,943	8,897
Cash and cash equivalents at 30 June		9,693	6,943
OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS			
Interest received		14,500	13,509
Interest and other costs of finance paid		(8,453)	(7,677)
Dividends received		5	7

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 2025

1. REPORTING ENTITY

Dnister Ukrainian Credit Co-operative Limited is a company incorporated in Australia.

Dnister is a member owned Authorised Deposit-taking institution (ADI) serving the financial needs of the Australian communities of Ukrainian and Latvian heritage, their families and affinity members introduced to Dnister. The nature of the operations and principal activities of the Company are described in the Directors' Report.

The financial report for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of Directors on 30 September 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared as a 'for profit entity' as per AASB1054.8. The financial report has also been prepared on a historical cost basis, except for investment properties, land and buildings and FVOCI investments, which have been measured at fair value.

In accordance to *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

2.2 STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

In the process of applying the accounting policies, Management has used its judgements and made estimates in determining amounts recognised in the financial statements. The most significant use of judgements and estimates are as follows:

FAIR VALUE OF FINANCIAL INSTRUMENTS

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES

Significant judgements and estimates are applied by management in assessing impairment of loans and advances with regards to the expected credit loss modelling, including:

- Determining criteria for significant increase in credit risk: An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased Dnister takes into account qualitative and quantitative reasonable and supportable forward-looking information;
- Choosing appropriate models and assumptions for the measurement of expected credit loss; and
- Establishing groups of similar financial assets for the purposes of measuring expected credit loss: When expected credit loss is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics.

PROPERTY

Some of the property is leased out on a commercial basis. Those buildings that are fully leased are classified as investment properties. The main building is classified as owner-occupied as a significant section of the property is used by Dnister for its banking activities. These judgments are consistent with AASB 140 Investment Property classification.

The Directors have used an income capitalisation methodology and cross-checked using the Direct Comparison method derived from analysis of comparable sales. A market capitalization rate of between 4.0% to 7.5% has been used to estimate the fair value using current rental yields.

The Directors have also considered AASB 136 Impairment of Assets to ensure that its commercial property assets are carried at no more than their recoverable amount.

TAXATION

The accounting policy for taxation requires Management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are

recognised on the Statement of Financial Position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These depend on estimates of future sales volume, operating costs, restoration costs, capital expenditure, dividends and other Capital Management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Other Comprehensive Income.

GOING CONCERN

The current economic environment indicates a number of risks including the impact of a prolonged period of higher interest rates & inflation, cost of living strain on households and global uncertainty and conflicts. The labour market remains a strong suit in the Australian economy with unemployment rate at a relatively historically low level.

The impact on Dnister operations has been subject to close consideration in preparing these financial statements. In particular, there has been an increased focus on the budget impacts of operating & regulatory compliance cost increases to provide comfort that there is no material uncertainty in terms of Dnister as a "going concern". The 5-year strategic plan, budget and funding plan approved by the Board indicate that key metrics such as Capital Adequacy and Liquidity are able to be maintained at levels above both statutory requirements and internal benchmarks.

Based on this, the financial statements have therefore been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

2.4.1 FINANCIAL INSTRUMENTS - INITIAL

RECOGNITION AND SUBSEQUENT MEASUREMENT

(i) DATE OF RECOGNITION

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date i.e. the date that Dnister commits to purchase or sell the asset.

(i) CLASSIFICATION OF FINANCIAL ASSETS

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of loans and receivables, which is presented within other expenses.

Classifications are determined by both:

- the entity's business model for managing the financial asset and
- the contractual cash flow characteristics of the financial assets.

(ii) SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Financial assets at amortised costs

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

- 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 to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The cash and cash equivalents, trade receivables fall into this category of financial instruments as well as NCDs.

Financial assets at Fair Value through Profit or Loss (FVPL)

Financial assets that are within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised as fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

(iii) FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities – Indue Ltd and Shared Service Partners Pty Ltd. Investments in FRNs are also measured at FVOCI, with subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

2.4.2 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

(i) FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Dnister has transferred its rights to receive cash flows from the asset or has assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and
- either:
 - a) Dnister has transferred substantially all the risks and
 - b) rewards of the asset, or
 - c) Dnister has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

2.4.3 IMPAIRMENT OF FINANCIAL ASSETS

(i) LOANS AND ADVANCES

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the "expected credit loss model" (ECL).

Dnister considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

affect the expected collectability of the future cash flows of the financial asset. In applying this forward-looking approach, a distinction is made between:

- Financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1'); and
- Financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- Stage 3' would cover financial assets that have objective evidence of impairment (loans in default) at the reporting date.

Measurement of ECL

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets that are not measured at fair value through profit or loss.

- 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 impaired (Stage 2) - ECL associated with the probability of default events occurring throughout the life of an instrument.
- Lifetime ECL – impaired (Stage 3) - Lifetime ECL, but interest revenue is measured based on the carrying amount of the instrument net of the associated ECL.

Exposures are assessed on a collective basis in Stage 1, and on individual basis in Stage 2 and Stage 3.

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

Evidence that a financial asset 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 Dnister on terms that 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.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost of effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Critical accounting estimates and judgments in the ECL

A number of significant judgments are required in applying the accounting requirements for measuring ECL, which are detailed below:

Assumptions used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, Dnister defines default as occurring when a loan obligation is past 30 days due. The definition of default largely aligns with that applied by APRA for regulatory reporting purposes, and the criteria used for internal credit risk management purposes.

Assessment of significant increase in credit risk

In determining whether the risk of default has increased significantly since recognition, Dnister considers both quantitative and qualitative factors. These include:

- When a loan reaches 30 days past due;
- Loan with approved hardship or modified terms.

Calculation of expected credit losses

Expected credit losses (ECLs) are calculated using three main parameters i.e. a probability of default (PD), a loss given default (LGD) and an exposure at default (EAD). These parameters are derived from industry standards and historical loss models.

For accounting purposes, the 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date.

The LGD represents expected loss conditional on default, taking into account the mitigating effect of collateral and its expected value when realised. The EAD represents the expected exposure at default.

The 12-months ECL is equal to the sum over the next 12-month PD multiplied by LGD and EAD. Lifetime ECL is calculated using the sum of PD over the full remaining life multiplied by LGD and EAD.

Grouping of loans for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. Dnister has elected to use the following segments when assessing credit risk for Stage 1 of the ECL model:

- Mortgage loans – under 80% LVR or LMI insured
- Mortgage loans – above 80% LVR without LMI
- Loans secured by funds
- Personal loans – secured and unsecured

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

2.4.4 RECOGNITION OF INCOME AND EXPENSES (AASB 15 disclosures)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Dnister and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) INTEREST AND SIMILAR INCOME

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.4.5 INVESTMENT PROPERTIES

Dnister holds certain properties as investments to earn rental income, for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the Statement of Financial Position date. Gains or losses arising from changes in the fair values of investment properties are included in 'other operating income' in the year in which they arise. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by Dnister, and to market-based yields for comparable properties.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in Profit or Loss in the year of retirement.

(i) REVALUATIONS

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in Other Comprehensive Income.

Any revaluation decrease or asset impairment is recognised in Profit or Loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the Statement of Financial Position date.

2.4.6 TAXES

(i) CURRENT TAX

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position date.

(ii) DEFERRED TAX

Deferred income tax is provided on all temporary differences at the Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from an asset or liability transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Statement of Financial Position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in Profit or Loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

2.4.7 NEW OR AMENDED ACCOUNTING STANDARDS ADOPTED

No new or amended accounting standards have been adopted.

2.4.8 NEW OR AMENDED ACCOUNTING STANDARDS NOT YET MANDATORY

AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information. Effective 1 January 2025 (voluntary).

The main requirement of this new standard is to align to IFRS S1 which provides an entity voluntary disclosure of sustainability related financial information including sustainability related risks in the entities value chain.

AASB S2 Climate-related disclosures. Staged approach per company size. Dnister is assessed to be a Group 3 entity with first annual reporting period on or after 1 July 2027.

The main requirement of this new standard is to require an entity to disclose information about its climate-related risks and opportunities.

There are no other new accounting standards or interpretations expected to have any significant impact on the financial report that are issued and not yet applicable.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$'000	2024 \$'000
3. INTEREST INCOME		
Loans and advances	11,753	11,303
Deposits with other financial institutions	2,682	2,141
Regulatory deposits	65	65
	14,500	13,509
4. INTEREST EXPENSE		
Deposits	8,453	7,670
Repurchase facilities	-	7
	8,453	7,677
5. FEES AND COMMISSION INCOME		
Other fees received	199	200
	199	200
6. OTHER OPERATING INCOME		
Dividend income	5	7
Rental income	1,127	1,134
Change in fair value of investment property	-	59
Other	44	102
	1,176	1,302
7. CREDIT LOSS EXPENSE / (INCOME)		
Bad debts and impairment allowance	(100)	-
	(100)	-
8. OTHER OPERATING EXPENSES		
Marketing, printing & postage	90	126
Tenancy rental expenses	502	481
Corporate governance, audit & compliance	406	425
Subsidised member transaction expenses	571	532
Data & ICT	1,199	986
Other	453	416
	3,221	2,966

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$'000	2024 \$'000
9. INCOME TAX		
(a) Income tax expense		
The major components of income tax expense are:		
<i>Statement of Profit or Loss and Other Comprehensive Income</i>		
<i>Current Income Tax</i>		
Current Income tax charge	138	143
Adjustments in respect of current income tax of previous years	-	(3)
<i>Deferred Income Tax</i>		
Relating to origination and reversal of temporary differences	49	77
Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	187	217
(b) Amounts charged or credited directly to equity		
<i>Deferred income tax related to items charged or credited directly to equity</i>		
Unrealised movement on land and buildings, net of tax	195	(35)
Unrealised movement on FVOCI investments, net of tax	(53)	(73)
Income tax expense reported in equity	142	(108)
(c) Reconciliation between aggregate tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate.		
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:		
<u>Profit before tax</u>	756	849
At the Company's statutory income tax rate of 25% (2024:25%)	189	212
Under/(over) provided in prior years	-	(3)
Increase/(decrease) in deferred tax balances	(2)	8
Income tax expense on pre-tax profit	187	217
(d) Recognised deferred tax assets and liabilities		
Amounts recognised in the Statement of Financial Position:		
Deferred tax asset	261	313
Deferred tax liability	(1,073)	(1,217)
Deferred Net Tax Liabilities	(812)	(905)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

9. INCOME TAX

Continued.

	2025 \$'000	2024 \$'000
Deferred income tax		
Deferred income tax at 30 June relates to the following:		
<i>Deferred tax liabilities</i>		
Prepayments	(47)	(49)
Investment properties	(326)	(326)
Land and buildings	(543)	(739)
Financial Investments – FVOCI	(157)	(103)
Deferred tax liabilities	(1,073)	(1,217)
<i>Deferred tax assets</i>		
Allowance for Impairment	73	98
Provisions and accruals	188	215
Deferred tax assets	261	313
10. CASH AND CASH EQUIVALENTS		
Cash on hand	162	277
Deposits at call	9,531	6,666
	9,693	6,943
11.1. FINANCIAL INVESTMENTS – Term and NCDs		
Term and negotiable certificates of deposits with banks (fully redeemable), not longer than 3 months	16,750	8,000
Term and negotiable certificates of deposits with banks (fully redeemable), longer than 3 months and not longer than 12 months	1,748	1,748
	18,498	9,748
11.2. FINANCIAL INVESTMENTS – Bonds		
Fixed interest bonds and floating rate notes (fully redeemable), longer than 12 months	31,174	30,986
	31,174	30,986

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

12. LOANS AND ADVANCES

	2025	2024
	\$'000	\$'000
Overdraft and revolving credit	8,196	7,521
Term loans	202,510	185,138
Gross loans and advances*	210,706	192,659
Less: Allowance for impairment losses	(292)	(392)
Net loans and advances	210,414	192,267
(a) BY MATURITY		
Overdrafts	8,196	7,521
Not longer than 3 months	2,884	1,572
Longer than 3 months and less than 12 months	6,997	7,374
Longer than 12 months and less than 5 years	10,338	10,370
Longer than 5 years	182,291	165,822
	210,706	192,659
(b) BY PRODUCT TYPE		
Residential mortgages	194,108	171,218
Consumer lending	3,497	3,179
Corporate & small business lending	13,101	18,262
	210,706	192,659
(c) BY CONCENTRATION		
Loans in Victoria	136,831	133,318
Loans in South Australia	29,073	16,260
Loans in New South Wales	18,708	24,146
In other states	26,093	18,908
	210,706	192,659
(d) BY SECURITY		
Secured by mortgage	208,198	191,549
Secured by other	1,309	835
Unsecured	1,199	275
	210,706	192,659
(e) BY LVR		
Less than 80%	173,753	163,533
Greater than 80% with LMI	31,689	21,745
Greater than 80% no LMI	5,264	7,381
	210,706	192,659
IMPAIRMENT ALLOWANCE FOR LOANS AND ADVANCES		
A reconciliation of the allowance for impairment losses for loans and advances is as follows:		
(I) Total Provision	292	392
(II) Movement in total provision		
Balance at the beginning of the year	392	392
Charge for the year (Note 7)	(100)	-
Balance at the end of the year	292	392

* At 30 June 2025 there were 8 loans totaling \$26.6m which each exceeded 10% of the Tier 1 capital (2024: 7 loans totaling \$25.3m).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

12. LOANS AND ADVANCES

Continued.

	2025	2024
	\$'000	\$'000
(III) The loans provision consists of:		
Provision	392	392
	392	392
(IV) Impaired loans written off:		
Charge / (recovery)	(100)	-
	292	392

(f) Loans Past Due or Impaired

	2025			2024		
	Past Due	Impaired	Collateral Held	Past Due	Impaired	Collateral Held
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
HOUSING LOANS						
30 days and less than 60 days	1,757	-	2,165	432	-	432
60 days and less than 90 days	-	-	-	201	-	201
90 days and less than 182 days	626	-	1,300	375	-	375
182 days and less than 273 days	280	-	1,000	-	-	-
273 days and less than 365 days	-	-	-	464	-	464
365 days and over	165	-	400	144	-	144
	2,828	-	4,865	1,616	-	3,182
PERSONAL AND COMMERCIAL LOANS						
30 days and less than 60 days	-	-	-	3	-	-
60 days and less than 90 days	-	-	-	10	-	-
90 days and less than 182 days	4	-	-	-	-	-
182 days and less than 273 days	-	-	-	-	-	-
273 days and less than 365 days	-	-	-	-	-	-
365 days and over	-	-	-	-	-	-
	4	-	-	13	-	-
OVERDRAFTS						
less than 14 days	89	-	-	630	-	880
14 days and less than 90 days	-	-	-	-	-	-
90 days and less than 182 days	-	-	-	-	-	-
182 days and over	-	-	-	-	-	-
	89	-	-	630	-	880
	2,921		4,865	2,259	-	4,062

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

12. LOANS AND ADVANCES

Continued.

(g) Loans Past Due or Impaired

Reconciliation of allowance for impairment

The reconciliation from the opening to the closing balance of the allowance for impairment by class of financial instrument is shown in the table below:

2025:

	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Movement category	\$000	\$000	\$000	\$000
Balance as at 1 July 2024	385	7	-	392
Transfers between stages	(11)	9	2	-
Movement due to increase in loans & advances	-	-	-	-
Bad debts written off from provision	-	-	-	-
Changes in model/risk parameters	(100)	-	-	(100)
Balance as at 30 June 2025	274	16	2	292

2024:

	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Movement category	\$000	\$000	\$000	\$000
Balance as at 1 July 2023	392	-	-	392
Transfers between stages	(7)	7	-	-
Movement due to increase in loans & advances	-	-	-	-
Bad debts written off from provision	-	-	-	-
Changes in model/risk parameters	-	-	-	-
Balance as at 30 June 2024	385	7	-	392

(h) Sensitivity Analysis

Large Exposures:

As part of the assessment of the current economic conditions, Dnister has considered the impact on its large borrowing exposures. Dnister has observed that none of these facilities are currently past due or impaired or are considered to have experienced a material deterioration in collateral values. As a result, Dnister does not consider that any of these exposures have experienced a significant deterioration in credit quality. These exposures will continue to be monitored.

Dnister also holds a credit loss reserve as an additional allowance for bad debts. Refer to Note 20 for details on this.

13. INVESTMENT PROPERTIES

	2025 \$'000	2024 \$'000
At 1 July	4,046	3,968
Net change from fair value adjustment	-	78
	4,046	4,046

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

14.1 PROPERTY AND EQUIPMENT	Land & Buildings	Computer Hardware	Other Furniture & Equipment	Total
	\$'000	\$'000	\$'000	\$'000
Cost or Fair value:				
At 1 July 2024	12,154	483	703	13,340
Additions	-	58	112	170
Disposals	-	-	(510)	(510)
Net change from revaluation	(795)	-	-	(795)
At 30 June 2025	11,359	541	305	12,205
Accumulated depreciation:				
At 1 July 2024	-	342	646	988
Disposals	-	-	(510)	(510)
Net Change from Revaluation	-	-	-	-
Depreciation charge for the year	-	73	28	101
At 30 June 2025	-	415	163	578
At 30 June 2025				
Cost or fair value	11,359	541	305	12,205
Less: Accumulated depreciation	-	415	163	578
Net carrying amount	11,359	126	142	11,627

	2025	2024
	\$'000	\$'000
If land and buildings were measured using the cost model, the carrying amounts would be:	3,894	3,894

Valuations:

The 2025 director valuations of property were performed in line with accounting standards AASB 13 Fair Value Measurement & AASB 136 Impairment of Assets to ensure its assets are carried at no more than their recoverable amount.

An independent valuation of all properties was last completed in June 2024 by Opteon Property Group and McLean Gladstone Valuers. These valuations were carried out in accordance with the International Valuation Standards (IVS) published by the International Valuations Standards Council (IVSC) and other applicable Valuation Standards. The valuation basis of land and buildings and investment properties is at fair value, in compliance with AASB 13. The fair value of non-financial assets takes into account a market participants ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In March 2025 a fire event occurred at 902-912 Mount Alexander Road, Essendon, VIC. The Director valuation has considered AASB 136 Impairment of Assets to ensure that its asset is carried at no more than its recoverable amount. The valuation is based on specific assumptions that appear reasonable based on current market conditions and forecasts. Valuations have been based on review of both the Income Capitalization Method, supported by direct comparison on a rate per square metre and the Comparable Transactions Method (direct comparison).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

14.1 PROPERTY AND EQUIPMENT

Continued.

	Land & Buildings	Computer Hardware	Other Furniture & Equipment	Total
	\$'000	\$'000	\$'000	\$'000
Cost or Fair value:				
At 1 July 2023	11,447	473	1,430	13,350
Additions	-	110	586	696
Disposals	-	(100)	(1,313)	(1,413)
Net change from revaluation	707	-	-	707
At 30 June 2024	12,154	483	703	13,340
Accumulated depreciation:				
At 1 July 2023	-	385	1,335	1,720
Disposals	-	(100)	(723)	(823)
Net Change from Revaluation	-	-	-	-
Depreciation charge for the year	-	57	34	91
At 30 June 2024	-	342	646	988
At 30 June 2024				
Cost or fair value	12,154	483	703	13,340
Less: Accumulated depreciation	-	342	646	988
Net carrying amount	12,154	141	57	12,352

14.2 INTANGIBLES

a. Intangible Assets Comprise:

	2025 \$'000	2024 \$'000
Asset at cost	889	556
Amortisation	(535)	(454)
	354	102

b. Movement in the intangible asset balances during the year was:

Opening balance	102	42
Additions	334	109
Less: Write-downs	-	-
Less: Amortisation charge	(82)	(49)
	354	102

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$'000	2024 \$'000
15. OTHER FINANCIAL INVESTMENTS		
Shares – Shared Service Partners Pty Ltd	20	20
Shares – Indue Ltd	524	462
	544	482

16. OTHER ASSETS		
Accrued interest receivable	169	189
Prepayments	188	197
Other Receivables	82	-
	439	386

The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security, nor is it policy to transfer (on-sell) receivables to special purpose entities.

17. DEPOSITS		
Call deposits	112,376	94,533
Term deposits	142,185	129,923
	254,561	224,456
BY CONCENTRATION		
Deposits in Victoria	171,860	145,226
Deposits in New South Wales	30,165	30,560
Deposits in South Australia	34,482	32,504
In other states	18,054	16,166
	254,561	224,456

18. OTHER LIABILITIES		
Interest payable on deposits	1,889	2,085
Trade creditors and accruals	680	1,204
	2,569	3,289

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

19. PROVISIONS

	2025	2024
	\$'000	\$'000
CURRENT PROVISIONS FOR EMPLOYEE ENTITLEMENTS		
Long service leave	237	198
Annual leave	269	300
	507	498
NON-CURRENT PROVISION FOR EMPLOYEE ENTITLEMENTS		
Long service leave	38	48
	38	48

A reconciliation of the provisions is as follows	Annual Leave	Long Service Leave	Total
As at 1 July 24	300	246	546
Payments Made	(233)	(6)	(239)
Additional Provisions	202	36	238
As at 30 June 25	269	276	545
As at 1 July 23	270	205	475
Payments Made	(161)	(2)	(163)
Additional Provisions	191	43	234
As at 30 June 24	300	246	546

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

20. RETAINED EARNINGS AND RESERVES

	Retained Earnings	Credit Loss Reserve	Financial Instruments classified as Fair Value through Other Comprehensive Income (FVOCI)	Business Combination Reserve	Asset Revaluation Reserve	Total Reserve
As at 1 July 2024	\$'000 14,476	\$'000 631	\$'000 310	\$'000 4,436	\$'000 8,244	\$'000 13,621
Net profit for the period	569	-	-	-	-	-
Net change from revaluation of FVOCI investments, net of tax	-	-	161	-	-	161
Net change from revaluation of asset, net of tax					(599)	(599)
As at 30 June 2025	15,045	631	471	4,436	7,645	13,183
As at 1 July 2023	13,844	631	93	4,436	8,126	13,286
Net profit for the period	632	-	-	-	-	-
Net change from revaluation of FVOCI investments, net of tax	-	-	217	-	-	217
Net change from revaluation of asset, net of tax					118	118
As at 30 June 2024	14,476	631	310	4,436	8,244	13,621

CREDIT LOSS RESERVE

The credit loss reserve is used to record the provisions held against non-defaulted exposures that represent a purely forward-looking amount for future losses that are, presently unidentified. It represents 0.5% of total credit risk-weighted assets calculated under the APS 112 Capital Adequacy Standardised Approach to Credit Risk. An appropriation of retained earnings as further Tier 2 capital held against credit losses.

FVOCI RESERVE

The FVOCI reserve is used to record increments and decrements in the fair value of FVOCI investments, bonds & Indue Ltd shares held.

BUSINESS COMBINATION RESERVE

The business combination reserve is used to record increments and decrements in equity as a result of mergers with other businesses.

ASSET REVALUATION RESERVE

The asset revaluation reserve is used to record increments and decrements in the fair value of land and buildings, net of tax, to the extent that they offset one another.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	2025 \$'000	2024 \$'000
21. ADDITIONAL CASH FLOW INFORMATION		
CASH AND CASH EQUIVALENTS		
Cash on hand	162	277
Deposit at call	9,531	6,666
	9,693	6,943
CHANGE IN OPERATING ASSETS		
Net change in interest receivable	20	(14)
Net change in prepayments	9	(131)
Net change in debtors	(82)	104
Net change in future tax receivable	52	-
	(1)	(41)
CHANGE IN OPERATING LIABILITIES		
Net change in interest payable	(196)	674
Net change in creditors and accruals	(467)	116
Net change in future tax payable	(144)	81
Net change in provisions	(1)	70
	(808)	941
NON-CASH ITEMS INCLUDED IN PROFIT BEFORE TAX		
Depreciation of property and equipment	182	140
Net impairment losses on financial assets	-	-
Net Revaluation of investment property	-	(41)
Impairment losses on financial assets	(100)	-
	82	99
22. COMMUNITY SPONSORSHIPS, SUPPORT AND BENEFICIARY CONTRIBUTIONS		
Community Sponsorship	35	77
School Support	4	2
Church Praznyk	6	6
Community Access Accounts Beneficiary Contributions	18	18
	63	103

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

	Carrying Value	Fair Value
	\$'000	\$'000
23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES		
ASSETS 2025		
Financial Assets		
Cash & and Cash Equivalents	9,693	9,693
Financial investments - Amortised Cost	18,498	18,495
Financial investments - FVOCI	31,174	31,174
Loans and advances	210,414	209,688
Other financial investments	544	544
Accrued interest receivable	169	169
Other receivables and prepayments	270	270
Total 2025	270,762	270,033
LIABILITIES 2025		
Financial Liabilities		
Deposits and wholesale borrowings	254,561	255,051
Borrowings repurchase agreements	-	-
Total 2025	254,561	255,051
ASSETS 2024		
Financial Assets		
Cash & Cash Equivalents	6,943	6,943
Financial investments - Amortised Cost	9,748	9,746
Financial investments - FVOCI	30,986	30,986
Loans and advances	192,267	188,365
Other financial investments	482	482
Accrued interest receivable	189	189
Other receivables and prepayments	197	197
Total 2024	240,812	236,908
LIABILITIES 2024		
Financial Liabilities		
Deposits and wholesale borrowings	224,456	224,528
Borrowings repurchase agreements	-	-
Total 2024	224,456	224,528

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Continued.

FAIR VALUE HIERARCHY

All Financial Instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted market prices in an active market (that is unadjusted) for identical assets or liabilities

Level 2 - Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 - Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 30 June 2025 the following classes of financial instruments measured at (AASB13) fair value:

	30 June 25	Level 1	Level 2	Level 3
Financial Assets measured at fair value 2025				
Financial investments – FVOCI	31,174	-	31,174	-
Other Financial Investments – Shares Held	544	-	-	544
	30 June 24	Level 1	Level 2	Level 3
Financial Assets measured at fair value 2024				
Financial investments – FVOCI	30,986	-	30,986	-
Other Financial Investments – Shares Held	482	-	-	482

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Continued.

The net fair value estimates were determined by the following methodologies and assumptions:

CASH AND LIQUID ASSETS

The carrying values of cash and liquid assets approximate their net fair value as they are short term in nature or are receivable on demand.

DEPOSITS WITH FINANCIAL INSTITUTIONS

The carrying values of deposits with financial institutions are categorised within the fair value hierarchy based on net present values.

LOANS AND ADVANCES

The carrying values of loans and advances are net of the total provision for doubtful debts. Interest rates on loans both fixed and variable equate to comparable products in the marketplace. The carrying values of loans and advances are categorised within the fair value hierarchy based on net present values.

DEPOSITS

The carrying values of deposits are categorised within the fair value hierarchy based on net present values.

OTHER INVESTMENTS

The carrying amount of other investments is at fair value as these shares are FVOCI.

ACCRUED INTEREST RECEIVABLE

The net fair value of accrued interest receivables represents the carrying amount. This represents the interest that has accrued to date on deposits with financial institutions.

OTHER RECEIVABLES

The net fair value of other receivables represents the carrying amount. This mainly represented rent owed from the investment properties.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

24.1 INTRODUCTION

Risk is inherent in the activities of Dnister and is managed through a process of ongoing identification, measurement and monitoring, subject to risk appetite limits and other controls. This process of risk management is critical to continuing going concern. Dnister is exposed to credit, liquidity, market and operating risk.

RISK MANAGEMENT STRUCTURE

The Board of Directors is ultimately responsible for identifying and controlling risks. To support this there is a Risk Committee which is responsible for the risk assessment, risk appetite and ongoing review of the risk framework, policies and risk appetite limits.

INTERNAL AUDIT

Risk management processes are audited annually by the internal audit function, which examines the adequacy and compliance with Policies & procedures. Internal Audit reports its findings and recommendations to the Audit Committee.

24.2 CREDIT RISK

Credit risk is the risk that Dnister will incur a loss because a counterparty failed to discharge their obligations. Dnister manages and controls risk by setting limits on the amount it is willing to accept for debtors and loan categories, and by monitoring exposures to such limits.

With respect to credit risk arising from other financial assets, exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. Future movements in fair value would increase or reduce that exposure.

Credit ratings are those published by Standards and Poor's, Moody's and Fitch which aligns with APRA recognised external credit assessment institutions (ECAI APS 112 Attachment F).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

Continued.

The table below shows the credit quality by class of asset					
ASSETS		2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000
Financial Assets		Total	High Grade	Other Grade*	Past Due or Impaired
Loans and advances		210,414	207,493	-	2,921
		Total	AAA to A-	B to BBB+	Other*
Cash & balances with bank		9,693	5,714	-	3,979
Financial investments - Amortised Cost		18,498	13,500	1,250	3,748
Financial investments - FVOCI		31,174	24,427	6,747	-
Other financial investments		544	-	-	544
Accrued interest receivable		169	169	-	-
Other receivables and prepayments		270	-	-	270
Total		60,347	43,837	7,997	8,513
ASSETS		2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
Financial Assets		Total	High Grade	Other Grade	Past Due or Impaired
Loans and advances		192,267	190,020	-	2,246
		Total	AAA to A-	B to BBB+	Other*
Cash & balances with bank		6,943	2,836	-	4,107
Financial investments Amortised Cost		9,748	8,000	-	1,748
Financial investments FVOCI		30,986	24,446	6,540	-
Other financial investments		482	-	-	482
Accrued interest receivable		189	189	-	-
Other receivables and prepayments		196	-	-	196
Total		48,544	35,471	6,540	6,533

The Loans and advances are determined to be past due or impaired by the amount of days that they are overdue. As per APRA provisioning, a Housing Loan is determined to be past due at 30 days or greater and impaired after 90 days. Personal and commercial loans are determined to be past due between 30 days or greater and impaired after 90 days. Overdrafts are past due at one day to less than 14 days overdue and impaired if greater than 14 days overdue.

Financial assets that are neither past due or impaired are classified between those assets that are high grade and not high grade (other grade). To define what is a high-grade financial asset, Dnister has referred to the prudential standards issued by the Australian Prudential Regulation Authority (APRA) in particular APS 112 which categorises the risk likelihood of default. APS 112 applies risk-weight percentages to indicate the quality of assets. A risk-weight of 50% or less indicates higher quality assets and this has been applied to define high grade assets for the table provided.

*Other grade also consists of assets or liabilities which have not been rated or are of a non-rated nature.

All interest-bearing securities were issued by Australian entities including Australian branches of overseas ADIs.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

Continued.

COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- for mortgage lending, mortgages over residential properties.
- for commercial lending, charges over real estate properties, inventory and trade receivables.

Management monitors the market value of collateral, requests collateral in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim.

IMPAIRMENT ASSESSMENT

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than the specified period or there are any known difficulties in the cash flows of Members, credit rating downgrades, or infringement of the original terms of the contract.

24.3 LIQUIDITY RISK AND FUNDING MANAGEMENT

Liquidity risk is the risk that Dnister will be unable to meet its payment obligations when they fall due under normal and stress circumstances. In addition to its deposit base, Dnister manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

Dnister has a \$350,000 overdraft facility which allows for day to day fluctuations in the settlement account with Indue Ltd.

Dnister maintains a portfolio of diverse assets that can be liquidated in the event of an unforeseen interruption of cash flow. In addition, Dnister is required by the Australian Prudential Regulatory Authority to hold a minimum level of high-quality liquid assets at any given time. The liquidity position is assessed giving due consideration to stress factors relating to both the market and specifically to Dnister. Net liquid assets consist of cash, short term bank deposits, negotiable certificate of deposits & bonds available for immediate sale or a repurchase agreement with the RBA.

The total liquidity ratio at the end of the year was:

2025	2024
%	%
20.0	18.6

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

Continued.

24.3a MATURITY PROFILE OF FINANCIAL LIABILITIES

The tables below summarises the maturity profile of financial liabilities at balance date based on contractual undiscounted repayment obligations. Dnister does not expect the majority of Members to request repayment on the earliest date that Dnister could be required to pay and the tables do not reflect the expected cash flows indicated by deposit retention history.

	Less than 30 days	Less than 3 months	3-12 months	Subtotal less than 12 months	1 -5 years	Over 5 years	Subtotal over 12 months	Total
2025								
Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	129,804	24,885	99,410	254,099	462	-	462	254,561
Total	129,804	24,885	99,410	254,099	462	-	462	254,561
2024								
Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits	112,943	26,506	81,363	220,812	3,644	-	3,644	224,456
Total	112,943	26,506	81,363	220,812	3,644	-	3,644	224,456

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

Continued.

24.3b MATURITY PROFILE OF COMMITMENTS

The table below shows the contractual expiry of the maturity of Dnister credit commitments and lease expenditure commitments.

Dnister expects that not all of the commitments will be drawn before the expiry of the commitments. There were no lease expenditure commitments at year end.

	Within 12 months	More than 1 year	Total
2025			
Liabilities	\$'000	\$'000	\$'000
Approved but undrawn loans	4,317	-	4,317
Undrawn line of credit	4,212	-	4,212
Total	8,529	-	8,529
2024			
Liabilities	\$'000	\$'000	\$'000
Approved but undrawn loans	2,122	-	2,122
Undrawn line of credit	5,283	-	5,283
Total	7,405	-	7,405

24.4 MARKET RISK

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Board has set risk appetite limit on the acceptable level of market risk. This level of interest rate risk is managed through maturity repricing analysis and limits the exposure based on a 2% interest rate movement.

Dnister only deals in Australian Dollars and therefore is not exposed to currency risk.

Dnister does not hold any investments which are subject to equity movement and therefore is not exposed to equity risk.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

Continued.

INTEREST RATE RISK

Interest rate risk is the risk that fair value or future cash flow of the financial instruments will fluctuate because of changes in market interest rate.

	Floating Interest Rate	Fixed interest maturing in		Non-interest bearing	Total carrying amount as per Statement of Fi- nancial Position
2025	\$'000	1 year or less \$'000	+1 to 5 years \$'000	\$'000	\$'000
FINANCIAL ASSETS					
Cash & balances with bank	9,531	-	-	162	9,693
Financial investments - Amortised Cost	-	18,498	-	-	18,498
Financial investments - FVOCI Shares	29,680	-	1,494	-	31,174
Shares – Shared Service Partners Pty Ltd	-	-	-	20	20
Shares – Indue Ltd	-	-	-	524	524
Other receivables	-	-	-	439	439
Loans and advances	190,176	11,344	8,894	-	210,414
FINANCIAL LIABILITIES					
Deposits	112,376	141,692	493	-	254,461
	Floating Interest Rate	Fixed interest maturing in		Non-interest bearing	Total carrying amount as per Statement of Fi- nancial Position
2024	\$'000	1 year or less \$'000	+1 to 5 years \$'000	\$'000	\$'000
FINANCIAL ASSETS					
Cash & balances with bank	6,666	-	-	277	6,943
Financial investments - Amortised Cost	-	9,748	-	-	9,748
Financial investments – FVOCI Shares	26,776	3,419	791	-	30,986
Shares – Shared Service Partners Pty Ltd	-	-	-	20	20
Shares – Indue Ltd	-	-	-	462	462
Other receivables	-	-	-	386	386
Loans and advances	173,031	13,031	6,205	-	192,267
FINANCIAL LIABILITIES					
Deposits	94,533	126,279	3,644	-	224,456

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

24. RISK MANAGEMENT

Continued.

INTEREST RATE SENSITIVITY

The following tables demonstrate the sensitivity to change in interest rates to post tax profit and equity.

		Post Tax Profit Higher / (Lower)	
2025	2024	2025	2024
		\$'000	\$'000
+2.00% (200 Basis Points)	+2.00% (200 Basis Points)	3,176	4,057
-1.00% (100 Basis Points)	-1.00% (100 Basis Points)	(1,590)	(2,029)

		Equity Higher / (Lower)	
2025	2024	2025	2024
		\$'000	\$'000
+0.50% (50 Basis Points)	+0.50% (50 Basis Points)	795	1,014
-0.25% (25 Basis Points)	-0.25% (25 Basis Points)	(397)	(507)

25. CAPITAL

Dnister maintains a capital base to cover risks inherent in the business. The capital ratio of 21.0% as at 30 June 2025 exceeds the APRA minimum requirement. The capital ratio is reported to the Board monthly and more frequently during periods of volatility or when the capital ratio falls below the lower trigger point of 17.0%.

The capital ratio is derived by dividing the capital base by the risk weighted assets. These risk weightings are set by APRA and are based on the risk associated with each different asset class.

CAPITAL MANAGEMENT

The primary objectives of the capital management are to ensure compliance with internally and externally capital requirements and to maintain above risk appetite capital ratios in order to support its business and maximize member value.

An important requirement of the of the capital standards is the public disclosure of regulatory information. These requirements are outlined in APRA Prudential Standard APS 330 Public Disclosure. The standard sets minimum requirements for the public disclosure of information on the risk profile, risk management, capital adequacy, capital instruments and remuneration practices. Dnister publishes the required information on its website.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

REGULATORY CAPITAL	2025	2024
	\$'000	\$'000
Capital base	27,329	27,513
Risk weighted assets	130,262	118,541
Total Capital Ratio %	21.0%	23.2%

26. RELATED PARTY DISCLOSURES

a. DETAILS OF KEY MANAGEMENT PERSONNEL

The following list of persons includes Directors holding office during the financial year and the Chief Executive Officer:

A Pavuk
 J. Lipkiewicz
 B. Wojewidka
 N. Bugryn
 P. Smoliy
 L. Galashchuk
 M. Karaszewyecz from 13 November 2024 until 19 March 2025

A. Hood CEO from 20 December 2024

A. James CEO until 20 December 2024

b. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2025	2024
	\$'000	\$'000
Short-term employment benefits - salaries	450	370
Post employment - superannuation contributions	46	41
Long term benefits - LSL expense	(6)	-
	490	411

c. DIRECTORS' REMUNERATION

	2025	2024
	\$'000	\$'000
Aggregate remuneration of Directors	118	92

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

26. RELATED PARTY DISCLOSURES

Continued.

d. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Dnister enters into transactions, arrangements and agreements involving Directors and the Chief Executive Officer in the ordinary course of business.

The following table provides the aggregate value of loan, investment and deposit products to the Chief Executive Officer, Directors, spouses and related entities:

	2025	2024
	\$'000	\$'000
Loans:		
Opening balance owing	1,181	-
New loans advanced	-	1,197
Net repayments	(106)	(16)
Net Movement associated with former Key Management Personnel	-	-
Balance owing at 30 June	1,075	1,181
Savings and term deposits:		
Amounts deposited at 30 June	238	255

All loans disbursed are approved on the same terms and conditions applied to Members for each class of their loan.
All other transactions were conducted on normal commercial terms and there has been no breach of these terms.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

27. CONTINGENCIES AND COMMITMENTS

To meet the financial needs of Members, Dnister enters into irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the Statement of Financial Position, they do contain credit risk and are therefore part of the overall risk of Dnister.

The total outstanding commitments and contingent liabilities are as follows:

	2025	2024
	\$'000	\$'000
CONTINGENT LIABILITIES		
Financial guarantees	115	185
COMMITMENTS		
Undrawn commitments to lend	4,317	2,122
Unused overdraft facilities	4,212	5,283
Total	8,644	7,590

CONTINGENT LIABILITIES

Letters of credit and guarantees commit Dnister to make payments on behalf of Members in the event of a specific act.

Guarantees and standby letters of credit carry the same risk as loans.

CREDIT UNION FINANCIAL SUPPORT SCHEME LIMITED

Dnister participates in the Credit Union Financial Support Scheme (CUFSS). CUFSS is a company limited by guarantee with each credit union's guarantee being \$100.

As a member of CUFSS, the Dnister maybe required to advance funds up to 3% (excluding permanent loans) of total assets to another credit union requiring financial support.

UNDRAWN COMMITMENTS TO LEND

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

However, the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon Members maintaining specific standards.

OPERATING LEASE COMMITMENTS RECEIVABLES - COMPANY AS LESSOR

Leases in which Dnister retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and recognised as an expense over the lease term on the same basis as rental income.

Dnister has entered into commercial property leases on its investment property.

These non-cancellable leases have remaining terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis.

OVERDRAFT FACILITY

Dnister has a \$350,000 overdraft facility which allows for the day-to-day fluctuations in the settlement account with Indue Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

27. CONTINGENT LIABILITIES AND COMMITMENTS

Continued.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2025 \$'000	2024 \$'000
Within one year	978	1,017
After one year but not more than three years	206	577
After three years but not more than five years	48	47
Total minimum lease payments	1,233	1,641

LEGAL CLAIMS

Dnister had 2 potential unresolved legal claims made against it at 30 June 2025 related to the fire event (2024: none).

One application lodged with the Victorian Small Business Commission from a rental property tenant.

One notice of contents loss received from a rental property tenant.

Dnister is actively defending its position in these matters.

ECONOMIC DEPENDENCY

Dnister has service contracts with, and has an economic dependency on, the following organisations:

- (a) Indue Ltd supplies Dnister with both payment settlement services and fraud monitoring services. This includes the payment channels of NPP, Visa, eftpos, Bpay, ATM, cheques, direct entry and the production of debit cards. Indue also provides member fraud monitoring and AML monitoring services.
- (b) First Data International (Fiserv) operates the electronic switch used to process transactions from the use of Dnister debit cards, both digital & physical, through approved payment networks.
- (c) Data Action provides and maintains the core banking software utilised by Dnister. Data Action is a major supplier of software to financial institutions throughout Australia.

28. REMUNERATION OF EXTERNAL AUDITORS

The external auditors earned the following remuneration:

	2025 \$'000	2024 \$'000
Audit of Financials	67	63
Regulatory Audit	17	16
Taxation Compliance Service	12	8
Total	96	87

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2025

29. SUBSEQUENT EVENTS

Directors are not aware of any other matter or circumstances since the end of the financial year which has significantly affected or may significantly affect the operations of Dnister.

30. SEGMENT INFORMATION

The principal activities of Dnister during the year were the provision of retail financial services to its Members which are comprised of people and entities of Ukrainian and Latvian heritage and affinity members introduced to Dnister.

This takes the form of deposit taking facilities and loan facilities as prescribed by the Constitution. The entity operates primarily in one geographical area, Australia.

Corporate Directory

ESTABLISHED	Dnister was incorporated in Victoria under the Co-operative Act on 21 September 1959
REGISTERED OFFICE	Head Office: 912 Mt Alexander Road, Essendon VIC 3040
BRANCHES & AGENCIES	Adelaide: 62 Orsmond St, Hindmarsh SA 5007 Geelong: 21-23 Milton Street, Bell Park VIC 3215 Perth: 20 Ferguson Street, Maylands WA 6051 Strathfield: 32-34 Parnell Street, Strathfield NSW 2135
EXTERNAL AUDITORS	Crowe Melbourne, Level 42, 600 Bourke Street, Melbourne VIC 3000
INTERNAL AUDITORS	Grant Thornton Australia Ltd, Collins Square, Tower 5 Level 22, 727 Collins Street, Melbourne VIC 3008
LEGAL CORPORATE ADVISORS	Wisewould Mahony Lawyers, 419 Collins Street, Melbourne VIC 3000
BANKERS	Indue Ltd, Level 10, 88 Tribune Street, South Brisbane QLD 4101
INSURERS	Primarily Zurich Insurance Group Ltd, Level 2, 82 Pitt Street, North Sydney NSW 2059



Dnister Ukrainian Credit Co-operative Limited
ABN 59 087 651 394 | AFSL 240673