Dnister Bank



Annual Report 2026

Contents

2026 in numbers	2
Our performance over the past 5 years	3
Chair's report	4
Directors' report	6
Auditor's independence declaration	9
Non-audit services	10
Corporate governance statement	11
Financial statements	13
Notes to the financial statements	23
Corporate directory	55

2026 in numbers

Statutory profit before tax



$4.173M

Operating profit before tax



$1.019M

Loans



$226M

Deposits



$262M

Members equity



$28.1M

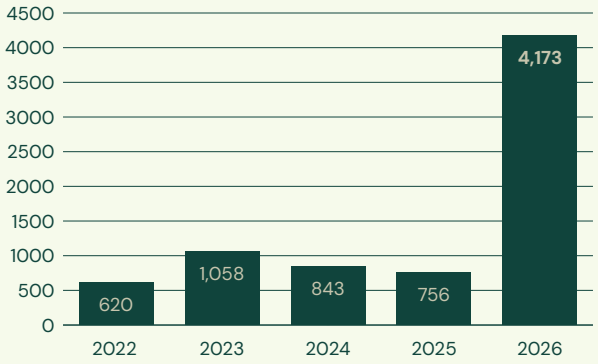
Capital adequacy ratio



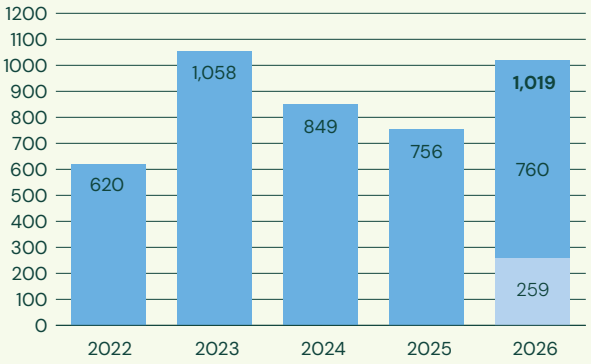
22.1%

Our performance over the past 5 years

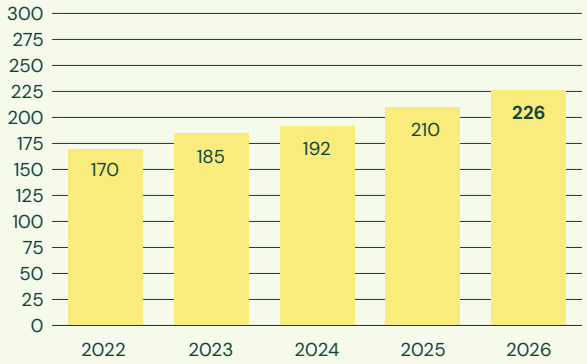
Statutory profit before tax ($'000)



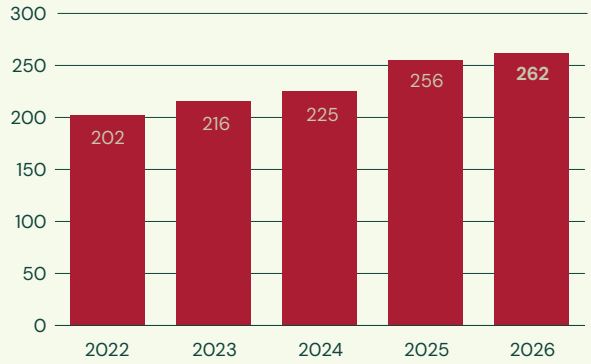
Operating profit before tax ($'000)



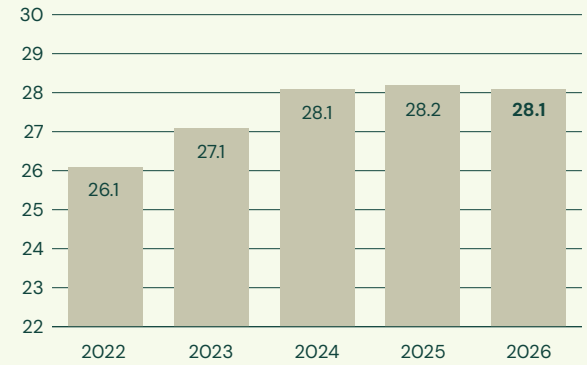
Loans ($m)



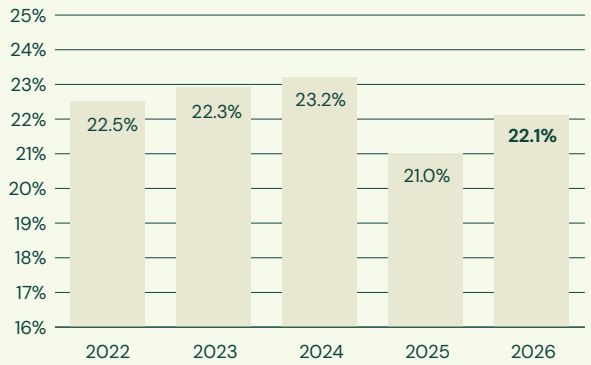
Deposits ($m)



Members equity ($m)



Capital adequacy ratio (%)



Chair's report

A year of renewal, resilience and direction

Our purpose – to be a member-owned bank that helps our members and their communities grow, thrive and prosper – remains at the heart of every decision we make.

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 2026.

FY26 was a year of challenge, renewal, resilience and direction. We established a clear longterm strategy to ensure Dnister remains a trusted, relevant and sustainable memberowned bank for generations to come, and delivered a sound financial result, while continuing to support our members and communities through both celebration and challenge.

Strong financial performance

Our financial results for FY26 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 $294.3 million
- Member deposits reached $262.3 million
- Loans increased to $226.3 million
- Operating profit before tax was $1.019 million.
- $0.760m was reinvested into the business on strategic projects.
- Statutory net profit before tax was $4.173 million.
- Maintained strong financial resilience with capital adequacy of 22.1% & members equity of $28.1 million.

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

These outcomes reflect more than growth. They reflect confidence in Dnister, the strength of our business model and the trust our members continue to place in us.

Our services

As a member-owned bank, our focus is on creating long-term value for members rather than returns for shareholders. We have invested in more competitive lending and deposit products, improved mobile and internet banking, and renewed our commitment to providing a better service experience across the many ways our members choose to bank with 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 FY26, we contributed over $755,000 in community support and have now provided more than $4.5 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 defines who we are.

Chair's report
continued

Lifting our capabilities

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

Alongside delivering for our members today, we also invested in Dnister's future.

During the year, we strengthened our governance, modernised key technology platforms, refreshed our brand to better reflect the organisation we are becoming, enhanced our mobile and internet banking capability, introduced a new operating rhythm, established a continuous improvement program, strengthened our regulatory and operational capabilities, and launched our five-year strategic plan.

Collectively, these initiatives have strengthened the foundations of the organisation and positioned Dnister for its next phase of growth.

Under the leadership of our CEO, Ashley Hood, the Board has adopted a refreshed Purpose, Vision and five-year strategy that provides a clear roadmap for Dnister's future.

Our purpose - to be a member-owned bank that helps our members and their communities grow, thrive and prosper - remains at the heart of every decision we make.

Guided by our vision, **"Growing with purpose. Serving with Heart."**, our strategy focuses on strengthening our relevance to members, building a more sustainable organisation, investing in our people and technology, and remaining deeply connected to the communities we serve.

Importantly, our ambition is not simply to become a bigger bank.

It is to become a better bank.

A bank that is easier to deal with, simpler to understand, digitally enabled where it matters, deeply personal where it counts, and distinctive because of the relationships we build with our members and communities.

Focusing on the future

Looking ahead, our focus is clear. We will continue simplifying our products and processes, enhancing our digital capability, investing in our people, strengthening our financial sustainability, and making it easier for members to bank with Dnister.

We will extend our reach to access new members and continue to provide and enhance appropriate banking face to face interactions. This will involve enhancing our physical locations to provide members with welcoming, accessible and fit for purpose banking experience whilst continuing to evolve our services for current and future generations of members.

Every initiative we pursue will continue to be guided by a simple principle: creating meaningful value for our members and 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

Directors' report

Your Directors submit their report for the year ended 30 June 2026

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.Ed, B.Law, MAICD, Solicitor and Member of the Law Society of NSW.
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, MAID.
Non-Executive Deputy Chair, Corporate Governance Committee Member.

John is an experienced executive who has 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 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, 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 Merri-bek City 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 and Corporate Governance 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.

Company Secretary

Ashley Hood
Chief Executive Officer
BCom (UQ), FFIN, MAICD.

Directors' meetings

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

		Board Committee Meetings Held Meetings Held		
	Board Meetings Held 13	**Audit Committee 4**	**Risk Committee 5**	**Corporate Governance 4**
B Wojewidka	13 (of 13)	–	5 (of 5)	2 (of 2)
J Lipkiewicz	13 (of 13)	–	–	4 (of 4)
A Pavuk	13 (of 13)	–	–	4 (of 4)
N Bugryn	11 (of 13)	4 (of 4)	5 (of 5)	–
P Smoliy	12 (of 13)	4 (of 4)	–	1 (of 2)
L Galashchuk	13 (of 13)	4 (of 4)	5 (of 5)	–

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 and the leasing of commercial property.

Operating and financial review

Statutory net profit before income tax for the year ended 30 June 2026 is $4,173,000 (2025: $756,000).

Total Assets increased by $7.2m to $294.3m with Members' Equity decreasing by $0.1m to $28.1m. The loan portfolio increased by $15.6m to $226.0m and deposits increased by $7.8m to $262.3m.

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

The Board provides oversight of the implementation of the strategic plan through to the performance against budget. The Board has identified key performance indicators (KPIs) that are used to monitor performance.

Liquidity and funding

Dnister has a short-term overdraft facility of $350,000 (2025: $350,000) which allows for day-to-day fluctuations. Dnister has sufficient funds to finance its operations and maintains a diverse portfolio of liquid financial assets which allows management of 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 2026.

Likely developments and expected results

The operations of Dnister are expected to continue in line with current strategy & objectives.

Indemnity and insurance

During the year, a premium was paid in respect of a contract insuring Directors, officers and employees of the company against liability. 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.

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)
J Lipkiewicz
P Smoliy

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.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2026 has been received and can be found on page 9 of the financial report.

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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 2026 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

29 September 2026
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 Dnister's external 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 $10,904

The report is signed in accordance with a resolution by the Directors.

On behalf of the Board



Andrew Pavuk
Chair of the Board
29 September 2026



Nick Bugryn
Chair of the Audit Committee
29 September 2026

Corporate governance statement

The Board of Directors of Dnister Bank are responsible for the corporate governance of Dnister.

The Board oversees 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).

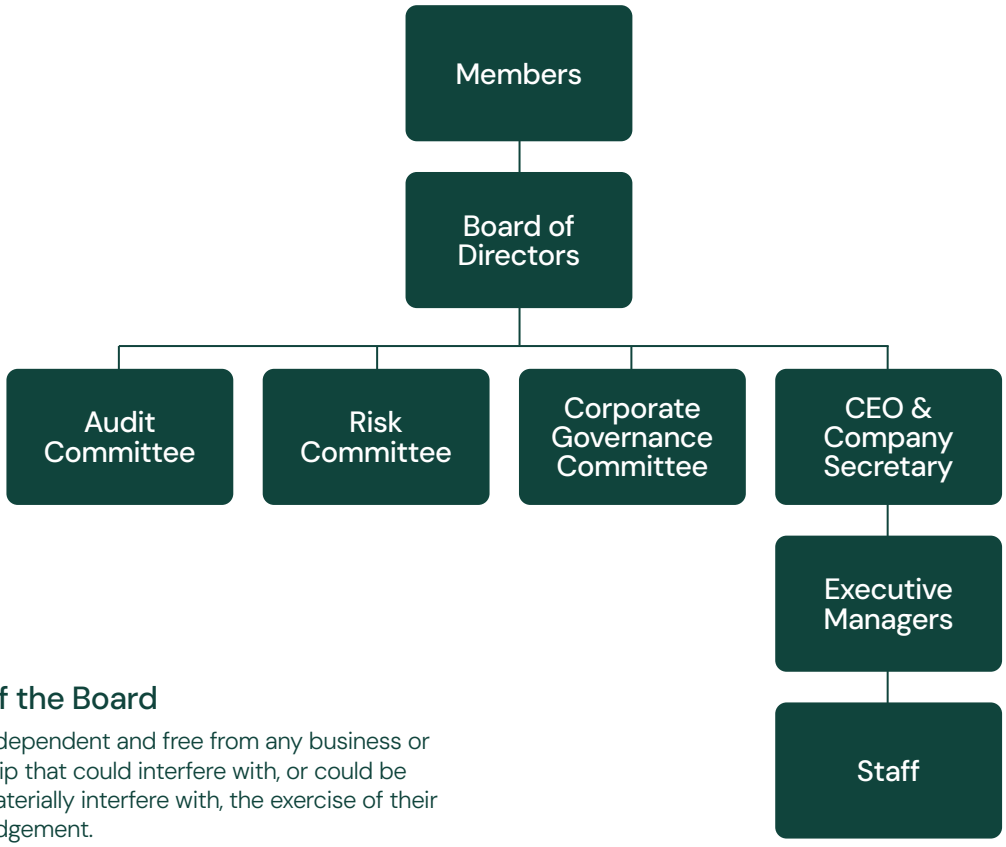
The key responsibilities of the Board include:

- Approving the strategic plan and related objectives and monitoring management performance in the achievement of these.
- Adopting an annual budget and monitoring financial performance.
- Overseeing the establishment and maintenance of internal controls and effective risk 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 an annual Board performance assessment for the year ending 30 June 2026.

The key outcomes of this review are:

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



Structure of the Board

Directors are 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 independent judgement.

Corporate governance statement
continued

Audit Committee

The Board Audit Committee operates under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists. 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

Risk Committee

The Board Risk Committee 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 Corporate Governance Committee 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 Bank. 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 Board's 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)
J Lipkiewicz
P Smoliy

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

A Pavuk	11 years
B Wojewidka	9 years
J Lipkiewicz	7 years
N Bugryn	4 years
P Smoliy	3 years
L Galashchuk	3 years

Financial statements

Directors' declaration	14
Independent auditor's report	15
Consolidated entity disclosure statement	18
Statement of profit or loss and other comprehensive income	19
Statement of financial position	20
Statement of changes in equity	21
Statement of cash flows	22
Notes to the financial statements	23

Directors' declaration

for the year ended 30 June 2026

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

1. In the opinion of the Directors:

(a) the financial statements and notes of Dnister Bank 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 2026 and of its performance for the year ended on that date; and

complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001;

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

(c) 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 295(4) of the Corporations Act 2001 for the financial period ending 30 June 2026.

On behalf of the Board



Andrew Pavuk
Chair of the Board
29 September 2026



Nick Bugryn
Chair of the Audit Committee
29 September 2026

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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 2026, 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 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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

29 September 2026
Albury

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Consolidated entity disclosure statement

for the year ended 30 June 2026

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 forgein residents
Dnister Ukrainian Credit Co-operative Limited trading as Dnister Bank	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 2026

	Notes	2026 $'000	2025 $'000
Income			
Interest income	3	14,226	14,500
Interest expense	4	(7,667)	(8,453)
Net interest income		**6,559**	**6,047**
Fees and commission income	5	245	199
Insurance reinstatement proceeds		4,332	-
Other operating income	6	1,380	1,176
Total operating income		**12,516**	**7,422**
Credit loss expense / (income)	7	-	100
Net operating income		**12,516**	**7,522**
Salaries and associated costs		(4,054)	(3,300)
Depreciation and amortisation	14.1 & 14.2	(239)	(182)
Community sponsorships & support	22	(102)	(63)
Other operating expenses	8	(3,948)	(3,221)
Total operating expenses		**(8,343)**	**(6,766)**
Profit before tax		4,173	756
Income tax expense	9(a)	(59)	(187)
Net profit after tax		**4,114**	**569**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value revaluation of shares and bonds		(65)	214
Adjustment to deferred tax due to temporary differences on revalued assets		121	(53)
Asset revaluation		(4,332)	(794)
Adjustment to deferred tax due to temporary differences on revalued assets		-	195
Other comprehensive income after tax		**(4,276)**	**(438)**
Total comprehensive income available to members		**(162)**	**131**

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 2026

	Notes	2026 $'000	2025 $'000
Assets			
Cash and cash equivalents	10	8,484	9,693
Financial investments term & NCDs	11.1	15,248	18,498
Financial investments bonds	11.2	31,396	31,174
Loans and advances (net)	12	226,014	210,414
Investment properties	13	4,046	4,046
Property & equipment	14.1	7,666	11,627
Intangibles	14.2	209	354
Deferred tax asset	9	286	261
Other financial investments	15	20	544
Other assets	16	879	439
Total assets		**294,248**	**287,050**
Liabilities			
Deposits	17	262,348	254,561
Current tax liability		38	74
Borrowings		-	-
Other liabilities	18	2,320	2,569
Provisions	19	523	545
Deferred tax liabilities	9	953	1,073
Total liabilities		**266,182**	**258,822**
Net assets		**28,066**	**28,228**
Retained earnings	20	19,577	15,045
Credit loss reserve	20	631	631
Business combination reserve	20	4,436	4,436
Asset revaluation reserve	20	3,313	7,645
FVOCI investments reserve	20	109	471
Total members equity		**28,066**	**28,228**

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 2026

	Retained earnings	Other reserves see (note 20)	Total
	$'000	$'000	$'000
Total at 1 July 2025	**15,045**	**13,183**	**28,228**
Net profit after tax	4,114	–	4,114
Other comprehensive income / (expense)	–	(4,276)	(4,276)
Total comprehensive income	**4,114**	**(4,276)**	**(162)**
Decrease in credit loss reserve	–	–	–
Transfer to / (from) reserves	418	(418)	–
Total at 30 June 2026	**19,577**	**8,489**	**28,066**
Total at 1 July 2024	**14,476**	**13,621**	**28,097**
Net profit after tax	569	–	569
Other comprehensive income / (expense)	–	(438)	(438)
Total comprehensive income	**569**	**(438)**	**131**
Increase in credit loss reserve	–	–	–
Total at 30 June 2025	**15,045**	**13,183**	**28,228**

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 2026

	Notes	2026 $'000	2025 $'000
Operating activities			
Profit before tax		4,173	756
Adjustments for:			
Changes in operating assets	21	(464)	(1)
Changes in operating liabilities (including tax payable)	21	(258)	(808)
Non-cash items included in profit before tax	21	342	82
Income tax paid		(108)	(47)
Net increase in deposits		7,787	30,105
Net increase in loans and advances		(15,600)	(18,047)
Insurance reinstatement proceeds		(4,332)	-
Net cash flows from operating activities		**(8,460)**	**12,040**
Investing activities			
Net purchase of negotiable certificate deposit investments		3,250	(8,750)
Net purchase of financial investment bonds		(300)	(36)
Purchases of property and equipment and intangible assets		(569)	(504)
Sale of financial investments shares		538	-
Insurance reinstatement proceeds		4,332	-
Net cash flows from investing activities		**7,251**	**(9,290)**
Financing activities			
Net increase / (decrease) in wholesale borrowings		-	-
Net cash flows from financing activities		**-**	**-**
Net increase / (decrease) in cash and cash equivalents		(1,209)	2,750
Cash and cash equivalents at 1 July		9,693	6,943
Cash and cash equivalents at 30 June		**8,484**	**9,693**
Operational cash flows from interest and dividends			
Interest received		14,226	14,500
Interest and other costs of finance paid		(7,667)	(8,453)
Dividends received		32	5

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

Notes to the financial statements

Note		Page
1	Reporting entity	24
2	Material accounting policies	24
3	Interest income	30
4	Interest expense	30
5	Fee and commission income	30
6	Other operating income	30
7	Credit loss expense	30
8	Other operating expenses	30
9	Income tax	31
10	Cash and cash equivalents	32
11.1	Financial investments term and NCDs	32
11.2	Financial investments bonds	32
12	Loans and advances	33
13	Investment properties	36
14.1	Property and equipment	37
14.2	Intangibles	38

Note		Page
15	Other financial investments	39
16	Other assets	39
17	Deposits	39
18	Other liabilities	39
19	Provisions	40
20	Retained earnings and reserves	41
21	Additional cash flow information	42
22	Community sponsorships and support	42
23	Fair value of financial assets and liabilities	43
24	Risk management	45
25	Capital	51
26	Related party disclosures	52
27	Contingencies and commitments	53
28	Remuneration of external auditors	54
29	Subsequent events	54
30	Segment information	54

Notes to the financial statements

for the year ended 30 June 2026

1. Reporting entity

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

Dnister Bank 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 other affinity members. 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 2026 was authorised for issue in accordance with a resolution of Directors on 29 September 2026.

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 with 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 – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB).

2.3 Material accounting policy information

In the process of applying accounting policies, Management has used 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 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

Judgements and estimates are applied in assessing impairment of loans and advances with regard to the expected credit loss 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 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 owneroccupied as a significant section of the property is used by Dnister for its activities. These judgments are consistent with AASB 140 Investment Property classification.

The Directors have used an income capitalisation methodology and crosschecked using the Direct Comparison method derived from analysis of comparable sales. A market capitalization rate of between 4.0% and 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 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 profitsdepend on 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 consecutive cash rate increases, higher inflation, cost of living strain on households and global , uncertainty and conflicts. GDP has declined whilst labour market conditions remain tight with unemployment rate at relatively historically low level.

The impact on Dnister's 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 strategy, 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.

2.4.1 Financial instruments initial recognition and subsequent measurement

(i) Date of recognition

Purchases or sales of financial assets are recognised on the trade date that Dnister commits to purchase or sell the asset.

(ii) 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:

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

(iii) Subsequent measurement of financial assets

Financial assets at amortised cost:

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.

(iv) 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. Investments in Bonds 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 impairment requirements use forward-looking information to recognise expected credit losses – the 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 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

Dnister 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-month 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 an individual basis.

At each reporting date, Dnister 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 otherwise consider;
- 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 or 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, a Housing Loan is defined as past due at 30 days or greater and impaired after 90 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;
- Loans with approved hardship or modified terms.

Calculation of expected credit losses

Expected credit losses (ECLs) are calculated using three main Parameters. 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-month 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-month 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

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 profit or loss.

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.

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 18 Presentation and Disclosure in Financial Statements. Effective 1 Jan 2027. This standard replaces AASB 101 and makes consequential amendments to AASB 107. It introduces a new structure for financial statements and enhanced disclosure requirements.

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 entity's 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 2026

3. Interest income

	2026 $'000	2025 $'000
Loans and advances	11,800	11,753
Deposits with other financial institutions	2,426	2,747
	14,226	**14,500**

4. Interest expense

	2026 $'000	2025 $'000
Deposits	7,667	8,453
	7,667	**8,453**

5. Fees and commission income

	2026 $'000	2025 $'000
Fees & commissions received	245	199
	245	**199**

6. Other operating income

	2026 $'000	2025 $'000
Dividend income	32	5
Rental income	1,174	1,127
Other	174	44
	1,380	**1,176**

7. Credit loss expense / (income)

	2026 $'000	2025 $'000
Bad debts and impairment allowance	-	(100)
	-	**(100)**

8. Other operating expenses

	2026 $'000	2025 $'000
Marketing, printing & postage	100	90
Tenancy rental expenses	547	502
Corporate governance, audit & compliance	325	406
Member transaction expenses	653	571
Data & ICT	1,558	1,199
Other	765	453
	3,948	**3,221**

9. Income tax

	2026 $'000	2025 $'000
(a) Income tax expense		
The major components of income tax expense are:		
Statement of Profit or Loss and other Comprehensive Income		
Current Income Tax		
Current income tax charge	79	138
Adjustments in respect of current income tax of previous years	5	-
Deferred income tax		
Relating to origination and reversal of temporary differences	(25)	49
Income tax expense reported in the Statement of profit or loss and other comprehensive income	**59**	**187**
(b) Amounts charged or credited directly to equity		
Deferred income tax related to items charged or credited directly to equity		
Unrealised movement on land and buildings, net of tax	-	195
Unrealised movement on FVOCI investments, net of tax	121	(53)
Income tax expense reported in equity	**121**	**142**
(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 Dnister applicable income tax rate is as follows:		
Profit before tax	4,173	756
At the company's statutory income tax rate of 25% (2025:25%)	1,043	189
Income not assessable for income tax purposes	(1,083)	-
Income assessable for income tax purposes	105	-
Under / (over) provided in prior years	5	-
Increase / (decrease) in deferred tax balances	(11)	(2)
Income tax expense on pre-tax profit	**59**	**187**
(d) Recognised deferred tax assets and liabilities		
Amounts recognised in the Statement of financial position:		
Deferred tax asset	286	261
Deferred tax liability	(953)	(1,073)
Deferred net tax liabilities	**(667)**	**(812)**

9. Income tax
continued

	2026 $'000	2025 $'000
Deferred income tax		
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Prepayments	(47)	(47)
Investment properties	(326)	(326)
Land and buildings	(543)	(543)
Financial investments FVOCI	(37)	(157)
Deferred tax liabilities	**(953)**	**(1,073)**
Deferred tax assets		
Allowance for impairment	73	73
Provisions and accruals	213	188
Deferred tax assets	**286**	**261**

10. Cash and cash equivalents

	2026 $'000	2025 $'000
Cash on hand	270	162
Deposits at call	8,214	9,531
	8,484	**9,693**

11.1. Financial investments term & NCDs

	2026 $'000	2025 $'000
Term and negotiable certificates of deposit with banks (fully redeemable), Not longer than 3 months	13,500	16,750
Term and negotiable certificates of deposit with banks (fully redeemable), Longer than 3 months and not longer than 12 months	1,748	1,748
	15,248	**18,498**

11.2. Financial investments bonds

	2026 $'000	2025 $'000
Fixed Interest Bonds and Floating Rate Notes (Fully Redeemable), Longer than 12 Months	31,396	31,174
	31,396	**31,174**

12. Loans and advances

	2026 $'000	2025 $'000
Overdraft and revolving credit	5,613	8,196
Term loans	220,693	202,510
Gross loans and advances*	**226,306**	**210,706**
Less: allowance for impairment losses	(292)	(292)
Net loans and advances	**226,014**	**210,414**
(a) By maturity		
Overdrafts	5,613	8,196
Not longer than 3 months	4,520	2,884
Longer than 3 months and less than 12 months	10,117	6,997
Longer than 12 months and less than 5 yearsw	22,140	10,338
Longer than 5 years	183,916	182,291
	226,306	**210,706**
(b) By product type		
Residential mortgages	214,357	194,108
Consumer lending	2,770	3,497
Corporate & small business lending	9,179	13,101
	226,306	**210,706**
(c) Loans by concentration		
Victoria	136,819	136,831
South Australia	36,052	29,073
Queensland	25,259	22,807
Other states	28,176	21,995
	226,306	**210,706**
(d) By security		
Secured by mortgage	224,353	208,198
Secured by other	1,766	1,309
Unsecured	187	1,199
	226,306	**210,706**
(e) By LVR		
Less than 80%	178,974	173,753
Greater than 80% with LMI	27,734	31,689
Greater than 80% no LMI	19,598	5,264
	226,306	**210,706**

* At 30 June 2026 there were 7 loans totaling $21.8m which each exceeded 10% of the Tier 1 Capital (2025: 8 loans totaling $26.6m).

12. Loans and advances
continued

	2026 $'000	2025 $'000
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**	**292**
(II) Movement in total provision		
Balance at the beginning of the year	292	392
Charge for the year (Note 7)	-	(100)
Balance at the end of the year	**292**	**292**
(III) The loans provision consists of:		
Provision	292	292
	292	**292**
(IV) Impaired loans written off:		
Charge / (Recovery)	-	(100)
	-	**(100)**

12. Loans and advances
continued

	2026			2025		
	Past due $'000	Impaired $'000	Collateral held $'000	Past due $'000	Impaired $'000	Collateral held $'000
(f) Loans past due or impaired						
Housing loans						
30 days and less than 60 days	906	–	1,250	1,757	–	2,165
60 days and less than 90 days	341	–	800	–	–	–
90 days and less than 182 days	–	–	–	626	–	1,300
182 days and less than 273 days	–	–	–	280	–	1,000
273 days and less than 365 days	–	–	–	–	–	–
365 days and over	–	–	–	165	–	400
	1,247	**–**	**2,050**	**2,828**	**–**	**4,865**
Personal and commercial loans						
30 days and less than 60 days	–	–	–	–	–	–
60 days and less than 90 days	–	–	–	–	–	–
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**	**–**	**–**
Overdrafts						
Less than 14 days	1	–	–	89	–	–
14 days and less than 90 days	–	–	–	–	–	–
90 days and less than 182 days	–	–	–	–	–	–
182 days and over	–	–	–	–	–	–
	1	**–**	**–**	**89**	**–**	**–**
	1,248	**–**	**2,050**	**2,921**	**–**	**4,865**

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:

2026	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Total
Movement category	$'000	$'000	$'000	$'000
Balance at 1 July 2025	**274**	**16**	**2**	**292**
Transfers between stages	(3)	5	(2)	–
Movement due to ilncrease in loans & advances	–	–	–	–
Bad debts written off from provision	–	–	–	–
Changes in model risk parameters	–	–	–	–
Balance at 30 June 2026	**271**	**21**	**–**	**292**

2025				
Movement category	$'000	$'000	$'000	$'000
Balance 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 at 30 June 2025	**274**	**16**	**2**	**292**

(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

	2026 $'000	2025 $'000
At 1 July	4,046	4,046
Net change from fair value adjustment	–	–
	4,046	**4,046**

14.1 Property and equipment

	Land & buildings $'000	Computer hardware $'000	Furniture & equipment $'000	Work in progress $'000	Total $'000
Cost or fair value:					
At 1 July 2025	11,359	541	305	–	12,205
Additions	–	33	12	520	565
Disposals	–	(540)	(204)	–	(744)
Net change from revaluation	(4,331)	–	–	–	(4,331)
At 30 June 2026	**7,028**	**34**	**113**	**520**	**7,695**
Accumulated depreciation:					
At 1 July 2025	–	415	163	–	578
Disposals	–	(474)	(166)	–	(640)
Net change from revaluation	–	–	–	–	–
Depreciation charge for the year	–	66	25	–	91
At 30 June 2026	**–**	**7**	**22**	**–**	**29**
At 30 June 2026					
Cost or fair value	7,028	34	113	520	7,695
Less: accumulated depreciation	–	7	22	–	29
Net carrying amount	**7,028**	**27**	**91**	**520**	**7,666**

	2026 $'000	2025 $'000
If land and buildings were measured using the cost model, the carrying amounts would be:	3,894	3,894

Valuations: Investment properties and land & buildings

The 2026 Director valuations of properties 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 both 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 participant's 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 Mar-25 a fire event occurred at 902 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, forecasts and reinstatement cost.

14.1 Property and equipment
continued

	Land & buildings $'000	Computer hardware $'000	Furniture & equipment $'000	Work in progress $'000	Total $'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**

14.2 Intangibles

	2026 $'000	2025 $'000
(a) Intangible assets comprise:		
Asset at cost	893	889
Amortisation	(684)	(535)
	209	**354**
(b) Movement in the intangible asset balances during the year was:		
Opening balance	354	102
Additions	3	334
Write downs	–	–
Amortisation	(148)	(82)
	209	**354**

15. Other financial investments

	2026 $'000	2025 $'000
Shares Shared Service Partners Pty Ltd	20	20
Shares Indue Ltd	–	524
	20	**544**

16. Other assets

	2026 $'000	2025 $'000
Accrued interest receivable	180	169
Prepayments	188	188
Other receivables	512	82
	880	**439**

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

	2026 $'000	2025 $'000
At call deposits	110,909	112,376
Term deposits	151,439	142,185
	262,348	**254,561**
Deposits by concentration		
Victoria	176,696	171,860
New South Wales	31,092	30,165
South Australia	34,923	34,482
Other states	19,638	18,054
	262,348	**254,561**

18. Other liabilities

	2026 $'000	2025 $'000
Interest payable on deposits	1,937	1,889
Trade creditors and accruals	383	680
	2,320	**2,569**

19. Provisions

	2026 $'000	2025 $'000
Current provisions for employee entitlements		
Long service leave	213	237
Annual leave	274	269
	487	**507**
Non-current provisions for employee entitlements		
Long service leave	36	38
	36	**38**

	Annual leave	Long service leave	Total
A reconciliation of the provisions is as follows:			
At 1 July 25	269	276	545
Payments made	(201)	(65)	(266)
Additional provisions	206	38	244
At 30 June 26	**274**	**249**	**523**
At 1 July 24	300	246	546
Payments made	(233)	(6)	(239)
Additional provisions	202	36	238
At 30 June 25	**269**	**276**	**545**

20. Retained earnings and reserves

	Retained earnings $'000	Credit loss reserve $'000	Financial instruments classified as fair value through other comprehensive income (FVOCI) $'000	Business combination reserve $'000	Asset revaluation reserve $'000	Total reserve $'000
At 1 July 2025	15,045	631	471	4,436	7,645	13,183
Net profit for the period	4,114	–	–	–	–	–
Net change from revaluation of FVOCI investments, net of tax	–	–	56	–	–	56
Net change from revaluation of asset, net of tax	–	–	–	–	(4,332)	(4,332)
Transfer to / (from) reserves	418	–	(418)	–	–	(418)
At 30 June 2026	**19,577**	**631**	**109**	**4,436**	**3,313**	**8,489**
At 1 July 2024	14,476	631	310	4,436	8,244	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)
Transfer to / (from) reserves	–	–	–	–	–	–
At 30 June 2025	**15,045**	**631**	**471**	**4,436**	**7,645**	**13,183**

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 & shares held.

Business combination reserve

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

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.

21. Additional cash flow information

	2026 $'000	2025 $'000
Cash and cash equivalents		
Cash on hand	270	162
Deposit at call	8,214	9,531
	8,484	**9,693**
Change in operating assets		
Net change in interest receivable	(11)	20
Net change in prepayments	-	9
Net change in debtors	(428)	(82)
Net change in future tax receivable	(25)	52
	(464)	**(1)**
Change in operating liabilities		
Net change in interest payable	48	(196)
Net change in creditors and accruals	(165)	(467)
Net change in future tax payable	(120)	(144)
Net change in provisions	(21)	(1)
	(258)	**(808)**
Non-cash items included in profit before tax		
Depreciation of property and equipment	239	182
Disposal of property and equipment	103	-
Impairment losses on financial assets	-	(100)
	342	**82**

22. Community sponsorships & support

	2026 $'000	2025 $'000
Community sponsorship	28	10
Refer a Friend beneficiary contributions	29	26
Church Praznyk & school support	8	9
Community access accounts beneficiary contributions	37	18
	102	**63**

23. Fair value of financial assets and liabilities

	Carrying value $'000	Fair value $'000
Assets 2026		
Financial assets		
Cash & cash equivalents	8,484	8,484
Financial investments amortised cost	15,248	15,246
Financial investments FVOCI	31,396	31,396
Loans and advances	226,014	219,787
Other financial investments	20	20
Accrued interest receivable	180	180
Other receivables	700	700
Total 2026	**282,042**	**275,813**
Liabilities 2026		
Financial liabilities		
Deposits and wholesale borrowings	262,348	262,152
Borrowings repurchase agreements	-	-
Total 2026	**262,348**	**262,152**
Assets 2025		
Financial assets		
Cash & 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	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**

23. Fair value of financial assets and liabilities

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, Dnister 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.

At 30 June 2026 the following classes of financial instruments were measured at (AASB13) fair value:

	30 June 26	Level 1	Level 2	Level 3
Financial assets measured at fair value 2026				
Financial investments FVOCI	31,396	-	31,396	-
Other financial investments shares held	20	-	-	20

	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

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.

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 Dnister's ability to continue as a 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 align with APRA recognised external credit assessment institutions (ECAI APS 112 Attachment F).

24. Risk management
continued

The table below shows the credit quality by class of asset

	2026 $'000	2026 $'000	2026 $'000	2026 $'000
Assets				
Financial assets	Total	High grade	Other grade*	Past due or imparied
Loans and advances	**226,014**	**224,766**	**-**	**1,248**
	Total	AAA to A-	B to BBB+	Other*
Cash & balances with bank	8,484	5,444	-	3,040
Financial investments amortised cost	15,248	12,000	1,500	1,748
Financial investments FVOCI	31,396	24,060	7,336	-
Other financial investments	20	-	-	20
Accrued interest receivable	180	180	-	-
Other receivables	700	-	-	700
Total	**56,028**	**41,684**	**8,836**	**5,508**

	2025 $'000	2025 $'000	2025 $'000	2025 $'000
Assets				
Financial assets	Total	High grade	Other grade*	Past due or imparied
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	270	-	-	270
Total	**60,347**	**43,837**	**7,997**	**8,513**

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 1 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 Regulatory 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.

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 loan.

Impairment assessment

The main consideration 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 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 cashflows 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 APRA 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 certificates of deposit & bonds available for sale or a repurchase agreement with the RBA.

	2026 %	2025 %
The total liquidity ratio at the end of the year was:	18.7	20.0

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.

2026	Less than 30 days $'000	Less than 3 months $'000	3-12 months $'000	Subtotal less than 12 months $'000	1-5 years $'000	Over 5 years $'000	Subtotal over 12 months $'000	Total $'000
Liabilities								
Deposits	131,114	17,826	112,854	261,794	554	-	554	262,348
Total	**131,114**	**17,826**	**112,854**	**261,794**	**554**	**-**	**554**	**262,348**
2025								
Liabilities								
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**

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.

2026	Within 12 months $'000	More than 1 year $'000	Total $'000
Liabilities			
Approved but undrawn loans	3,410	–	3,410
Undrawn line of credit	4,625	–	4,625
Total	**8,035**	**–**	**8,035**

2025			
Liabilities			
Approved but undrawn loans	4,317	–	4,317
Undrawn line of credit	4,212	–	4,212
Total	**8,529**	**–**	**8,529**

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 a 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 holdings of investments which are subject to equity price risk is not significant and therefore is not exposed to equity risk.

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.

2026	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Fixed interest maturing in: +1 to 5 years $'000	Non-interest bearing $'000	Total carrying amount as per Statement of financial position $'000
Financial assets					
Cash & balances with bank	8,214	–	–	270	8,484
Financial investments amortised cost	–	15,248	–	–	15,248
Financial investments FVOCI shares	29,300	–	2,095	–	31,396
Shares Shared Service Partners Pty Ltd	–	–	–	20	20
Shares Indue Ltd	–	–	–	–	–
Other receivables	–	–	–	880	880
Loans and advances	189,237	14,735	22,042	–	226,014
Financial liabilities					
Deposits	110,909	148,368	3,071	–	262,348

2025					
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	–	254,561

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)	
2026 %	2025 %	2026 $'000	2025 $'000
+2.00% (200 Basis Points)	+2.00% (200 Basis Points)	4,132	3,176
-1.00% (100 Basis Points)	-1.00% (100 Basis Points)	(2,066)	(1,590)

		Equity: Higher / (Lower)	
2026 %	2025 %	2026 $'000	2025 $'000
+0.50% (50 Basis Points)	+0.50% (50 Basis Points)	1,035	795
-0.25% (25 Basis Points)	-0.25% (25 Basis Points)	(517)	(397)

25. Capital

Dnister maintains a capital base to cover risks inherent in the business. The capital ratio of 22.1% as at 30 June 2026 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 internal and external 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 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.

Regulatory capital	2026 $'000	2025 $'000
Capital base	27,836	27,329
Risk weighted Aasets	126,057	130,262
Total capital ratio %	**22.1%**	**21.0%**

26. Related party disclosures

(a) Details of key management personnel

The following list of people 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
A Hood CEO

(b) Compensation of key management personnel	2026 $'000	2025 $'000
Short term employment benefits salaries	419	450
Post employment superannuation contributions	43	46
Long term benefits LSL expense	6	(6)
	468	**490**

(c) Directors' renumeration	2026 $'000	2025 $'000
Aggregate remuneration of Directors	112	118

(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:

	2026 $'000	2025 $'000
Loans:		
Opening balance owing	1,075	1,181
New loans advanced	-	-
Net repayments	(44)	(106)
Net movement associated with former key management personnel	-	-
Balance owing at 30 June	1,031	1,075
Savings and Term deposits:		
Amounts deposited at 30 June	160	238

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

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:

	2026 $'000	2025 $'000
Contingent liabilities		
Financial guarantees	10	115
Commitments		
Undrawn commitments to lend	3,410	4,317
Unused overdraft facilities	4,625	4,212
Total	**8,045**	**8,644**

	2026 $'000	2025 $'000
Capital commitments		
Building works	4,680	-

During the year, Dnister entered into a contract for building works with a total contract value of approximately $5.2 million. At 30 June 2026, a deposit of approximately $0.52 million had been paid and no construction work commenced. The remaining contractual commitment at year end was approximately $4.68 million.

Contingent liabilities

Financial Guarantees are Letters of credit and guarantees committed by 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, 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 day-to-day fluctuations in the settlement account with Indue Ltd.

27. Contingencies and commitments
continued

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

	2026 $'000	2025 $'000
Within one year	861	978
After one year and less than three years	96	206
After three years and less than five years	50	48
Total minimum lease payments	**1,007**	**1,233**

Legal claims

Dnister had no potential unresolved legal claims made against it at 30 June 2026 (2025: 2).

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:

	2026 $'000	2025 $'000
Audit of financials	74	67
Regulatory audit	21	17
Taxation compliance service	11	12
Total	**106**	**96**

29. Subsequent events

Directors are not aware of any matter or circumstance 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 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 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 605 Strathfield: 32-34 Parnell Street, Strathfield NSW 2135
External auditor	Crowe Melbourne, Level 42, 600 Bourke Street, Melbourne VIC 3000
Internal auditor	Grant Thornton Australia Ltd, Collins Square, Tower 5 Level 22, 727 Collins Street, Melbourne VIC 3008
Legal advisor	Wisewould Mahony Lawyers, 419 Collins Street, Melbourne VIC 3000
Banker	Indue Ltd, Level 10, 88 Tribune Street, South Brisbane QLD 4101
Insurer	Primarily Zurich Insurance Group Ltd, Level 2, 82 Pitt Street, North Sydney NSW 2059

Dnister Bank

Dnister Ukrainian Credit Co-operative Ltd trading as Dnister Bank
BSB 704 235 | ABN 59 087 651 394 | AFSL / Australian Credit Licence 240673