

Annual Report 2026

Rye & District Community
Financial Services Limited

Community Bank
Southern Peninsula

ABN 67 095 766 895



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Rye & District Community Financial Services Limited proudly acknowledges the Bunurong people of the Kulin Nation and the Aboriginal and Torres Strait Islander peoples as the first peoples of this nation and the traditional custodians of the land where we live, learn and work. We pay our respects to elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Chairman's report

For year ending 30 June 2026

It is with immense pride that I acknowledge the 25th anniversary of Rye & District Community Financial Services Limited and the opening of its first branch on the Southern Peninsula, Community Bank Rye & District. Reached in June 2026, this milestone provided an important opportunity to celebrate, reflect and recognise the people who have shaped our story.

The founding Board of Rye & District Community Financial Services Limited were unlikely to have imagined that within 25 years, the Company would grow to include three branches and a specialist lending hub, employ more than 20 local people, and return millions of dollars to the local region through community funding and shareholder dividends.

What I most enjoy reflecting on is the everyday impact of banking: helping people buy their first homes, teaching children the value of saving and compound interest, and supporting goals to acquire new cars, dream holidays or equipment for a growing business.

Without these personal stories and the people behind them, there is no connection and no joy in the everyday. We take pride in the fact that our staff know our customers and celebrate their wins and milestones, as they also offer a kind word and compassion on the days when things aren't quite as bright.

Community Bank Southern Peninsula (incorporating Community Bank Rye & District, Community Bank Dromana and Community Bank Rosebud) is a tremendous resource in our community and has helped shape the story and identity of this place we call home for 25 years. The social enterprise we have created has enabled profits to be returned to the local community in many ways. I congratulate the past and present Directors of the Company, acknowledge the hard work of our staff, and thank our shareholders, customers and wider community for their support in reaching this significant anniversary. This team effort continues to strengthen our community and contribute meaningfully to its prosperity.

Financial Performance

In the period 1 July 2025 to 30 June 2026, the Company recorded a net profit of \$652,325 (FY25: \$801,775). The result was largely attributable to a \$203,966 reduction in the value of property, plant and equipment due to a valuation decrease in one property. Despite this, and given the general economic conditions during the period, the Company's underlying operating performance remains broadly in line with expectations.

The balance sheet remains sound, with minimal debt, total assets of \$8,647,789 and total liabilities of \$750,506.

The Company holds net assets of \$7,897,283 which provide a sound basis for the funding of any potential acquisition activities that may present in the future.

Dividend

The Board is very pleased to declare an FY26 fully-franked dividend of 15.0 cents per share in line with our progressive dividend policy. This will be paid to all eligible shareholders on 13 November 2026.

Major community investment

Rye & District has again made a significant investment in our local region. During the financial year, the Company returned almost \$500,000 to the community through sponsorships, grants and donations. In 2026, the Company also launched its first community fundraising appeal, committing to match up to \$250,000 raised by the community towards replacing the CT scanner at Rosebud Hospital. The response has been remarkable, reflecting the community's strong collective goodwill. We expect to announce the final amount raised in early 2027.

Chairman's report (continued)

Directors, Staff and Franchise Partner

I thank the Board of Directors who give countless hours of their time to steering the Company in a positive direction. I also praise our hard-working staff for their continued commitment and resilience in the face of numerous challenges, both global and local. Community Company Manager Fiona Somjee leads and manages her team in an exemplary fashion, and the Board is most grateful for her ongoing service. Our sustained success over the last 25 years has of course been built on the back of the commitment to our business from our franchisor, Bendigo Bank.

I would like to extend my gratitude to two serving Directors who are both standing down. Renee Bowker has been a Director since 2019 and Vice Chair for a number of years. She has undertaken an incredible role in crafting and delivering our community impact strategy. Her valuable contribution and strategic mind will be missed by the Company as she farewells us in early 2027. Josh Oppy, our most recently appointed Board member is also retiring at the end of the month. We have appreciated Josh's legal expertise and local viewpoint for the past three years.

As the Company renewed its franchise agreement earlier in 2026, we look forward to the future of continued service to our local community. Thank you to our shareholders, customers and staff for the continued support you continue to demonstrate in the Community Bank model and in particular, Community Bank Southern Peninsula (incorporating Community Bank Rye & District, Community Bank Dromana and Community Bank Rosebud).



Vin Cheers
Chair

October 2026



Community Company Manager's report

For year ending 30 June 2026

It is with immense pleasure that I submit my report to the shareholders of Rye & District Community Financial Services Limited for the financial year ended 30th June 2026

The 2025/2026 financial year continued to present a changing and challenging economic environment for Australian households and businesses. While the year commenced with improving inflation conditions and some easing in monetary policy, inflationary pressures strengthened again during the latter part of the year, resulting in the Reserve Bank of Australia changing direction and increasing interest rates during early 2026.

These changing economic conditions continued to have a direct impact on Community Bank Rye, Rosebud and Dromana customers and communities, particularly households with mortgages and those looking to enter the property market.

- **Increased mortgage pressure:** Interest rate increases during 2026 resulted in higher repayments for many variable-rate borrowers, placing renewed pressure on household disposable income and family budgets.
- **Continued cost-of-living pressures:** Although inflation had eased from previous highs, the cost of housing, energy, groceries and everyday essentials remained elevated, continuing to influence household spending and saving behaviours.
- **Households remained cautious:** Higher borrowing costs and ongoing cost-of-living pressures resulted in many households continuing to carefully manage discretionary spending, review household budgets and seek greater value from their financial arrangements.
- **Reduced borrowing capacity:** Higher interest rates impacted borrowing capacity for some prospective home buyers and increased servicing requirements, creating a more challenging lending environment toward the end of the financial year.
- **Changes in housing lending:** Housing lending activity moderated during the latter part of the financial year, with both owner-occupier and investor lending experiencing some decline as higher borrowing costs influenced purchasing decisions.
- **First-home buyers remained an important market:** Despite affordability challenges, first-home buyers continued to play an important role in the housing market, supported by government initiatives and a continued desire to enter the property market.
- **Employment remained relatively resilient:** The Australian labour market remained comparatively strong throughout much of the financial year, helping support household incomes despite broader cost-of-living and interest-rate pressures.
- **Greater focus on financial wellbeing:** The combination of higher mortgage repayments and elevated living costs reinforced the importance of customers reviewing their banking arrangements, managing household budgets and seeking appropriate financial solutions.

Against this economic backdrop, our focus remained firmly on supporting Community Bank Rye, Rosebud and Dromana customers and communities through changing financial conditions. Customers continued to seek greater value from their banking relationships, whether through reviewing their home lending, refinancing, building savings, purchasing their first home or seeking guidance around their broader financial position. The changing interest-rate environment also reinforced the importance of proactive customer conversations and ensuring our teams remained focused on understanding individual customer needs and providing appropriate banking solutions.

Our ability to compete across some customer segments was impacted by broader market and pricing conditions during the financial year. This presented challenges in attracting new customers, particularly in highly competitive areas of the market where customers were actively comparing the value and offerings available across financial institutions.

Community Company Manager's report (continued)

Deposit pricing also presented challenges, with deposit rates at times not as competitive as those available from other financial institutions. As customers became increasingly rate conscious and actively sought stronger returns on their savings, we experienced an increase in deposit outflows toward the end of the financial year, with some customers choosing to move funds to alternative providers offering more competitive rates.

Despite these competitive pressures, Community Bank Rye, Rosebud and Dromana teams remained focused on proactive customer conversations, strengthening existing relationships and identifying opportunities across lending and deposits. This reinforced the importance of understanding the Community Bank customers' broader banking needs, demonstrating the value of the Community Bank model and continuing to build strong relationships within our local communities.

Our consolidated footings as of the 30th of June 2026 totalled \$793.6 million (down 2.35%), which included total deposits of \$532 million, total lending of \$249.5 million along with \$11.96 million in Financial Planning products under management. These balances represent a \$19 million decrease in footings over the fiscal year.

Branch	Total footings 30/6/26	Deposit footings	Lending footings	Financial planning products under management	Total change in footings (by %)
Rye	\$294.7million	\$198.4 million	\$89.4 million	\$6.85 million	- 8.02%
Rosebud	\$245.5 million	\$165.6 million	\$78.2 million	\$1.67 million	- 1.1%
Dromana	\$253.3 million	\$168.1 million	\$81.8 million	\$3.44 million	+ 3.9%

Our group holds 25,433 accounts from our 15,393 customers, an increase of 877 accounts and a decrease of 467 customers from the previous year which shows an increase in product number per customer of 6.7%. Support for our unique Bendigo Bank Community Bank brand has come from all sectors of our community, including personal and business and shows the hard work our staff have been doing to increase product number per customer by building relationships to ensure we are the customer's main bank.

The 2025–26 financial year saw a significant shift in the interest rate environment. Following reductions to the cash rate during 2025, renewed inflationary pressures resulted in the RBA reversing course and increasing the cash rate three times during 2026. Higher interest rates have continued to place pressure on household budgets and borrowing capacity, while also influencing activity across the housing and lending markets.

As we move into FY2026–27, the RBA remains focused on bringing inflation sustainably back within its target range. The current higher interest rate environment is expected to continue influencing household spending, borrowing decisions and demand for credit. While this presents challenges, it also creates opportunities for Community Banks Rye, Rosebud and Dromana through refinancing, retention and deeper customer relationships. With our dedicated Lending Hub based in Rosebud, we remain well positioned to support customers through changing financial conditions and to capture lending opportunities across our communities. We have seen a decrease in over-the-counter transactions with a 12.2% decrease, reducing from 12,081 to 10,611 (-1,470). We continue to adapt our service model to align with customers' evolving preferences for digital and AI driven banking, while continuing to maintain the high standard of personal service we are known for. This approach means we continue to deliver excellent customer service, while also meeting the growing demand for digital first banking.

We consistently see existing customers acting as our advocates and promoting the benefits of supporting Community Bank Rye, Rosebud and Dromana branches. This advocacy is being led particularly by the many not-for-profit groups that we have partnered with since opening. These organisations continue to see the rewards that banking with the Community Bank can bring to them. Over the next 12 months we remain committed to developing our partnerships with these not-for-profit customers, so that we can all share in the building of a stronger and more financially secure local community. I am confident that we can continue to grow our business to a level that enables us to record consistent month-on-month profits. Community Banks that have supported their customers through the 'tight' years will be well placed to benefit when growth returns, as trust and relationships will convert into new lending and product uptake.

Community Company Manager's report (continued)

The leadership team comprises me as Community Company Manager, supported by our Branch Operation Managers: Vanessa Curtis (Rye), Renae Dunstan (Rosebud) and Karen O'Keefe (Dromana). Completing the leadership team is our Lending Hub Manager, Laura Nestoriwskyj and our Business Development Manager, Paul Zaltsberg and Community Engagement Advisor Natalie Sevier.

I would like to acknowledge and sincerely thank our managers for their outstanding leadership, support and management of their teams. To all our staff across the three branches, thank you for your resilience, commitment and dedication to both our customers and to each other in what continues to be a rapidly evolving banking environment.

I would also like to thank and acknowledge the contribution of our Board of Directors who have worked tirelessly in promoting Community Bank Rye, Rosebud and Dromana along with our Regional Support team including our Specialist Business Bankers and Financial Planners. They have all supported both the staff and I, in our efforts to continue to grow our business.

Finally, I would like to thank all our customers and shareholders for your continued support of Community Bank Rye, Rosebud and Dromana. Without your belief in the Community Bank model, we would not have been able to achieve the results we have to date. I congratulate every stakeholder involved in our Company and thank every customer because it is with your continued support that these outstanding community funding contributions are possible. I continue to ask that you be advocates for our Community Bank branches and encourage your family, friends, and associates to bank with Community Bank Rye, Rosebud and Dromana.

We will continue to strive to be the best Community Bank in the network by providing the highest levels of customer service possible. We will remain resilient and committed to our customers and local community. Please feel free to contact us anytime at Community Bank Rye, Rosebud and Dromana.

Fiona Somjee
Community Company Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2026

This year marked the first chapter of delivering on Bendigo Bank's 2030 Strategy.

Our purpose remains central to who we are – to feed into the prosperity of our customers and community – and our strategy brings a new focus on areas including innovation, digital ease and setting the benchmark for trust and societal impact.

We are making strong progress with new digital features to enhance the customer experience. Notably, Community Link is allowing customers to join us through e-banking while retaining a connection to their local branch.

In FY26, more than \$51.7 million was invested back into local communities, adding to a total of \$467 million since 1998. Our Scholarship Program remains one of the largest of its kind in Australia, with an incredible 70 Community Banks participating in 2026, and more than \$1.6m in scholarships awarded.

Our model evolution project is now helping to inform a holistic strategic review of the Community Bank model. The review is considering a broad range of factors to strengthen the model for the future, including growth, community impact, revenue share and non-financial risk. As an organisation, we remain committed to the Community Bank model and the important role it plays in achieving our 2030 Strategy.

Bendigo Bank has been supporting customers and communities across Australia for more than 160 years and for the past 27 years, the Community Bank model has been a driving force for positive impact.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your belief and support of our purpose have been instrumental in our success. I look forward to seeing us grow together and continue supporting our communities to prosper.

Warmest regards,

Justine Minne
Head of Community Banking, Bendigo Bank

Community Bank National Council



CBNC: Supporting Local Leadership and National Strategy

On behalf of the Community Bank network, we acknowledge and thank our shareholders for your continued support. The Community Bank model remains one of the most distinctive in Australian banking, combining commercial strength with genuine community purpose.

Over the past year, the Community Bank National Council (CBNC) has continued its important role as the conduit between Community Bank companies and Bendigo Bank (BEN). As the formally recognised representative body of the network, the CBNC ensures the voice of local Directors is heard in national discussions, while keeping Community Bank companies informed on strategic developments that shape our future.

Supporting BEN's 2030 Strategy

The Community Bank model continues to evolve as part of BEN's 2030 strategy, with a focus on long-term strength and sustainability. A jointly led BEN and CBNC Model Evolution project has enabled the CBNC to engage deeply with the network seeking feedback on the challenges and opportunities ahead. The priority being given to this ongoing work reflects the importance of Community Banks to BEN's success and commitment to local communities.

Gathering in our nation's capital

Last September, more than 500 Directors representing 142 Community Bank companies from every state and territory came together for the Community Bank National Conference. It was one of the largest gatherings of our network in recent years, and the CBNC played a key role in contributing to the agenda.

The conference created space for open dialogue between Directors and BEN executives, while also reinforcing the unique value of the Community Bank model. For many, it was also a timely reminder of the strength of peer connection - the opportunity to share challenges, exchange ideas, and look to the future.

Social enterprise leadership

With an entrenched "profit for purpose" approach, the Community Bank moves beyond traditional banking by helping to sustain local economies. The combined community impact of this approach is significant, with several recent examples evidenced across the network.

The partnership between the Bendigo Bank Community Foundation and the Australian Centre for Rural Entrepreneurship (ACRE) is just one example. It demonstrated what collective action can achieve through the buyback of the Old Beechworth Gaol.

The community asset buyback was supported by \$8.6 million in capital, including \$2.2 million from BEN and Community Bank companies. It has created a nationally significant example of community ownership in action and provides a tangible example of our social enterprise leadership.

New 'Community Link' feature returns profits to communities

As customer expectations evolve, BEN continues to invest in digital capability while protecting the strength of local connection. A clear example is Community Link, a new feature introduced to the Bank's App during the past year.

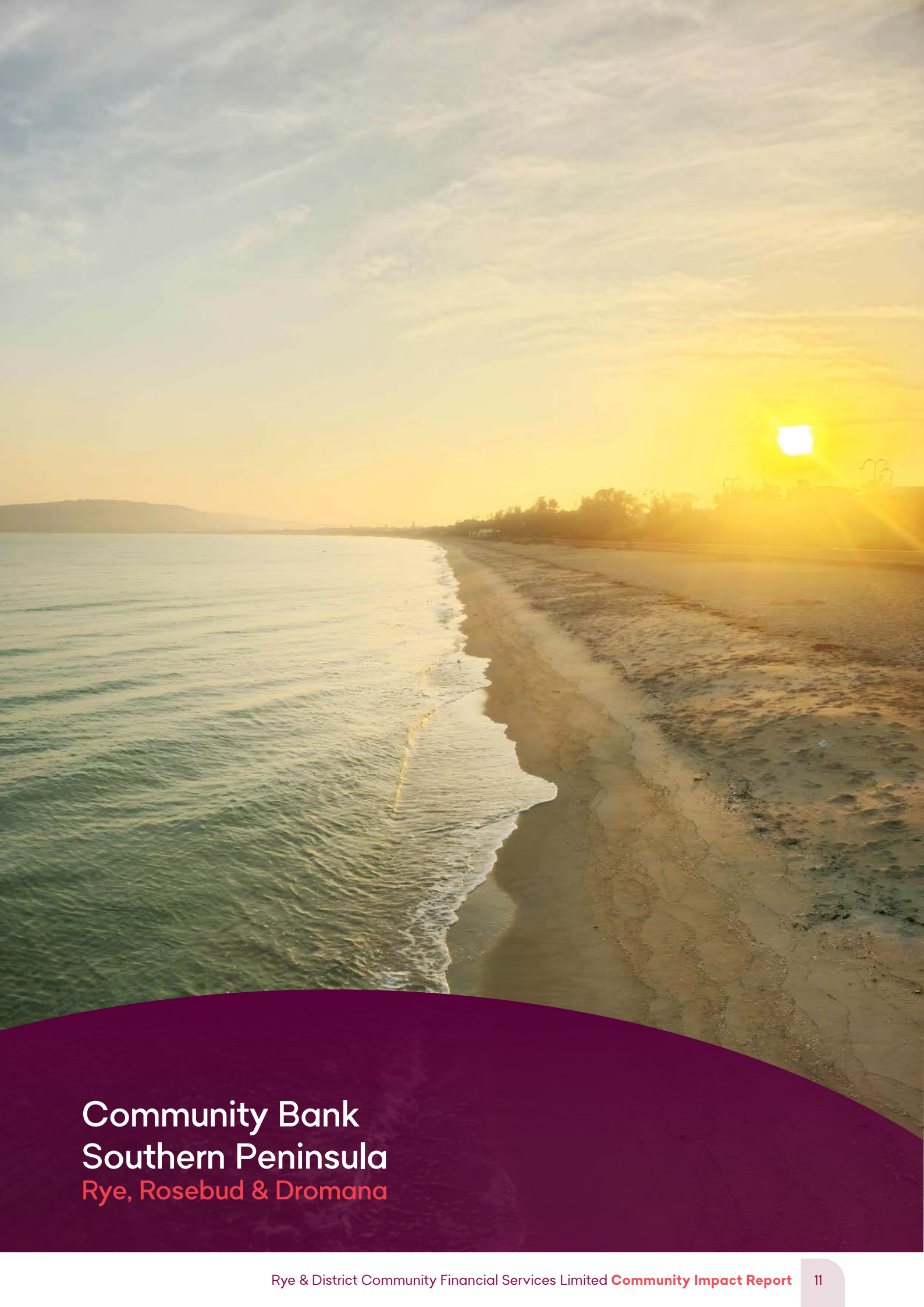
The feature allows new customers, who join digitally, to nominate a community or corporate branch as their home branch. Customers can have the satisfaction they're contributing to a community they care about without having to set foot in a branch to do so.

The CBNC have been very supportive of this new feature which powerfully bridges BEN's digital future with its renowned community focus. In many ways, it reinforces BEN's commitment to innovation, while serving its core purpose to feed into the prosperity of the community.

Together, these initiatives demonstrate the enduring strength of the Community Bank model in balancing both commercial success with community impact. As the network continues to evolve, the CBNC remains committed to ensuring the network has a strong voice in shaping the future. We thank shareholders for the ongoing support that makes this unique model possible.

Community Impact Report 2025/26

Rye & District Community
Financial Services Limited



Community Bank
Southern Peninsula
Rye, Rosebud & Dromana

Introduction to Community Impact Report



Welcome to the Rye & District Community Financial Services Limited Community Impact Report for 2025 – 2026. This provides a detailed review of how Community Bank Southern Peninsula has supported our local community over the last 12 months.

The Board centres its community investment around two distinct areas:

- Community Funding via the SmartyGrants platform, where we encourage a diverse array of community groups and organisations (these range from sporting clubs, arts projects and community events to name but a few) to apply for funding across a range of sectors; and
- Specific and targeted funding into those areas that align with our community impact strategy and the pillars we have identified as being of significance, including educational attainment for our young people, food security and the growing and complex issue of housing for the most vulnerable in our local region.

This Report is a reminder of the reach our community funding program continues to demonstrate in the local region. I hope you enjoy reading about the array of events, clubs and initiatives that have been supported by Rye & District Community Financial Services Limited in FY26, and our resounding commitment to *"inspiring a thriving community"*.



Vin Cheers
Chair
Rye & District Community Financial Services Limited



Board Members from L to R: Josh Oppy, Oriana Tessari, Vin Cheers (Chair), Helen Murphy, Craig Dowsing, Sarah Marshall (Company Secretary), Steve Robin and Renee Bowker (Second Chair)

About us



For over 25 years, Rye & District Community Financial Services Limited has been supporting the local Southern Peninsula community. We are a public company governed by a Board of Directors drawn from the local Mornington Peninsula community. The Company has entered into franchise agreements with Bendigo and Adelaide Bank Limited to operate Community Bank branches at Rye, Rosebud, and Dromana, collectively known as Community Bank Southern Peninsula.

Rye & District has over 400 shareholders with approximately 2.9 million ordinary shares on issue and is a certified Social Enterprise, which embodies the ethos of "profit for purpose." To date, the company has returned over \$11 million to local projects, clubs, and organisations via its community funding program.

Vision

To be the bank of choice on the Southern Peninsula

Purpose

To feed into the prosperity of our local Southern Peninsula Community, and not off it

Mission

To focus on building and improving the prospects of our customers, community partners and shareholders, whilst offering an exceptional Community Bank experience.

Support Categories



Emergency and community support



Sport and recreation



Environment and animal welfare



Arts, culture and heritage



Health and wellbeing



Facilities and infrastructure



Education and research

Community Company Manager report



It is with great pleasure that I present the Community Company Manager's report for Rye & District Community Financial Services Limited for the year ending 30 June 2026.

The 2025/26 financial year continued to present a changing and competitive banking environment. Movements in interest rates, cost-of-living pressures and increased competition across both lending and deposits influenced customer behaviour, with customers increasingly conscious of rates, pricing and the value offered by their financial institution.

Despite these challenges, our business remained resilient. Consolidated footings closed at \$793.6 million, a modest reduction of 2.35% for the year. While overall footings reduced during the year, our focus remained firmly on sustainable growth, customer retention, and strengthening relationships across our communities.

Importantly, our customers continue to deepen their relationship with Community Bank Southern Peninsula. We now support 25,433 accounts across 15,393 customers, with account numbers increasing by 877 during the year. This reflects the continued work of our teams to understand our customers' broader banking needs and position Community Bank Southern Peninsula as their main bank.

Throughout the year, our teams remained focused on proactive customer conversations, identifying opportunities across lending and deposits and delivering the personalised service that distinguishes our Community Bank. As customer expectations continue to evolve, we remain committed to combining the convenience of digital banking with the strong local relationships and personal service for which we are known.

These results reflect the hard work and dedication of our staff and managers, the guidance of our Board and the continued support of our community partners. To our customers and shareholders, thank you for your ongoing support of the Community Bank Southern Peninsula model. Every relationship we build and strengthen contributes not only to the success of our business, but to our ability to create meaningful impact within our local communities.

We remain committed to being the best Community Bank we can be — supporting our customers, growing sustainably, and helping to build a stronger and more financially secure Southern Peninsula.

Fiona Somjee
Community Company Manager
Community Bank Southern Peninsula



Senior Management Team from L to R: Karen Okeeffe (Branch Manager Dromana), Renae Dunston (Branch Manager Rosebud), Fiona Somjee (Community Company Manager), Vanessa Curtis (Branch Manager Rye).

Community Bank Southern Peninsula 25 Years of Community Impact

What a remarkable journey it has been! This year, we are absolutely thrilled to celebrate a momentous milestone—our Rye branch turned 25. For a quarter of a century, Rye & District Community Financial Services has stood side-by-side with our local community, proving that where you choose to bank can truly change lives.

Since opening our doors in 2001, our mission has been simple yet powerful: to channel banking profits back into the very streets, clubs, and organisations that make the Southern Peninsula so vibrant. Over the past 25 years, this collective effort has enabled us to return an incredible \$11 million in community contributions to our region.



A Fresh New Look for Our Dromana Branch!

We were thrilled to unveil the newly refurbished Community Bank Dromana branch in December, featuring a fresh, modern look designed to make your banking experience more welcoming than ever.

To mark this exciting milestone, our team celebrated with a community street party. Longtime customer Janet had the special honour of cutting the ribbon alongside her granddaughter and great-granddaughters, officially reopening our doors to the community. With breakfast treats cooked up by the local Lions Club, morning coffee from Ice Cream A'La Copenhagen, and smiles all round, it was a wonderful celebration of what makes community banking so unique.



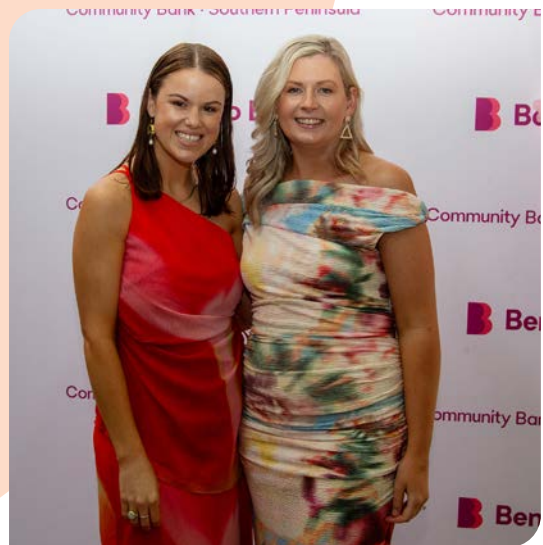
Celebrating Women at 'Her Bloom'

Our commitment to our community goes far beyond banking. In March, we were immensely proud to host 'Her Bloom', a special event dedicated to celebrating the incredible women in our local area, launch season two of the Her Peninsula podcast season and supporting the vital, amazing work of Breast Foot Forward.

While Mother Nature decided to send us a rather rainy day, the weather certainly could not hold us back. If anything, the shared umbrellas and cosy atmosphere only brought us closer together. The day was an absolute triumph, filled with genuine laughs, meaningful connection, and overwhelming support for a cause that touches so many of our lives.

We are honoured to have partnered with Breast Foot Forward, an organisation doing critical work in our community. 'Her Bloom' was not just a celebration, but a true testament to the resilience and generosity of the Southern Peninsula.

We extend our deepest thanks to everyone who braved the rain to join us, share a laugh, and support one another. You proved once again that when our community comes together, we can weather any storm and create a lasting, positive impact.





Welcoming new staff

Community Bank Southern Peninsula is pleased to announce the appointment of Sarah to the Community Bank Rosebud team. A long-standing local resident, Sarah maintains strong ties to the local region through her active involvement in community sporting organisations, including local cricket and football clubs.

Bringing extensive local knowledge and a strong commitment to customer service, Sarah is dedicated to supporting our customers with their everyday banking requirements and fostering positive community outcomes.



Teeing Off for Local Healthcare: Mornington Cup Golf Day

Community Bank Southern Peninsula was thrilled to return for our second year as proud sponsor of the Mornington Cup Golf Day at Devilbend Golf Club.

Thanks to the extraordinary generosity of the playing teams, the event raised over \$7,000 for the Dromana Fundraising Ladies in support of the oncology unit at Rosebud Hospital.

Special thanks go to the Mornington Racing Club, Lions Club, Devilbend staff, and our dedicated community volunteers for making the day such a triumph. It is another wonderful example of local sport driving meaningful healthcare impact across our peninsula.



Connecting with Future Leaders: OFEST at Chisholm Institute

We were delighted to join students and staff at Chisholm Institute's OFEST across both the Frankston and Rosebud campuses.

Branch teams from Rye, Rosebud, and Dromana engaged with students embarking on courses spanning horticulture, childcare, hospitality, education, hairdressing, and electrical trades. Our ever-popular 'guess the lollies in the jar' challenge was a crowd favourite at both events, with a bright electrical apprentice clinching the prize at Rosebud.

We are proud to champion our local education precincts, helping foster career pathways and brighter futures across the Mornington Peninsula.



Better Together

Our senior staff and Board Members attended the Bendigo Bank National Conference in Canberra, where they had a fantastic time.

They had the opportunity to connect with Bendigo community banks from across Australia through workshops, presentations, and social events. It was a busy three days filled with valuable insights and learnings.

CBSP would like to thank Bendigo Bank for the opportunity to attend.



Staff Embrace AI Training to Better Serve Our Community

At Community Bank Southern Peninsula, our commitment to our community drives everything we do. To continue delivering exceptional service in an increasingly fast-paced world, our team recently stepped into the future with an eye-opening artificial intelligence (AI) training session.

Led by Steve from Learn Awesome, the interactive workshop focused on how we can embrace change and use AI to work "smarter, not harder." The hands-on training provided valuable, practical insights into how modern tools can streamline daily workflows and eliminate time-consuming, repetitive administrative tasks.

Crucially, implementing AI isn't about replacing the human touch—it's about amplifying it.

By saving time on backend administration, our team is empowered with more hours to focus on what truly matters: building genuine relationships, having meaningful conversations, and providing dedicated support to our Southern Peninsula customers.

Our staff walked away from the workshop inspired, energised, and ready to tackle new challenges. We extend a huge thank you to Steve for delivering a session that was both enlightening and easy to grasp. By investing in our team's digital skills, we are ensuring that Community Bank Southern Peninsula remains a modern, capable, and deeply connected partner for our local community.



Our Teams Shine at the Regional Awards

We were thrilled to celebrate our teams' outstanding achievements at the Bendigo Bank Mornington Peninsula Regional Awards!

A huge congratulations to Renae and the Rosebud branch team, awarded the region's WINSurance Team of the Year and recognised as finalists for Community Bank of the Year.

We are also immensely proud of Karen, our Dromana Branch Manager, who received the prestigious BEN Values Award for Finding the Right Way. Her diligence, sharp instincts, and care directly protected a customer from harm.



CBSP Community Funding Awards

What an unforgettable evening! Community Bank Southern Peninsula hosted our annual Community Funding Awards night in November, celebrating the incredible passion and dedication that make our region thrive. It was an inspiring, heartwarming occasion that brought our community together under one roof to recognise and reward over 55 local community groups and initiatives receiving vital CBSP funding.

These award nights are deeply rewarding, reminding us why community banking exists: when our customers bank with us, profits are reinvested directly back into grassroots sports, volunteer groups, education, and essential local projects across the Southern Peninsula.

A major highlight of the night was the extraordinary Dreamhouse Theatre Company. Bringing irresistible red-carpet razzle-dazzle to the entrance, their performers set a celebratory tone and treated all our guests like the true stars they are.

To all 55+ funding recipients, thank you for the tireless care and energy you pour into our region every day. You make the Peninsula a wonderful place to live, and we are immensely proud to stand behind your impactful work.



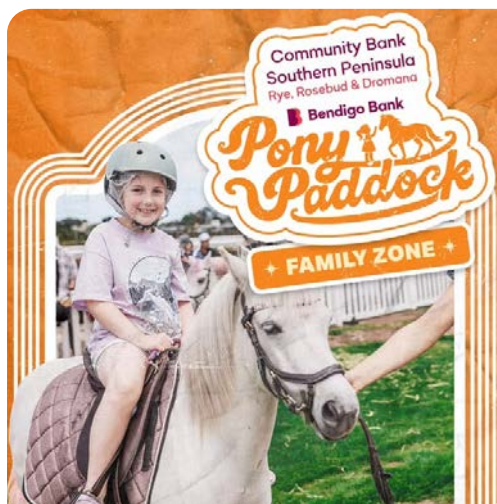
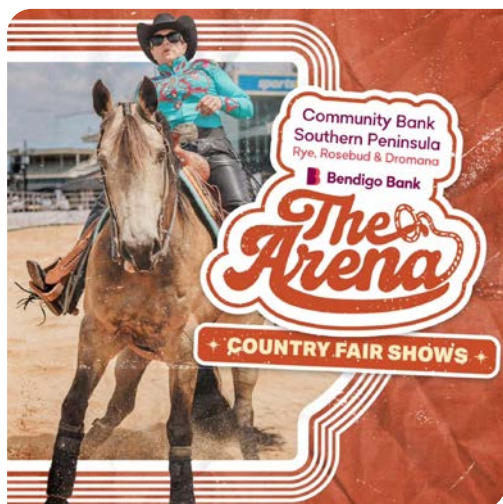
Bringing Country Fair Fun to Local Families

At Community Bank Southern Peninsula, we are proud to invest back into our local families. On Saturday 18 April, we brought this commitment to life by sponsoring the Pony Paddock and Country Fair Arena at the Mornington Cup, creating a vibrant, affordable day out focused purely on family-friendly fun.

To make the day accessible, our Dromana, Rosebud, and Rye branches gave away free General Admission passes to loyal customers. Combined with free entry for children, it was a truly inclusive community event.

The arena was packed with free, country-style activities. Children enjoyed pony rides, face painting, amusement rides, whip-cracking demonstrations, and line dancing lessons. The atmosphere was filled with laughter and relaxed, old-fashioned country charm.

Our wonderful branch staff—Alanna, Caitlyn, and “Sheriff” Paul—were on the ground running a popular “Guess the Lolly” competition. It was the perfect opportunity to chat with locals about our unique Community Banking Model, which redirects banking profits directly back into community initiatives. Fiona was also interviewed by local radio station 3MP, highlighting our community-first vision.





Business Luncheon - Table of Influence: Powering Local Prosperity

At Community Bank Southern Peninsula (Rye, Rosebud, and Dromana), our purpose extends beyond banking to championing local enterprise and community resilience.

This year, our signature business gathering evolved into a premier luncheon at Mornington Racecourse: Table of Influence: Powering Local Prosperity, hosted in proud partnership with Easy Music 3MP.

The event convened local business owners and civic leaders for high-impact discussions with real substance:

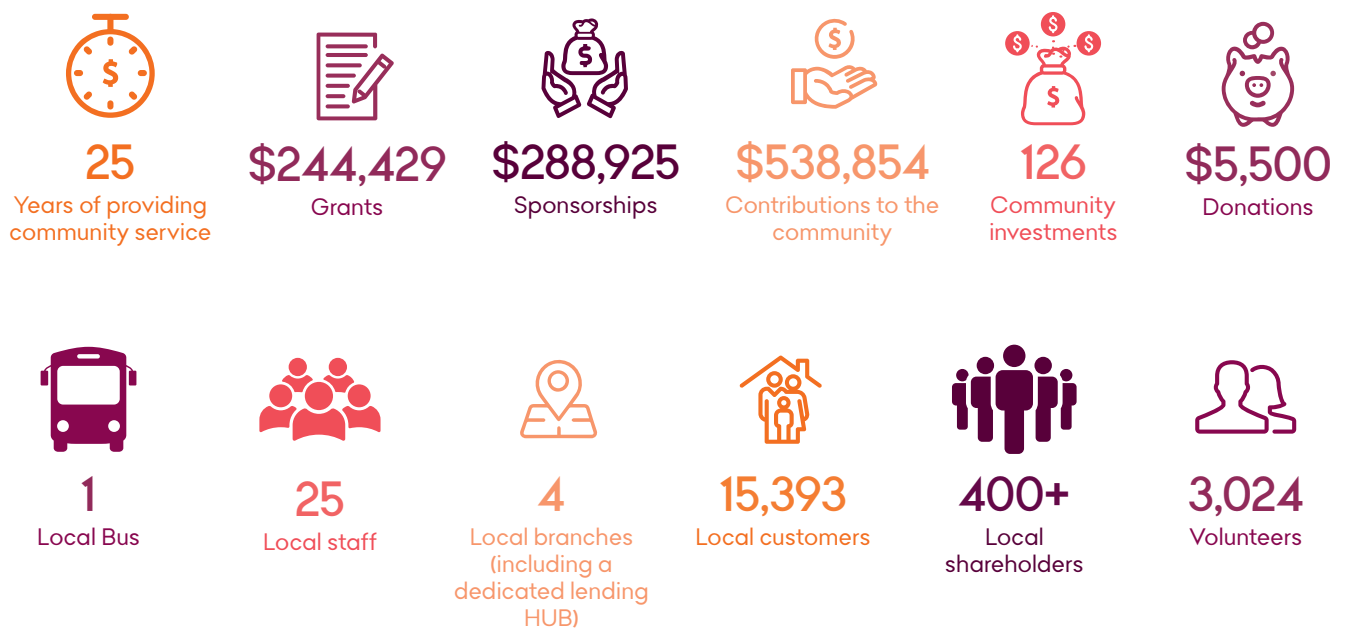
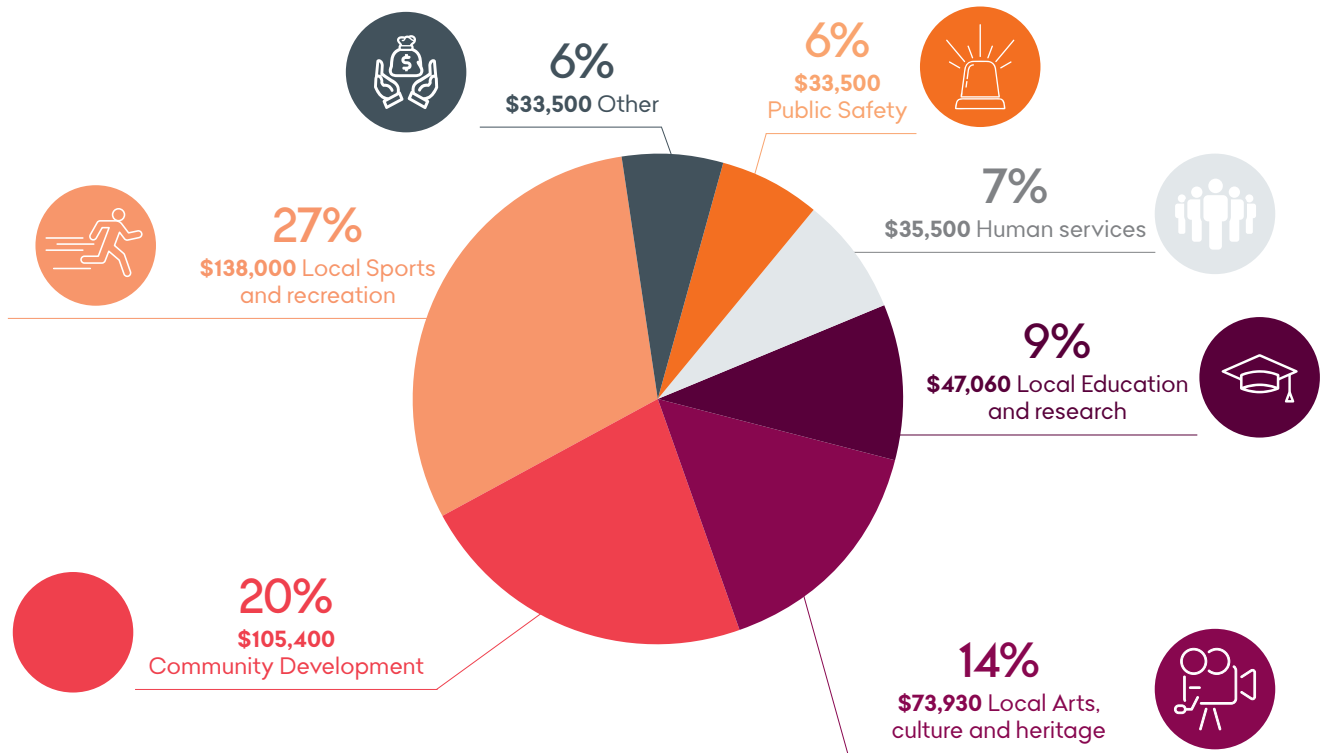
- David Robertson, Chief Economist at Bendigo and Adelaide Bank, decoded interest rates, property movements, and macroeconomic forces facing regional commerce.
- Angela Cleland, CEO of Mornington Peninsula Regional Tourism, outlined key place-based economic drivers and sustainable growth opportunities.
- Rowly Paterson, Chairman and Owner of ACE Radio, shared four decades of insight into regional media and the enduring importance of local connection.

In true Community Bank spirit, commercial leadership was paired directly with local impact. The luncheon raised vital funds for our charity partner, Southern Peninsula Community Support (SPCS), directly aiding their Fresh Food Program to ensure residents doing it tough have dignified access to fresh, nutritious food



The numbers 2025/26

Funding by theme



*Community contribution statistics include distributions made through the Bendigo Bank Community Foundation (BBCF). As BBCF contributions are recognised in the financial statements when paid into the Fund, amounts reported in this Report may differ from the audited financial statements.





Emergency and community support

Our local emergency services are the backbone of the Southern Peninsula, working tirelessly to protect and support our community when it matters most. At Community Bank Southern Peninsula, we are proud to stand behind these dedicated, volunteer-run organisations that keep our families and coastline safe.

Swimming Between the Flags: Supporting Rosebud McCrae SLC

We are proud to support the fantastic team at Rosebud McCrae Life Saving Club.

Following a dedicated rebuilding phase, the club is healthier and more vibrant than ever. With more than 130 enthusiastic Nippers taking to the water, the beach has been buzzing with young locals learning vital water safety, life skills, environmental awareness, and teamwork. The heart of the program is inspiring the next generation of volunteer lifesavers to patrol our Peninsula beaches while having fun and making lifelong friends.

To help keep up with growing demand, CBSP sponsorship contributed directly toward essential new paddle boards and Nipper packs. Keeping our beaches safe starts with empowering our youth, and every local banking transaction helps us invest straight back into vital volunteer organisations like Rosebud McCrae SLC.





Emergency and community support



New Trailer for Southern Peninsula Rescue Squad

We are proud to have sponsored the Southern Peninsula Rescue Squad (SPRS) to purchasing a purpose-built community promotions trailer.

Run entirely by passionate volunteers, the Rescue Squad is an indispensable safety net across our coastal community. To help SPRS engage with locals and visitors, CBSP funding enabled the acquisition of a fully racked and covered trailer designed to transport vital promotional equipment—including marquees, tables, chairs, and educational giveaways.

The new trailer allows the squad to effortlessly set up mobile displays at local shopping centres, school visits, and Emergency Services Days, promoting vital coastal safety awareness wherever they go.

Thank you to the dedicated crew at SPRS for keeping our waters and foreshores safe!





Sport and recreation

Across the Southern Peninsula, weekends are defined by the sound of whistles, the cheer of sidelines, and the boundless energy of local athletes giving their all. Whether it's football, netball, cricket, soccer, basketball, bowls, surf lifesaving, tennis, pickleball, mountain biking or golf, our region boasts an extraordinary variety of sporting pursuits catering to every age and ability.

At Community Bank Southern Peninsula, we couldn't be prouder to stand behind our local clubs—supporting grassroots sports across senior, junior, male, and female competitions throughout Rye, Rosebud, Dromana, and beyond.

More Than Just a Game

While regular exercise offers obvious physical and mental health benefits—building strength, relieving stress, and instilling lifelong habits of resilience—the true magic of grassroots sport runs much deeper.

Local sporting clubs are the civic heartbeat of our townships. They are places of belonging where neighbours become lifelong friends, families find a shared purpose, and newcomers are welcomed with open arms. They offer young people positive role models, mentorship, and a safe, inclusive space to grow in confidence. From the volunteers running the canteen to the coaches, timekeepers, and team managers, sporting clubs create vital support networks that keep our community connected, caring, and resilient through good times and challenging seasons alike.

Empowering Equal Participation

We are especially passionate about fostering inclusive pathways that ensure everyone has an opportunity to participate. By investing in junior programs, welcoming newcomers, and championing the remarkable expansion of women's and girls' sporting codes, we are helping ensure our local clubs reflect the diversity, talent, and enthusiasm of our entire peninsula.



Proudly Supporting Southern Peninsula Little Athletics

Community Bank Southern Peninsula is proud to sponsor the Southern Peninsula Little Athletics Centre! More than just a club, SPLAC brings local families together every Friday night for fitness, friendship, and personal bests.

Our Business Development Manager, Paul Zaltsberg, is hands-on as a volunteer coach and friendly face at the track.



Sport & recreation



Celebrating 50 Golden Years at the Rye Gift

Community Bank Southern Peninsula was proud to take part in this year's milestone Rye Gift, celebrating 50 golden years since its inception in 1975! Captained by our own Vin, the CBSP team joined a buzzing crowd at RJ Rowley Reserve.

From humble grassroots origins to reaching Olympic-class status, the event showcases the power of community collaboration across the six clubs of the Rye Sports and Social Club. A special congratulations to founding member Barry Gillies for an astonishing 50 years of volunteering, and kudos to the organisers for welcoming 80 new competitors to a truly unforgettable celebration!



History in the Making: Ella Hilton Wins Rye Cricket Club's GV Medal

Community Bank Southern Peninsula was delighted to attend Rye Cricket Club's recent sponsors' day, celebrating a fantastic season and witnessing an extraordinary milestone for local sport.

During the end-of-season vote count, Ella Hilton was awarded the prestigious Graeme Vernon Medal (GV Medal) after a standout season with both bat and ball. Demonstrating remarkable versatility as a true all-rounder, Ella made club history by becoming the very first woman to win this coveted accolade.

Coinciding with International Women's Day, Ella's historic win celebrates the talent, dedication, and leadership of women in our sporting community.

Congratulations, Ella, on a well-deserved honour, and kudos to Rye Cricket Club for nurturing such a supportive, inclusive environment!



Environment and animal welfare

Protecting our unique natural environment and local wildlife is vital to our community's health and identity. The Southern Peninsula boasts precious coastal ecosystems and rich biodiversity that require active, dedicated stewardship. By sponsoring local environmental and animal welfare groups, we directly invest in our region's long-term sustainability. Our support empowers passionate volunteers to restore native habitats, protect vulnerable wildlife, and drive community conservation. Together, we are ensuring the natural beauty of the Peninsula is preserved for generations to come.

Riding Forward

Community Bank Southern Peninsula is proud to sponsor the Red Hill Mountain Bike Riders, a passionate group championing outdoor recreation and environmental care across our region.

The club's renowned tracks off Boundary Road in Dromana welcome roughly 12,000 riders every year, offering everything from downhill and enduro to scenic cross-country trails. These networks thrive thanks to dedicated club volunteers working hand-in-hand with Parks Victoria. We are especially delighted to be the adoption sponsor for the challenging Eastlink Trail.

Beyond building world-class riding experiences, we applaud Lachlan and the entire club for their ongoing commitment to native tree planting, weed management, and park preservation through the Arthurs Seat park trail development program. It is a shining example of grassroots community effort continues to enrich our natural playground.



Giving Rescue Dogs a Second Chance: Supporting Mornington Peninsula Dog Rescue

We are delighted to support Mornington Peninsula Dog Rescue and their vital foster care program.

Operating entirely on a volunteer foster-care model without a physical shelter, Mornington Peninsula Dog Rescue provides loving, temporary homes for dogs rescued from pounds, shelters, and owner surrenders across our region. Because the group receives no government or regular council funding, they rely completely on community generosity to fund veterinary assessments, essential treatments, quality nutrition, bedding, harnesses, and training.

By covering 100% of the costs for their dedicated foster carers, this grant ensures vulnerable dogs receive the comprehensive medical care and rehabilitation needed to thrive and transition into permanent, loving families.



Arts, culture and heritage

Championing Creativity: A \$75,000 Boost for Arts, Culture & Heritage

Recognising the profound role arts, culture, and local history play in shaping a connected and vibrant community, the Board of Community Bank Southern Peninsula was thrilled to announce a \$75,000 funding increase dedicated to our Arts, Culture & Heritage category in our September funding round.

At a time when investment in the creative sector is declining across many areas, Community Bank Southern Peninsula is proud to buck the trend and step up our support. We believe that empowering local storytellers, performers, creators, and heritage caretakers is essential to enriching our shared peninsula identity.

Community Spirit Shines at Dromana Celebration

Dromana came alive for the annual community celebration hosted by DADC Inc.

The town was a bustling hub of family fun, featuring sizzling BBQs, rides, face painting, student performances, and demonstrations by our local emergency services. A fantastic turnout gathered to celebrate.

Community Bank Southern Peninsula was proud to join the festivities and extends heartfelt thanks to the volunteers and clubs that made the day possible, while raising vital gold-coin donations for the Victorian Bushfire Relief Fund. A true showcase of community connection!



Arts, culture and heritage



Championing Local Arts and Storytelling

Community Bank Southern Peninsula is exceptionally proud to continue its long-term sponsorship of the Peninsula Film Festival, bringing world-class arts, culture, and creativity to the heart of Rosebud.

This year's festival delivered true cinematic magic under the Silvers Circus Big Top, blending captivating circus entertainment with an outstanding lineup of short films and thought-provoking documentaries. A heartfelt thank-you goes to festival founders Steve and Meg, chief projectionist Mick Russell, and the tireless volunteers and judges who bring this beloved cultural showcase to life.

A standout moment was the on-stage Q&A featuring our Dromana Branch Manager, Karen, alongside Steve. Together, they explored why banking locally truly matters, sharing how everyday banking with Community Bank Southern Peninsula reinvests profits straight back into grassroots initiatives. The discussion illuminated the profound connection between vibrant local arts, mental wellbeing, and thriving regional communities.

Events like the Peninsula Film Festival embody the spirit of our community.

Bringing Local History to Life

We were thrilled to partner with the Forget Me Not Theatre Company as a proud sponsor of their rare, limited-run production, Picture This.

Created by Peninsula-born theatre maker Luce Wirthensohn alongside a talented ensemble of emerging artists, this immersive cine-theatre experience brings to life the rich history and memories surrounding Rosebud's iconic Broadway Theatre. The production serves as an evocative time capsule of the landmark—exploring its silent-era glamour, wartime stories, Bunurong perspectives, and the swinging sixties, all while examining what a local theatre means to a coastal community.

Congratulations to Luce, Nelly, and the entire creative team. By banking locally with CBSP, our customers continue to make vital support for local arts, culture, and heritage possible.





Health and wellbeing

Our commitment to supporting local community organisations that promote the health and wellness of people of all ages, genders, and abilities remains steadfast. We offer financial support to ensure these vital initiatives can continue to thrive.

Dromana Fundraising Ladies – Pink Ladies Day

Few events capture the generous spirit of our community quite like the Dromana Fundraising Ladies - Pink Ladies Day.

Now in their ninth year of fundraising, they have turned high tea, laughter, vibrant pink fashion, and spirited auctions into an unstoppable force for good on the Mornington Peninsula.

This year's gathering raised an extraordinary \$21,000, with every dollar directly funding McGrath Breast Care Nurses across our region and vital patient care initiatives at Rosebud Hospital. Attendees were treated to moving personal reflections from guest speaker Bec (Bec's Unhinged Reviews), alongside fierce community support from local business sponsors and donors.

To organiser Imelda and the dedicated team of volunteers who pour heart and energy into this event year after year: thank you. Your impact touches local families at the moments they need it most.

As we look forward to celebrating their milestone 10th anniversary next year.





Health and wellbeing



Breast Foot Forward - Comfort Project

It is a true story of community supporting community. We were first introduced to Heather and Meagan, co-founders of Breast Foot Forward, while attending a sponsors' day at the Rosebud Football Club. Bonded by their own breast cancer journeys, they turned shared personal hardship into a powerful local movement to ensure nobody walks the path of diagnosis and recovery alone.

Community Bank Southern Peninsula is honoured to sponsor Breast Foot Forward and champion their Comfort Project. The initiative delivers monthly, thoughtfully curated Comfort Hampers to five chemotherapy wards across the Mornington Peninsula. Each hamper is designed to provide gentle, practical care—easing treatment side effects and offering patients moments of warmth, calm, and dignity on their toughest days.

From that initial conversation at the local footy club to seeing hampers delivered into regional wards, this collaboration represents the very heart of community banking. When you choose to bank locally with us, your banking directly empowers compassionate initiatives like Breast Foot Forward, turning local support into meaningful care when our community needs it most.



Facilities and infrastructure

We continue to support our community groups and garden, clubs and schools to provide equipment to improve their facilities and add value to their organisations.



Growing Together: Martha Cove Community Garden

Community Bank Southern Peninsula is proud to sponsor the vibrant Martha Cove Community Garden on Pickings Road, funding new pavilion blinds so over 130 members can gather rain, hail, or shine.

Community gardens do far more than grow fresh produce—they nurture belonging, connection, and wellbeing. Built on reclaimed land by dedicated volunteers, this green oasis brings neighbours together for monthly working bees, pizza nights by the wood-fired oven, and lively "Chat n Chew" lunches.

By banking locally, our customers directly support inclusive community spaces that help friendships bloom. Everyone is welcome to visit, get involved, and grow together!





Facilities and infrastructure



Investing in Our Youth and Community: 1st Red Hill Scout Group

Community Bank Southern Peninsula was delighted to award \$6,843 to the 1st Red Hill Scout Group at our recent Community Funding Awards.

This vital grant funded brand-new tables and chairs to complement the scout hall's newly renovated kitchen. Beyond supporting scouting activities and youth development programs, the upgrade directly benefits our broader community by providing an accessible, welcoming space available for local event hire.

When you bank with our Rye, Rosebud, and Dromana branches, your everyday banking powers meaningful projects like this—building local connections, fostering future leaders, and creating versatile community hubs for generations to come.



Dromana Scarecrow Festival

We were delighted to sponsor and help judge the inaugural Scarecrow Festival hosted by Dromana Community Garden.

Every entry brought incredible creativity, fun, and joy to this magical space. Congratulations to Marion, Lynn, Katie, Charles, the garden club, and all entrants for an unforgettable community celebration!



Education and research

Supporting our schools, kindergartens, educators and support programs is integral to the prosperity of our community.



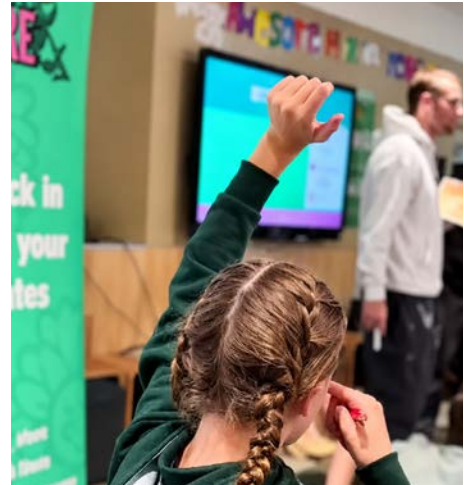
Cultivating Excellence

Our partnership with the Chisholm Institute highlights our commitment to supporting practical skill development and education. By sponsoring Certificate III in Horticulture students, we helped aspiring green-industry professionals transition from the classroom to prestigious public stages.

A major highlight of this partnership was supporting students at the renowned Melbourne International Flower and Garden Show. We are incredibly proud of Chisholm students Jo and Conchi, whose outstanding creative and technical skills earned them a Bronze Medal in the highly competitive Achievable Gardens category.

Delivered at the Rosebud and Cranbourne campuses, this hands-on vocational program equips students with essential skills in plant care and landscaping. To ensure these career pathways remain highly accessible to everyone, the course is offered under the Free TAFE initiative, removing financial barriers for diverse student cohorts.

We look forward to continuing our support for hands-on education, cultivating the next generation of horticultural innovators.



Empowering Young Minds

We believe that investing in our youth goes far beyond traditional academics. That is why we are incredibly proud to sponsor the Speak & Share Primary Program for Year 5 and Year 6 students at Dromana Primary School.

This vital initiative provides local students with opportunities to build emotional awareness, strengthen their communication skills, and develop self-confidence. Through interactive workshops, students learned practical, hands-on strategies to support their mental health and overall wellbeing. In a safe, encouraging, and positive environment, the children were guided to reflect, connect, and look out for one another.

By backing programs like Speak & Share, we are helping to equip the next generation with the emotional resilience and communication tools they need to thrive. Nurturing the wellbeing of our young people is one of the most meaningful ways we can build a healthier, more supportive Southern Peninsula.



Groups supported 2025/26



Emergency Services & Support

Vinnies Kitchen
The Southern Peninsula Food for All Inc
Dromana Community House Inc
Gunnamatta SLSC
Boneo Rural Fire Brigade
Rosebud & McCrae Lifesaving Club
Country Fire Authority – Rosebud Fire Brigade
Main Ridge CFA District 08
Southern Peninsula Community Support Inc
Sorrento Surf Life Saving Club
Southern Peninsula Rescue Squad Inc
Country Fire Authority – Dromana CFA



Sports & Recreation

Main Ridge Cricket Club
Rosebud Tennis Club
Southern Peninsula Pickleball Club Inc.
Dromana Cricket Club Inc
Southern Peninsula Little Athletics Centre
Sorrento Bowls Club
Red Hill Junior Football Club
Mornington Volleyball Club
Rosebud Junior Football Club
Rye Tennis Club
Tootgarook Cricket Club
Rosebud Beach Community Bowls Club Inc
Rye Yacht Club
Red Hill Cricket Club
Rosebud Cricket Club
Rosebud Soccer Club
Sorrento Cricket Club
Boneo Baseball and Softball Club
Main Ridge Tennis Club Inc
Dromana Bowls Club Inc
Main Ridge Bowls and Pétanque Club Inc
Rye Cricket Club
Sorrento Junior Netball Club
Dromana Junior Football Netball Club
Rye Sports & Social Club Inc
Peninsula Strikers Football Club Seniors
Rye Netball Club
Rosebud Football Netball Club
Sorrento Football and Netball Club Inc

Rye Football Netball Club
Dromana Tennis Club
Sorrento Sharks Junior Football Club
Red Hill Football Netball Club
Capel Sound Tootgarook Community Netball Club
Karingal Football Netball Club
Rye Junior Football Club
Rosebud & District Motorcycle Club
Rosebud Heart Junior Soccer Club Inc
Tootgarook Netball Club
Dromana Football Netball Club
Beachcombers Basketball Club
Janice Earth Community (Skate event)



Environment & Animal Welfare

Dromana Foreshore Committee of Management
Southern Peninsula Indigenous Flora and Fauna Association Inc
Mornington Peninsula Dog Rescue Inc
Rosebud Sea Scouts
Repower Mornington Peninsula
Red Hill Riders Mountain Bike Club
The Revivaging Project (auspiced by Living Culture)



Arts, Culture & Heritage

Rotary Club of Dromana
Seaside Community Orchestra Inc.
Dromana Potters Group
Rosebud Rock n Rods Festival
Nepean Camera Club
Mornington Peninsula Theatre Company Inc
Peninsula Chamber Musicians
Rosebud Christmas Carols
Spirit of Sorrento Community Network
Peninsula Writers Club
Forget Me Not Theatre
Dreamhouse Theatre Company
Peninsula Film Festival
Mornington Peninsula Italian Club Inc
Dromana Australia Day Committee
Rosebud Italian Club Inc
Woodworkers of the Southern Peninsula Inc
Southern Peninsula Choir

Sorrento Chamber of Commerce (Sorrento Solstice Festival)

Barnacle Studios Collective
Peninsula Studio Trail Inc
International Cool Climate Wine Show



Health & Wellbeing

Breast Foot Forward
SALT – Sport and Life Training
Safety Beach Dromana Mens Shed
The Portsea Camp
Dromana Valley Probus Club Inc
Mornington Peninsula sub branch National Servicemen's Association
Point Nepean Mens Shed Association



Community Facilities & Infrastructure

Sorrento Visitor Information Centre
Red Hill District Lions Club
Rotary Club of Sorrento
Association for building Community in Dromana
The Scout Association of Australia Victorian Branch
Martha Cove Community Garden
Lions Club of McCrae & District
Tootgarook Seniors Centre
Dromana Community Garden
1st Red Hill Scout Club



Education & Research

Rosebud West Community Hub Inc.
Red Hill Consolidated School
Light Up Autism Foundation
RSVP Education Support
Capel Sound Community Group (auspiced by Capel Sound Community Hub)
Dromana Pre School
Chisholm Institute
Rye Pre School
Peninsula Business Networking
Women in Business Mornington Peninsula & Frankston
Dromana Primary School





Franchisee: Rye and District Community Financial Services Limited
 ABN 67 095 766 895
 239 Point Nepean Road, Dromana 3936
 Phone: 5981 0106
 Email: admin@ryedistrict.com.au

Directors: Vincent Cheers (Chairman), Renee Bowker (Second Chair), Craig Dowsing (Treasurer),
 Steve Robin, Helen Murphy, Josh Oppy, Oriana Tessari
 Company Secretary: Sarah Marshall

Rye & District Community Financial Services Limited proudly acknowledges the Bunurong people of the Kulin Nation and the Aboriginal and Torres Strait Islander peoples as the first peoples of this nation and the traditional custodians of the land where we live, learn and work. We pay our respects to elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Directors' report

For the financial year ended 30 June 2026

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2026.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Vincent de Paul Cheers

Title: Non-executive director

Experience and expertise: Vincent is recently retired post sale of his company Vinsbins Pty Ltd to Cleanaway.

Special responsibilities: Chair, Member of Finance Committee

Renee Christiana Bowker

Title: Non-executive director

Experience and expertise: Chair of the Telco Together Foundation (TTF) (as of December 2024). Founder of Seek and Spark Retreats. Strategic Marketing Executive with over 20 years experience in telecommunications. A passion for creating social impact through collaborative cross-sectoral partnerships.

Special responsibilities: Deputy Chair, Chair of Community Impact & Marketing Committee

Helen Mary Murphy

Title: Non-executive director

Experience and expertise: BSc, MSc (Env Eng), PhD. Over 35 years' experience in the public and private sectors within Australia and internationally. An experienced Non-Executive Director having previously worked on boards within the tertiary education sector and NFP sector as well as those involved in promoting renewable technologies. Currently, Managing Director Helix Environmental, a boutique environmental consultancy based on the Mornington Peninsula.

Special responsibilities: Chair of Human Resources Committee and Member of Audit, Risk & Governance Committee

Stephen De Quetteville Robin

Title: Non-executive director

Experience and expertise: Stephen is an experienced marketing executive with over 30 years in public relations-based positions, including; 12 years PR with Mornington Peninsula Shire and 20 years with an Australia-wide locally based events management company. Stephen has a master's degree in Public Policy.

Special responsibilities: Member of Audit, Risk & Governance Committee, Member of Community Impact & Marketing Committee

Directors' report (continued)

Directors (continued)

Craig Lawrence Dowsing

Title:	Non-executive director
Experience and expertise:	Craig has a Bachelor of Business (Accounting). He has many years of experience in commercial and consumer banking having worked with NAB for over a decade, including several years on the Mornington Peninsula. In more recent times Craig has held leadership roles in accounting, financial management, strategic planning and business development for both private and not-for-profit organisations.
Special responsibilities:	Treasurer, Chair of Finance Committee

Oriana Maria Tessari

Title:	Non-executive director
Experience and expertise:	Oriana has a Bachelor of Commerce and Master of International Business from The University of Melbourne and is a graduate of the Australian Institute of Company Directors. With over 17 years of international financial services experience spanning banking, payments and financial technology, Oriana has functional expertise in partnerships, operations and product leadership.
Special responsibilities:	Chair of Audit, Risk & Governance Committee, Member of Community Impact & Marketing Committee

Joshua James Oppy

Title:	Non-executive director
Experience and expertise:	Josh is a lawyer and holds a Bachelor of Laws (Hons), Bachelor of Commerce and a Graduate Diploma of Legal Practice.
Special responsibilities:	Member of Audit, Risk & Governance Committee

Company secretary

The company secretary is Sarah Marshall. Sarah was appointed to the position of company secretary on 1 December 2016.

Experience and expertise:	Sarah's qualifications include BA/LLB(Hons) from the University of Melbourne. Sarah has a background in corporate and commercial law in city law firms for 8 years. Sarah's special responsibilities include the Community Impact & Marketing Committee and Audit Risk and Governance Committee. Sarah was appointed as a non-executive director of the Frankston Social Enterprise & Innovation Hub on 4 July 2025.
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Principal activity

The principal activity of the company during the financial year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

There have been no significant changes in the nature of this activity during the financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$652,325 (30 June 2025: \$801,775).

The result was primarily attributable to a \$203,966 decrease in the fair value of property, plant and equipment, arising from a valuation decrease in one property. As there was no remaining balance in the asset revaluation reserve for that property, the decrease was recognised through profit or loss.

Directors' report (continued)

Review of operations (continued)

Total comprehensive income for the period was \$499,058, compared to \$801,775 in the prior period. This outcome was further impacted by a loss on revaluation of land and buildings, net of tax, of \$153,267, which was recognised in other comprehensive income.

Excluding the impact of property revaluation movements, the company's underlying operating performance for the period was broadly consistent with expectations, reflecting a reasonable trading result given the company's current economic environment.

Dividends

During the financial year, the following dividends were declared.

	2026 \$	2025 \$
Fully franked dividend of 14 cents per share (2025: 12 cents)	410,425	351,793

Significant changes in the state of affairs

During the year ended 30 June 2026, the following significant matters occurred:

- The company undertook independent valuations of all land and buildings, resulting in net decreases in fair value of \$357,233, comprising \$203,966 recognised in profit or loss and \$153,267 recognised in other comprehensive income, net of tax. Further details are set out in note 12 and note 17.
- The company undertook a refurbishment of its Dromana branch during the period. The cost of the refurbishment was approximately \$345,168. Further information is included in note 12.
- The company renewed its franchise agreement with Bendigo Bank, with the current agreement scheduled to expire in April 2031. Further details are provided in Note 5 and note 13.

There were no other significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

No matter, circumstance or likely development in operations has arisen during or since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Directors' report (continued)

Meetings of directors

The number of directors meetings (including meetings of committees of directors) attended by each of the directors of the company during the financial year were:

	Board		Community Impact & Marketing Committee		Finance Committee		Audit, Risk & Governance Committee		Human Resources Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Vincent de Paul Cheers	11	10	-	-	2	2				
Renee Christiana Bowker	11	8	6	5	2	1	-	-	2	2
Helen Mary Murphy	11	9	-	-	-	-	7	7	2	2
Stephen De Quetteville Robin	11	11	6	6	-	-	7	7	-	-
Craig Lawrence Dowsing	11	9	-	-	2	2	-	-	2	1
Oriana Maria Tessari	11	10	5	4	-	-	7	6	-	-
Joshua James Oppy	11	11	-	-	-	-	7	7	-	-

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 22 and note 23 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Directors' interests

The interest in company shareholdings for each director are:

	Balance at the start of the year	Changes	Balance at the end of the year
Vincent de Paul Cheers	161,500	4,034	165,534
Renee Christiana Bowker	6,600	-	6,600
Helen Mary Murphy	-	-	-
Stephen De Quetteville Robin	1,500	-	1,500
Craig Lawrence Dowsing	42,500	-	42,500
Oriana Maria Tessari	2,400	-	2,400
Joshua James Oppy	-	-	-

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Directors' report (continued)

Indemnity and insurance of directors and officers

The company has indemnified all directors and management in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or management of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Andrew Frewin Stewart) for audit and non-audit services provided during the year are set out in note 24 to the accounts.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

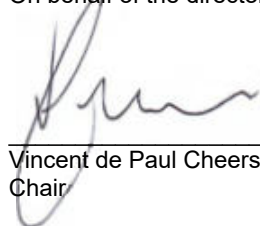
- all non-audit services have been reviewed by the board to ensure they do not impact on the impartiality, integrity and objectivity of the auditor
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Vincent de Paul Cheers
Chair

24 September 2026

Auditor's independence declaration



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
03 5443 0344

Independent auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Rye & District Community Financial Services Limited

As lead auditor for the audit of Rye & District Community Financial Services Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2026

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from contracts with customers	6	5,135,838	5,097,077
Other revenue		10,035	9,956
Finance revenue		59,168	66,082
Total revenue		5,205,041	5,173,115
Employee benefits expense	7	(2,900,228)	(2,623,094)
Advertising and marketing costs		(65,164)	(69,926)
Occupancy and associated costs		(140,472)	(146,346)
System costs		(181,810)	(174,881)
Depreciation and amortisation expense	7	(171,229)	(147,101)
Finance costs		(681)	(1,607)
Loss on disposal of assets		(456)	-
General administration expenses		(203,465)	(190,369)
Net loss on revaluation of property, plant and equipment	12	(203,966)	-
Total expenses before community contributions and income tax expense		(3,867,471)	(3,353,324)
Profit before community contributions and income tax expense		1,337,570	1,819,791
Charitable donations, sponsorships and grants expense	7	(477,439)	(745,970)
Profit before income tax expense		860,131	1,073,821
Income tax expense	8	(207,806)	(272,046)
Profit after income tax expense for the year		652,325	801,775
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Loss on the revaluation of land and buildings, net of tax	17	(153,267)	-
Other comprehensive income for the year, net of tax		(153,267)	-
Total comprehensive income for the year		499,058	801,775
		Cents	Cents
Basic earnings per share	26	22.25	27.35
Diluted earnings per share	26	22.25	27.35

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

Financial statements (continued)

Statement of financial position for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	815,313	786,261
Trade and other receivables	10	441,425	431,818
Investments	11	1,528,305	1,402,407
Current tax assets	8	-	71,064
Total current assets		2,785,043	2,691,550
Non-current assets			
Property, plant and equipment	12	5,653,641	5,832,814
Intangible assets	13	209,105	31,702
Total non-current assets		5,862,746	5,864,516
Total assets		8,647,789	8,556,066
Liabilities			
Current liabilities			
Trade and other payables	14	323,193	264,926
Borrowings		9,968	11,507
Current tax liabilities	8	43,098	-
Employee benefits	15	217,297	187,614
Total current liabilities		593,556	464,047
Non-current liabilities			
Deferred tax liabilities	8	109,284	236,226
Employee benefits	15	47,666	47,143
Total non-current liabilities		156,950	283,369
Total liabilities		750,506	747,416
Net assets		7,897,283	7,808,650
Equity			
Issued capital	16	1,299,400	1,299,400
Reserves	17	856,778	1,010,045
Retained earnings		5,741,105	5,499,205
Total equity		7,897,283	7,808,650

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

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2026

	Note	Issued capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024		1,299,400	1,010,045	5,049,223	7,358,668
Profit after income tax expense		-	-	801,775	801,775
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	801,775	801,775
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	19	-	-	(351,793)	(351,793)
Balance at 30 June 2025		1,299,400	1,010,045	5,499,205	7,808,650

	Note	Issued capital \$	Revaluation reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2025		1,299,400	1,010,045	5,499,205	7,808,650
Profit after income tax expense		-	-	652,325	652,325
Other comprehensive income, net of tax		-	(153,267)	-	(153,267)
Total comprehensive income		-	(153,267)	652,325	499,058
<i>Transactions with owners in their capacity as owners:</i>					
Dividends provided for or paid	19	-	-	(410,425)	(410,425)
Balance at 30 June 2026		1,299,400	856,778	5,741,105	7,897,283

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

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,645,865	5,650,593
Payments to suppliers and employees (inclusive of GST)		(4,390,834)	(4,372,078)
Interest received		60,298	101,809
Interest and other finance costs paid		(681)	(1,607)
Income taxes paid		(169,497)	(504,108)
Net cash provided by operating activities	25	1,145,151	874,609
Cash flows from investing activities			
Redemption of/(investment in) term deposits		(125,898)	607,755
Payments for property, plant and equipment	12	(361,902)	(321,823)
Payments for intangible assets	13	(216,335)	(38,430)
Proceeds from disposal of property, plant and equipment		-	25,455
Net cash provided by/(used in) investing activities		(704,135)	272,957
Cash flows from financing activities			
Dividends paid	19	(410,425)	(351,793)
Repayment of borrowings		(1,539)	(200,456)
Net cash used in financing activities		(411,964)	(552,249)
Net increase in cash and cash equivalents		29,052	595,317
Cash and cash equivalents at the beginning of the financial year		786,261	190,944
Cash and cash equivalents at the end of the financial year	9	815,313	786,261

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

Notes to the financial statements

For the year ended 30 June 2026

Note 1. Reporting entity

The financial statements cover Rye & District Community Financial Services Limited (the company) as an individual entity, which is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 239 Point Nepean Road, Dromana VIC 3936.

A description of the nature of the company's operations and its principal activity is included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation and statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis and are presented in Australian dollars, which is the company's functional and presentation currency.

The directors have a reasonable expectation that the company has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2026. The directors have the power to amend and reissue the financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The company has assessed and concluded there are no material impacts.

Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2026. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 (effective for annual reporting periods beginning on or after 1 January 2027) will replace AASB 101 Presentation of Financial Statements. Early adoption is permitted.

The new standard does not change how amounts are recognised or measured. However, it will change how information is presented and disclosed in the financial statements. This includes a revised structure for the statement of profit or loss and other comprehensive income, new subtotals, and additional disclosures for certain performance measures.

The company intends to adopt the standard from 1 July 2027. The impact is expected to be limited to changes in presentation and disclosure.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Notes to the financial statements (continued)

Note 3. Material accounting policy information (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that it believes to be reasonable under the circumstances. Differences between the accounting judgements and estimates and actual results and outcomes are accounted for in future reporting periods. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgements

Timing of revenue recognition associated with trail commission

The company receives trailing commission from Bendigo Bank for products and services sold. Ongoing trailing commission payments are recognised on a monthly basis when earned as there is insufficient detail readily available to estimate the most likely amount of revenue without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission revenue is outside the control of the company.

Allowance for expected credit losses on trade and other receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Notes to the financial statements (continued)

Note 4. Critical accounting judgements, estimates and assumptions (continued)

The company has not recognised an allowance for expected credit losses in relation to trade and other receivables for the following reasons:

- The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.
- The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit. The directors are not aware of any such non-compliance at balance date.
- The company has reviewed credit ratings provided by Standard & Poors, Moody's and Fitch Ratings to determine the level of credit exposure to the company.
- The company has not experienced any instances of default in relation to receivables owed to the company from Bendigo Bank.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are based on the quoted market price at the close of business at the end of the reporting period
- Level 2: inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market
- Level 3: unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets

The company assesses impairment of non-financial asset at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. The directors did not identify any impairment indications during the financial year.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Estimates and assumptions

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives or assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with long service leave legislation.

In the absence of sufficient historical employee attrition rates, the company applies a benchmark probability rate from across the Community Bank network to factor in estimating the probability of an employee, at a given date, achieving continuous employment to be eligible for entitlement in accordance with legislation.

Notes to the financial statements (continued)

Note 5. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of income under the franchise agreement with Bendigo Bank. The directors have no reason to believe a new franchise arrangement under mutually acceptable terms will not be forthcoming following expiry in April 2031.

The company operates as a franchise of Bendigo Bank, using the name "Bendigo Bank" and the logo and system of operations of Bendigo Bank. The company manages the Community Bank on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank are effectively conducted between the customers and Bendigo Bank.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The company promotes and sells the products and services, but is not a party to the transaction.

The credit risk (i.e. the risk that a customer will not make repayments) is for Bendigo Bank to bear as long as the company has complied with the appropriate procedures and relevant obligations and has not exercised a discretion in granting or extending credit.

Bendigo Bank provides significant assistance in establishing and maintaining the Community Bank franchise operations. It also continues to provide ongoing management and operational support and other assistance and guidance in relation to all aspects of the franchise operation, including advice and assistance in relation to:

- the design, layout and fit out of the Community Bank premises
- training for the branch manager and other employees in banking, management systems and interface protocol
- methods and procedures for the sale of products and provision of services
- security and cash logistic controls
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs
- sales techniques and proper customer relations
- providing payroll services.

Note 6. Revenue from contracts with customers

	2026 \$	2025 \$
Margin income	4,681,318	4,606,036
Fee income	185,121	226,769
Commission income	269,399	264,272
	5,135,838	5,097,077

Accounting policy for revenue from contracts with customers

The company has entered into a franchise agreement with Bendigo Bank. The company delivers banking and financial services of Bendigo Bank to its community. The franchise agreement provides for a share of interest, fee, and commission revenue earned by the company. Interest margin share is based on a funds transfer pricing methodology which recognises that income is derived from deposits held, and that loans granted incur a funding cost. Fees are based on the company's current fee schedule and commissions are based on the agreements in place. All margin revenue is recorded as non-interest income when the company's right to receive the payment is established.

The company acts as an agent under the franchise agreement and revenue arises from the rendering of services through its franchise agreement.

Notes to the financial statements (continued)

Note 6. Revenue from contracts with customers (continued)

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement, as follows:

Revenue stream	Includes	Performance obligation	Timing of recognition
Franchise agreement profit share	Margin, commission, and fee income	When the company satisfies its obligation to arrange for the services to be provided to the customer by the supplier (Bendigo Bank as franchisor).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days after the end of each month.

All revenue is stated net of the amount of GST. There was no revenue from contracts with customers recognised over time during the financial year.

Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the company which are margin, commission and fee income. Bendigo Bank decides the form of revenue the company earns on different types of products and services. The revenue earned by the company is dependent on the business that it generates, interest rates and funds transfer pricing and other factors, such as economic and local conditions.

Margin income

Margin income on core banking products is arrived at through the following calculation:

	Interest paid by customers on loans less interest paid to customers on deposits
plus:	any deposit returns i.e. interest return applied by Bendigo Bank for a deposit
minus:	any costs of funds i.e. interest applied by Bendigo Bank to fund a loan.

The company is entitled to a share of the margin earned by Bendigo Bank. If this reflects a loss, the company incurs a share of that loss.

Commission income

Commission income is generated from the sale of products and services. This commission is recognised at a point in time which reflects when the company has fulfilled its performance obligation. Refer to Note 4 for further information regarding key judgements applied by the directors in relation to the timing of revenue recognition from trail commission.

Fee income

Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank including fees for loan applications and account transactions.

Core banking products

Bendigo Bank has identified some products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Ability to change financial return

Under the franchise agreement, Bendigo Bank may change the form and amount of financial return the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo Bank earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service.

Bendigo Bank must not reduce the margin and commission the company receives on core banking products and services to less than 50% (on an aggregate basis) of Bendigo Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo Bank may make.

Notes to the financial statements (continued)

Note 7. Expenses

Employee benefits expense

	2026 \$	2025 \$
Wages and salaries	2,381,819	2,141,653
Non-cash benefits	6,419	9,288
Superannuation contributions	333,245	298,835
Expenses related to long service leave	11,639	5,244
Payroll tax	73,453	65,299
Other expenses	93,653	102,775
	2,900,228	2,623,094

Depreciation and amortisation expense

	2026 \$	2025 \$
<i>Depreciation of non-current assets</i>		
Buildings	79,675	61,038
Furniture and fittings	37,048	32,517
Motor vehicles	15,574	15,483
	132,297	109,038
<i>Amortisation of intangible assets</i>		
Franchise fee	6,488	6,343
Franchise renewal fee	32,444	31,720
	38,932	38,063
	171,229	147,101

Charitable donations, sponsorships and grants

	2026 \$	2025 \$
Direct donation, sponsorship and grant payments	477,439	495,970
Contribution to the Community Enterprise Foundation™	-	250,000
	477,439	745,970

The overarching philosophy of the Community Bank model is to support the local community in which the company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations, sponsorships and grants).

The funds contributed to and held by the Community Enterprise Foundation™ (CEF) are available for distribution as grants to eligible applicants for a specific purpose in consultation with the directors.

When the company pays a contribution into the CEF, the company loses control over the funds at that point. While the directors are involved in the payment of grants, the funds are not refundable to the company.

Notes to the financial statements (continued)

Note 8. Income tax

	2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	283,659	285,953
Movement in deferred tax	(126,942)	(13,907)
Deferred tax on revaluation decrement	51,089	-
Aggregate income tax expense	207,806	272,046
<i>Prima facie income tax reconciliation</i>		
Profit before income tax expense	860,131	1,073,821
Tax at the statutory tax rate of 25%	215,033	268,455
Tax effect of:		
Non-deductible expenses	51,650	1,148
Current year temporary differences not recognised	-	2,443
Movement in deferred tax, excluding revaluation tax recognised in OCI	(58,877)	-
Income tax expense	207,806	272,046

	2026 \$	2025 \$
<i>Deferred tax liabilities/(assets)</i>		
Prepayments	3,895	3,673
Superannuation payable	-	(77)
Income accruals	4,557	4,839
Property, plant and equipment revaluations	289,908	409,316
Employee benefits	(66,241)	(58,690)
Accrued expenses	(8)	(8)
Carried-forward capital losses	(122,827)	(122,827)
Deferred tax liability	109,284	236,226

	2026 \$	2025 \$
Income tax refund due	-	71,064

	2026 \$	2025 \$
Provision for income tax	43,098	-

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Accounting policy for current tax

Current tax assets and liabilities are measured at amounts expected to be recovered from or paid to the taxation authorities. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements (continued)

Note 8. Income tax (continued)

Accounting policy for deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Note 9. Cash and cash equivalents

	2026 \$	2025 \$
Cash on hand	605	670
Cash at bank	814,708	785,591
	815,313	786,261

Note 10. Trade and other receivables

	2026 \$	2025 \$
Trade receivables	407,617	393,022
Other receivables	-	4,746
Accrued income	18,227	19,357
Prepayments	15,581	14,693
	33,808	38,796
	441,425	431,818

	2026 \$	2025 \$
<i>Financial assets at amortised cost classified as trade and other receivables</i>		
Total trade and other receivables	441,425	431,818
Less prepayments, included in trade and other receivables	(15,581)	(14,693)
	425,844	417,125

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The company's trade receivables are limited to the monthly profit share distribution from Bendigo Bank, which is received 10 business days post month end.

Note 11. Investments

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	1,528,305	1,402,407

Notes to the financial statements (continued)

Note 12. Property, plant and equipment

	2026 \$	2025 \$
Land - at fair value	2,135,000	3,282,154
Buildings - at fair value	3,312,973	2,312,553
Less: Accumulated depreciation	(69,498)	(184,551)
	3,243,475	2,128,002
Furniture and fittings - at cost	470,611	579,686
Less: Accumulated depreciation	(255,484)	(222,397)
	215,127	357,289
Motor vehicles - at cost	84,259	84,259
Less: Accumulated depreciation	(37,538)	(21,964)
	46,721	62,295
Works in progress	13,318	3,074
	5,653,641	5,832,814

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Land \$	Buildings \$	Furniture and fittings \$	Motor vehicles \$	Works in progress \$	Total \$
Balance at 1 July 2024	3,282,154	2,189,040	130,404	31,526	2,404	5,635,528
Additions	-	-	265,160	55,163	1,500	321,823
Disposals	-	-	(6,588)	(8,911)	-	(15,499)
Transfers in/(out)	-	-	830	-	(830)	-
Depreciation	-	(61,038)	(32,517)	(15,483)	-	(109,038)
Balance at 30 June 2025	3,282,154	2,128,002	357,289	62,295	3,074	5,832,814
Additions	-	266,483	78,685	-	16,734	361,902
Disposals	-	(456)	-	-	-	(456)
Revaluation	(1,147,154)	738,832	-	-	-	(408,322)
Transfers in/(out)	-	190,289	(183,799)	-	(6,490)	-
Depreciation	-	(79,675)	(37,048)	(15,574)	-	(132,297)
Balance at 30 June 2026	2,135,000	3,243,475	215,127	46,721	13,318	5,653,641

Additions

During the financial year the company completed a refurbishment for the Dromana branch.

Revaluations

The fair value of land and buildings was determined by external, independent property valuers, having recognised professional qualifications and recent experience in the location and category of the property being valued. The company's properties were independently valued effective 4 September 2025 by Knight Frank Valuation & Advisory Victoria. Independent valuers provide the fair value of the company's property portfolio every 3 to 5 years.

The independent valuations undertaken during the period resulted in an overall decrease in the fair value of land and buildings. In accordance with AASB 116 Property, Plant and Equipment, revaluation decreases are recognised in other comprehensive income to the extent of any existing revaluation reserve balance for the relevant property, with any excess recognised in profit or loss.

Notes to the financial statements (continued)

Note 12. Property, plant and equipment (continued)

During the period:

- a net revaluation loss of \$408,322 was recognised following independent valuations of the company's land and buildings; and
- \$203,966 of the loss was recognised in profit or loss, with the remaining movement recognised through other comprehensive income, resulting in a decrease in the asset revaluation reserve of \$153,267 after the related deferred tax adjustment of \$51,089.

Further information on movements in the asset revaluation reserve is disclosed in Note 17.

Accounting policy for property, plant and equipment

Property, plant and equipment are measured at cost or fair value as applicable, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value and straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Buildings	40 years
Furniture and fittings	2 to 40 years
Motor vehicles	4 years

Land is not depreciated. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Change in accounting estimate - apportionment between land and buildings

Independent property valuations obtained by the company provide a single fair value for each property and do not separately identify the value of land and buildings. As land is not depreciated and buildings are depreciated, management is required to apply judgement to apportion the total fair value between these asset classes.

During the year ended 30 June 2026, management refined the approach used to apportion property fair values between land and buildings, having regard to available property-specific information. The refinement resulted in a reallocation between land and building values compared to prior periods.

The change represents a refinement of an accounting estimate and has been applied prospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The change did not affect the total fair value of the company's properties, equity, or cash flows.

Note 13. Intangible assets

	2026 \$	2025 \$
Franchise fee	234,996	198,941
Less: Accumulated amortisation	(200,146)	(193,658)
	34,850	5,283
Franchise renewal fee	573,806	393,526
Less: Accumulated amortisation	(399,551)	(367,107)
	174,255	26,419
	209,105	31,702

Notes to the financial statements (continued)

Note 13. Intangible assets (continued)

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Franchise fee \$	Franchise renewal fee \$	Total \$
Balance at 1 July 2024	11,626	58,139	69,765
Amortisation expense	(6,343)	(31,720)	(38,063)
Balance at 30 June 2025	5,283	26,419	31,702
Additions	36,055	180,280	216,335
Amortisation expense	(6,488)	(32,444)	(38,932)
Balance at 30 June 2026	34,850	174,255	209,105

Additions

During the financial year the company renewed the franchise fee for an additional 5 years, for all branches. This is to be amortised over 5 years to April 2031.

Accounting policy for intangible assets

Intangible assets of the company relate to the franchise fees paid to Bendigo Bank which conveys the right to operate the Community Bank franchise.

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The franchise fees paid by the company are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

The estimated useful life and amortisation method for the current and comparative periods are as follows:

Asset class	Method	Useful life	Expiry/renewal date
Franchise fee	Straight-line	Over the franchise term (5 years)	April 2031
Franchise renewal fee	Straight-line	Over the franchise term (5 years)	April 2031

Amortisation methods, useful life, and residual values are reviewed and adjusted, if appropriate, at each reporting date.

Note 14. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	27,523	34,749
Other payables and accruals	295,670	230,177
	323,193	264,926

	2026 \$	2025 \$
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Total trade and other payables	323,193	264,926
Less statutory payables, included in trade and other payables	(156,998)	(107,982)
	166,195	156,944

Notes to the financial statements (continued)

Note 15. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	108,867	90,300
Long service leave	108,430	97,314
	217,297	187,614
<i>Non-current liabilities</i>		
Long service leave	47,666	47,143
	264,963	234,757

Accounting policy for short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-vesting sick leave is expensed when the leave is taken and is measured at the rates paid or payable.

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note- 16. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	1,340,732	1,340,732	1,340,732	1,340,732
Bonus shares - fully paid (3:1)	1,590,873	1,590,873	-	-
Less: Equity raising costs	-	-	(41,332)	(41,332)
	2,931,605	2,931,605	1,299,400	1,299,400

Accounting policy for issued capital

Ordinary shares are recognised at the fair value of the consideration received by the company being \$1 per share. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Rights attached to issued capital

Ordinary shares

Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Community Bank branch have the same ability to influence the operation of the company.

Notes to the financial statements (continued)

Note- 16. Issued capital (continued)

Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the *Corporations Act 2001*.

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the "base number test"). The base number is 270. As at the date of this report, the company had 439 shareholders (2025: 447 shareholders).

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and their associates) has a prohibited shareholding interest in are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

Note 17. Reserves

	2026 \$	2025 \$
Revaluation reserve	856,778	1,010,045

Revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

	Revaluation reserve \$
Balance at 1 July 2024	1,010,045
Balance at 30 June 2025	1,010,045
Revaluation - gross	(204,356)
Deferred tax	51,089
Balance at 30 June 2026	856,778

Notes to the financial statements (continued)

Note 18. Capital management

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board monitor the return on capital and the level of distributions to shareholders. Capital is represented by total equity as recorded in the statement of financial position.

In accordance with the franchise agreement, in any 12 month period the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- 20% of the profit or funds of the company otherwise available for distribution to shareholders in that 12 month period; and
- subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the company over that 12 month period where the relevant rate of return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the financial year can be seen in the statement of profit or loss and other comprehensive income.

There were no changes in the company's approach to capital management during the year.

Note 19. Dividends

Dividends provided for and paid during the period

The following dividends were provided for and paid to shareholders during the financial year as presented in the Statement of changes in equity and Statement of cash flows.

	2026 \$	2025 \$
Fully franked dividend of 14 cents per share (2025: 12 cents)	410,425	351,793

Accounting policy for dividends

Dividends are recognised when declared during the financial year.

Franking credits

	2026 \$	2025 \$
Franking account balance at the beginning of the financial year	2,342,518	1,955,674
Franking credits (debits) arising from income taxes paid (refunded)	169,497	504,108
Franking debits from the payment of franked distributions	(136,808)	(117,264)
	2,375,207	2,342,518
<i>Franking transactions that will arise subsequent to the financial year end:</i>		
Balance at the end of the financial year	2,375,207	2,342,518
Franking credits (debits) that will arise from payment (refund) of income tax	43,098	(71,064)
Franking credits available for future reporting periods	2,418,305	2,271,454

The ability to utilise franking credits is dependent upon the company's ability to declare dividends. The tax rate at which future dividends will be franked is 25%.

Note 20. Financial risk management

The company's financial instruments include trade receivables and payables, cash and cash equivalents, investments and borrowings. The company does not have any derivatives.

The directors are responsible for monitoring and managing the financial risk exposure of the company, to which end it monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority.

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

The directors have identified that the only significant financial risk exposures of the company are liquidity and market (price) risk. Other financial risks are not significant to the company due to the following factors:

- The company has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars.
- The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo Bank. The company monitors credit worthiness through review of credit ratings, Bendigo Bank is rated A- on Standard & Poor's credit ratings.
- The company has no direct exposure to movements in commodity prices.
- The company's interest-bearing instruments are held at amortised cost which have fair values that approximate their carrying value since all cash and payables have maturity dates within 12 months.

Further details regarding the categories of financial instruments held by the company that hold such exposure are detailed below.

	2026 \$	2025 \$
Financial assets at amortised cost		
Cash and cash equivalents (note 9)	815,313	786,261
Trade and other receivables excluding prepayments (note 10)	425,844	417,125
Investments (note 11)	1,528,305	1,402,407
	2,769,462	2,605,793
Financial liabilities		
Trade and other payables (note 14)	166,195	156,944
Bank loans	9,968	11,507
	176,163	168,451

Accounting policy for financial instruments

Financial assets

Classification

The company classifies its financial assets at amortised cost.

Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

The company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in term deposits.

Derecognition

A financial asset is derecognised when the company's contractual right to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment of trade and other receivables

Impairment of trade receivables is determined using the simplified approach which uses an estimation of lifetime expected credit losses. The company has not recognised an allowance for expected credit losses in relation to trade and other receivables. Refer to note 4 for further information.

Financial liabilities

Classification

The company classifies its financial liabilities at amortised cost.

Derecognition

A financial liability is derecognised when it is extinguished, cancelled or expires.

Notes to the financial statements (continued)

Note 20. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates, and equity prices - will affect the company's income or the value of its holdings in financial instruments.

Interest-bearing assets and liabilities are held with Bendigo Bank and earnings on these are subject to movements in market interest rates. The company held cash and cash equivalents of \$815,313 and term deposits of \$1,528,305 at 30 June 2026 (2025: \$786,261 and \$1,402,407).

Price risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

As at the reporting date, the company had the following variable rate borrowings outstanding:

	2026		2025	
	Nominal interest rate %	Balance \$	Nominal interest rate %	Balance \$
Bank loans	6.96%	9,968	6.32%	11,507
Net exposure to cash flow interest rate risk		9,968		11,507

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the company's remaining contractual maturities of financial liabilities. The contractual cash flow amounts are gross and undiscounted and therefore may differ from their carrying amount in the statement of financial position.

2026	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives				
Bank loans	9,968	-	-	9,968
Trade and other payables	166,195	-	-	166,195
Total non-derivatives	176,163	-	-	176,163

2025	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives				
Bank loans	11,507	-	-	11,507
Trade and other payables	156,944	-	-	156,944
Total non-derivatives	168,451	-	-	168,451

Notes to the financial statements (continued)

Note 21. Fair value measurement

2026	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Land and buildings	-	5,378,475	-	5,378,475
Total assets	-	5,378,475	-	5,378,475

2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Land and buildings	-	5,410,156	-	5,410,156
Total assets	-	5,410,156	-	5,410,156

There were no transfers between levels during the financial year.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 22. Key management personnel disclosures

The following persons were directors of Rye & District Community Financial Services Limited during the financial year and/or up to the date of signing of these financial statements.

Vincent de Paul Cheers	Craig Lawrence Dowsing
Renee Christiana Bowker	Oriana Maria Tessari
Helen Mary Murphy	Joshua James Oppy
Stephen De Quetteville Robin	

Compensation

Key management personnel compensation comprised the following.

	2026 \$	2025 \$
Short-term employee benefits	64,000	59,000
Post-employment benefits	30,080	41,840
	94,080	100,840

Compensation of the company's key management personnel includes salaries and contributions to a post-employment superannuation fund.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Notes to the financial statements (continued)

Note 23. Related party transactions (continued)

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

The company had no related party transactions during the financial year.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2026 \$	2025 \$
<i>Audit services</i>		
Audit or review of the financial statements	13,976	11,250
<i>Other services</i>		
General advisory services	2,640	1,795
	16,616	13,045

Note 25. Reconciliation of profit after income tax to net cash provided by operating activities

	2026 \$	2025 \$
Profit after income tax expense for the year	652,325	801,775
Adjustments for:		
Depreciation and amortisation	171,229	147,101
Net loss/(gain) on disposal of non-current assets	456	(9,956)
Net fair value loss/(gain) on property, plant and equipment	203,966	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(9,607)	81,841
Decrease/(increase) in current tax assets	71,064	(71,064)
Decrease in deferred tax assets	51,089	-
Increase in trade and other payables	58,267	73,221
Increase/(decrease) in current tax liabilities	43,098	(147,092)
Decrease in deferred tax liabilities	(126,942)	(13,907)
Increase in employee benefits	30,206	12,690
Net cash provided by operating activities	1,145,151	874,609

Notes to the financial statements (continued)

Note 26. Earnings per share

	2026 \$	2025 \$
Profit after income tax	652,325	801,775

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,931,605	2,931,605
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,931,605	2,931,605

	Cents	Cents
Basic earnings per share	22.25	27.35
Diluted earnings per share	22.25	27.35

Accounting policy for earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to the owners of Rye & District Community Financial Services Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Note 27. Commitments

The company has no commitments contracted for which would be provided for in future reporting periods.

Note 28. Contingencies

There were no contingent liabilities or contingent assets at the date of this report.

Note 29. Events after the reporting period

On 18 August 2026, APRA imposed licence conditions on Bendigo Bank relating to its non-financial risk management framework. Bendigo Bank subsequently announced a multi-year rectification program in response to those conditions.

Whilst neither APRA's announcement nor Bendigo Bank's public announcement specifically refer to Community Bank companies, the directors acknowledge that remediation and review activities may extend across BEN's broader branch network, which may include Community Bank branches. At the date of this report, the outcome of those activities, and any resulting impacts on the company, if any, are not known and cannot presently be determined.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

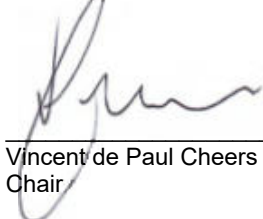
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Vincent de Paul Cheers
Chair

24 September 2026

Independent audit report



Andrew Frerwin Stewart
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ABN: 65 684 804 390
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03 5443 0344

Independent auditor's report to the members of Rye & District Community Financial Services Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion, the accompanying financial report of Rye & District Community Financial Services Limited (the company), is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2026 and of its financial performance for the year ended on that date, and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

We have audited the financial report of the company, which comprises:

- the Statement of financial position as at 30 June 2026
- the Statement of profit or loss and other comprehensive income for the year ended 30 June 2026
- the Statement of changes in equity for the year ended 30 June 2026
- the Statement of cash flows for the year ended 30 June 2026
- the notes to the financial statements, including material accounting policies, and
- the Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the remaining information included in the company's Annual Report for the year ended 30 June 2026, which is expected to be made available to us after the date of this auditor's report. The other information does not include the financial report and our auditor's report thereon.



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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 during the audit, or otherwise appears to be materially misstated.

At the date of this auditor's report, we have received and read the Directors' Report and have not identified any material inconsistency between that information and the financial report or our knowledge obtained during the audit.

The remaining other information included in the Annual Report is expected to be made available to us after the date of this auditor's report. When we read that information, if we conclude that there is a material misstatement therein, we are required to take appropriate action in accordance with the Australian Auditing Standards.

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 for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo, Vic, 3550
Dated: 24 September 2026

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

Lachlan Tatt
Lead Auditor

Reflect Reconciliation Action Plan

As a way to commemorate the launch of the Bendigo and Adelaide Bank's inaugural Reflect Reconciliation Action Plan 2023, they engaged with Yorta Yorta and Dja Dja Wurrung artist and educator, Troy Firebrace, to create a piece of art that symbolised the importance of and the start of the Bank's journey towards reconciliation.

This Reconciliation Action Plan will support the Bank in understanding, exploring and measuring, where and how we can have the most meaningful impact, and lay firm foundations for Reconciliation across the Group in the years to come.

Learn more about the Reconciliation Action Plan and learn more about the artwork [here](#)



Artist: Troy Firebrace
Country: Yorta Yorta and Dja Dja Wurrung
Year Created: 2023



THE ARTIST

Troy Firebrace is a proud Yorta Yorta and Dja Dja Wurrung artist and educator. Born in Shepparton, Troy was always drawn to art and painting at school, but an absence of Aboriginal history and education in his schooling lead him on a path to becoming an educator too. Troy has a Bachelor in Creative Arts, Major in Fine Arts and a Masters of Teaching Secondary. He has exhibited at Kaiela Arts Shepparton, Dudley House Bendigo and Melbourne Museum. Troy lives in Bendigo with his family.

Official artist statement

The artwork focuses on three elements of Bendigo and Adelaide Bank. Community, Impact and Journey.

As an Aboriginal person, it's my interpretation of the Bank's ambitions and commitments, and feeling the truth in their words, which has let me step forward with trust in my creation.

Community is the connection the Bank is forming by learning about community and country. Ensuring the Bank's choices align with the beliefs, ambitions and respect of the community in which the Bank embeds itself. An authentic connection.

Impact is the result of the good, honest work the Bank strives for. The importance of relationships and quality service not only creates an open dialogue with the community, but also has a positive impact on the sustainability of the places they serve. The commitment of honest change for better impact.

Journey is the path of collective learning as a whole community. There is no one side benefiting from the other. The direction of the pathway is open to the whole community and that leads to prosperity. The truest form of partnership.

The Bank's ambitions are not solely of profit or just talk of finance. They are the model in which real communities are formed; where a simple "hello" becomes "how are you?" A question of investment in someone's life, free from creed, race or status. A question grounded in country.

Community Bank - Southern Peninsula

Community Bank - Rye & District

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Email: ryemailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/rye

Community Bank - Rosebud

1087 Point Nepean Road, Rosebud VIC 3939

Phone: 03 5982 0499

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Web: bendigobank.com.au/rosebud

Community Bank - Dromana

239 Point Nepean, Dromana VIC 3936

Phone: 03 5981 0106

Email: dromanamailbox@bendigoadelaide.com.au

Web: bendigobank.com.au/dromana

Franchisee: Rye & District Community Financial Services Limited

ABN: 67 095 766 895

239 Point Nepean Road, Dromana VIC 3936

Phone: 03 5981 0106

Email: admin@ryedistrict.com.au

Share Registry: RSD Registry

PO Box 30, Bendigo VIC 3552

Phone: 03 5445 4222 Fax: 03 5444 4344

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