



Portarlington & Drysdale **Community Bank®** branches Newsletter June 2012

Manager's report



We are nearly there!!!

Portarlington & Drysdale **Community Bank®** branches combined have almost reached total business of \$200 million with hopefully the next newsletter confirming the figure has been achieved. This will be a huge achievement and going forward will enable Portarlington & Drysdale **Community Bank®** branches to continue to deliver good things in this area.

In the first quarter of 2012, I have seen the Board and branch staff working hard on growth and a number of important initiatives. While one major initiative is yet to be formally announced, another was the donation of a defibrillator to Clifton Springs Men's Shed. This is the fourth defibrillator donated to this area by Portarlington & Drysdale **Community Bank®** branches and the package supplied includes training for up to 30 people which will also benefit the community overall.

For the year ending 31 March 2012 the total business of both sites was \$196.76 million with overall growth so far this financial year of \$10.42 million. While not the same level as this time last year, growth in the banking industry with lending and deposits is much more difficult. Growth in deposits remains strong at Portarlington while at Drysdale, the lending is strong. Combined, the branches have now more than 8,600 accounts.

However, it is a worrying time for the Australian economy. With the Greece crisis not getting any better (other countries included), falls on the share market, cut backs in government spending to achieve a surplus in the Federal Budget and the introduction of the carbon tax just to name a few, these will continue to impact small and large businesses as well as consumer confidence and spending. While the cost of funds still remains a major factor in banks setting their deposit and lending rates, it is Bendigo Bank's point of difference which keeps us separate from the others.

▲ Children from Drysdale Primary School receiving a 'Ball Pack' from Geoff Webster and Geoff Milward.

On a positive note, if you are driving along Murradoc Road Drysdale you will notice two new signs installed on properties. Approval was given by these property owners who are recognising the work we are doing in the local community. We are also in the process of partnering with the Victorian Police to help reduce theft from building sites with the use of signs. Given the amount of new subdivisions along Jetty Road these will be helpful in reducing crime.

One event that continues to grow is the Portarlington Mussel Festival which we have been a major sponsor of for a number of years. This event is held on the second weekend in January and about 15,000 people attend Portarlington on the day. The event has grown so much and the benefits to the community now recognised, that the State Government has recently announced a grant of \$15,000 to the committee towards the purchase of electrical distribution boxes and marquees for the event. This is on top of the promised \$8,000 per year for the next three years by the City of Greater Geelong to fund operating costs of the event. Thanks once again to the committee for their continued efforts.

Remember, supporting your local **Community Bank®** branch can be carried in a number of ways. Just by doing your banking with your local branch whether it is depositing, lending or insurance/financial planning, you will help with the growth and profitability of the branch and in turn helps your community.

We thank the community for their continued support that enables this business to contribute to the various events and projects in the area. \$200 million here we come!!

Craig Taylor
Branch Manager
Drysdale **Community Bank®** Branch

2012 Impetus Youth Awards



The fifth annual Impetus Geelong Youth Awards at Geelong's Conference Centre were awarded in April this year.

The awards celebrate the contributions made by young people of Geelong and the Bellarine Peninsula, and were made in the areas of education, community work, sport, culture, the arts and the environment. Among the

120 nominees this year was a line up of high achievers and volunteers, many from the Surf Coast and Bellarine.

One of the members of our Youth Foundation, Hayden Bishop from Clifton Springs was awarded the Leadership Award.

Hayden is a founding member of MISSION, the board of young people involved in the North Bellarine Youth Foundation that provides small grants to local young people to enhance their communities through youth participation. He also is a keen cricketer and crucial member of Portarlington Cricket Club, providing mentoring to younger players and coaching.

The Board and shareholders wish to congratulate Hayden on receiving the award.

Changes in shareholder details

Thank you to shareholders who are notifying the branches of changes in their details.

If you have changed your address or contact details, please remember those changes also need to be provided to our share registry. We ask you to make sure AFS & Associates have your up-to-date contact details to ensure you receive all correspondence and dividends. Both branches have the appropriate paperwork for you to complete, or you can contact the share registry directly.

AFS & Associates' contact details are:

Address: 61-65 Bull Street, Bendigo VIC 3550

Postal Address: PO Box 454, Bendigo VIC 3552

Contact Numbers: Phone – (03) 5443 0344

Fax – (03) 5443 5304

Branch website

www.bendigobank.com.au/bellarine

By going to our website you can find all sorts of information on our branches, including our Annual Report, copies of past newsletters as well as all staff and Director changes as they happen.



Good for
AND your
community



With every product or service Bendigo Bank offers, money goes back into the community to support local projects and initiatives.

It means that as a customer you benefit from competitive products and great service and get the

satisfaction of knowing your banking is contributing to your community.

So make a difference. To your own banking. And to your community. Call into your nearest branch or phone 1300 BENDIGO.

Bendigo and Adelaide Bank Limited ABN 11 068 049 178. AFSL 237879. (U028B) (06/12)

It starts with U.

Portarlington and Drysdale **Community Bank®** branches

Sponsorships

Over the past six months, your **Community Bank®** branches have agreed to the following sponsorships:

Portarlington Bowls Club Inc - New shirts for both the men's and ladies' teams

Bellarine Community Health community buses

Portarlington Community Dance Group - the annual Portarlington 'Springtime' Weekend Dance Festival

Wreck 2 Reef swimming event

Portarlington Mussel Festival

Lions Club raffle

Clifton Springs Golf Club - Continued sponsorship

Drysdale Netball Club annual sponsorship

Bunyip Festival - Thomas on the Bellarine Rail Trail annual event.

Drysdale Football Club 2012 season

Drysdale Tennis Club junior members

Bellarine Agricultural Society Inc annual show

St Leonard's Golf Club annual sponsorship \$100

Portarlington Primary School excursion to the Melbourne Aquarium

Bellarine Agricultural Society annual show \$250.

Portarlington Maltese Pensioners Association Charity Dinner Dance at Portarlington

Springdale Football Club annual junior team sponsorship.

Portarlington Community Association Biggest Afternoon Tea.

Academy Publishing - Exercise books used by Clifton Springs and Drysdale Primary schools.

Drysdale Primary School chess club

National Celtic Festival

If you have any ideas for sponsorship or would like further information about the **Community Bank®** concept and initiatives, please don't hesitate to contact the Branch Managers.



▲ Geoff Webster and Geoff Milward with members of the Drysdale Primary School Chess Club using one of the new chess sets donated by Portarlington & Drysdale **Community Bank®** branches.

▼ Celtic Festival.



Community room

If your community group needs a place to meet, call in to Portarlington **Community Bank®** Branch and discuss your requirements with the friendly staff.

Defibrillators

We have been donating defibrillators on the Bellarine, and they can be found at Portarlington Bowling Club, Men's Shed in Drysdale, Clifton Springs Bowling Club and Springdale.

▶ Ian Faulkner presenting a defibrillator to members of the Portarlington Bowls Club.



State conference

This year's **Community Bank®** State Conference was held during early May in Ballarat, where all Branch Managers and some Board members attended.

This year's conference was aimed at providing sites with an opportunity to celebrate and exchange outcomes and achievements at a state level. A key focus of the conference is information exchange and education. The conference covered such matters as:

- Celebration and exchange of state experiences and outcomes and best practice
- State Manager's overview of the state's strategies, achievements, etc.
- Workshops and roundtable sessions to exchange local initiatives.

Introduction/promotion of:

- Mentors within the state and the functions they perform
- Local networks (such as Chairman's meetings, collaborative marketing meetings)
- Provide opportunity for discussions and engagement by the state representative to the **Community Bank®** Strategic Advisory Board.

All Directors and Managers came away from the conference with some fantastic ideas to put into action for our communities.

Portarlington & Drysdale Community Bank Branches

44 Newcombe Street, Portarlington VIC 3223

ABN: 33 089 107 657

Chairman: Russell Enders.

Directors: Paul Jones, Stephen Wight, Sandra Baldwin, Karen Woodhart, Pam Evans, Janina Randone, Geoff Webster, Kerry Trewin.

Directors



After seven years, Bob Hynes (pictured left) has resigned as a Director of the Company. Bob was a very active member of the Board and was involved in many successful community projects and remains a valued friend of the Board.

We have a new member of the Board, Kerry Trewin (below left) from Portarlington has now become a member of the Board. Kerry and her family has lived locally for more than 30 years and has been involved with the community on numerous levels, including as a player and a committee member of Portarlington Football Netball Club, a founding committee member of Portarlington Toy Library, Secretary and President of the local kindergarten, Treasurer of Portarlington Skate Park, a committee member of the local pony club and Treasurer of Portarlington Girl Guides.



The Board wish to welcome Kerry as a member of the team and is confident that Kerry will be a valuable member of the Board.

We thank Bob for all his support and hard work during his directorship, and welcome Kerry to the Board.

Portarlington **Community Bank®** Branch,
44 Newcombe Street, Portarlington VIC 3223
Phone: 5259 3266

Website: www.bendigobank.com.au/portarlington
Opening hours: Monday to Thursday 9.30am – 4.00pm,
Friday 9.30am – 5.00pm and
Saturday mornings 9.00am – 12 noon

Drysdale **Community Bank®** Branch,
11 Clifton Springs Road, Drysdale VIC 3222
Phone: 5253 3192

Website: www.bendigobank.com.au/drysdale
Opening hours: Monday to Friday 9.00am – 5.00pm
and Saturday mornings 9.00am – 12 noon

YOU ARE INVITED

To help celebrate the
handing over of the
new SES vehicle provided by
YOUR community bank

Sunday, 9th September 2012
11am to 2pm
At the Drysdale Railway
Station

FREE Sausage sizzle,
face painting, give-aways
and more!



Portarlington and Drysdale **Community Bank®** branches

SHAREHOLDER AFTERNOON TEA

WEDNESDAY, 27TH JUNE 2012

The afternoon was opened by Russell Enders, Chairman who welcomed everyone and thanked them for coming.

Russell took to the floor and addressed the shareholders:

The company is in a sound financial position and liquidity is very strong. The plan of the company is to further consolidate in this catchment area. We now have about one in three of the population in clients, it is up to us to try to increase market penetration and maintain what we have now. We are continually looking for better ways to do things. If shareholders have any ideas, please let a director know.

The only cloud on the horizon is the financial situation in Europe.

We are more than a bank, we do sponsorships and grants to improve the communities that we live in.

We aim to keep money circulated in our communities so everyone benefits as opposed to some other places on the Bellarine i.e. a large number of people who live in Barwon Heads do their shopping in Ocean Grove. We try to improve infrastructure and services in the community by ourselves or in conjunction with government bodies. For example, we provided funding for a new SES vehicle, we have installed defibrillators in numerous places around the peninsula.

We will continue to be involved with the Youth Foundation and the Youth on the northern Bellarine because the future in the area belongs with the youth. We need to continually work to keep them in the area and active. The company believes that it is important that the youth are on the positive side of the ledger.

Russell then introduced directors present – Janina Randone, Sandra Baldwin, Stephen Wight and Geoff Webster, Portarlington Branch Manager Ian Faulkner, Drysdale Branch Manager Craig Taylor, Mobile Manager Geoff Milward and staff Sheena and Mandy.



Guest Speaker John Fendyke, CEO of Bellarine Community Health:

Bellarine Community Health provides aged care and primary care services on the Bellarine.

Bellarine Community Health began in 1940 and since then has worked continually to provide health services across Portarlington, Drysdale, Point Lonsdale, Ocean Grove and larger age care facilities in Point Lonsdale and Anne Nichol House in Portarlington.

Bellarine Community Health operates from Ocean Grove and is managed by nine board members and about 235 staff.

Some of the directions that we are working towards are

- Promote BCH as a gateway to health services on the Bellarine Peninsula
- Diversify funding to meet health services in the catchment area
- Continue develop the network on the Bellarine
- Single point of entry to aging.

Some of the existing developments coming up –

- Pt.Lonsdale site – this year received additional \$3m to upgrade the facility.
- Works started to upgrade medical consulting suites
- Recently the state government made capital funds available to the health sector.
- Hoping to get funds from the next government funding round. The application is for a Drysdale site to upgrade the existing building including adding space for renal dialysis.
- With many new families coming into the community, we have demand for early years.
- Headspace initiative – we have a portable building near the Potato Shed and plan to relocate that complex

Portarlington site is trying to run similar services – podiatry etc. with Portarlington pool having rehab, health and wellbeing etc.

Our main focus will be completing the Point Lonsdale site and then try to get capital funds to add to the Drysdale facility.



Geoff Hutchinson, CEO, Vicwest Community Telco:

Community Telco is about keeping capital local. Currently there is a turnover of about \$10m and 1,000 business customers. We provide businesses with services including land lines, mobile broadband, cloud technology and more. Bendigo Bank decided to merge telecommunications and banking together, we are trying to keep services local and return some of the money back into community banks and community enterprises. Currently we have approximately \$65,000 going back to the community and about \$12,000 going to community banks.



There are only a few of us doing the sales of our services so we need all the shareholders and customers to try to make our communities stronger, we need you to be the ambassadors, and for you to tell the community about us.

If you know people who are in business give them our details, you can assist by simply spreading the word. We look after small businesses, 80% of our business is small business. We can help anyone registered with an ABN.

Stephen Wight, Treasurer, BPCBL to give a financial update.

Highlights of the company so far -

- We have achieved the milestone of \$200 million held in deposits and loans across the 2 branches
- We continue our strong community support via grants program
- We have increased sponsorships – up \$15,000 for the year to date
- Our revenue is likely to exceed 2011 result
- We have increased expenditure in customer service
- We have employed a Mobile Relationship Manager
- There has been a refurbishment of the Portarlington Branch

Factors Impacting on the 2012 Result

- Decrease in Trailer income

There was a correction made to the Community Bank model so that the Company and BBL have a more equal share of this revenue stream

- Investment in facilities – Portarlington
- Squeeze on Margin income in a climate of reducing interest rates



Margin Income

Simple Example:

Residential Loan \$500,000 at 7.5%

Funded by a 180 day term deposit \$500k at 5.5%

Interest Margin is 2% shared between BBL and the company

In month 2 the RBA announces a 0.5% reduction in rates and this is matched by the Bank in reducing the home loan rate

Residential Loan \$500,000 at 7.0%

Funded by a 180 day term deposit \$500k at 5.5%

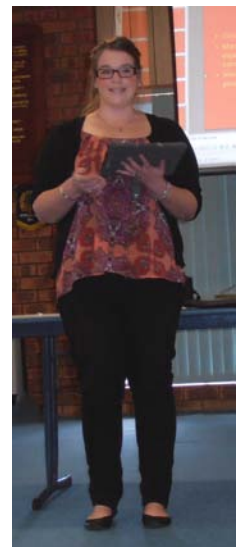
Interest Margin is 1.5% and will remain until the term

Future Challenges

- Growth in deposits and loans
- Meeting shareholder and community expectations with respect to dividends and
- community support
- Investment by the Community in non-core products
- Insurance
- Superannuation
- Financial Planning

Breannon Deluca – associate director and MISSION member

My role is to help develop the North Bellarine Youth Foundation for the board and be a voice for the young people in the community. After a few years of hard work and dedication, we have youth involved from all over the Bellarine resulting in a high level of youth participation in the community in the past two years. Being involved with the Youth foundation gives the youth a feeling of importance and being connected. On behalf of Youth Foundation I would like to thank the board for giving us this opportunity, for believing in us, listening and working with us. We are always happy for any member of the community to contact us if they have suggestions or questions.



Ian Faulkner, Manager, Portarlington Community Branch:

- Portarlington branch opened on 30 October 1999 and was the 16th Community Bank to open. With total business at May 2011 of \$107m, 4639 accounts and 7 staff

Community benefits have included -

- Total up to last year \$663,000
- Grants – last year \$109,000 to 25 organisations
- Sponsorships – last year 47 totalling \$57,000
- Sponsorships this year over \$100,000



- To 52 various organisations including
 - Schools
 - sporting clubs
 - service clubs
 - Portarlington Mussel Festival
 - National Celtic Festival

Products and services we have include

- Full range of bank accounts
- Personal & business loans
- Insurance
- Financial planning

Additional services

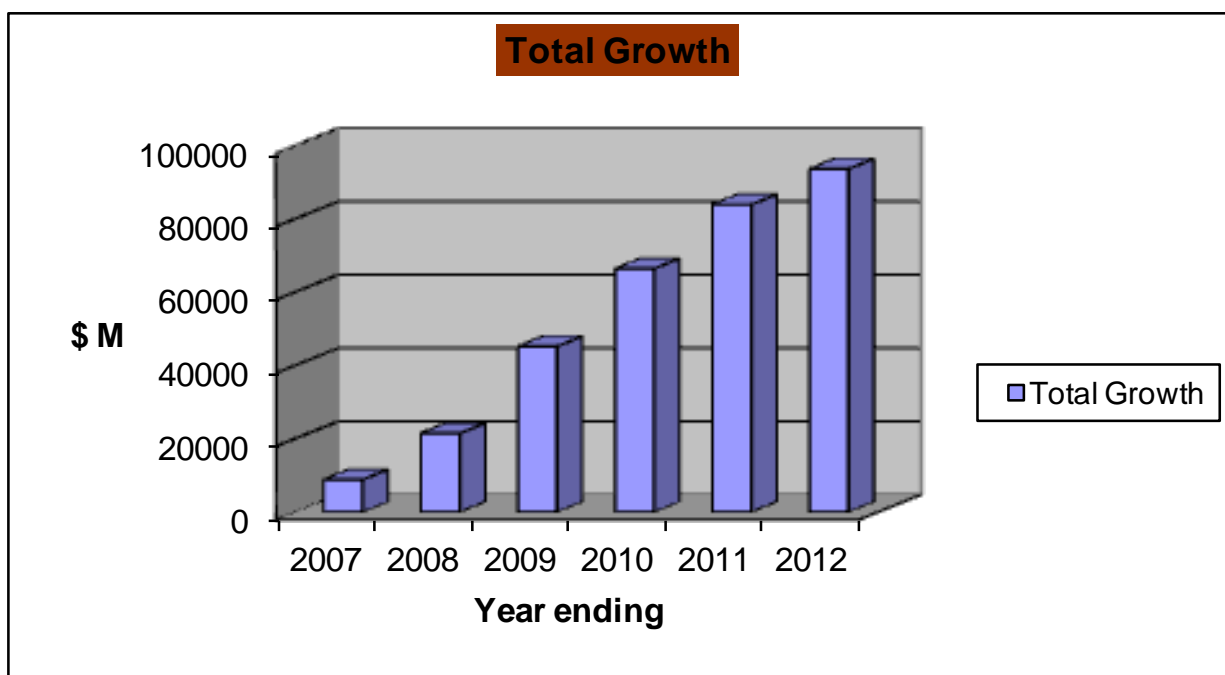
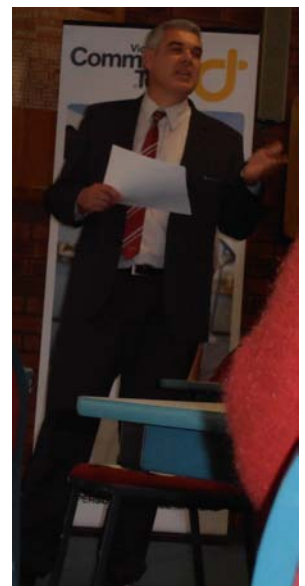
- Community Telco

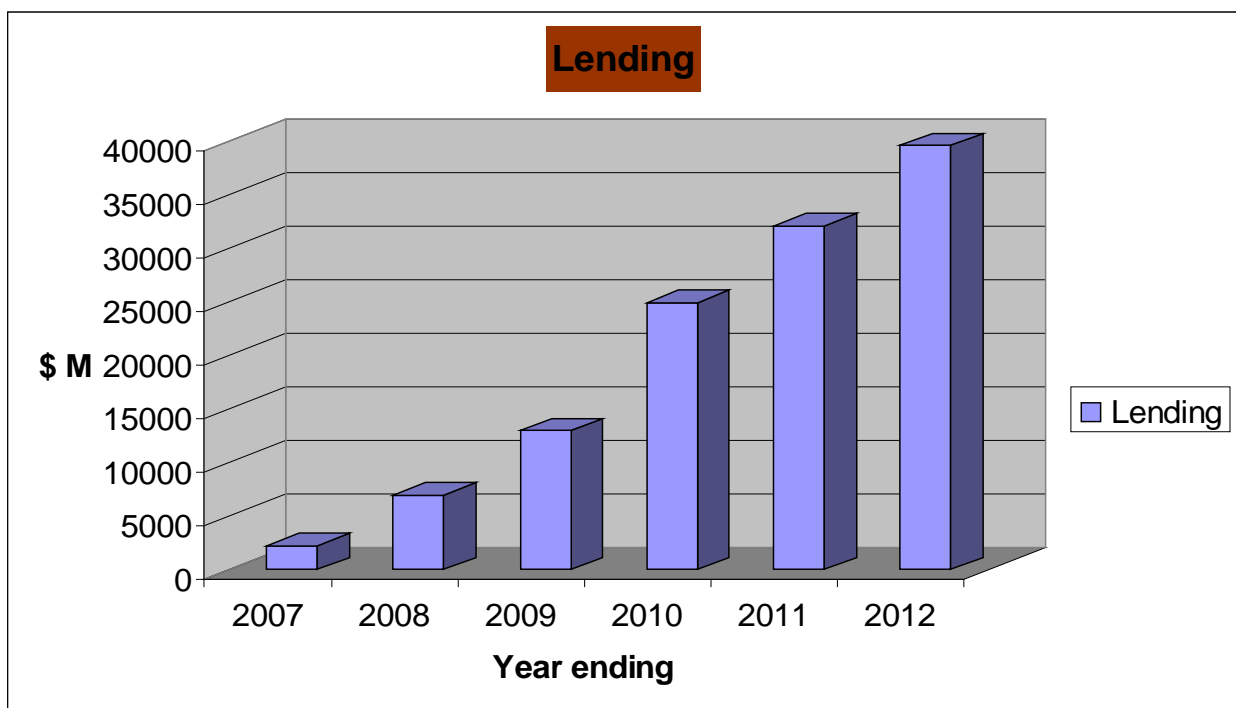
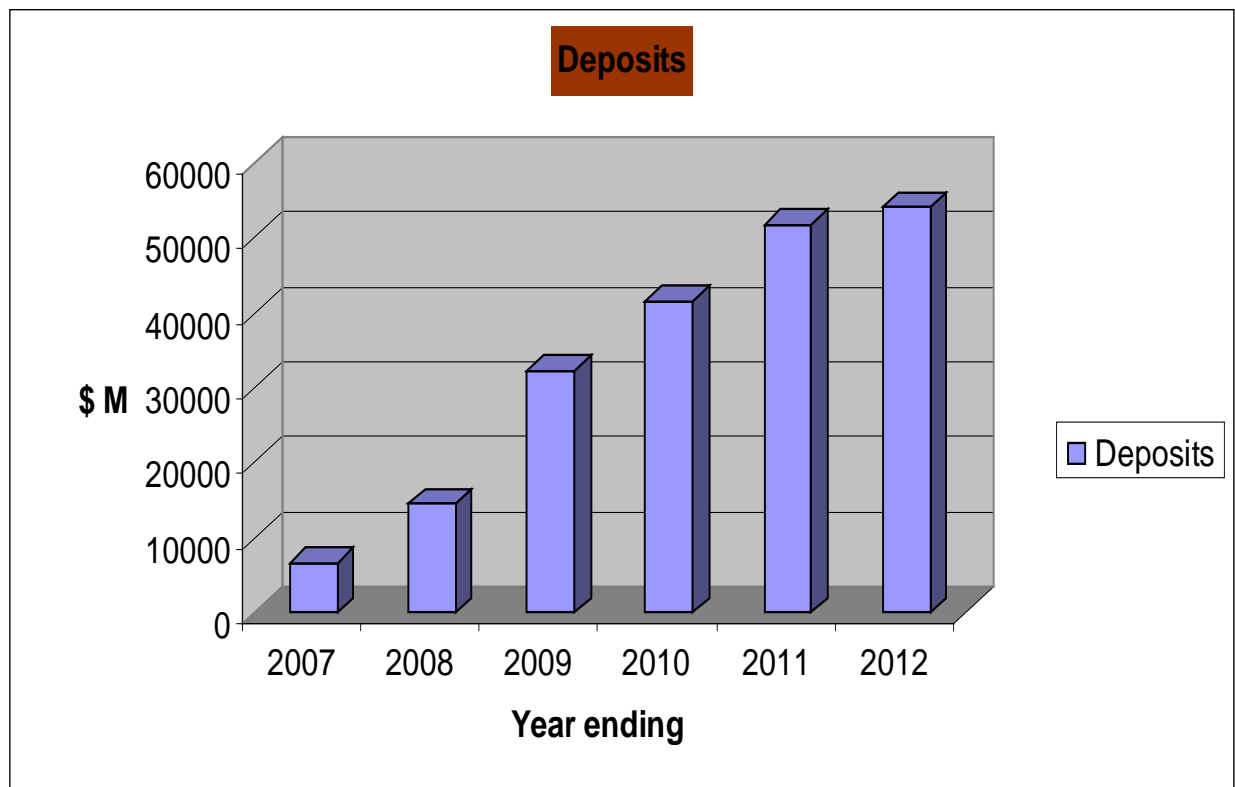
Craig Taylor, Manager, Drysdale Community Bank:

In the beginning Drysdale was an agency of the Bendigo Bank owned and operated by a local business owner. The Bellarine Peninsula Community Bank company could see its potential and the strategic advantage to its operations. The company purchased the agency in April 2007 with FUM of just over \$8M. The existing staff were retained and continued to work there. A Manager was appointed in July 2007 and a steering committee was set up who took over the transformation to become a full branch. Local support in the way of banking business and pledges (to purchase shares) achieved the results required.

The agency was officially opened as a full Community Bank branch on the 13th January 2009.

Results so far -





What has this meant to the local community –

- We are an alternative to the big 4 banks in town and by banking with us helps the community you live in (Point of difference).
- We support community groups, committees and organisations through sponsorships and donations.
- We have provided funds to the grants program as well as the Youth Foundation and shareholder dividends.
- We provides a one stop shop for all your consumer/business accounts, lending as well as financial planning and insurance needs.

The future

The population of Drysdale Clifton Springs as identified by the City of Greater Geelong (2010) is estimated to be 11,041 people. Indications are that Drysdale Clifton Springs has a planned population growth for an additional 13,913 people over the next 20-30 years. This would bring the overall population of the township to approximately 24,954 people. The majority of this growth is expected to occur within the Jetty Road precinct which is estimated to provide an additional 3300 lots supporting a population of approximately 8000 people.

We are a 'One stop shop' - as explained earlier we can provide the following access to these services:

- Small Business Manager
- Business banking Manager
- Financial Planner
- Insurance products
- Mobile Manager
- Everyday creditor and debtor accounts such as home loans, term deposits, credit card just to name a few.

Other services

- The Bendigo Bank App understands the type of device being used and optimises the customer experience by presenting different options.

There have been no changes to the current mobile e-banking or classic e-banking services with the launch of the Bendigo Bank App

Travelling overseas-

- There are two types of Cards:
- Cash Passport Card - can be used at over 1 million Visa ATMs and is available in Euro, USD, GBP, NZD and AUD offering you the ability to lock in your value no matter what happens to the exchange rate.
- Cash Passport Debit - can be used at Visa ATMs as well as over 24 million Visa merchants to buy goods and services .

Travel insurance

- We can obtain a free no obligation quote for travel insurance whether travelling within Australia and Overseas.

The Drysdale Staff are -

Customer Relationship Officer

Rowena

Senior Customer Service Officer

Mandy

Customer Service Officers

Wendy

Tonia

Silvana

Dannielle

Heather

Current Initiative

- Standby power costs money. Save in excess of 10% of your electricity costs by signing up to our new initiative called Switch to save. It's easy and it's free.

And you will be helping the environment at the same time. The service is valued at \$100 each and each registration earns \$15 to local school.

Geoff Milward, Mobile Manager:

Commenced with the company in October 2010 with the primary objective to capture business through mobile service and 7 day/ after hours availability

I also promote the Community Bank Brand through community involvement on the Northern Bellarine

Mobile Services Offered:

- Home loans
- Business loans
- Investment products
- Insurance
- Any other banking assistance or advice where customers are unable to come to our branches

Business Development:

- Have developed a good relationship with the Drysdale and Portarlington Real Estate Agents
- Attend open for inspection and auctions with the agents
- I have been a guest speaker at meetings of clubs and organisations who have received a grant from our Community Bank

Future Challenge

- We need to keep promoting our Community Bank, how the concept works and the benefits for the community
- Increase our market share
- Get our brand in to the homes of the people who live on the Northern Bellarine but don't bank with us



Ian Faulkner explained that the "Bellarine Peninsula Community Bank" name change was done because there was some confusion when people were trying to find "Portarlington Community Bank" because it was under "Bellarine". The company name is still the same but the branch name is now Portarlington Community Bank.

Russell Enders closed the formalities and thanked the Drysdale Bowling club for catering, the band for entertainment and shareholders for attending.



Shareholders heard from Chairman, Treasurer, Branch Managers and Guest Speakers.