

Mt Evelyn & Districts Financial Services Ltd
A.C.N. 096 782 240
Annual General Meeting
Swinburne Lilydale Campus, Melba Ave, Lilydale
6.30pm 25 October 2012

Minutes of the Eleventh Annual General Meeting of Shareholders held at Swinburne Lilydale Campus, Melba Ave, Lilydale, 6.30pm 25th October 2012

1. Welcome

Chair - welcomes everyone to the 2012 Annual General Meeting of Mt Evelyn & Districts Financial Services Ltd, the operating Company of Mt Evelyn & Districts and Montrose **Community Bank®** branches of Bendigo and Adelaide Bank Ltd.

- Welcome - Distinguished guests.
Councillor Len Cox, Ward Councillor for Walling
Melissa Pollock from our Auditors, Richmond, Sinnott & Delahunty

Apologies from -
The Hon Tony Smith MP, Federal Member for Casey
Christine Fyffe MP, State Member for Evelyn
David Hodgett MP, State Member for Kilsyth
Peter Hatwell - Shareholder
Mark Hewett - Shareholder
Jan Ockwell - Chair Wandin Seville **Community Bank®** branches
- Welcome - Representatives from Bendigo and Adelaide Bank Ltd.
David Tudor, Area Manager for Metro Victoria, Mark Nolan, Regional Manager for Yarra Ranges and the regional support team.
- Welcome - Branch staff.
David Watt, Senior Group Manager, Leanne Vaytauer, Mt Evelyn Branch Manager, Kevin Wilson, Montrose Customer Service Supervisor, Melissa Guy, Mt Evelyn Customer Service Supervisor and the team, Bev, Jan, Sandra, Sue, Lynn, Janet, Sharon, Shirleen and Bernadette.
Kaye Barnes: Annual Leave
- Introduction - Directors.
Margi Sank, Company Secretary and Treasurer, Jan Simmons, Georgia Donovan, Craig Keithley, Iain Fraser and Gareth Little-Hales.
Apologies: Gai Williams, Deputy Chair.

Retiring Director, Rick Bayliss. Unfortunately, Rick couldn't be here tonight. The Board thanks him for his contribution and wishes him well for the future.
- **Quorum**

This is a properly constituted meeting under the Corporations Act and the Chair confirms that a quorum is present and now declares the Meeting open for business.

- **Notice of Meeting**

The Notice of Meeting was made available on the Mt Evelyn **Community Bank®** Bendigo Bank web-site, on public notice, on the National Stock Exchange of Australia (NSX) and mailed together with the Annual Report to all shareholders.

The Chair asks that the Notice convening this Meeting be taken as read.

- **Minutes of previous Annual General Meeting**

The minutes of the previous Annual General Meeting held on 27 October 2011, were approved by the Board and signed by the Chair in accordance with the provisions of section 251A of the Corporations Act. The minutes were announced to the market and are readily available on the NSX website.

Approval of 2011 Minutes. Moved: Jan Simmons. Seconded: Trevor Fyander

Copies of these Minutes are available tonight and the Minutes of this meeting are being taken by Melissa Guy.

- **Proxies**

Margi Sank, Company Secretary, reports on the number of valid Proxy Forms received at the Registered Office of the Company by 5pm on 23 October 2012.

21 valid proxy forms were received prior to the cut off time of 5pm 23 Oct 2012.
Of these, 20 shareholders appointed the Chair as proxy and 1 nominated the Secretary.

Item 1 Receipt of Financial Reports	21 Accept
Item 2 Re-election of Jan Simmons	13 Accept, 6 as per Proxy, Total 19, 1 decline, 1 abstain
Item 3 Re-election of Craig Keithley	14 Accept, 6 as per proxy, Total 20, 1 decline
Item 4 Re-election of Iain Fraser	12 Accept, 6 as per proxy, Total 18, 2 decline, 1 abstain
Item 5 Re-appointment Auditor	15 Accept, 6 as per proxy, Total 21 accept.

2. Chairman's Report

I am proud to deliver my 2012 Chair's Report tonight. A full report is covered in the 2012 Company's Annual Report.

It has certainly been a challenging year for the Australian banking community, with the long and slow recovery from the overseas economies. Despite this negative influence and the carried losses for our Montrose Branch, Mt Evelyn & Districts Financial Services Ltd declared an after tax profit of \$162,071 for the year ending 30 June 2012.

We believe that our success is driven by the success of others. We are a community focused, owned and operated bank, and our aim is to become an important part of the "community hub". A life blood through which our community and our bank can prosper in mutually beneficial partnerships. A win win for All.

We have supported many wonderful local organisations this year to the amount of \$260,000, which brings our total contribution back to our communities to \$1.4 million, not including

dividends paid to our shareholders. We have also committed to joint sponsorships of a grander scale, which has built our profile and created wider awareness of our unique brand.

Our Branches:

Mt Evelyn branch continues to achieve strong growth and Montrose branch, now in its second year of operation, although not in profit yet, is steadily building business from its own catchments and slowly approaching \$30million in accounts value. This has contributed significantly to the Company's total footings, which currently is sitting at around \$161million. We believe we are well positioned and our balance sheet is strong.

We are satisfied with our expansion strategy into Montrose and are confident that with steady growth, Montrose **Community Bank®** Branch will continue to be an important part of our total business and community engagement.

We have recently finalised the property purchase of the Montrose branch. A cash settlement was made from retained earnings from the strong financial performance of the Company in past years. We see this as a highly notable achievement, which also adds another significant asset to our Balance Sheet.

Our staff:

I would now like to acknowledge our outstanding staff. David, Leanne and the branches teams have done an exemplary job again this year in growing the business, in what is still a difficult and challenging market. David & Leanne have been actively engaged out in the community to foster new business and to share the distinctive point of difference that comes with Community Banking. We truly value our wonderful people who look after the banking side of our business. We thank them for their dedication, passion and all the hard work that they put in.

Our Board:

I would now like to acknowledge my dedicated fellow Directors and thank them for their tireless efforts in ensuring that your Company continues to meet all corporate governance requirements to protect shareholder assets. We are proud to be Director's of **Community Bank®** branches that are focused on delivering value and outstanding customer service and building long term relationships with customers and community sectors.

Our partner:

Bendigo & Adelaide Bank aims to become Australia's leading customer connected bank. The strength and strategy of the business model is demonstrated, as they continue to receive awards and retain high rankings in customer advocacy and satisfaction. We are proud to be their partner and look forward to the next ten years and beyond, as the movement continues to grow.

The future:

Whilst always mindful of our obligations to our shareholders. We will continue to look for ways to expand our community engagement and seek opportunities for new and exciting projects and business expansion opportunities. We ask that you, as ambassadors for our company, continue to spread the word of our truly unique way of banking.

Now before we move back to the Agenda items, I would now like to announce that our dividend declared is 2.5 cents per ordinary share, which will be paid to shareholders during December. The total dividend amount is \$73,502.03. Margi will discuss this further in the Company Treasurer's Report.

Jill Rule
Chairman

3. Ordinary Business

- **Item 1. Annual Report**

The first item of business is the consideration of the Company's Financial Statements and associated reports for the year ended 30 June 2012, which are now before the Meeting.

The Chair asks for any questions in relation to the Company's annual reports. Nil questions.

Acceptance of Annual Report. Moved: Albert Buitenhuis. Seconded: Anita Morgan

Election of Directors

Re-election of Director retiring by rotation.

A Director retires by rotation in accordance with the constitution of the Company, and being eligible, offers him or herself for re-election.

- **Item 2. The next resolution concerns the re-election of Jan Simmons.**

Jan Simmons be re-elected as a Director of the Company. Moved: Arch Carswell.
Seconded: Barb Sweeney

No discussion involved

Raise of hands of those in favour.

Raise of hands for those against. Nil

Declare the resolution carried.

- **Item 3. The next resolution concerns the re-election of Craig Keithley**

Craig Keithley be re-elected as a Director of the Company. Moved: Ted Simmons.
Seconded: Rae Ealy

No discussion involved

Raise of hands of those in favour.

Raise of hands for those against. Nil

Declare the resolution carried.

- **Item 4. The next resolution concerns the re-election of Iain Fraser**

Iain Fraser be re-elected as a Director of the Company. Moved: Alex Clark.
Seconded: Bob Hovendon

No discussion involved

Raise of hands of those in favour.

Raise of hands for those against. Nil

Declare the resolution carried.

- **Item 5. Appointment of Auditor**

As stated in the Annual Report we have engaged Richmond, Sinnott and Delahunty again to audit our Financial Accounts.

Appointment of Richmond, Sinnott and Delahunty as Auditor of the Company.

Moved: Margi Sank. Seconded: Craig Keithley

No discussion involved

Raise of hands of those in favour.

Raise of hands for those against. Nil

Declare the resolution carried.

4. Treasurer's Report

It is a pleasure to present my 2012 Treasurer's Report.

Today we have our Annual General Meeting and we also celebrate our tenth birthday. Our achievements are testament to the vision of the original steering committee, our community, past and present boards and our great operations team.

It is central to the **Community Bank®** philosophy that banking profits are shared between the shareholders and the community in which we operate. We embrace this vision.

Since Mt Evelyn opened its doors to this point in time, your Company has contributed around \$1.4Million in grants and sponsorship and over \$427,000 in fully franked dividends.

And to the future.....Montrose is now nearly two years old and the banking business is accumulating. As outlined in the prospectus, it will take some time for Montrose to achieve profitability. Consequently, we expect the profit for the company to be reduced until Montrose achieves profitability and this effect may impact on the dividends to be paid.

Your board is prepared for challenging times and we continue to evaluate and where prudent implement our expansion strategies and opportunities. We are carefully watching the state of both the local and international economies and we link our strategic plans with the current economic environment.

We are mindful of our joint obligations, to both shareholders and community, and the fact that sponsorship in the community helps us to grow our business and therefore our revenue and profits from which to pay dividends.

Through our operations, we contribute to enhance the health and vibrancy of our communities. We do this by the sponsorships we pay, our grants program, the dividends we distribute, and through the employment of our fantastic team.

We will continue to make significant grants and sponsorships within the community either directly or partnering with other **Community Bank®** branches and government agencies.

There is the multiplier effect of the dollars we spend.

- A significant portion of the dollars your company contributes is retained and spent locally,
- We help the many volunteers in local community organisations multiply those dollars.
- We employ eleven employees at the Mt Evelyn and three at Montrose who live in our communities and further increase the flow-on effect.

We are listed on the National Stock Exchange of Australia (NSX). You are able to use the internet and this site to review both financial and non financial information relating to our company. Shares can be traded through stock brokers.

In closing, thank you to all our various stakeholders, Bendigo and Adelaide Bank **Community Bank®** Network, our local government, our banking customers and you, our shareholders.

Importantly, thank you to David Watt, our Senior Manager, our most wonderful branch teams, and a dedicated and skilled board of directors.

We are all looking forward to both growing and sustaining our community banking relationships well into the future.

Margi Sank

Treasurer

5. General Business Questions

Con Clavant – Shareholder.

“Has the completed bus stop satisfied the Bank and the Insurers of the Bank?”

Margi Sank - “There was no issue with insurance.”

Jill Rule – “If we had a choice it would have been put somewhere else. We didn’t have a choice.”

6. Close of Meeting

That concludes the business of the Meeting.

Meeting declared closed 7.00pm.