

## **Chair's address - AGM - 28 November 2013**

As you will note in the Annual Report the year to 30 June 2013 was particularly difficult.

With interest rate continuing to fall our borrowing customers are accelerating their repayments and together with some larger repayments we have only achieved minimal growth in our lending. Competition for term deposits has also been keen and our total deposits have remained at the previous year's level.

With the level of our business remaining fairly constant over the year and a reduction in the income we receive under our Franchise Agreement with Bendigo Bank our Profit Before Tax for the year was down from \$150,465 in 2012 to \$77,938 this year.

Although the Profit was down this year we are still in a strong position with our total equity increasing to \$730,323 which is up from \$711,428 in 2012.

A Fully Franked Dividend of 6 cents was recently been paid to Shareholders. This is consistent with Dividend payments made in previous years and total funds returned to shareholders now amounts to \$311,100.

In the year to 30 June 2013 we distributed \$74,158 in donations and sponsorships to our communities in Hampton and Sandringham. In addition to this we allocated \$45,217 from the funds held on our account with the Bendigo and Adelaide Bank Ltd Community Enterprise Foundation. With the payments made in 2012/13 we have now distributed over \$650,000 to our communities since our establishment in 2002.

Beneficiaries of our Donations, Sponsorships and Grants are shown in the Annual Report.

Directors continue to maintain and develop strong links with the community and all Directors have a portfolio of community groups that they liaise with and provide an alternative contact with the bank. The primary contact remains the responsibility of the Manager, Matthew Gallop.

A Business Incentive Program has been introduced to our community partners and we are hopeful that through this program we can grow our business and at the same time give the various community groups the opportunity to earn increased sponsorship contributions.

I have to report that Helen Searle has resigned from the Board. Helen was a valued member of the Board and an enthusiastic Chair of the Marketing and Community Engagement Committee. Helen's contribution to the Board and Bank will be missed and we are pleased that we will still be able to seek her counsel from time to time.

We review our Board numbers and skill sets on an annual basis and look to groom future Directors through our various Board Sub Committees. We are conscious of the need to develop a wide set of skills, gender and age within the Board and to spread the Board and Committee work load as widely as possible.

My thanks to the Board for their support and contribution to the success of the Bank. In addition to the normal monthly meetings there are attendances at many sub committees and community functions during the year.

Thanks also to our Company Secretary Kate Robb, who provides us with quality corporate advice and accounting to meet the requirements of our Auditors, ASIC and the National Stock Exchange.

The support of the Bendigo and Adelaide Bank is appreciated and in particular the leadership and guidance given by the former Regional Manager, Sohpie Cole and her team. We look forward to continuing this quality relationship with the new Regional Manager, Michelle McDonald.

To the staff at the Bank, a big thank you for the service they provide and the friendly interaction they have with the customers. They are a quality staff providing friendly and knowledgeable service. In addition to their banking duties they readily involve themselves in community activities and bank functions outside the normal banking hours.

The team is capably led by Matthew Gallop and thanks to Matthew for his efforts and leadership at the bank. Matthew spends a good deal of time with our Community partners and I know that he is well respected in the Community for his knowledge and willingness to help. His contribution at Board and Committee meetings is very much appreciated by the Directors.

We also thank you our shareholders and customers for your continued support and as a Community Bank we not only provide a full range of banking services but take a leadership role as a community hub to embrace and promote the values of our community.