



Heidelberg District Community Enterprise Ltd
ABN 62 095 312 744

19 November 2015

For Immediate Release

National Stock Exchange (NSX)

Announcements

FOURTEENTH ANNUAL GENERAL MEETING

HELD ON Tuesday 10th November 2015 6.00pm

at Heidelberg Community Bank Branch, 164 Burgundy Street, Heidelberg, VIC, 3084

The Annual General Meeting of shareholders of Heidelberg District Community Enterprise Ltd was held on the evening of 10 November 2015.

Prior to the meeting 11 valid proxy forms were received by the company prior to 4.00pm 6 November 2015.

32 shareholders were in attendance

11 people (other than shareholders) were in attendance – these were predominantly company staff and Bendigo & Adelaide Bank representatives

There were no apologies

Welcome

The Chairman, David Mayne, declared the meeting open at 6.00pm and welcomed shareholders, fellow directors, Rowan Sadler (Bendigo & Adelaide Bank Regional Manager), David Hutchings (the company's Auditor) and community members to the fourteenth Annual General Meeting. He confirmed that a quorum was present. The voting procedure, by show of hands, was explained to shareholders.

The Chairman noted that the Notice of Meeting was issued to all shareholders in accordance with Corporate Law. The Chairman reported that the Annual Report (including the financial report, directors' report and Auditor's report) and Annual General Meeting agenda had been sent to shareholders for the financial year ending 30 June 2015. David invited questions on the financial report, directors' report, auditor's report, the management of the company or questions for the Auditor. There were no questions raised.

Minutes of the previous Annual General Meeting

Minutes of the previous Annual General Meeting held on 11 November 2014 were tabled.

It was moved by Lyndy Stagg and seconded by Anne Nelson-Page that they be accepted.

By show of hands For: 32 Against: Nil Abstain: Nil

Motion carried.

The Chairman signed the minutes as a true and correct record.

Chairman's Report – David Mayne

"Once again I present to you, our shareholders, the fourteenth Annual Report of Heidelberg District Community Enterprise Ltd. The past 12 months (July 2014 to June 2015), our fifteenth year of operation, has been a very tough year for the company. Both branches have faced continued competition and a subdued market. While both branches continue to grow, it is not as fast as we would like to see due to this extremely difficult environment. While the tough conditions remain, your board of directors continue to focus on the company's Vision and Mission in all decisions that we make.

Our Vision

Our vision is to be a key element in the success of our community's development, sustainability and prosperity. We will provide a level of service and community involvement that has people feeling left out if they are not banking with either Heidelberg Community Bank or East Ivanhoe Community Bank.

Our Mission

- ◆ to grow a sound and profitable banking facility for the Heidelberg, East Ivanhoe and surrounding communities
- ◆ to provide value for our shareholders, staff, customers and the community and
- ◆ to support community programs and groups in providing key benefits to them.

Current Position

While it has been another difficult year, the company has made a profit of \$116,575 after provision for income tax. This result has been reached after deducting our annual allocation toward community grants and sponsorships. This is a slight decrease in profit from the 2013/14 result of \$118,588. We also face a change in our "book" structure with a number of large loans being finalised and new loans not matching the lost income stream. We are aware of where these changes are occurring and are working hard to rebuild a strong loan book.

The result is reached after deducting our annual allocation toward community grants and sponsorships. During the last 12 months, the number of customers at our 2 community branches has continued to grow, however the gross revenue decreased from \$2.235 million to \$2.182 million, a decrease of \$52,741.

Despite a number of challenges, we believe the company is performing soundly, is governed well and provides exemplary service. We continue to be supported by the Bendigo & Adelaide Bank Ltd which provides great banking services and gives excellent support to our enterprise as respected partners in this Community Bank business. We will continue to focus on our customers and increasing the amount of business they have with us.

Management and Staff

Our team continues to be led by Senior Manager Sam Pearce at Heidelberg with Greg Arnott, managing our East Ivanhoe Branch.

The board acknowledge and appreciate the energy and enthusiasm that our 16 highly experienced staff have for Community Banking and their strong commitment to our company's Vision and Values. They are a critical part of our company's success and continue to present and uphold the vision of the company and continue to provide excellent service to our customers and to the community.

As outlined in our 2014 planning session, we are pursuing the option to move into our own premises in East Ivanhoe and waiting on the Bendigo Bank's assessment of the property. If this change does occur, it will be completed by mid-2016.

While we have looked at a number of properties in Heidelberg, we have still not found anything suitable to purchase.

Marketing and Business Development

We continued to focus on spreading the story of community banking, creating greater awareness amongst the community and through this, improving our business. This is an ongoing role and our M & BD Committee constantly review the most effective ways to engage with community groups.

While we have very strong relationships with a number of groups, there is still a need to increase our presence with others. The key message is that a sponsorship requires a commitment to more business with us, ensuring there is a key understanding of the importance of supporting the bank that in turn supports them.

We have implemented systems at branch level that can maintain accurate records of the support coming to the bank from each of our sponsorship recipients.

Our dinners, held at the local Latrobe Golf Club, have been successful and well supported initiatives. The guests hear the great community outcomes, achieved not only through Community Banking but also other community initiatives and this has indeed reaped rewards for our company and our community.

Community Contributions

During this 12 month period the East Ivanhoe and Heidelberg Community Bank branches of Bendigo Bank have supported the community with \$273,845.

The breakdown of this figure has been:-

- \$154,145 toward sponsorships and donations
- \$119,700 towards grants to different local not-for-profit organisations.

Once again, we are extremely proud to be a major contributor to the Banyule community. HDCE Ltd continues to put capital back into our community despite the ongoing difficult environment and this is testimony to the strength of the Bendigo Bank Community Bank model and the commitment and passion of the staff and directors of our company.

Through our sponsorship and grants program we are building a healthier business as the return on this investment into our community is realised. It is our aim to maximise this return on our community investment and grow it over the following years.

Shareholders

Thank you for your support. You are ambassadors of Community Banking and of the tangible benefits it brings to our community. We want you to help us spread the word and to encourage others to support the bank that supports your community.

HDCE Ltd announces a dividend of 5¢ per share, fully franked and payable to all shareholders in late October 2015. This will be our twelfth successive dividend allocation and hopefully reminds our shareholders of the solid investment they made while supporting their local community.

Just as shareholders have benefited from the success of our company, our total community return, including dividends, is over \$3 million since 2001. This is capital that has stayed in our community because of your generous support for our Community Bank branches.

The board of directors joins me in encouraging those shareholders who are not yet banking with the East Ivanhoe or Heidelberg Community Bank branches of Bendigo Bank that you consider doing so. I would like to take this opportunity to ask shareholders to consider making an appointment with one of our Branch Managers who will be only too happy to discuss the broad range of banking products we have available. Products including loans, insurance and financial planning, all at competitive rates.

Board of Directors

As Chairman of the HDCE Ltd, I continue to be supported by diligent, conscientious and community minded fellow directors and both Carly Kluge and Pam Tremlett continue to be a key part of our success.

Paul Gittings has decided to retire from the board after 7 years as a director. Paul was a dynamic member of the board with an incredible knowledge of the Ivanhoe area and a passion for the community. We wish Paul all the best in retirement.

If there are any shareholders that may be interested in being a director on this very dynamic board, please feel free to contact me.

All board members share positions on one or more of the following Committees:

Human Resource, Audit & Governance, Marketing and Business Development or Property.

We continue to offer professional development for our directors via training seminars and workshops including the National and the State Community Bank Conferences held in Darwin and Melbourne.

Chairs from other Melbourne based community boards meet regularly to discuss issues and approaches to community engagement. Nan Caple, who holds the position of Deputy Chair continues to give great support to our company and is a major driver of Youth Foundation, our major community initiative. She has taken this initiative to the National Conference in Bendigo in September to gain involvement from other community companies.

I would like to thank all board members, past and present for their support. Our board members contribute generously of their time and of their expertise. Directors on the board of the Heidelberg District Community Enterprise Ltd embrace the philosophy of Community Banking and work cooperatively towards achieving our goals. You can be assured that shareholder interests and value are at the forefront of board deliberations and decisions on matters affecting the company.

David Mayne then invited Greg Arnott to present the Senior Manager's Report.

Senior Manager's Report – Greg Arnott

East Ivanhoe and Heidelberg Community Bank branches – bigger than a bank!

It's amazing to see the wonderful impact your local Community Bank is having on your community.

The strength of our Community Bank is built on the back of our community and in partnership with the people of East Ivanhoe, Heidelberg and surrounds.

Again we've had another great year with the following:

- Over \$273,845 in community contributions to 64 local community groups for the year
- Heidelberg Community Bank reached in excess of \$140 million in banking business in under 6 years
- East Ivanhoe Community Bank branch continues to show sustained growth and high level banking services as a critical business within the East Ivanhoe shopping village. Total banking business is in excess of \$180 million.
- Our combined book now exceeds \$320 million in banking business – growth of approximately \$20 million in the past 12 months.
- Over \$2.34 million in community contributions since opening the doors back in 2001.

I would like to thank the following:

- Our directors who have provided wonderful support to our team and continue to commit their time and efforts into impacting our community
- Our staff at both branches who continue to set the highest level of service to our customer base and community groups. A special mention goes to one of our long standing staff, Amy, who this year chose to re-locate interstate. Her great work was appreciated by the team at Heidelberg
- Our shareholders who continue to back this wonderful Community Banking enterprise and without whom we wouldn't exist
- Our partner, Bendigo & Adelaide Bank Ltd, who continue to support us as we seek to grow into the future in partnership with them and the community.

The continued success of our enterprise is dependent on the support of our community and to ensure this support we encourage:

- Our shareholders to transfer all their banking to the Community Bank
- Our community sponsorship/grant recipients and their members to transfer their banking
- Our existing customers, shareholders and directors to not only bank with us but to spread the word and advocate for your East Ivanhoe and Heidelberg Community Bank.

The model is simple - the more support we receive the greater support we are able to return through partnering with our local community.

East Ivanhoe & Heidelberg Community Bank branches – bigger than a bank!!!

The Chairman asked Russell Hutchins as Company Secretary to report the number of proxies received and the number for/against/abstain for each resolution. Russell responded that 11 were received and advised that where a proxy is directed to the Chair or a board member the vote will be cast as 'for' on all motions.

Proxy votes were as follows:

Appointment of Auditor

For: 11	Against: Nil	Abstain: Nil
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Re-election of directors

Brian Simpson	For: 11	Against: Nil	Abstain: Nil
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Russell Hutchins	For: 11	Against: Nil	Abstain: Nil
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Adoption of Remuneration Report

For: 10	Against: Nil	Abstain: 1
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Appointment of Auditor

The Chairman advised that, as explained in the Notice of Annual General Meeting, the company's lead auditor, David Hutchings, was required to resign, having served 5 successive financial years with the company proposing the appointment of Andrew Frewin Stewart (AFS) & Associates as the replacement lead auditor.

It was moved by Russell Hutchins and seconded by Brian Simpson that AFS & Associates be appointed as Auditor.

By show of hands	For: 32	Against: Nil	Abstain: Nil
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Motion carried.

Election/Re-election of Directors

The Chairman announced that two directors were offering themselves for re-election by shareholders. Brian Simpson, Russell Hutchins and Janette Corcoran retire by rotation and Brian Simpson and Russell Hutchins offer themselves for re-election as directors of the company.

(a) It was moved by David Mayne and seconded by Russell Hutchins that Brian Simpson be re-elected as a director of Heidelberg District Community Enterprise Ltd

By show of hands	For: 32	Against: Nil	Abstain: Nil
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Motion carried.

(b) It was moved by Graham Norman and seconded by John Nelson that Russell Hutchins be re-elected as a director of Heidelberg District Community Enterprise Ltd

By show of hands	For: 32	Against: Nil	Abstain: Nil
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Motion carried.

Remuneration Report

It was moved by David Mayne and seconded by Russell Hutchins that the Remuneration Report be adopted

By show of hands	For: 32	Against: Nil	Abstain: Nil
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Motion carried.

David Mayne then invited Bendigo and Adelaide Bank Regional Manager, Rowan Sadler, to address the meeting.

Bendigo and Adelaide Bank Report – Rowan Sadler

Rohan expressed his delight at being able to attend the HDCE AGM. He has only recently taken on the Regional Manager role and is already enjoying working with the wonderful board and dedicated staff of HDCE. Prior to joining the Bendigo Bank he had worked for 29 years at the Commonwealth Bank in a variety of senior management roles. He talked about the difficult economic environment and hence the challenges facing the staff particularly in the lending sphere. Bendigo Bank is trying hard to match the pricing of its competitors and is also dropping fees where possible to stay competitive. Rowan closed by thanking the management and staff of the two branches, the shareholders for their support for Community Banking and HDCE and the company directors for their commitment.

Meeting Closed: 6.40pm

A celebration video and refreshments followed.

To be signed as a true and correct record of meeting by the Chairman at next AGM