



Heidelberg District Community Enterprise Ltd
ABN 62 095 312 744

3 December 2016

For Immediate Release

National Stock Exchange (NSX)

Announcements

FIFTEENTH ANNUAL GENERAL MEETING

HELD ON Tuesday 8th November 2016 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 8 November 2016.

Prior to the meeting 8 valid proxy forms were received by the company prior to 4.00pm 4 November 2016.

25 shareholders were in attendance

20 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, Craig Thomas (Bendigo & Adelaide Bank Regional Manager), Graeme Stewart (the company's Auditor) and community members to the fifteenth 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 2016. 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 10 November 2015 were tabled.

By show of hands For: 25 Against: Nil Abstain: Nil

Motion carried.

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

Chairman's Report – David Mayne

This is my fifth AGM as Chairman, the fifteenth AGM for the company (EICC Ltd/HDCE Ltd). Banking in Australia continues to be very tough. We are heading into "unchartered waters", with extremely low interest rates and stiff competition across the banking industry. We have continued to face this competition head on and ARE making progress. Both Branches continue to grow, however, not as fast as we would like to see.

While the tough conditions continue, your Board of directors continues to focus on the company's Vision and Mission in all decisions that we make. At our mid-year Planning session, we made minor changes to our Vision and added both a Directors Charter and a Staff Charter. These will be displayed prominently in our Branches.

Current Position

In the financial year 15/16 the company has made a profit of \$70,236.00 after provision for income tax. This result has been reached after deducting our annual allocation toward community grants and sponsorships. The lower profit was due to a number of factors including: -

1/ The low margin environment

2/ A change in our "book" structure and

3/ The loss of our Senior Manager and a subsequent staff shortage until our new Relationship Manager could take up his position.

We are aware of these factors and are working hard to rebuild a strong book. During the last 12 months, the number of customers at our two Community branches has continued to grow.

Despite several challengers, we believe the company is performing soundly, is governed well and provides excellent 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 a respected partner in the Community Bank business. We will continue to focus on our customers and increasing the amount of business they have with us.

Management and Staff

When Senior Manager, Sam Pearce left in October 2015, we chose to change our structure; promoting Jo-Ann Downey to the Manager at Heidelberg with Greg Arnott continuing as Manager at East Ivanhoe. Justin Bice has come on board as a Relationship Manager (focussing on our major customers and our sponsors).

This new structure has been in place since earlier this year and we are starting to see improvements following a lag in the first half of the year.

I would like to acknowledge the energy and enthusiasm that Sam Pearce brought to our company and we wish him all the best in the future.

Our highly experienced staff continue 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, providing excellent service to our customers and to the community.

As outlined last year, we considered the option to move into our own premises in East Ivanhoe, however after a thorough assessment of the properties suitability and the cost of the move, we elected to stay where we are. We have re-leased both premises and renewed the lease on the premises we are currently in.

We have also looked at several properties in Heidelberg, however have still not found anything suitable to purchase.

Marketing and Business Development

The Community Bank has been in the area for 16 years. We still have a clear focus on spreading our story, creating greater awareness amongst the community and through this, improving our business. The M & BD Committee constantly reviews the most effective ways to engage with community groups. Our focus is very much on ensuring the groups we sponsor understand we need them to bank with us. Using our Relationship Manager, we can ensure that the groups understand this requirement and have ready access to him.

Community Contributions

As outlined in our Annual Report, the last 12-month period has seen HDCE Ltd support the community with \$222,353.00 in sponsorships, donations and grants.

Once again, we are extremely proud to be a major contributor to the Banyule Community. We continue to put capital back into our Community and this is testimony to the strength of the Bendigo 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 community as the return on our investment is realised. We will continue to focus on growing our business over the following years.

Shareholders

To our shareholders, thank you for your support. You are ambassadors for Community Banking and for the tangible benefits it brings to our community. Please continue to spread the word and to encourage others to "*Support the Bank that Supports your Community.*"

By now, shareholders will have received their dividend of 5¢ per share, fully franked.

This will be our fourteenth successive dividend allocation and hopefully reminds our shareholders of the solid investment they made when supporting their local community company.

Since 2001, our shareholders, staff and the community have benefitted from our company's success. This is capital that has stayed in our community because of your generous support for our Community Bank branches.

The board of directors encourage all shareholders to bank with us. You are most welcome to make an appointment with Jo-Ann, Greg or Justin to discuss any of the wide range of competitive products we have available.

Directors & support Staff

As Chairman, I would like to thank the board for their continued support. Without their commitment, our success would not be possible. I would also like to thank the Board support staff, Carly Kluge and Pam Tremlett, who continue to be a key part of our success.

Board Positions

We have had several changes to our board structure this year.

John Nelson has agreed to return to the Board and will offer himself for re-election. We are delighted that John has chosen to return.

Retirements

Geva Murano has decided to retire from the Board at this meeting. Geva has played a pivotal role on our Board and in particular, the Audit & Governance Committee. Reviewing our processes and procedures, assessing documentation and property decisions. I would like to thank Geva for her dedication, commitment and support.

After a short stay, Nev Deery has also retired from the Board, due to business commitments. We thank Nev for his support and wish him well.

Replacements

We now have three new nominated directors, Darren Pearce, Jason Dwyer and Peter Drapac. As per our Directors Charter, they are undergoing a period of probation.

Directors continue to gain professional development via training seminars and workshops, including the State Community Bank Conference (held on Phillip Island) and the National Community Bank Conference (held in Hobart). Community boards and staff also meet regularly to discuss issues and approaches to community engagement.

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 HDCE Ltd embrace the philosophy of Community Banking and work cooperatively towards achieving our goals. I can assure you that shareholder interests and the company values are at the forefront of all board decisions.

David Mayne then invited Greg Arnott to present the Managers' Report.

Managers' Report – Greg Arnott

East Ivanhoe and Heidelberg Community Bank branches.

This year has seen our East Ivanhoe Branch celebrate their 15th birthday. This is a great success story for the local community. The East Ivanhoe strip had lost their banking services when we opened our first branch there and Heidelberg has now been opened for close to 7 years and is also providing great banking services.

The combined book now exceeds \$340 million in banking business. This is growth of approximately \$20 million in the past 12 months. We have seen some challenges in the last 12 months including operating in a low interest rate environment which is reducing our margins.

Our Senior Manager, Sam Pearce, has moved to Warrandyte Branch and we wish him all the best in his role. The Board, in consultation with Bendigo Bank, decided not to replace this position and have instead taken on a Relationship Manager, Justin Bice. This role is specifically aimed at developing new business and community relationships with our sponsors and customers.

This has given our company a chance to promote our longest serving staff member Jo-Ann Downey to Branch Manager of Heidelberg. Jo-Ann has been with the company since day one and is well known to most customers. Jo-Ann is continuing her great work with our banking team at Heidelberg and East Ivanhoe.

Being a Community Bank means we offer more than just banking services to our community – we offer community benefits that assist in bringing about positive change and development to our area. Only one bank truly believes that successful customers equals successful communities, which in turn, equals a successful bank.

I would like to acknowledge the support and hard work of the staff at both branches during the last 12 months. All staff have approached their roles with diligence, responding positively to the needs of the

customers and the community. Staff have always been willing to put their hand up to volunteer their time at various community events. This is a testimony to their dedication and support for the company. I would also like thank our board members who have contributed their time and effort into the growth of our company. There is a lot of work behind the scenes in running a successful company and our board members do a great job.

Of course it would be remiss of me to not thank the shareholders who backed this concept and without whom we wouldn't exist.

The Bendigo and Adelaide Bank has been a great partner of ours who continue to support us in running and growing our business and we look forward to the continued growth of this partnership.

It is important for everyone to understand that the success of our enterprise is dependent on the support of our community. We encourage all members of the community to bring their banking to their Community Bank branch.

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 8 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:

Election/Re-election of directors

Lynne Johnson	For: 8	Against: Nil	Abstain: Nil
Evelyn Stagg	For: 8	Against: Nil	Abstain: Nil
John Nelson	For: 8	Against: Nil	Abstain: Nil

Adoption of Remuneration Report

For: 8	Against: Nil	Abstain: 1
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Election/Re-election of Directors

The Chairman announced that two directors were offering themselves for re-election by shareholders. Lynne Johnson and Evelyn Stagg retire by rotation offer themselves for re-election as directors of the company. John Nelson offers himself for election.

(a) That Lynne Johnson be re-elected as a director of Heidelberg District Community Enterprise Ltd

By show of hands	For: 25	Against: Nil	Abstain: Nil
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Motion carried.

(b) That Evelyn Stagg be re-elected as a director of Heidelberg District Community Enterprise Ltd

By show of hands	For: 25	Against: Nil	Abstain: Nil
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Motion carried.

(c) That John Nelson be elected as a director of Heidelberg District Community Enterprise Ltd

By show of hands	For: 25	Against: Nil	Abstain: Nil
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Motion carried.

Remuneration Report

That the Remuneration Report be adopted

By show of hands	For: 25	Against: Nil	Abstain: Nil
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Motion carried.

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

Bendigo and Adelaide Bank Report – Craig Thomas

Craig said how proud the Region was of HDCE and the hard work done to be able to give back over \$3.2m to the community and shareholders. The continuing support of YF3081 was acknowledged. The GFC has made doing business tougher and the Community Bank staff are adapting to the need to engage even more with their customer base. The Region has grown by \$100m and the loan book has grown by 4.6% and deposit book by 7.5% over the past twelve months. Craig commended the board on their strategic planning for the next 5 year period. He also thanked the staff and shareholders for their continued support.

Meeting Closed: 6.40pm

Grants presentations by staff and refreshments followed.

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

A handwritten signature in blue ink, appearing to be 'RH' with a stylized flourish.

RUSSELL HUTCHINS
COMPANY SECRETARY