



Heidelberg District Community Enterprise Ltd
ABN 62 095 312 744

For Immediate Release

National Stock Exchange (NSX)

Announcements

NINETEENTH ANNUAL GENERAL MEETING

HELD ON Tuesday 12th November 2019 6.15pm

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 12 November 2019.

Prior to the meeting 6 valid proxy forms were received by the company prior to 4pm, 8 November 2019.

22 shareholders were in attendance

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

There were 4 apologies.

Welcome

The Chairman, Nan Caple, declared the meeting open at 6.15pm and welcomed shareholders, fellow directors, Simon Sponza (Bendigo & Adelaide Bank Regional Manager), Jayde Mullane (the company's Auditor) and community members to the nineteenth Annual General Meeting. She 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 Corporations Law. Nan 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 2019. Nan invited questions on the financial report, directors' report, auditor's report, the management of the company or questions for the Auditor. Nan noted that the minutes of the last AGM held on Tuesday 13th November 2018 were approved by the Board and signed by the Chair in accordance with the provisions of section 251A of the Corporations Act.

Chairman's Report – Nan Caple

It is with pleasure that I present this nineteenth Annual Report of Heidelberg District Community Enterprise Limited to shareholders. 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 is to grow a sound and profitable banking facility for the Heidelberg, East Ivanhoe and surrounding communities, provide value for our shareholders, staff, customers and the community and to support community programs and groups in providing key benefits to their communities by allocating annually a minimum of 25% of our Gross Profit to this purpose.

The Community Bank network is arguably the largest social enterprise in the world. The Community Bank constitution states that no more than 20% of our net profit can be returned to shareholders. The remaining 80% is then available for injecting into our community via our annual grants program and our biannual sponsorship program. A great achievement this year is the external recognition that our

company Heidelberg District Community Enterprise Limited has received certification as a B Corp company.

The 12 months July 2018 to June 2019 has been solid and sound. We have weathered the initial impact of the Hayne Banking Royal Commission and the challenging business environment. We have again faced a very tough year with low interest rates, narrow margins, property doldrums, low business confidence and a changing regulatory environment facing all banks. Operating in this unprecedented subdued environment naturally impacts on our share of the revenue stream under our franchise agreement, a situation that keeps the Board vigilant in oversight of revenue and expenses. Pleasingly our Company has continued to grow in this current environment. I am therefore very proud to present the following highlights for the 2019 financial year:

I announce to you that for the 2018/19 year the Company made a profit of \$329,569 before income tax. This is a reduction on last year's profit before tax of \$440,931. Gross revenue increased by 1% to \$2,519,346. Profit after tax has reduced 25% to \$236,792. This result is reached after deducting our annual allocation toward community grants and sponsorships which this year totalled \$344,495.

The actual financial commitment we make available to the community grants program is a decision made by the Board in May. This decision allocates an amount into the Community Enterprise Foundation, a grant management foundation with rigorous governance protocols, further ensuring our monies are allocated effectively, transparently and appropriately. This year we committed a generous \$200k to the CEF for granting back into our community.

During the last 12 months the number of accounts operated at the branches has grown and the value of our banking book has increased from \$386,000,000 to \$401,600,000. This saw us achieving our Strategic Plan goal of reaching \$400 million by 2019.

At the 30th June, Heidelberg District Community Enterprise Limited had healthy retained earnings of \$773,232. We believe the company is sound, is governed well, that Bendigo and Adelaide Bank provides a great product and we as a business continue to aim to deliver exemplary service.

Our highly experienced management and staff team are critical players in our Company's success. They are the Company's window to the community. They continue to present and uphold the vision of the Company. Our Management and staff team continue to work at maintaining the high level of service that our customers deserve and expect. Jo-Ann Downey, Omaid Solangi, Sylvia Watson, Adam Greenland, Carole King, Susan Scroop, Julie Bullen, Kerryn Young and Samantha Dawes, under the leadership of Pooja Nayyer and Haylee Doering, have all contributed significantly to the past year's results. We farewelled Justin Bice, our Mobile Relationship Manager, who accepted a Regional Manager role in NSW. Greg Arnott, Mobile Relationship Manager who has served with the Company since the Heidelberg Branch opened in 2009 chose a career move into Police Force in June. We also farewelled Liam Trinh a Customer Service Officer. Early in 2019 we welcomed Haylee Doering into the Heidelberg staff team. Haylee arrived with experience from the Bendigo and Adelaide Bank Preston branch.

Our Marketing Manager, Carly Kluge and Bookkeeper, Pam Tremlett have been an integral part of our Board's operation and our Company's success for many years. They provide support around the day to day execution of the Company's administration. The Board acknowledge and appreciate the energy and enthusiasm that the staff have for community banking, and the strong commitment to our Company's Vision and Values.

Business Initiatives and Development - This year we have continued to focus on spreading the story of community banking, creating greater awareness among the community, and through this, improving our business. The Directors and Management team working together are focusing directly on connecting and maintaining contact with all the community entities that have benefited from our grants and sponsorship program. We aim to embed a key understanding of the importance of supporting the bank that in turn supports them in their endeavours. Our annual business breakfast for key community business members held at the Old England Hotel was indeed a successful and well-supported event. David Robinson, Head of Financial Markets for Bendigo and Adelaide Bank was a great keynote speaker who informed those in attendance the global and local perspective of the economic climate. Our Marketing and Business Development initiatives are aligned with Bendigo and Adelaide Bank Marketing to ensure the messages heard through National and State campaigns are reinforced by our local activities. The Better Big Bank campaign is achieving cut through in what we know is a flat and challenging market. It has been affirming to notice billboards on major traffic corridors, TV advertising and a strong radio presence.

During this 12 month period the East Ivanhoe Community Bank and Heidelberg Community Bank branches of Bendigo and Adelaide Bank have supported the community with a figure of \$274,262. \$144,495 toward sponsorships and \$129,767 towards grants to different local not-for-profit organisations. We again have continued supporting the Youth Foundation Program in Heidelberg West, our major grant which is now in its 13th year with our total contribution reaching \$520,000. We are

particularly proud of the leadership we have shown with the Youth Foundation Parkville College Program that has seen 24 fellow community banks acknowledging the importance of the program and joining us in supporting youth in detention. Through our sponsorship and grants program we are building a healthier, stronger and more resilient community. We are also focused on growing our business as a result of this investment into our community. It is our aim to maximise this return on our community investment to ensure our investment into our community is sustained, and the Company's vision and mission is achieved.

To our Shareholders, thank you for your support. You are ambassadors of community banking and understand the tangible benefits it brings to our community. You have enabled this incredible business that feeds into the prosperity of communities and not off it. The Board of Directors join me in encouraging those shareholders who are not yet banking with the East Ivanhoe Community Bank or Heidelberg Community Bank branches of Bendigo Bank that you consider doing so. For those who are enjoying the community banking experience we encourage you to share this with family and friends. Proudly, in this our nineteenth year of operation, the Board of Directors has announced a dividend of 7.5¢ per share fully franked for 2019. This is our sixteenth successive dividend allocation.

See the table at the end of this Annual Report for a look at our past dividend allocation. We remind you that trading of our shares is on the open market at the National Stock Exchange

This past year has seen numerous changes to Board personnel. We have welcomed Amy Coote who joins the Board with expertise in the not for profit sector. We farewellled John Nota who contributed in various areas of governance and assisted in the pursuit of B Corp certification.

All Board members share positions on the following Committees; Human Resources, Audit and Governance, Marketing and Business Development, Property and Grants. This year Directors have attended various professional development seminars and workshops held throughout the year including refreshers of the Essential Governance run by Governance Institute Australia. In conjunction with Bendigo and Adelaide Bank, our Company is well respected in the Community Bank network and is seen as a mature, well-functioning company that can assist and mentor younger, less established companies in their journey to achieve their goals.

In the role as Chairman, I am grateful for the support of Deputy Chairman David Mayne who has now retired, Company Secretary Russell Hutchins, Treasurer Jason Dwyer and all other Board members. Our Board members contribute generously of their time and of their expertise. Directors on the Heidelberg District Community Enterprise Limited Board together embrace the philosophy of community banking and work cooperatively toward achieving our goals.

Nan Caple then invited Pooja Nayyar to present the Managers' Report.

Managers' Report – Pooja Nayyar

I present this report on behalf of myself and Haylee Doering. This year has been a challenging year with some significant events, including the Hayne Royal Commission, regulatory changes and the Federal election with potential changes to franking credits and negative gearing. In addition, the combination of low investor confidence, low loan volumes, margin pressures and a weakening housing market created a challenging environment for growth.

Despite these challenges, our Company had a profitable year under the leadership of Pooja Nayyar and Haylee Doering. How rewarding it is to see another great year of giving back to the communities of Heidelberg, East Ivanhoe and surrounding suburbs. Some of the key metrics which underpin the performance of Heidelberg Community Bank and East Ivanhoe Community Bank branches are that \$ 274,262 was given in community contributions to local community groups during this year through our grants and sponsorship programs. Over \$3.1 million in community contributions now been given since opening our doors back in 2001. Our combined book now exceeds \$401 million in banking business. This is growth of \$15 million in the last 12 months.

One thing is for certain and that is change, particularly in the way of people. We welcomed two new staff members to our team, Omaid Solangi - Customer Relationship Officer at East Ivanhoe and Haylee Doering - Branch Manager at Heidelberg. Both have settled into their respective roles well and we look forward to their input in progressing our business. We farewellled three valued team members; Justin Bice, Liam Trinh and Greg Arnott. We sincerely thank them for their contribution and wish them all the best with their future endeavours.

What makes our branches as successful as they are is that we put our vision into action. We have a strong focus on customer service in-branch, as well a strong commitment to strengthening our existing relationships and building new ones. We would like to acknowledge the efforts of the team who have remained customer centric and have contributed time and effort to various community events. We thank the Heidelberg and East Ivanhoe teams, we thank them for their commitment to provide the highest

level of service to our customers and community groups. We also thank the Board of Directors who contribute their time and effort to ensuring the success of Heidelberg District Community Enterprise Limited, you, our shareholders, who continue to back the Community Bank enterprise and our partner Bendigo and Adelaide Bank for their support as we seek to grow our business. The year ahead presents another challenging environment as the banking industry adjusts to new regulatory changes. We, as a team, are well prepared to take on these challenges and our focus remains on the development and upskilling of the staff. Together we strive to build long lasting relationships with our customers and community partners. We would like to extend our thanks to our customers, shareholders and community groups who have supported us over all these years and encourage them to be our advocates and continue to refer family and friends to us.

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 6 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:

Re-election of directors

Anne Rogan	For: 6	Against: Nil	Abstain: Nil
Peter Drapac	For: 6	Against: Nil	Abstain: Nil
Jason Dwyer	For: 6	Against: Nil	Abstain: Nil

Election of directors

Amy Coote	For: 6	Against: Nil	Abstain: Nil
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Adoption of Remuneration Report

For: 6	Against: Nil	Abstain: Nil
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Re-election of Directors

The Chairman announced that four directors were offering themselves for re-election by shareholders. Anne Rogan, Peter Drapac and Brian Simpson retire by rotation and all offer themselves for re-election as directors of the company.

- (a) It was moved by Peter Drapac and seconded by Russell Hutchins that Anne Rogan be re-elected as a director of Heidelberg District Community Enterprise Ltd
By show of hands For: 22 Against: Nil Abstain: Nil
Motion carried.
- (b) It was moved by Brian Simpson and seconded by Jason Dwyer that Peter Drapac be re-elected as a director of Heidelberg District Community Enterprise Ltd
By show of hands For: 22 Against: Nil Abstain: Nil
Motion carried.
- (c) It was moved by Amy Coote and seconded by Anne Rogan that Jason Dwyer be re-elected as a director of Heidelberg District Community Enterprise Ltd
By show of hands For: 22 Against: Nil Abstain: Nil
Motion carried.

Election of Directors

The Chairman announced that Amy Coote was offering herself for election as a director of Heidelberg District Enterprise Ltd

It was moved by Anne Rogan and seconded by John Nelson that Amy Coote be elected as a director of Heidelberg District Community Enterprise Ltd
By show of hands For: 22 Against: Nil Abstain: Nil
Motion carried

Remuneration Report

It was moved by Peter Drapac and seconded by Jason Dwyer that the Remuneration Report be adopted
By show of hands For: 22 Against: Nil Abstain: Nil
Motion carried.

Nan Caple then invited Bendigo and Adelaide Bank Regional Manager, Simon Sponza, to address the meeting.

Bendigo and Adelaide Bank Report – Simon Sponza

Congratulations to the board and staff of Heidelberg District Community Enterprise Ltd on the successful year they have had in a very tough environment.

The community bank network has contributed in excess of \$230m to the community over 20 years. There are 320 community bank branches nationally. This network has a profound impact in enabling socially responsible endeavours for the benefit of local communities.

Nan Caple asked for any questions from the floor.

Shareholders asked about our rental obligations for both branch premises, the current share price, the progress of the share buyback scheme and how the company is working towards mitigating the risk of climate change.

All questions were answered by relevant board members to the satisfaction of the shareholders.

Meeting Closed: 7.20pm



Russell Hutchins
Company Secretary
27 November 2019