



For Immediate Release

National Stock Exchange (NSX)

Announcements

ANNUAL GENERAL MEETING

HELD ON Tuesday 22nd November 2022 6pm as a hybrid meeting both in person and via Zoom Webinar from

Heidelberg Bowling Club, 8 Stradbroke Street, Heidelberg, VIC, 3084

The Annual General Meeting of shareholders of Heidelberg District Community Enterprise Ltd was held on the evening of 22 November 2022 in person and via Zoom Webinar.

Prior to the meeting 8 valid proxy forms were received by the company prior to 4pm, 18th November 2022.

13 shareholders were in attendance

8 people (other than shareholders) were in attendance – these were company staff, a Bendigo & Adelaide Bank representative and the company Auditor.

There were 2 apologies.

Welcome

The Chair, Nan Caple, declared the meeting open at 6.05pm and welcomed shareholders, fellow directors, Brad Peel (Bendigo and Adelaide Bank Community Business Manager), Josh Griffin (the company's Auditor) and HDCE staff to the Annual General Meeting. She confirmed that a quorum was present. The voting procedure was explained to shareholders.

The Chair noted that the Notice of Meeting was issued to all shareholders in accordance with Corporate Law. The Chair 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 2022. Nan invited questions on the financial report, directors' report, auditor's report, the management of the company or questions for the Auditor.

2022 Current State Address – Nan Caple

I speak in particular tonight to the shareholders who are customers who have experienced first hand the result of our branch challenges. The standard of our customer service has at times fallen far below the high standards that we aim to deliver. To those that contacted me via email, letter or a conversation I thank you for the concern and care you have shown.

As you are aware, the primary responsibility of the Board of Directors is to make decisions that serve in the best interests of its shareholders primarily, but all stakeholders. These includes the staff, customers, and community.

On behalf of your Board of Directors we wish to openly acknowledge that we have faced an extraordinary number of challenges this calendar year that have impacted directly on our team's ability to deliver a consistent level of customer service, often unable to even open the branch. These challenges include staff sickness, short and long term, staff on and off boarding, roster complications and technical challenges. These challenges have all come on top of the added layer of disruption that is natural when a significant change event occurs. As you are aware from communications, the Board strategic decision to consolidate from 2 to 1 branch and increase our MRM presence actioned in March this year addressed

the long-term sustainability of this business. The Board firmly stand behind this decision as the right decision for the company.

We have a complicated business model with this Bendigo Bank franchise arrangement. The company employ our staff members, but do not manage the staff members. Staff are managed by our branch management structure alongside our franchisor Bendigo Bank through our regional manager. This year we have relied heavily on Brad Peel our RM to play a more hands on role in establishing the new staff team at our consolidated branch, in mentoring a new BM and responding to the local pressure the branch has been under. This has taken longer than expected and is still underway.

Your Board have responded. The Board have presented to the staff team and reinforced the Board's responsibility to our staff well-being and to the service we deliver to our customers. In addition the Board have engaged external expertise to work with us, our staff team and the board to ensure we progress beyond the current challenges in an open, transparent, and positive manner. This process is currently underway.

Please be affirmed, as concerned and caring shareholders and customers, that the Board are doing what is within our ability, to support the return to a productive, positive and supportive staff team that delivers to our customers a professional and efficient level of service.

We have our Regional Manager Brad Peel in attendance today to respond to any concerns regarding the branch operations. Adi Kedia our Branch Manager is virtually in attendance and is very open to follow up individually with anyone in attendance today. Please approach a Director who can arrange this after the meeting.

Nan Caple introduced Carly Kluge, Community Liaison Officer for HDCE, to give a summary of the 2021-22 Community highlights.

Community Highlights – Carly Kluge

2021/22 was another tough year for many in our community, and the impact of HDCE's community grants and sponsorships reached many of those in need and made a big difference to the clubs we support.

It was wonderful to start 2022 with a full return to sports and activities and seeing community clubs come back to life again.

Food and material aid in the community continued to be a priority need. Our partnership with BANSIC in Oriel Road strengthened – as demand for their food packages soared to over 750 requests per month. HDCE funded the day-to-day operations of the Food Hub, with a grant to cover their rent, electricity, cleaning, waste management and consumables. This is in addition to the installation of a new kitchen and the fridges and freezers supplied to the group in previous years.

Supporting the mental health and wellbeing of our youth has been another key priority. The Youth Foundation 3081 and Parkville College continues to create some wonderful outcomes for the youth involved. The program operates locally at Macleod College, Charles Latrobe College, Open House, Himilo, The Pavilion School, Melbourne Polytechnic, Thornbury High, NCAT, Banyule Community Health and, of course, in Parkville College within the youth justice system. We've seen a huge range of youth-led projects this year, with mural artwork, NAIDOC celebrations, infant CPR courses and youth hip hop classes provided.

Communities connect through local sporting clubs, hence our support of over 50 clubs spanning football, netball, cricket, tennis, lawn bowls, basketball, soccer, croquet and hockey ensures local sport remains accessible and affordable. We also continued our support of SALT (Sport and Life Training) programs to assist clubs tackle issues of mental health and wellbeing.

HDCE's support of community extends beyond sport to include other important groups including the very talented Heidelberg Allstars who are back on the stage this year, the Heidelberg Orchestra, local theatre groups, community gardens, local primary schools, as well as business and trader associations. We are working hard to ensure that funds generated through the Community Bank East Ivanhoe are distributed broadly to a diverse range of organisations that can in turn support us with their banking business and advocacy.

Through our support we are offered many wonderful speaking opportunities, signage and branding that assists our efforts to share the story behind this wonderful social enterprise that is Community Banking.

Chair's Report – Nan Caple

The last financial year has been a challenging one for Heidelberg District Community Enterprise Ltd (HDCEL) and the Board of Directors as we faced challenges around our business model. The Covid impact on our business was again present in the financial year, and we continued to operate in an environment of low interest rates and the impact this has on our margin income. This was following on from a 2020/2021 financial year loss of approximately \$30,000.

With pressure from the external environment, rapidly changing customer behaviours and forecasted future budget losses the Board were faced with a long-term sustainability challenge. Given our successful and profitable journey up to more recent times and the incredible impact that our community contributions of close to \$4 million have made in our local community, the Board committed to reversing this trend. The Board appropriately focused its attention on a strategy that would address these issues. We worked with the assistance of external facilitators and our partner Bendigo and Adelaide Bank (BEN) to analyse relevant data and customer trends to inform our decision making around our future.

Our renewed strategy focused on future proofing our business through consolidation of our footprint and growing our mobile presence. Our two-branch structure which we implemented in 2009 with the opening of Heidelberg was no longer the structure to best serve our customer base's changing behaviour and our community. Data indicated with our two branches at only 3.5 km apart, company resources would be better served via a single physical presence and an uplift in our mobile staff without compromising customer service.

Implementation of this strategy began in late 2021 with the onboarding of our second Mobile Relationship Manager ensuring we could meet our customer needs when, where, and how the customer determined.

During January and February 2022, the company actioned the consolidation phase of our strategy with our focus on the impact on staff and customers being at the forefront. Although not without its challenges the consolidation process was delivered with a public announcement on February 1st 2022 and the closure of Heidelberg branch occurring on February 28th 2022. After we vacated the Heidelberg site, it was returned to an agreed state by the end of our lease in mid-September 2022. Our staff team were strongly supported through this transition with assistance from the People & Culture team at BEN to ensure their well-being was front of mind.

Implementing our strategy has led to solid growth of our business from the consistent efforts of our two Mobile Relationship Managers combined with a reduction in expenses, particularly property.

Given the last few challenging years it is affirming to note that although the company had braced itself for a significant loss the company posted a profit of \$68,597 after tax.

Our leadership team over the financial year of 2021/2022 oversaw our banking business of \$407 million. Syed Zaidi, our incumbent MRM was joined by James Fernandes in late 2021, doubling our mobile team to meet the demands of our current and new customer base to do business in a more flexible and efficient way. Our Management team during this period consisted of Haylee Doering, Mark Munro and Adi Kedia. They led our branch teams ensuring our large customer base was supported and serviced to the highest standard.

The Victorian Homebuyer Fund was a positive government initiative that noted Bendigo Bank as one of the two preferred suppliers. This initiative proved positive for the business as did ongoing growth from our community relationships built over our 21 year history supporting our community.

During 2021/2022, we farewelled Haylee Doering, Jo-Ann Downey, Liz Costelow and Mark Munro, while welcoming Adi Kedia and Kamna Madan to our staff team

Our current position is testament to the focus of the Board and the staff team, who despite the challenges, were able to focus on providing consistent customer service to our community. At June 2022, HDCEL had a healthy balance sheet with net assets of \$2,341,893.

HDCEL is sound, is governed well, we have a strong and respected partner in Bendigo and Adelaide Bank and we as a business continue to deliver a valuable customer experience.

HDCEL's mission is

◆ to grow a sound and profitable banking facility for the Heidelberg District 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 their communities by allocating annually a minimum of 25% of our gross profit to this purpose

With pride, I share that the 2021/22 investment into our community via sponsorships, grants and donations is \$124,906 and brings the total HDCEL investment of \$3,781,895 into the community that supports this powerful social enterprise called community banking.

I wish to thank our staff team who have shown fortitude and resilience this last year as they have continued to face a rapid changing landscape, the ever-present threat of Covid and the universal fallout of its impact.

Our Board continues to be supported by Pam Tremlett and Carly Kluge who assist in the smooth running of the company and the strong relationship we forge with our local community. Their efforts are highly valued and of vital importance.

My fellow Directors have stepped up over the last financial year as we worked with focus on future proofing our company. I am appreciative of their elevated and increased commitment to their Director roles and to the support they have shown me in the role of Chair.

To our HDCEL shareholders, I thank you. You have enabled the Community Bank model to deliver real impact in our community and can proudly share this story - Please do so with pride and share this wonderful story.

Proudly in our 22nd year of operation, the Board of Directors has announced a dividend of 4c per share fully franked. This is our 19th successive dividend allocation.

The Chair 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:

Re-election of Directors

Tara O'Brien	For: 8	Against: Nil	Abstain: Nil
Jeremy McAuliffe	For: 8	Against: Nil	Abstain: Nil

Adoption of Remuneration Report

For: 8	Against: Nil	Abstain: Nil
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Delisting and Low Volume Market

For: 7	Against: Nil	Abstain: 1
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Re-election of Directors

The Chair announced that two Directors were offering themselves for re-election by shareholders. Tara O'Brien and Jeremy McAuliffe retire by rotation and all offer themselves for re-election as Directors of the company. The Chair also announced that two Directors, John Nelson and Russell Hutchins, were retiring at the 2022 AGM and are not offering themselves for re-election.

(a) Motion: That **Tara O'Brien** be re-elected as a Director of the Company.
By show of hands For: 12 Against: Nil Abstain: Nil
Motion carried.

(b) Motion: That **Jeremy McAuliffe** be re-elected as a Director of the Company.
By show of hands For: 12 Against: Nil Abstain: Nil
Motion carried.

Remuneration Report

Motion: That the Remuneration Report contained in the Annual Report be adopted.

By show of hands For: 12 Against: Nil Abstain: Nil
Motion carried

Delisting and Low Volume Market.

Motion: That HDCE delists from the National Stock Exchange and instead establishes and maintains its own low-volume market.

By show of hands For: 12 Against: Nil Abstain: Nil
Motion carried

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

Bendigo and Adelaide Bank Report – Brad Peel

Brad thanked Nan Caple and the Board for their work during 2021-22 as valued partners of Bendigo and Adelaide Bank. As we emerge from the pandemic it is vital that we retain the trust of our customers. Next year in Canberra the network will be celebrating 25 years of the Community Bank model. There has been over \$300m given in community contributions, there are over 70,000 shareholders, over 1600 directors and over 1,600 staff. We believe that this model will be making social and economic differences for generations to come.

May 2022-23 be a successful year for the business.

Meeting Closed at 6.50pm.

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