

DROUIN AND DISTRICT COMMUNITY FINANCIAL SERVICES LTD
2013 ANNUAL GENERAL MEETING MINUTES
Held at Drouin Golf Club, McGlone Road, Drouin
November 21st 2013, 7:00pm

DIRECTORS PRESENT:

Bruno Persico, Terry Williamson, Kim Rees, Rod Dunlop, Debbie Brown, Matt Middel

GUESTS:

Chris Harrison (Branch Manager), Julieanne Palinkas (Admin Officer), Anthony Gillett (Bendigo & Adelaide Bank Regional Manager), Neil Robertson (Robertson Wouters)

Louise Gavros (Bendigo & Adelaide Bank)

Drouin & District **Community Bank**[®] staff – Bruce Sorrell, Nicole Friar, Kim Nelson, Jade Dance, Trudy Rivett

APOLOGIES:

Chris Arnup (Director), Lyn Arnup (Treasurer), Annette Tarrant (Auditor – Julius Somers), Tania Allchin (Drouin & District **Community Bank**[®] Customer Service Officer)

1 - OPENING:

The Chairman confirmed that the Notice of Meeting was issued in accordance with the Company's Constitution and the Corporations Act and that a quorum was present. The meeting was declared open for business

2 - MINUTES OF PREVIOUS ANNUAL GENERAL MEETING:

The Chairman reported that the minutes of the previous Annual General Meeting of the members of Drouin & District Community Financial Services Ltd held on the 15th November 2012, were approved and signed by the Chairman in accordance with the provisions of Section 251A of the Corporations Act and that should any member wish to inspect those minutes, a copy was available for that purpose.

3A - CHAIRMAN'S REPORT:

The Chairman announced to those present that he was pleased to present the 12th Annual Report. He advised that the results were excellent and above expectations in what was a difficult trading environment.

The Chairman noted that once again, the profit declared had continued to increase and that expenses continued to be a challenge; however the Chairman noted that the expenses are firmly under control due to the due diligence of the board and sub committees as well as the branch staff. He also advised that the branch were working hard to offset the impact of

changes that Bendigo & Adelaide Bank (BABL) had made to the way in which some income streams were assessed which had resulted in a reduction in some of these streams.

The Chairman was then pleased to announce to shareholders that a dividend of 0.18 cents per share fully franked will be paid to those holding shares at the close of business on 28th February 2014. This is in keeping with the previous year's dividend. The Chairman also noted that shareholders had received a special dividend of 0.05 cents per share in July 2013 in recognition of the branch's 10th anniversary. The board approved the payment of this dividend after several attempts to plan a public celebration of the branch's anniversary proved unsuccessful due to insurance and permit complications.

Those present were then advised that a builder had recently been appointed to construct the Longwarry agency and the company's commitment to the local community remained strong.

The Chairman concluded his report by highlighting that the branch continues to grow with over \$190 million in funds under management and over 5,000 customers. He thanked his fellow directors, branch and company staff for their continuing hard work and shareholders for their support. He asked that those present continue to spread the word about what makes the Community Bank® so special.

3B - BRANCH MANAGER'S REPORT:

The Branch Manager began his report by acknowledging that it was of the most difficult years that the branch had faced with the branch achieving 99.4% of the budget and the recovery only really beginning in the last quarter.

Overall, funds under management grew by approximately \$8 million and the branch currently has funds under management of \$192 million. Income were also down a little on previous years and the staff are working closely with the Regional Office team to maximise opportunities away from the traditional areas. Despite the difficulties faced, the profit for the year grew.

The Branch Manager also reported that some of the basic measures of the business had been reviewed. This review found the business is well placed with there being no particular areas where the business is deficient.

In regards to the branch staff, the Branch Manager reported that the staff remain consistent with a very low turnover. The advantage of such a situation is that it gives clients continuity and builds experience. He took the opportunity to thank the staff for their hard work and support as well as the board for their ongoing support, especially the Chairman who he knows he can always rely on.

Going forward the Branch Manager advised that another challenging budget had been set by the board. He is confident that another good result will be achieved.

3C - BENDIGO BANK'S REPORT:

Bendigo and Adelaide Bank representative Regional Manager Anthony Gillett began his presentation by expressing his pleasure to be attending the company's AGM once again to celebrate its success and performance.

Anthony told those present that he struggled to recall a more difficult twelve (12) month period with the big four (4) banks being more competitive than ever. Despite this, Anthony reported that BABL has 1.5 million customers, is an ASX top 60 company and has around 500 branches, 300 of which are Community Bank® branches. Anthony advised that BABL is happy to work in the niche space of working closely with communities.

Anthony took the opportunity to recognise the branch staff whose customer service is second to none, and in particular, Anthony recognised the stewardship of Branch Manager Chris Harrison.

4 - BUSINESS REQUIRING VOTING BY MEMBERS:

Annual Report:

The Company's Financial Report for the year ended 30th June 2013 and the Director's Report and Auditor's Report were tabled and considered.

MOTION: That the Financial Report and Auditor's Report for the year ended 30th June 2013 be received and accepted.

Moved: Allison Diston
Seconded: David Piggin
Carried

Election of Directors:

The Chairman advised that during 2012 Matt Middel had served as an Associate Director on the board and the board had decided to appoint him to the role of director in April 2013. In accordance with the company's constitution, Matt Middel was now seeking approval from the shareholders to continue in the role.

MOTION: That Matt Middel be elected as a Director of the company

Moved: David Piggin
Seconded: Len Diston
Carried

The Chair explained that it was a requirement that each year, a number of existing directors must seek re-election. In accordance with the company's constitution, Chris Arnup and Rod Dunlop were seeking re-election

MOTION: That Christopher Arnup and Rodney Dunlop be re-elected as a Directors of the company

Moved: Hans (Johann) Schulte

Seconded: Trish Galley

Carried

5 – SPECIAL BUSINESS – APPROVAL OF CHANGES TO COMPANY'S CONSTITUTION:

The Chairman then requested that shareholders approve the proposed changes to the company's constitution. Details of the changes were outlined in the *Notice of AGM* and all shareholders were given an opportunity to view a copy of the proposed new constitution should they wish to prior to the meeting.

Prior to the vote, shareholders were given the chance to ask any questions they had regarding this item. None were forthcoming.

MOTION: That the proposed changes to the company's constitution be approved

Moved: Cheryl Persico

Seconded: Allison Diston

Carried

GENERAL BUSINESS – QUESTIONS:

The Chair advised that no new business could be introduced however; he did invite questions from the floor. There were three as well as a comment from the floor.

Question One – Earlier you announced that a builder has been appointed for the construction of the Longwarry agency. Is the builder local?

The Chairman advised that Warragul company Kubale Constructions has been appointed. Before they were appointed the Board undertook checks to ensure they use local tradesman. The Chairman added construction was due to begin by the end of November.

Question Two – We see BABL advertise reverse mortgages in the papers but when locals enquire about this product they learn that this product is only available in metropolitan areas. Is BABL aware this looks bad for the company?

Regional Manager Anthony Gillett confirmed that this product is not available in all areas and as such, BABL do try to limit the advertising of it. He advised those present he will speak to BABL's marketing department that this has been raised as an issue with him.

Question Three – Does BABL realise there are a lot of permanent /casual and part time workers out in the marketplace looking for loans and they are getting knocked back because they are not in full time work?

Branch Manager Chris Harrison explained to those present that applicants who undertake casual employment can be accepted; however they do have different criteria to meet. He went on to explain that the issue is often not with the bank but with the insurers. This problem has been further compounded in recent times by the reduction to two (2) insurance groups operating in this field.

When asked who should people lobby to get a change to the situation, the Branch Manager explained the insurers. He also advised that people should discuss matters such as these with their Branch Manager as BABL hold monthly regional meetings with their Branch Managers and these items can be canvassed at these meetings.

Comment from the Floor – One of the shareholders present spoke on behalf of all those present regarding the imminent departure of Branch Manager Chris Harrison from the company. He took the opportunity to thank him for his many years of hard work with the company.

After the questions and comments from the floor, the Chairman also took the opportunity to thank and congratulate Chris Harrison on his twelve (12) years with the company and wished him well for the future.

He concluded the meeting by thanking the Drouin Golf Club for hosting the event and Helen Hateley for the catering.

The meeting was declared closed 7:48pm

Signed as a correct record



(Chairman)