

Daylesford District Community Developments Limited

2025 Annual General Meeting Results of Meeting

At the Annual General Meeting of Daylesford District Community Developments Limited held on 25 November 2025, the following resolutions were passed unanimously on a show of hands.

Election of Directors who had been appointed since the 2024 Annual General Meeting

2 (a) That Michael Sneddon be elected as a Director of the Company

2 (b) That Karen McAloon be elected as a Director of the Company

2 (c) That John Cottrell be elected as a Director of the Company

The Chairman's Address is set out on the following pages of this statement.



Trevor Shard
Company Secretary
26 November 2025

Daylesford District Community Developments Limited

2025 Annual General Meeting Chair's Address

On behalf of your Board of Directors it gives me great pleasure to present the Annual General Meeting Chair's Address.

I would like to focus on 5 things in my address today – our financial results, our community investments, our people, our customers and our future.

Turning firstly to our financial results, we're pleased to have been able to deliver another good result.

Our profit after tax for the financial year was \$49,569. This was lower than our result for 2024, which was \$121,834.

There were 3 main reasons for our lower profit.

These were as follows.

Lower revenue - revenue of \$963,287 was 3% lower than 2024 (\$993,909). This was due to tighter margins, as a result of falling interest rates and greater industry competition for deposits and loans. Net interest margins were down 6% year on year.

Secondly, higher employment expenses. Employment expenses of \$524,864 were 10% higher than 2024 (\$478,913). Contributing factors to the increase year on year were a general 3.5% salary increase, the increase in the Superannuation Guarantee Levy from 11% to 11.5% and staff shortages.

Thirdly, a higher level of community investment, which was \$100,252, compared to \$26,513 in 2024.

These factors were offset by lower administration costs of \$73,750 (2024: \$141,144) mainly due to the \$50,000 insurance provision in 2024.

Your Board maintains a close focus on our cash position and given the outlook at the time we decided to reduce the dividend from 8 cents (2024) to 4 cents (2025) to ensure we had sufficient cash to continue a strong level of community investment, albeit at lower levels than 2025. The dividend was paid on 31 October 2025.

Turning secondly to our community investments, we were pleased to deliver a significant uplift to our level of community investments. We funded a total of 29 projects with 25 community groups over the year. You will hear from 2 groups who have benefitted from our support after the meeting. We also contributed \$25,000 to the Bendigo Community Enterprise Foundation. This money is available for community investments in future years. The balance in the foundation at 30 June was \$186,256.

Although we don't account for it as such, we regard the Company owned property here at 113 Main Road, Hepburn Springs as both a shareholder and community investment. Rather than lease the property commercially, we make the property available as a meeting space for community groups at no charge. It is well patronised, averaging around 3-4 bookings per week and we get positive feedback from the groups that use the facility. In 2025 we invested \$25,192 in a major upgrade to the kitchen facilities. With a fully equipped kitchen we can now accommodate smaller group functions.

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Daylesford District Community Developments Limited

Over our 13 years of operation the cumulative amount of community investments is over \$960,000. Shareholders have received \$576,000 in dividend and capital returns, an average return of 7% per annum over the life of their investment.

Shareholder returns and community investments combined now total over \$1.5 million or \$2.56 for each dollar invested by shareholders forming the company in 2012. We also contribute to the local economy through wages and salaries and the broader economy through income tax. This is strong validation of the benefits of the community bank model for the local community.

Our people

There were a number of staff changes at the branch over the course of the year.

In May 2025 our Branch Manager Mel Houghton resigned after 2 years of service to the community bank network. She was replaced by James Watson, who was our Customer Relationship Consultant – our 2IC if you like. It was gratifying to be able to fill the role from within our ranks. This gave rise to some other changes – Caitlyn Phillips was promoted to Customer Relationship Consultant and we recently recruited Heidi Skjonnemand as a Customer Service Officer.

The current team are settled in and James and Caitlyn, along with Miranda, Rachel and Heidi continue to provide a welcoming and positive banking experience.

While other banks are closing regional branches, your Board is committed to providing banking services to our customers in Daylesford and Hepburn and surrounds. More about that later.

At Board level there were also some changes.

We are pleased to advise that three new directors joined the Board during the year. These were Karen McAloon, Michael Sneddon and John Cottrell, whose biographies can be found in the 2025 Directors' Report. Each of Karen, Michael and John will stand for election today. Current directors Margaret Hodge and myself advised that we will not be standing for re-election today. The Board has expressed its sincere thanks to Margaret, particularly for her stewardship of our Community Investment Committee and to myself for leadership of the Risk Management Committee.

Lastly, we pay special thanks to the Board's support team – Company Secretary Trevor Shard and Administration Assistant Bianca Amer.

Our customers

Customers are key to our Community Bank's operation and our continued ability to make contributions to our community through sponsorships and dividends. We thank them for their ongoing support and we strive to maintain the highest level of service. Our banking franchisor - the Bendigo Bank, ensures that we can offer our customers a complete range of banking products in personal, commercial and rural banking markets. In simple terms, the more customer business we have the more money we have to give.

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The future

Turning now to the future, I will divide my comments into 2 parts, the shorter-term and longer-term outlook.

The outlook for 2026 is for interest rates to remain steady. While we had expected further cuts to the Reserve Bank cash rate, due to the inflation outlook, this now seems unlikely. This will mean more intense industry competition for deposits and loans.

Indeed, this is reflected in our results for the first 4 months of the year. Our net interest margins is slightly lower than for the same period last year. This however, is being offset by the fantastic efforts of our branch staff to increase our footings (deposits and loans) which are \$18 million or 14% higher than at the same point last year. The net result is that we are seeing our revenue track ahead of the same period in 2024.

The challenge for us is to continue to grow our revenue base while dealing with the inherent growth of our main fixed costs, which are wages and rent. We live in a competitive world.

Looking at the longer-term outlook, there are threats to “bricks and mortar” banking. Principle among these is the growth of digital banking. All of the major banks are pursuing an aggressive approach to growing their digital banking platforms. Bendigo Bank is no exception. Home buyers can arrange a home loan without having to walk into a bank branch. Families can conduct their banking business entirely on-line.

What does this mean for us? Well, I can tell you that your Board is determined to maintain a physical presence in Daylesford. We see this as a community investment in itself. Through our representative Community Bank National Council we pursue ways for community banks to share in the growth of digital banking.

The Company's franchise agreement with Bendigo and Adelaide Bank Limited extends to April 2027 and may be renewed for a further 5 years to 2032 at the Company's request. So, there is certainty for at least the next 7 years that we can continue to operate. Accordingly, we are negotiating an extension of the branch premises lease to at least December 2031.

In closing, we can assure shareholders that your Board remains committed to growing a profitable Community Bank that will provide both increased funds for community investment for the future and enduring shareholder dividends, as well as ensuring that banking facilities remain available to the community in the Daylesford Hepburn region and surrounding districts.

Our local bank, our local community, thriving together.

Phil Lavelle
Co-Chair
25 November 2025

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