

MEDIA RELEASE
4 November 2024

Daylesford District Community Bank* 2024 Financial Results

Daylesford District Community Developments Limited (Daylesford District Community Bank) announced today its 2024 Financial Results. Profit after tax for the financial year was \$121,834 (2023: \$220,515).

Revenue of \$993,909 was lower than 2023 (\$1,219,590) due to greater industry competition for deposits and loans, which led to tighter margins.

Operating costs of \$804,561 were higher than 2023 (\$722,236).

This was mainly due to the Company recognising a \$50,000 provision for an insurance liability within Administration and General expenses. The provision reflects the Company's contractual obligation to cover a claim arising from a credit loss. The Board has also recognised a contingent liability in relation to the credit loss in Note 25 of the 2024 financial statements.

Employee benefits expense was \$478,913, 4.3% higher than 2023 (\$457,728) mainly due to an across the board wages and salaries increase of 3.5% in December 2023.

Finance costs of \$27,574 (2023 \$21,884) reflected a full year of borrowing costs on the Company's property in Hepburn Springs. The property has been made available as a meeting place for community groups at no charge and averages between 2 to 3 bookings per week.

Sponsorships and charitable donations were \$40,513, (2023: \$200,926). There was also a refund of \$14,000 from an organisation that the Company had sponsored which transitioned from not-for-profit into private hands. In addition, \$40,260 was paid to community groups and scholarship recipients from funds contributed to the Bendigo and Adelaide Bank Community Enterprise Foundation in previous years. The 2023 sponsorships and charitable donations included a contribution of \$120,000 to the Bendigo and Adelaide Bank Community Enterprise Foundation. There was no comparative contribution in 2024 with Directors taking the view to conserve cash for a potential refurbishment of the branch premises.

Cash from operating activities was \$53,401 (2023 \$437,860). This was lower than 2023 due to lower revenue of \$197,410, higher operating costs and the \$120,000 contribution to the Bendigo and Adelaide Bank Community Enterprise Foundation in July 2023.

In June 2024 the Company elected to withdraw the available re-draw of \$220,000 on its loan and have it as cash at year end. This was subsequently returned to the offset account in July 2024. This had the effect of significantly increasing the Company's cash on hand compared to 30 June 2023, which was offset by a corresponding increase in the Company's loan balance year on year.

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.

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Daylesford District Community Developments Limited

A fully franked special dividend of 6 cents per share which was provided for in the 2023 financial year was paid in November 2023. A fully franked dividend of 8 cents per share has been provided for in the 2024 financial year and will be paid in November 2024.

On 26 September 2024 the Company received a notice of resignation from Director Peter Douglas. The Board expresses its thanks for Peter's contribution to the Board and the Company.

On 30 September 2024 the Company received a notice of resignation from Chair Mark Rak. The Board subsequently appointed Phil Lavelle and Phil Gay as Co-chairs.

Co-chair Mr Lavelle said, "On behalf of the Board and shareholders I want to acknowledge and thank Mark for his significant contribution over the past 15 years. Mark was one of the founding directors, Deputy Chair and he played an important part in the formation of the Company."

Commenting on the year ahead Mr Lavelle said, "The outlook for 2025 is continued industry competition for deposits and loans. The Board currently expects this will result in similar margins and revenue to 2024 but we acknowledge that when the monetary cycle turns to declining interest rates our margins are likely to come under pressure. The Company is on a firm financial footing and expects to be able to continue to fund community investments and provide good returns to shareholders."

The 2024 Financial Report, Directors' Report and Auditor's Report can be found on the Company's website www.bendigobank.com.au/siteassets/branchassets/communitycompanies/daylesforddistrictcommunitydevelopmentslimited/investorshareholder/financialstatements/2024-audited-financials.pdf

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**This media release was approved by the Board of Daylesford District Community Developments Limited, owner and operator of the Daylesford District Community Bank.*

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