

19 May 2020

Daylesford District Community Bank announces Dividend and proposed Reduction of Capital

The Daylesford District Community Bank Board announced today that it had declared an unfranked dividend of 8 cents per share. The dividend will be paid to shareholders on 26 May 2020. The record date for determining shareholder entitlements will be 22 May 2020.

The Board also announced its intention to seek shareholder approval for a reduction of capital (return of capital to shareholders) of up to 7 cents per share. Shareholder approval will be sought at a General Meeting of shareholders to be held on 18 June 2020. If approved, the return of capital will be paid to shareholders on 24 June 2020. Based on the number of shares on issue, the return of capital represents a maximum \$42,000 reduction in issued capital.

Finance and Audit Committee Chair, Philip Gay, said, “Despite the uncertainty surrounding Coronavirus, our branch continued to grow, increase profits and substantially improve its balance sheet. The Board decided that it was prudent to maintain last year’s dividend of 8 cents per share and reward shareholders for their ongoing support through a proposed return of capital of up to 7 cents per share.”

Community Investment Committee Chair, Margaret Hodge, said, “We expect to allocate around \$100,000 this year in community investments and contributions. Coronavirus has impacted on requests for sponsorships and grants as many local organisations have suspended operations. We are therefore considering contributing further funds to the Bendigo Community Enterprise Foundation for future significant projects. We encourage community groups to approach us if they have a current need or project. By way of example, we recently contributed \$2,810 to the Good Grub Club for a new stove and dishwasher.”

Community Bank Chair Mark Rak commented that, “The proposed return of capital is recognition that the Company’s balance sheet has strengthened markedly over the last 3 years, resulting in enough cash reserves to be able to fund the maximum \$42,000 capital reduction in the absence of a further major market disruption.

“We believe the return of capital will not impact on our ability to continue to invest in the community. We see it as part of our longer-term approach to balance capital management, shareholder interests and ongoing community investments”, he said.

Daylesford District Community Developments Limited

The return of capital has been approved by Bendigo and Adelaide Bank, as required under the franchise agreement. A return of capital represents a partial repayment of shareholders' initial investment in the company.

The proposed timetable for the dividend payment and the general meeting is set out in the table below.

Proposed Timetable	
Dividend and reduction of capital announcement	19 May
Record date (for dividend)	22 May
Dividend payment date	26 May
Shareholder General Meeting	18 June
Record date (for reduction of capital)	22 June
Reduction of capital payment date	24 June

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