



## Half-yearly results to December 2014.

I am happy to announce that the first half of the year has delivered a pleasing result with income from operations up by 10% on the same period in 2013 and operating expenses being lower by 10%. As a result of careful budgeting, our net profit after income tax for the period nearly tripled from the previous year.

However, since the end of 2014, activity in both lending and deposits at the branch has decreased which will temper the full year result; we are still expecting a healthy profit and anticipate making a contribution to the Community Enterprise Foundation™ and paying a shareholder dividend.

## Directors.

Wayne McArdle and Ross McDermott left the Board at the Annual General Meeting (AGM) last November, both to pursue other business opportunities. On behalf of the Board I thank them for the work they have done for the company and wish them good fortune for the future.

In addition to the Wayne and Ross leaving the Board, we also said goodbye to long-serving Board member Dianne Harrison, who is leaving due to work commitments and to spend more time with family. She has made an outstanding contribution to the Board in particular her work with the Community Building Committee. On behalf of the Board, I thank her for her hard work and enthusiasm and wish her well for the future.

## Shares.

We have a number of shareholders on the register wishing to sell their Trafalgar & District Financial Services Limited shares. If anyone would like to purchase shares, please follow links to the Trafalgar **Community Bank**® Branch website: [www.bendigobank.com.au/trafalgar](http://www.bendigobank.com.au/trafalgar) and register an interest to purchase shares. Our admin Officer, Melanie Jinnette is happy to guide you through the process if you need help. Her contact number is: 0402 106 088.

## Project Horizon.

The Final Report for Project Horizon was released on 13 February 2015. Co-sponsored by Bendigo Bank and the **Community Bank**® Strategic Advisory Board, Project Horizon seeks to set a shared vision and strategy for the **Community Bank**® model into the future.

The Final Report is the culmination of extensive discussions between Bendigo Bank and Directors, staff and shareholders, and sets out the final recommendations approved by the Project Steering Committee, the **Community Bank**® Strategic Advisory Board and Bendigo Bank. The report includes the following changes to the current financial model, which will take effect on 1 July 2016:

- Margin share on core banking products will be 50/50, to be calculated under a funds transfer pricing (FTP) based model
- Term deposits over 90 days and fixed rate home loans will become margin rather than commission products
- Market Development Fund (MDF) payments will be adjusted to provide greater support to new and less profitable sites, and less to established profitable sites. MDF payments will also be adjusted to support collaborative marketing
- Transitional arrangements will be made by Bendigo Bank for those **Community Bank**® companies adversely affected by these changes to the financial model, for a maximum period of three years.

Over the next few months Bendigo Bank will be giving **Community Bank**® company Boards information about the detail of these changes for their individual **Community Bank**® company, and discussing this with them.

In addition, Bendigo Bank proposes to agree to accept annual payment of franchise renewal fees instead of an upfront payment for the full term for less established and less profitable sites where certain criteria are met. Bendigo Bank proposes to do this as payments become due – ie in advance of the 2016 start date for the other changes. A wider review of the franchise renewal fees to examine variation based on the value of the market opportunity assigned to each **Community Bank**® branch is also proposed.

At this stage the Board of Trafalgar & District Financial Services Ltd does not have enough information to work out the likely impact of these changes on the company. However as more information becomes available the company will make a further announcement if it assesses the likely impact is material.

## Sponsorships and grants for the 2014 year.

As well as providing banking services to the community, the company and branch are committed to returning as much money as possible to the community in the form of sponsorship and grants. One of the key purposes of the **Community Bank**<sup>®</sup> branch is to help local community organisations achieve their goals. At the AGM last November, we presented grants to the value of over \$55,000 to five local community groups, with a further \$8,000 approved in January to two more groups.

Organisation	Project	Amount \$
Anglican Trust Corp Of The Diocese	Install power & air conditioning at St John's Church, Walhalla	5,200
Rotary Club Of Trafalgar	Roof for mess hall at Caringal Scout Camp	4,900
Trafalgar Bowls Club	New window for club room	3,000
Trafalgar Cricket Club	Repair to club room roof	22,120
Trafalgar/Thorpdale RSL	Contribution towards extension of RSL rooms	20,000
Erica Pre School	Contribution to the renovation of the Kindergarten building	5,000
Baw Baw Sustainability Network	New chairs	3,250

Building mutually beneficial relationships with our community continues this year with the following organisations receiving sponsorship.

Organisation	Amount \$
Gippsland Greenkeepers & Bowlers	300
Trafalgar Yarragon School Chaplaincy Committee	500
Trafalgar Junior Basketball Club	880
Gippsland Road Runners (Trafalgar)	1,000
Walhalla Heritage and Development League Inc	1,000
Willow Grove Cricket Club	1,250
Yarragon Business Association	1,250
Trafalgar Cricket Club	1,260
Trafalgar Lions Club	1,500
Hill End Grove Rovers Junior Football Club	1,886
Yarragon Pre School	1,980
Trafalgar Bowls Club	2,000
Hill End Community Inc	2,500
Trafalgar Park Bowling Club	2,750
St Joseph's Primary School Trafalgar	3,500
Trafalgar Tennis Club	10,000
<b>Total</b>	<b>33,556</b>

Trafalgar and District Financial Services Ltd 103a Princes Highway, Trafalgar VIC 3824 ABN 86 102 573 222

## Trafalgar & District Community Bank<sup>®</sup> Branch

103a Princes Highway, Trafalgar VIC 3824 Phone: 5633 2783

Opening hours: Monday to Friday 9.00am – 5.00pm and Saturday mornings 9.00am – 12 noon

Website: [www.tdfs.net.au](http://www.tdfs.net.au) [www.bendigobank.com.au/trafalgar](http://www.bendigobank.com.au/trafalgar)



## Staff update.

In October last year, we welcomed Erin Hastie to the position of Senior Customer Service Officer. Erin has a background in banking with National Australia Bank and a Community Credit Union in Cobarr and comes with outstanding experience in the full range of branch functions.

Christie Ashe was appointed as a Customer Service Officer in November and brings with her extensive experience in banking, financial planning and mortgage broking. She and was instrumental in organising our marquee at the recent Thorpdale Potato Festival of which we were a 'silver' sponsor. Caroline Dyall who had been in this role on a temporary basis finished in December. She is now based at the Moe branch and on the relief staff list, so I expect we will see her again in the future.

Lorraine Morland decided to retire in order to spend more time with her daughter and granddaughter. Lorraine has been with the company for over eleven years and was a founding member of staff. Lorraine has worked tirelessly to make the bank a success and to establish firm relationships with customers.

Lorraine's last day was on 17 March, so on behalf of the Board I wish her a happy retirement.

We are expecting Tiffany to return from maternity leave in a couple of months and this means that the branch will be, once again, fully staffed.

## Branch renovation.

We have plans to close the branch in the middle weekend of June to complete the renovation. The air-conditioning, insulation and lighting are the major fixtures that need upgrading and plans also include replacing the banking counter, carpets and seating for both customers and the bank staff. The branch will be painted both inside and out and the fascia sign will also be replaced.



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