

City West Community Financial Services Limited (ACN 134 051 219)

Annual General Meeting

Minutes of Meeting

Date	24 November 2010
Time	6.00 pm
Place	Pyrmont Community Centre, John St Pyrmont
Present	Bruce Naphthali [Chairman], Robert Gavagna (Deputy Chairman), Ian Bulluss (Secretary), Margaret Broadbent, John Hoff, Ashley Limbury, Peter Devoy, John Marsden
In Attendance	Robert Chittick (Regional Manager), 36 Shareholders
Apologies	Charles Perry, Phillip Price (Bch Manager), Patricia Strong (Treasurer)

- 1. Welcome and apologies**

Recognition of traditional land owners; Cadigal People.
Welcome to shareholders and guests.
Apologies for absent directors (overseas)
- 2. Quorum**

It was noted that Quorum requirements were met and that the AGM could proceed
- 3. Notice of Meeting**

It was noted that the Notice of Meeting was made available to all shareholders and that there was no request from any shareholder requiring the Notice to be read.
- 4. Minutes of previous Annual General Meeting**

The minutes of the previous Annual General Meeting of 10 September 2009, as distributed, were accepted as a true record of the meeting.
- 5. Proxies**

The Secretary reported that 32 notices of proxies had been received with 2 being informal. The remaining 30 formal notices were distributed in the following manner:

Chairman / Mr Bruce Naphthali:	14
Margaret Broadbent:	5
Mary Mortimer:	1
Ashley Limbury:	2
John Marsden:	2
Ian Bulluss:	1
Peter Devoy:	4
Elise Stanberg:	1
- 6. Annual Report**

The 2009/10 Annual Report was distributed to all shareholders along with the Notice of Meeting.

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Chairman (to initial)

The Chairman sought from the shareholders present any matters requiring clarification pertaining to the audited books as stated in the distributed Annual Report.

7. Chairman’s address

The Chairman delivered an updated report as against the published document. Copy is attached.

8. Branch Manager’s address

Due to the resignation of Mr Phillip Price, the Branch Manager’s report was taken as given in the Annual Report.

9. Election of Directors & Office Bearers

Elections were conducted for Directors Retiring by rotation:

Mr John Hoff. Nominated by: Mr Bruce Naphthali; Seconded by: Mrs Lynn Reid. CARRIED

Mr Peter Devoy: Nominated by: Mr Robert Gavagna; Seconded by: Mr John Reid. CARRIED

Mr Bruce Naphthali: Nominated by: Ms Sandra Howard-Bath; Seconded by: Ms Elizabeth Heath. CARRIED

Elections were conducted for Office Bearers:

Chairman: Mr Bruce Naphthali.

Nominated by: Mr Robert Gavagna; Seconded by: Ms Sandra Howard-Bath. CARRIED

Secretary: Mr Ian Bulluss.

Nominated by: Mr Bruce Naphthali; Seconded by: Ms Sandra Howard-Bath. CARRIED

Treasurer: Ms Patricia Strong.

Nominated by: Mr Bruce Naphthali; Seconded by: Mr Robert Gavagna. CARRIED

10. Close of Meeting

There being no further items, the Chairman thanked all those in attendance for their continuing assistance in supporting the Branch.

In response, a vote of thanks to the Chairman and Directors was offered on behalf of all shareholders by Mr John Reid

Signed as a correct record

Bruce Naphthali, Chairman:

Dated:

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Chairman (to initial)

2010 AGM Chairman’s Address

November 24, 2010

CHAIRMAN’S COMMENTS ON THE PAST YEAR

After 3 years of hard work, our company CWCFS Ltd was incorporated to operate a franchise business conducting banking operations under the Bendigo and Adelaide Bank banner in our village of Pymont. Our bank opened for business on 11th December 2009, and the figures before you in effect reflect the first 61/2 months of business.

The Bendigo Community Bank® system developed in country areas where communities had been deserted by the major banks, and it has been proven time and time again that installing a Bendigo bank has resurrected community spirit and increased business in these communities. The Philosophy “Good for business Good for Community” is well founded.

The success of our business is dependent on the community of Pymont directing a fair share of its banking business / financial transactions through our company branch. Our feasibility study had confirmed our view that Pymont has a strong business community and robust turnover of property, much of it with Mortgages attached. We need to see more loan applications from these business and property borrowers.

Despite the GFC, we opened with a strong book based on large short term deposits. However we do not gain a significant contribution to profit from such deposits. Unfortunately, a book with large deposits can be subjected to large fluctuations, which we are currently seeing.

The success of a bank is, to a large extent, derived from its business and home lending. Loans do take a long time to move through the pipeline from when a prospective borrower walks in the door to when the loan is actually settled. As we commenced in mid-December, loan applications started to be received in late January, and some of these applications did not settle until June and even July. As our loan book increases so too will the contribution to our profit.

Recently, there has been a lot of justifiable controversy attached to our big 4 banks. They blame excessive rate hikes on the high cost of funding. With Bendigo’s structure we have been able to remain competitive despite not having significant Federal Government support. However, it now appears we are going to become a substantial part of the Federal government’s proposed 5th pillar within the Australian banking system.

We have seen some success in our ATM service, however it is interesting to note that the competition we offered our neighbour has resulted in that neighbour responding by not only appointing a manager (after 18mths without) but also by it applying to install an externally located ATM.

Disappointingly, there have been a number of staff changes through the year. Our HR advisory committee, together with Bendigo’s experienced staff have worked tirelessly to bring together a balanced branch team that can offer a first rate banking experience for all our customers. It is frustrating to develop a trained and competent team only to see them move on and then have to repeat the same process again. We believe we now have the basis of a competent team with which to go forward.

I take this opportunity to thank our branch manager Phillip Price and his team for their efforts.

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Chairman (to initial)

As you know, one of the benefits in having a profitable Bendigo bank franchise in Pymont is to see our profits reinvested back into our community and not being paid to expensive CEOs. We do need more business before we can significantly invest back into our community. However, Bendigo does provide us with limited funds for market development, and much of these funds we have already invested back into the community.

We have been asked about our community investment policy for worthy causes. In general there are 2 ways in which we invest back into the local community. One way is by direct funding from our branch. The other is via the Bendigo Foundation.

The general criteria are as follows:

- Worthy causes approach us with details of their funding application to provide a better service or facility for Pymont / Ultimo. Applications should clearly detail the whys and wherefores and the amount of funds needed. Of course, we cannot just hand out moneys as sought. There has to be a solid demonstration of community need, and the written application should clearly explain the need for the funds, and the benefit that will flow to the community.
- Generally we need the applicant to be incorporated and with an ABN, preferably registered as a NFP with Tax exemption.
- Our Marketing and Community Development Team headed by John Marsden will review the application, discuss it with the applicant, and make a recommendation to the board. This Committee will work closely with an applicant to develop its goals where necessary.
- Through support from City of Sydney; local Churches and even State and Federal governments, we can leverage up a situation that may require a larger sum than that which we can provide to achieve the result desired. In country areas we have seen Fire Trucks financed with a basic start of \$20,000 from the local bank; local sports grounds with a kick start of \$10,000 just to offer two examples.

Your dedicated Board takes its role in the community very seriously. Following on from the herculean task of successfully establishing a Community Bank® branch during the GFC, your board has participated actively in the community with a presence at local community events. We have provided financial support to local causes in line with our present financial capacity. I am sure most of you will have already seen evidence of this support and I can assure you this support will continue and will intensify as the Branch is able to reciprocate the business support it receives from the community.

I assure you we are monitoring the branch’s performance very closely, and taking steps to ensure that budgeted outcomes are achieved.

Finally I take this opportunity to thank our determined volunteer directors for the time and effort they have invested in starting up our Community Bank and for their dedication to the task of creating a successful future for the branch and for the community.

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Chairman (to initial)