

29 May 2012

NSX Announcement

RELOCATION OF KINGLAKE PREMISES

The Directors of Valley Community Financial Services Limited (**VCFS**) are pleased to announce our relocation from our current premises in Kinglake to a larger and more customer friendly premises at Shop 4, 1 Victoria Street, Kinglake.

Our current tenancy arrangements will expire in September 2012 and as we needed to vacate the shared premises, the Board decided to relocate. Our franchise partners, Bendigo Bank have approved a full franchise branch if we relocate to a stand-alone site.

Currently, the Kinglake branch is operated as a sub branch of Hurstbridge & Districts **Community Bank®**. Under the sub branch agreement between VCFS and Bendigo Bank, there were a number of levels or "trigger points" that when any of them were reached, it would result in the conversion to a stand-alone branch. Those trigger points are:

- The value of business (that is the total of the loans and deposits attributed to the sub branch) exceeds \$20,000,000; or
- 1,000 deposit accounts are attributed to the sub branch; or
- 2,000 transactions per month are carried out through the sub branch.

As a result of these trigger points, Bendigo Bank requires the conversion to a stand-alone branch and this in turn, requires a new Franchise Agreement to be signed. Having achieved footings of over \$21,000,000, it is now appropriate to convert to full branch status.

After the devastating fires of 7 February 2009, the Directors decided to assist in the recovery of the community of Kinglake and brought banking services to the town. Valley Community Financial Services Ltd have been continuing to support the Kinglake community by providing over \$450,000 (by VCFS and the family of community bank® networks) to local community groups with the latest funding of \$19,473 to Bollygum Community Market.

To continue to support the Kinglake and district community and with the blessing of Bendigo Bank, VCFS has applied and been granted, a loan of \$175,000 which will be wholly used for the fit out and relocation costs.

If you have any queries in relation to the above, please do not hesitate to contact me on 0412 284 829 or our Treasurer, Daryl Brooke on 0433 948 258.

Yours faithfully



Barry Henwood

Chair

VALLEY COMMUNITY FINANCIAL SERVICES LIMITED