

Canterbury Surrey Hills
Community Finance Limited



12 November 2013

National Stock Exchange (NSX)
Announcement

FOR IMMEDIATE RELEASE

**2013 ANNUAL GENERAL MEETING
CHAIRMAN'S AND CEO'S ADDRESS**

The prepared speeches from the Chairman and the CEO of Canterbury Surrey Hills Community Finance Ltd to the Annual General Meeting, to be held tonight at 7:30 at the Camberwell Central Bowls Club, are attached for immediate release.

Further information regarding this announcement can be obtained by contacting:

Geoff Rowles
Secretary
0419 740 006

Chairman's Speech – Juliann Byron

AGM 12 November 2013

This current calendar year is of some significance to the Company being the 10th anniversary since opening our doors in both Surrey Hills and Canterbury. I know many of you have been supporters of the Company for longer than this, in the early days assisting to get the **Community Bank®** off the ground. Without your continued support, we would not have achieved what we have to date.

Last financial year we achieved very strong growth both in revenue and profit-before-community-investments. It was also our largest year for Community Investments of \$494,209, reaching an accumulated total of more than \$2.3 million. Our CEO, Dick Menting, will expand on this in his presentation.

The last quarter of the 2012/13 financial year felt the impact of 'Restoring the Balance' program by Bendigo Bank. This is the second such a program introduced, reducing our commission revenue, which will have an effect on our revenue over the current and future financial years, however we are unable to quantify this effect at this time. Combined with more competitive market conditions, particularly with the deals from the major banks, will provide challenges for us over the 2014 year until we are able to restore our revenue base.

This has already had an impact on the level of community investment funds available. We have been discussing this with all our community partners so they understand our position. While this may limit our community investment during the year and delay projects we wished to progress, we still encourage and promote community investment in the sponsored groups who in turn promote and provide business to us through referral and incentives.

As I mentioned in the published Annual Report, a focus of the Board for the year is progressing the campaign for a Hawthorn branch and Youth Programs.

The Hawthorn campaign continues to progress with much work being undertaken by Dick Menting and the Hawthorn Steering Committee to move us closer to a feasibility study. Dick will expand on this in his report.

The Youth focus for the year ahead includes our involvement in the Boroondara Youth Foundation which we run with the assistance of the Craig Family Centre. We feel there has been real benefit to the youth who have taken part in the program and we have some members of the youth panel and the youth facilitator here tonight. They will be speaking to you at the conclusion of the AGM formalities. This will allow them the opportunity to tell you more about what they are doing and how the program for the year is progressing.



In 2014, we will be undertaking a Junior Observer Program which will be run by one of our Directors, Geoff Rowles. This will involve 4 local students at high school level to establish a program to involve them in the machinations of a Listed Public Company to assist their knowledge, development and leadership skills. It will also assist with our understanding from a youth perspective. Two local schools are keen to be involved in the program.

Another youth project for the year is the Magic Moments Youth Leadership and Business Summit. The Company will be selecting 4 participants who will be provided with the scholarship for the summit in July 2014. This will help them identify their strengths, and how they can contribute to their community.

I would like to thank the Board for their support over the year being my first in the role of Chairman. They have been kept very busy but all have undertaken what has been asked of them without complaint.

I also wish to thank our staff, who continue to provide all our customers with excellent service and are becoming increasingly involved in the community alongside the Directors. This is additional time commitment which is much appreciated by the Board.

Finally, I would like to thank John Grace, our retiring Director, who is stepping down from the Board. But we are not letting him go completely and John has agreed to continue on the Community Investment and Marketing Committee where he will be able to continue to provide assistance and be an ambassador for the Community Bank among the many sponsored groups in which John is involved.

I would now like to introduce Dick Menting our CEO to say a few words.



CEO's Speech – Dick Menting

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Our staff achieved very strong business growth of 17.8% during the year. Revenue increased by a somewhat lower 10.5%, partly caused by the Bendigo Bank “Restoring the Balance” program and partly by the mix of business obtained. We will face strong challenges in the current financial year to achieve anything like the results of last year.

As indicated by our Chair, we booked a record \$494,209 in community Investments via sponsorships, grants & incentive payments during the year. Since the start of our Company, we have provided over 225 not-for-profit organisations with that financial support. Over time, we have paid significant amounts to most organisations.

Due the “Restoring the Balance” program and economic factors, we are likely to reduce our sponsorship payments significantly in the 2014 financial year and market much more strongly our incentive payments. We offer all our sponsored clubs certain amounts of for accounts opened by their members. Those incentive payments will continue to be honoured and we are confident that our sponsored organisations will continue to assist us in obtaining much more banking business from their members and supporters.

As you are aware, we have joined with the committee in Hawthorn, which has worked for 3 years now, to establish a **Community Bank®** branch in Hawthorn near the corner of Burwood Road & Power Street. We are pleased with the progress and it is likely that the feasibility study will commence early in 2014. We have set significant targets before committing to each of the next steps. If all goes well, the branch (our fifth) will open sometime after June 2014. If you know of any friends or acquaintances in Hawthorn, ask them to consider pledging to purchase shares in our Company and to open accounts with us.

Bendigo Bank have commenced a review the first 15 years of community banking called “Project Horizon” to consider the current state of the **Community Bank®** network and what the future could hold. I am one of about 100 community banking directors who will work on this project over the next 12 months. There are many challenges for us and we intend to be at the forefront of ensuring that the “movement” will be a great support in community building.

This current year will be a very challenging and we need all the support from our supporters that we can obtain. If you still do not fully bank with us, please consider it. Also, please recommend us to whoever wants to listen. The more banking business that we have, the more funds we can provide to the not for profit groups in our areas.