

## **Chair AGM Address Thursday, 22nd November 2018**

My comments will follow much of the information contained in the Annual Report already sent to Shareholders.

However, I do wish to emphasise a major development during the year that fulfilled a strategic goal of the Bank to make a major contribution to the local community.

Over recent years we have been looking for a community project that would bring benefits to the wider community and improve community values. In this regard, we have been accumulating funds in our reserves to put towards a suitable project. A worthwhile project was identified, and the Board agreed to commit \$500,000 to the Sandringham Hospital \$2.5 million appeal for the new Day Procedure Centre.

This gave us naming rights and the new centre is now called the Sandringham Community Bank Day Procedure Centre. The Centre has now opened and integrated into the existing Hospital.

The impact on our results for the year, after our contribution to the Sandringham Hospital was a loss of \$244,289 for the year to 30 June 2018.

Profit before our community contributions was \$170,761 which is a good result and in line with our budget and previous years' operations.

Our total assets also reduced to \$669,759 as we also used accumulated reserves to fund our contribution to the Sandringham Hospital. Total equity now stands at \$498,498.

In the next few years we are planning to increase the Assets and Equity, from our profits, to a level prior to the Contribution to the Sandringham Hospital. This will not impact on the annual level of support to the community we have made in previous years.

The banking environment continues to be competitive. However, we believe we are well placed to be a Bank of Choice following the problems encountered by the 4 major Banks at the Royal Commission and with good public acceptance of our Community Bank model and careful management of our business we expect to be able to build on our strong customer base and reputation to achieve a modest increase in our operating profit for the year to 30 June 2019.

Consistent with previous years a Fully Franked Dividend payment of 6 cents per share will be paid to shareholders. This distribution of \$36,600 brings the funds returned to shareholder by Return of Capital and Dividends to \$494,100.

### **Our community**

The Sandringham Hospital contribution together with total distributions to our community by way of sponsorships, donations, grants and dividends since establishment in 2002, takes us well over \$2million worth of value being added to our community. Beneficiaries of our grants,

sponsorships and donations program for this year are shown in the community section of this report.

Matthew will mention a selection of the beneficiaries of our grants, sponsorships and donations program for the year in his address.

### **Our strategy**

The Board remains committed to a strategy of growing and retaining our business. With planned growth and maintaining a strong balance sheet we will be well placed to continue to support our community into the future. We now use our Grants and Sponsorships to partner with our community groups to develop new business and this is expected to show good results in the future.

### **Our people**

One of the major benefits of doing business with our Community Bank is the staff. Our long serving staff lead by Matthew Gallop, who recently completed 15 years' service at our Bank, are competent and friendly. Their knowledge of all banking products and willingness to assist our customers is a major point of difference from the other banks.

The Board is grateful to Mathew and the staff for the quality service they provide in a professional and friendly manner.

Our Directors bring diverse and competent skills to the Board and I am grateful for the dedicated support they give to me and the branch. We continually review our Succession Planning, Committee structures and membership to ensure that we share the workload of the Board in promoting the Branch in the community.

We also acknowledge the support we received from our Regional Managers, Mark Nolan, Tracey Kelly and their teams. We thank them for their ready assistance and guidance.

### **Our shareholders**

Thank you for your ongoing support and the business that many of you transact at our branch. The return of capital and dividends received over the years represent a good return on the original investment you made in the Bank and the community.