

22 November 2011

NATIONAL STOCK EXCHANGE OF AUSTRALIA  
BENDIGO STOCK EXCHANGE

## ANNOUNCEMENT

The Company provides its Chairman's Address to be presented at its Annual General Meeting on 24 November 2011.

A handwritten signature in black ink, appearing to read 'Gwen Zammit'.

Gwen Zammit  
Company Secretary  
Sandringham Community Financial Services Ltd

**SANDRINGHAM COMMUNITY FINANCIAL SERVICES LTD**

**ANNUAL GENERAL MEETING**

**24 NOVEMBER 2011**

**Chairman's Address**

I am pleased to report that we have achieved another good result for the year to 30 June 2011.

Deposit growth was good and although our new lending grew at a reasonable rate the net growth was modest as borrowers with home loans accelerated their repayments in these uncertain economic times. Good progress has been made in providing our customers with a wider range of products and acquiring new business.

Common with other financial institutions, our margins continue to come under pressure and in this environment we have maintained a tight control on our expenses.

Revenue increased by 7.69% to \$935,223 and our Profit Before Tax was \$143,822, up from \$87,306 last year.

The Profit Before Tax of \$143,822 was achieved after the contribution of \$125,000 to the Bendigo and Adelaide Bank Ltd Community Enterprise Foundation for future Grants to our Community.

It is important to remember that grants made to our Community from this Foundation come from funds generated by our business and is in addition to the Sponsorship payments we make each year. Over the last two years we have transferred \$290,000 (\$165,000 in 2010 and \$125,000 this year) to the Foundation for future Grants to our Community.

With the Grants and Sponsorship payments that Glen Barnes will make later, the total distribution to our Community since our establishment will be well in excess of \$500,000.

A Fully Franked Dividend of 6 cents has been paid to Shareholders and this along with the return of Capital and subsequent Dividends has seen a total of \$237,901 returned to Shareholders over the last 6 Years.

Our Balance Sheet remains strong with our Retained Earnings increasing to \$184,143 and Total Equity now at \$702,650.

Since our year end we are tracking well against our internal business targets and are confident about prospects to 30 June 2012.

Our investigation into establishing a Branch of our Bank in Hampton is continuing and although it is proving to be a longer term project than initially thought efforts are being made to reinvigorate the Steering Committee with new members to build on the progress that has already been made. To date 74 pledges have been received totalling \$338,500.

The Board recently approved moving our listing from the Bendigo Stock Exchange to the National Stock Exchange of Australia following the merger of these entities and a letter has been sent to all Shareholders explaining this move. This change will not impact on shareholdings and there is no need to take any action.

Directors continue to maintain and develop strong links with the community and all Directors have a portfolio of community groups that they liaise with and provide an alternative contact with the bank. The primary contact remains the responsibility of the Manager, Matthew Gallop.

Terry Earle retired from the Board in June, to enable him to concentrate on his Gallery, Without Pier. Terry was one of the original Directors of the Bank and after a short break returned to serve a second time before his retirement. Terry gave valuable service to the Board and his friendship, skills and commitment to the Board will be missed.

Glen Kruger and Helen Searle joined our Board earlier this year and their business skills and community knowledge will be valuable assets to the Board.

Kim Visek-Johnson also joined our Board earlier this year, but due to other commitments, particularly as a Director of Gordon Care, she retired from the Board in August this year. Kim will retain a link with our Bank as a member of the Marketing and Community Engagement Committee.

We review our Board numbers and skill sets on an annual basis and look to groom future Directors through our various Board Sub Committees. We are conscious of the need to spread the Board and Board Committee work load and provide a wide set of skills, gender and age.

My thanks to the Board for their support and contribution to the success of the Bank. In addition to the normal monthly meetings there is attendance at Audit, Marketing and Community Engagement and the Business Development/Hampton Steering Committees that take up a considerable amount of time. The Chairs of these Board Committees, Michael Davies, Glen Barnes and Glen Kruger deserve a special mention for the extra work they take on.

Thanks also to our Company Secretary Gwen Zammit, who provides us with good corporate advice and meets all of our Accounting, ASIC and Bendigo Stock Exchange requirements.

The support of the Bendigo and Adelaide Bank is appreciated and in particular the leadership and guidance given by the Regional Office.

To the staff at the Bank, a big thank you for the service they provide and the friendly interaction they have with the customers. The refurbished premises were welcomed by the staff and after they had settled into the new environment we had a Metro train crash into the back of the Bank. Fortunately this happened at night and no one was injured but it meant that the staff and customers had to endure more inconvenience as the repairs were undertaken. All is now back to normal and the staff are providing their usual friendly and knowledgeable service to our customers.

The team is capably led by Matthew Gallop and my thanks to him for his efforts and leadership at the bank. In addition to his Banking duties, Matthew spends a good deal of time with our Community partners and I know that he is well respected in the Community for his knowledge and willingness to help.

As a Community Bank we provide the full range of banking services but we are small enough to be flexible and provide personalised service.

I assure you that we are well positioned to meet the challenges of the current banking climate grow and strengthen our balance sheet, reward our shareholders and contribute an increasing amount of money into our community.