

Manager's report
For year ending 2009

What an exciting first 12 months I have had at Fremantle **Community Bank®** Branch.

When I arrived we had a total book of \$35 million and as at the end of June 2009 we had a book of \$65 million which is a growth of \$30 million or 200% of budgeted growth. These figures placed us in the top 3 branches in WA out of 40 as far as growth is concerned, we now have 2,300 customers.

We have been able to achieve excellent results in income growth and exceeded budget by \$31,000, which in conjunction with being \$96,000 below expense budget we completed the financial year \$127,000 better off than predicted.

The last 6 months in particular have been very difficult with the RBA dropping the cash rate considerably and often, which has had a huge impact on our profitability and income position.

The reason for this is that we had a large number of Term Deposit customers who had taken out the offer of 8.40% for 9 months and yet our Home Loan customers could obtain finance for 5.20% so as you can see we were paying out a lot more interest than what we were receiving.

This has slowly corrected itself with the Term Deposits maturing and being renegotiated on the lower rates which has helped us achieve four profitable months in a row.

We were able to grow the book by living the Bendigo & Adelaide Bank values which are our point of difference to other institutions, we exceed customer expectations when it comes to customer service and of course our community engagement is growing and becoming acknowledged more and more month by month.

I would like to thank the Board for their continued support in helping me achieve/exceed our targets.

I would also like to acknowledge the efforts of our Customer Service Officers Jennie O'Halloran, Jeannie Lyons and Michelle Benaquista and our Customer Relationship Officer Chavaune Evans, also the Business Banking team that is based here in Fremantle; Denzil Pinto and Damien Lim who have been able to introduce many clients to myself.

I look forward to working with the Board and partners with the challenges ahead over the next 12 months.

Brad Peel
Branch Manager