

Chairman's Report

For the year ended 30 June 2009.

The Fremantle **Community Bank**[®] Branch of Bendigo & Adelaide Bank has entered an important new phase of evolution as it has started to produce consistent monthly trading profits for the first time. This year has been a challenging year with the advent of the global financial crisis resulting in a dramatic squeeze in margins which has tested the resilience of our operational and business development strategies. We have overcome every challenge and been rewarded with the fruits of a community engagement strategy that has steadily connected with the local community in a way which has seen our branch recognised as one of the best performing **Community Bank**[®] branches in the country.

The steady growth of previous years has reached a critical mass which has moved the branch into a profitable situation at a critical time in the economic cycle and which will start to reward our shareholders with projected annual dividends moving forward as we start to strengthen our equity position.

Along with the rest of the Board I would again like to acknowledge our Branch Manager Brad Peel and his team for an outstanding year in which they have positioned the branch for a period of sustained growth and profitability.

As Directors we continue to maintain a high level of responsibility towards the ongoing development of our board operations. The addition of two new Directors, Sue Jones and Bruce Moriarty, has proved to be successful with the acquisition of new skill sets and networking opportunities into the Fremantle community which have further energised our connections to community. Both have already made outstanding contributions towards an improved business performance.

The Board has continued to identify and exploit opportunities which are in alignment with our long term strategies for sustainable business growth through community engagement. Our community partnerships with the Film & Television Institute of WA Bohemia Outdoor Cinema Project and the South Fremantle Senior High School's Carbon Neutral Project continue to grow and flourish. This year we committed to several new initiatives including: sponsoring a monthly Community Page with the Fremantle Herald, leading a recruitment partnership with the Salvation Army, hosting the Fremantle Homelessness Forum with the Community Housing Coalition of WA, and sponsoring the Courtyard Music program at the Fremantle Arts Centre. More initiatives are in the pipeline.

I would like to thank my fellow Directors for their great contributions to a very successful year and our Fremantle **Community Bank**[®] Branch staff for their ongoing commitment to operational excellence as we are increasingly recognised as a significant resource in strengthening the Fremantle community and growing the local economy.

Bart Houwen
Chairman