



Harbord Financial Services Limited

ABN 25 097 282 525

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Freshwater NSW 2096
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Freshwater
Community Bank®
Branch



22 March 2011

**Bendigo Stock Exchange (BSX)
ANNOUNCEMENT**

FOR IMMEDIATE RELEASE

CHANGES TO FRANCHISE AGREEMENT REVENUE STRUCTURE

Bendigo and Adelaide Bank Limited has notified Harbord Financial Services that they will be varying rates of commissions payable under the existing Franchise Agreement on Term Deposits with terms of 90 days or more and on all Fixed Rate Home Loans with effect from 1 April 2011. Commission rates and revenue on all other products will remain the same.

Harbord Financial Services Limited was briefed by and supplied information from Bendigo and Adelaide Bank Limited about these changes. Using this information and from the Board of Directors of Harbord Financial Services Limited assessment it is estimated that this will result in a change to commission earnings for the remaining part of this financial year of around \$15,000.

The Board is unable to accurately determine the actual impact on the 2011/2012 financial year but at this stage estimates commission revenue to be reduced by \$77,000.

The reduction in these commission rates will remain in place until 31 March 2013.

The Board of Harbord Financial Services Limited will continue to monitor budgets and consider the impact of this change on the Company's financial plans.

The Community Bank® Strategic Advisory Board of Bendigo and Adelaide Bank Limited have advised us that *"the bank has committed to work with each site to improve their business volumes and mix over the phased implementation period."*

The Board of Harbord Financial Services Limited will be taking up the invitation to work with our Bendigo and Adelaide Bank Limited Regional Manager to develop an action plan that can assist us minimise the impact to your business caused by this reduction in commissions.

Further details will be released to the market as required.

For and on behalf of
Harbord Financial Services Limited

Ian Greentree
Company Secretary