

Newsletter

June 2006

Chairman's report

It's mid-year already and just a few short months ago I reported to you that your Board of Directors was in the process of getting things moving for expansion into the Dromana area. I'm extremely pleased today to report to our shareholders that everything is moving quickly and smoothly.

We have added the acquisition of a building in Dromana to our asset register and the steering committee for the Dromana branch has been formed. On your behalf I welcome every one of the new committee members to Bendigo Bank's **Community Bank**® network.

We need the support of all of our shareholders to spread the word that we are coming to Dromana. This will help strengthen the customer base for the Dromana branch opening, planned for late-April or May 2007. Both your current Board and our new Dromana representatives are all excited by the prospect of establishing this second branch on the

Peninsula. We look forward to it being as successful as the Rye branch in terms of business and its ability to return profits back to the local community.

I made mention in the January

Our full time youth worker Michelle White at the bank sponsored youth centre.

Newsletter that your Board was committed to the Peninsula's youth. Our local council was impressed with the work taking place within the Rye & District **Community Bank**® Youth Centre and the motivation of Youth Director; Trevor Lloyd.

In her latest report, our full time youth worker Michelle White mentions that we are slowly but surely furnishing and fitting out the centre using donations from various groups and local businesses which will free up funds supplied by the Rye & District **Community Bank**® Branch to directly benefit the centre. Don't forget, if you are in the area of the Rowley Reserve, pop into what was the former netball rooms and introduce yourself to Michelle for a cuppa and chat about the youth programs currently running.

We welcome Tony Harford to the position of Board Assistant. Tony comes to us with a wealth of experience in the area of Board & Directors responsibilities and will be active in assisting myself and other Directors and committees with their portfolios. Welcome aboard Tony.

Your Board has also approved an ATM to be installed at the Blairgowrie newsagency. This will provide further exposure on the Sorrento side of town and with the multitude of people frequenting the Blairgowrie village each weekend, we are certain that this ATM will be quite profitable.

Congratulations and our thanks go to the Sponsorship & Marketing Committee for their hard work throughout the Grants campaign during the past few months. This year we

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**Board of Directors, Rye & Districts Community Financial Services Ltd,
2349 Point Nepean Road, Rye, VIC 3941**

Peter Van Duren (Chair), Eileen Naylor (Secretary), Pat Tonks (Treasurer), Brian Earles, Gus Glavici, Janet Hall, Barry Irving, Trevor Lloyd, Shane McCarthy.

Chairman's report *continued*

have enlisted the assistance of Bendigo Bank's Community Enterprise Foundation to help process the dozens of grant applications we received. I would like to personally invite as many of our shareholders as possible and community members to attend our Community Grants Night, to be held at the Rye Civic Hall, Napier Street, on Wednesday 21 June, beginning at 7pm. Make a note in your diary now.

Thanks once again must go to our valued branch staff. I'm sure you'll agree with me that dealing with our staff is a pleasure. It makes

the everyday act of banking a more pleasurable experience for all. Well done to our staff and keep up the great work.

I'm sure you agree that our branch manager's active role in the community is a valuable asset to our business. Congratulations to Gary and his team for keeping Rye & District **Community Bank®** Branch in the spotlight.

Thank you for your ongoing support of Rye & District Community Bank, branch.

Peter Van Duren
Chairman

Manager's report

As we fast approach the end of the 2005/06 financial year we continue to achieve high levels of new account openings and subsequent balance growth.

Since our last Shareholder newsletter, which advised account numbers as at 31st December 2005, we have increased our account numbers by a further 279. We are averaging around 130 new accounts per month, however now have a number of accounts closed or repaid each month.

As at 31st March 2006 our combined balances totalled \$155.27 million, which included total deposits at \$77.34 million and total lending at \$71.15 million. Reported financial planning products under management were \$6.78 million, assisting to make up the \$155.27 million. This reflects a \$17.57 million (12.76%) growth in combined balances, against a budgeted increase of \$15.2 million for the full financial year.

New business continues to be attracted to our branch by word of mouth, not only about the service staff provide but the benefits that banking at our Branch return back to our community.

One message I really want to get to our customers, shareholders and staff is that it is their support of our branch, with their banking business, that is ensuring that we can provide support to local sporting clubs, schools, volunteer groups etc. Supporting our branch with your banking business also helped our community achieve the opening of the new Rye Youth Centre. You should all be proud of what you have helped our community Company achieve.

Marketing and promotions

The Board continues to support the growth of the branch with support of the local community via community sponsorships and donations.

We recently made a presentation to local councillors at the Rye Youth Centre, with all but one of our councillors able to attend. I provided a summary of "who we are", "what we are" and "what we do". In this I provided a break-up of what funding we have committed to our local community in our first five years in business. The details are:

- Approx \$730,000 is sponsorships & donations
- \$100,259 for our 2005 Grants Scheme
- \$425,000 to the YMCA to manage and operate the Rye Youth Centre during the next five years.

This totals a staggering \$1.25 million, with a further \$200,000 deposited in Bendigo Bank's Community Enterprise Foundation. Part of these funds will be used for the 2006 Grants Scheme.

I want all involved with Rye & District **Community Bank®** Branch, customers, staff and shareholders to be very proud of what they are achieving.

In our last Shareholder Newsletter I mentioned the possibility of expanding into Dromana. I am pleased to announce that a steering committee has been formed. This steering committee is made up of local Dromana residents eager to see a **Community Bank®** branch open in Dromana. This committee is a sub-committee of our Company's Board

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Manager's report continued

and we are all working together with Bendigo Bank through its processes to ensure the success of the new branch. The awareness in the local community of a **Community Bank®** branch opening in Dromana has assisted to maintain the high activity of new customers and enquiries for Bendigo Bank products and services.

Staff

Staff continue to provide the service level we all expect from "Our Bank", which results in not only customers enjoying the experience of banking, but staff continuing to be committed to providing excellent service and customers enjoying the experience of doing their banking at Rye & District **Community Bank®** Branch.

Over the past five years we have seen several changes in our staff, I now feel confident that we have together a very strong team that understand my expectations and the real benefits of **Community Bank®**.

I recently held a staff meeting at a local restaurant where all but one employee, who was overseas on annual leave, attended. At this meeting we enjoyed the food and drinks and each others company. When it came to the stage where I sought suggestions to improve our business the ideas and discussions were fantastic. I realised then that we have a group of people who care about their jobs, customers

and their community. It was extremely satisfying. .

I am proud of my staff and hope they and I will continue to meet the needs of our customers for a very long time to come.

Summary

The branch has exceeded its target growth for the full financial year as at 31st March 2006, which is an amazing achievement, considering there are still three months of the year to go. This is true testament to the **Community Bank®** concept in the local community - "Supporting the Bank that Supports the Community".

Although we have achieved these results there is still a large proportion of the local community who still do not know what we do and the benefits of banking with our **Community Bank®** branch. You, as a shareholder, can assist by spreading the details of our support and success within the local community.

I look forward to the challenges we will face when the whole community fully understands what banking with Rye & District **Community Bank®** branch really means.

Gary Sanford
Manager

Sponsorship & marketing committee report

A bank branch giving \$730,000 back to the community falls into the same news category as 'man bites dog'.

But this is precisely the amount returned to the community through the sponsorship, grants and donation activity of Rye and District **Community Bank®** Branch since its inception, a mere five years ago.

Speaking at a familiarisation visit given to Mornington Peninsula Shire Councillors at the Rye Youth Centre in April, branch manager Gary Sanford provided Councillors with a list of the clubs, schools and associations who have benefited from the support provided by the local branch.

"Add to this figure (of approximately \$730,000), our 2005 Grants distribution of \$100,259 and our commitment to the Rye Youth Centre of \$425,000 during the next 5



Joint meeting at Rye Youth Centre of Branch Manager and Board members with Mayor, Councillors, Youth Workers and YMCA representatives.

years, our total commitment to our community is in excess of \$1.225 million so far," Gary said.

The support of the Rye Youth Centre, located in the grounds of Rowley Reserve in Melbourne Road, Rye, is yet another example of the social commitment of your **Community Bank®** branch.

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Sponsorship & marketing committee report *continued*

Operated by the YMCA and managed by Michelle Wright, the Youth Centre will provide ongoing support, counselling, recreation and development opportunities for the youth of the Southern Peninsula. Rye & District **Community Bank**[®] Branch has committed \$500,000 during the next five years to help fund Michelle's costs and the centre's operations.

Over recent months, the branch's sponsorship and marketing activities have also included the provision of 25 colour television sets for the use of patients and residents at the Rosebud Rehabilitation Centre.



Branch Manager Gary Sanford turns on TV for 90 year old resident patient Mary at the Rosebud Rehabilitation Centre.

Local football clubs, both senior and junior, have benefited to the order of \$90,000 over the past year and significant contributions have been made to local netball, bowls, tennis and cricket clubs.

Chairman of the Sponsorship and Marketing Committee of Rye & District **Community Bank**[®] Branch, Shane McCarthy says that it is important that funds are returned to the community whose support has contributed to the success of the branch.

"As well as local sporting clubs, service organisations such as Rotary and Lions, local fire brigades, Southern Peninsula Search and Rescue, Surf Life Savings Clubs and primary schools have all benefited from sponsorship, grants and donations provided by the branch," Shane said.

Shane also pointed to the commitment provided to the building program of the Tootgarook Primary School involving an amount of \$300,000 over 10 years as a remarkable demonstration of community spirit and involvement.

The branch also facilitated the establishment of a new Information Technology laboratory at Sorrento Primary School, the facility being opened by Gary Sanford during April.



Branch Manager Gary with students at Sorrento Primary for opening of new I.T. lab.

"Being able to assist primary schools by the provision of first class technology facilities is yet another way that the branch can reinvest in the community that has made it such a successful business," Gary said.

The successful launch of the IT Laboratory at Sorrento Primary School followed the commissioning of a similar facility at Rye Primary School during 2005, also made possible by the support of the branch.



Students in the new I.T. room.

**For more information please call into
2349 Point Nepean Road, Rye
or phone (03) 5985 9755**

**We are open:
Monday - Friday 9.00am - 5.00pm
Saturday 9.00am - 12 noon**

Rye & Districts **Community Bank**[®] Branch  **Bendigo Bank**