

16 August 2007

Dear Sir/Madam

Bendigo Bank proposes merger with Adelaide Bank

As you are probably aware, Adelaide Bank and Bendigo Bank recently announced their intention to merge.

As a shareholder of Sandringham Community Financial Services Ltd, I would like to assure you of the merits of this proposal in relation to our company's future.

Most importantly for our community, this merger secures Bendigo Bank's unique customer and community based banking strategy.

Bendigo and Adelaide banks have agreed the **Community Bank**[®] model will continue to grow and prosper under the merged group, and that new company-owned and **Community Bank**[®] branches will continue to open. Bendigo Bank has affirmed this to your Directors in writing.

The Bendigo Bank brand will be retained, customers' accounts will not change and the same friendly faces will be at our branch to provide for your banking needs.

Nationally, the merger would increase Bendigo Bank's network, delivering our customers access to 24 branches in South Australia and 90 additional ATMs. Over time, new products and services will follow.

Bendigo Bank Managing Director Rob Hunt, whose vision was the driving force behind the **Community Bank**[®] model, would lead the merged group.

This merger still has a number of steps to go through – it is conditional on Adelaide shareholder approval in November, other regulatory and court approvals, and other conditions. Implementation is then expected to take a number of months.

In the meantime, Bendigo Bank welcomes your views as a **Community Bank**[®] shareholder.

To share your views, or to find out more information, you can visit www.bendigobank.com.au and follow the merger link to the feedback form.

Or you can phone Bendigo Bank's merger hotline on 1800 730 426, or write to Bendigo Bank Share Registry, PO Box 480, Bendigo, Victoria 3552.

And remember, it is business as usual for our Board of Directors and our branch team – we will continue our commitment to Sandringham and to our local customers.

We are excited by the prospects for this merger and look forward to bringing you more news on this proposal.

Yours sincerely,



Renate Lange
CHAIRWOMAN
Sandringham Community Financial Services Ltd

