

24 November 2010

NATIONAL STOCK EXCHANGE OF AUSTRALIA
BENDIGO STOCK EXCHANGE

ANNOUNCEMENT

The Directors of Sandringham Community Financial Services Ltd present the Chairman's Address 2010 which will be delivered at its Annual General Meeting on 25 November 2010



Gwendoline Zammit
Company Secretary
Sandringham Community Financial Services Ltd

Chairman's Address 2010

This is my first address as your new Chairman and I am pleased to report that we have achieved another good result for the year to 30 June 2010.

Although our lending and deposit growth was modest, costs were well contained, which resulted in improved margins and revenue for the year. With the increase in revenue we took the opportunity to have a major advertising program highlighting the community support provided by the bank and also write off a number of equipment items in readiness for the refurbishment of the Bank.

Net profit after tax was \$59,740 down slightly on the \$61,774 achieved in 2009. After payment of \$36,600 for the 6 cents (fully franked) Dividend, which you have already received, we also were able to increase our retained earnings to \$43,484 up from \$20,344 in 2009.

Since the year end, while lending activity has been subdued, we are tracking well against internal targets on our overall business levels and remain confident about our future prospects through to June 2011.

You will note from the Annual Report that we set aside \$165,000 as a donation to the Bendigo and Adelaide Bank Community Enterprise Foundation and these funds will be available for future grants to our community. A table in the Annual Report details the Grants and Sponsorships made by the Bank since 2003/2004 and at the end of the formal part of this AGM we will be presenting the Grants and Sponsorships awarded for 2010. Including these payments tonight, funds nearing \$500,000 will have been returned to our community, a commendable effort for the eight years the Sandringham Community Bank has been operating.

The Board continues to develop strong links with the community and all Directors have a portfolio of community groups that they liaise with and provide an alternative contact with the bank. The primary contact remains the responsibility of the Manager, Matthew Gallop.

The investigation into establishing a Branch of our Bank in Hampton is continuing and the Steering Committee lead by Ian Siebert has been busy promoting the Community Bank concept and inviting the public to complete pledge forms. To date 44 pledges have been received totalling \$187,500.

A number of initiatives are planned by the Steering Committee following the Christmas break and they expect to be moving towards the feasibility stage in mid 2011.

Many of you will have noticed that the Bank has been refurbished. This was completed last August at a cost of \$170,000 and has been very well received by both customers and the staff. There is a much better environment for interaction between the customers and staff and opportunities for cross selling banking products are greatly improved and have been successful.

This year our former Chair, Renate Lange retired and I did want to acknowledge here tonight the leadership and commitment that Renate gave to the Bank. The success of the Bank has, in no small way, been achieved through the tireless efforts of Renate both with the original Steering Committee and then with the Board.

David Marshall also retired from the Board in September, following his retirement from business and moving to Torquay on a more permanent basis. David gave valuable service to the Board and his skills and commitment to the Board will be missed.

Ian Siebert joined our Board in June and his business skills and community knowledge will be a valuable asset to the Board.

We recently reviewed our Board numbers and skill sets and are currently looking to increase our numbers in the New Year. This will spread the Board and Board Committee work load and provide a wider set of skills, gender and age.

My thanks to the Board for their support and contribution to the success of the Bank. In addition to the normal monthly meetings there is attendance at Audit, Marketing and Community Engagement and the Hampton Steering Committees that take up a considerable amount of time. The Chairs of these Board Committees deserve a special mention for the extra work they take on.

Thanks also to our Company Secretary Gwen Zammit, who provides us with very good advice and meets all of our Accounting, ASIC and Bendigo Stock Exchange requirements.

The support of the Bendigo and Adelaide Bank is appreciated and in particular the leadership and guidance given by the Regional Office lead by Janelle Wehsack.

To the staff at the Bank, a big thank you for the service you provide and for enduring the refurbishment of the Bank last August. Since being appointed Chairman, I spend a fair amount of time at the Bank and have always found the staff friendly and knowledgeable with the customers.

No team is complete without a leader and a particular thanks to Matthew Gallop for his efforts and leadership at the bank.

Thank you for your attention and I assure you that we are well positioned to meet the challenges of the current banking climate and being able to grow and strengthen our balance sheet, reward our shareholders and contribute money into our community.