

19<sup>th</sup> November 2010

**MARKET ANNOUNCEMENT**

The Board of Directors of East Gosford & Districts Financial Services Ltd wishes to advise that the company AGM is to be held tonight 19<sup>th</sup> November 2010 at 6pm.

Please find attached Chairman's and Senior Managers Address to be provided to shareholders at tonight's meeting.

Yours faithfully,



Michael Bell  
Senior Manager &  
Company Secretary.

Distinguished guests, ladies & gentlemen

**Welcome to the 10<sup>th</sup> Annual General Meeting of East Gosford & Districts Financial Services Ltd**

Extend a warm welcome to shareholders

Councilor **Chris Holstein**

**Sheldon Gilbert**, Company auditor from Richmond Sinnott & Delahunty

**Scott Elwin**, Company accountant

**John Brent**, Company solicitor

Representing Bendigo Bank: **Peter English**, Senior executive & one of our first contacts with BBL

**Wayne Simpson**, State Community Enterprise Manager

**Tony Gravas**, Regional Manager for Central Coast & northern NSW.

**Steve Deane**, Business Banking Manager at East Gosford

**Michael Bell**, our Senior Manager & Company Secretary

Introduce Board: Max Hiron (Deputy Chairman)

Brian Lindbeck (Treasurer)

Mary Collins

Col Moran

Garry Morris

Ken Howes

Don Glover sends his apologies

Our new Director: Cliff Innes

(Who needs to be elected by shareholders: item 5 on the agenda)

Introduce our three Branch Managers: Julie Carrington, Terri Rutherford & Martin Creesey.

Our Board continues to support the Bendigo Bank junior observer program. Our current junior observer is Amy Jaensch.

Before we proceed with the AGM could I please ask that all mobile phones be turned off?

I would also like to instruct the meeting that only shareholders are entitled to vote. Thank you

**AGENDA**

## **CHAIRMAN'S REPORT**

It is hard to imagine that 11 years ago in November 1999, our campaign commenced to return banking back to East Gosford after the big four left town. Max Hiron, Brian Lindbeck & myself were members of the initial steering committee & still remain on the Board.

Our East Gosford **Community Bank®** branch opened on the 5<sup>th</sup> August 2000, the 4<sup>th</sup> Community Bank in NSW & the first on the East coast of NSW. Our 10<sup>th</sup> birthday was celebrated in the East Gosford shopping village on Saturday the 7<sup>th</sup> August.

Our trading result for the financial year, after provision for income tax was a net profit of \$23,624 (2009 loss \$135,311). Given the unprecedented circumstances of FY2009 and the challenging business environment in FY2010, I am pleased with the improvement in our business performance. This result is a credit to our Senior Manager, Branch Managers and staff and is certainly a welcome outcome.

Revenue increased from \$1.501 million in 2009 to \$1.767 million in 2010, which represents an increase of 17.7 per cent.

Business levels as at 30 June 2010 are as follows:

- East Gosford      \$105 million
- Lisarow            \$31 million
- Kincumber        \$29 million
- Our total business banking as at financial year end stood at \$166 million

This represents a year to date net growth of \$14 million. Our customer accounts now exceed 10,000.

Sponsorships increased from \$36,294 in 2009 to \$41,775 in 2010.

We have now given back more than \$250,000 to organisations and local groups in our community.

It is important to note that no company funds were used for Advertising, Marketing or Sponsorships during the past financial year. All **Community Bank**<sup>®</sup> branches are given a Market Development Fund income, based on the balance of current business levels capped at \$50 million in business. This fund is over and above our Franchise Agreement and is deemed by Bendigo and Adelaide Bank to be used to promote our branches through Advertising, Marketing and Sponsorships.

The leases for all three branches have now been signed for another five years and I would like to thank our company solicitor, John Brent for his expertise in negotiating the conditions of the leases. We have also recently signed our Franchise Agreement with Bendigo and Adelaide Bank for another five years.

On 31 August 2010, our Kincumber branch was converted from a sub branch to a **Community Bank**<sup>®</sup> branch. We now receive a Market Development Fund for all three branches.

In 2003 our shareholders received their first dividend, one year ahead of our prospectus forecast. Shareholders may now be aware that a 3 cent fully franked interim dividend was paid to our shareholders on 17<sup>th</sup> November.

In closing I would like to thank our senior Manager and all staff for continuing to provide an exceptional level of banking service and to shareholders and the community for continuing to support our branches.

Special thanks must also go to all Directors for giving up their time on a voluntary basis to support the **Community Bank**<sup>®</sup> model.

Thank you.

## **East Gosford & District Financial Services Ltd**

### **Senior Managers Report AGM 19<sup>th</sup> November 2010**

Thank you to Bob our Chairman and I would like to mirror his comments in his report and I am also encouraged by the much better year that we had.

Accordingly I would just like to comment on our year to date thus far and that we continue to build on the year just gone. Currently after four months of trade as at 31.10.10 we sit some \$70k better in revenue than at the same time last year. We are also slightly in profit for the group at \$5k YTD against a loss last year of \$29.5k as at same period of trading, so nicely ahead so far this financial year.

Also we are well ahead of profit budget year to date by \$49k and hope to continue to build on this for the remainder of the financial year. Encouragingly our newest branch at Kincumber continues to perform ahead of expectations and budget, contributing to our much improved position.

We continue to support many local organisations and these continue to be varied across Schools, Sporting Groups, Arts, Community Groups and Welfare Organisations. This past financial year and this current year we continue to work more closely with these groups and organisations to ensure they support us as much as we support them, which works well in building long term relationships and ensures the bank is seen as the true Banking organisation for the Community.

Thank you to the Directors for there time and efforts in promoting the bank and running the business, the managers for your ongoing support and assistance and the staff across the three branches who are the face of Community Banking.

Michael Bell  
**Senior Manager**