

San Remo District Financial Services Limited Newsletter October 2008

Chairman's report

As at the end of August we have contributed in excess of \$178,000 to our community, which covers a total area from Grantville/Dalyston to Ventnor, a greater section of the Bass Coast Shire. This has been possible because you the shareholders and many others have supported us in many facets of banking. The whole community has much to be grateful for and your efforts are greatly appreciated.

Early next year we hope to be opening a **Community Bank**[®] branch in Cowes and this should make it more convenient for many of you who live or work nearby. For those friends and relations of yours who don't have shares in our **Community Bank**[®] branch, this will be an opportunity for them to buy into the Company when the prospectus for Cowes is completed, hopefully in October.

Grantville is also accepting pledges at this time and when that is an operating bank we will encompass all of the western side of the Shire.

We have recently issued a "one for every ten" bonus share and you should have received this certificate in the mail. These shares are of equal value (\$1.00 each) as your original issue so keep them safe. This bonus issue has been possible thanks to your great support.

Our Annual General Meeting will be held at The Chocolate Factory, Newhaven on 27 October and by this date, when all of our financials are complete, we expect to be able to announce a small dividend.

Until I see you all at the AGM I wish you good health and success in your endeavours.

Terry Ashenden
Chairman

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▲ Cowes Branch under construction.



▲ Piggy and Chairman, Terry Ashenden, during 5th birthday celebrations.

Manager's report

The San Remo **Community Bank**® Branch has continued to progress well over the quieter winter months with our total book now reaching nearly \$79m in lending and deposits, which is a fantastic result for the community and shareholders alike. Lending rates look like they are now on the way down, so hopefully the property market will pick up giving us ample opportunity to allow customers to get into the housing market.

The branch held its fifth birthday in June with many customers calling in to pass on their best wishes. I don't think anybody that was part of the vision to start our **Community Bank**® branch back in 2003, would have envisaged just how important a role the **Community Bank**® branch would play in the San Remo District, just five years later with the **Community Bank**® branch donating nearly \$178,000 back to the community.

Our recent grants night was a huge success with nearly \$63,000 contributed to various clubs, schools and other organisations. These grants are only available due to the commitment that the broader community has given to us by doing their banking with our **Community Bank**® branch. The more people that conduct their banking with us the greater likelihood that these grants will continue in future years.

Speaking of the future, our Cowes Branch has commenced construction and we will hopefully be in our new premises early in the New Year. Grantville also continues to tick along nicely, and we have been overwhelmed with customers in the Grantville area transferring their banking to our Branch which has been fantastic.

Remember, that without you, there is no us. So if you know anyone that is considering their banking options or doesn't bank with the local San Remo District **Community Bank**® Branch, please let one of the friendly staff know so that we can get in contact with them and introduce them to the "Bendigo Way"

Michael Scott Manager

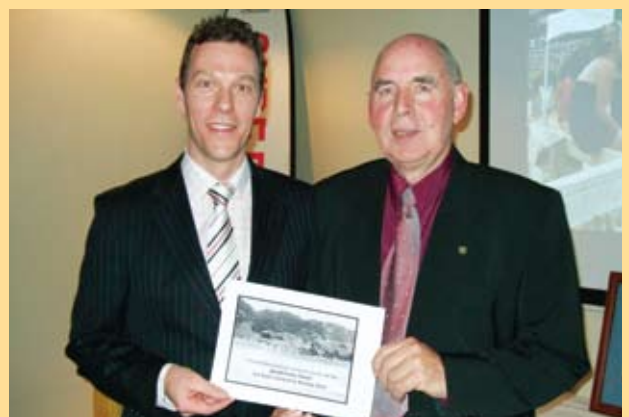
► Images top to bottom:

Pat Russell, from Grantville/Kernot Fire Brigade, Grant recipient receiving Cheque from Board Member, Bruce Procter.

Terry Ashenden, Kim Mawson, Community Enterprise Foundation, Russell Carrick, Regional Manager and Michael Scott displaying Grants Cheque.

Recipients representing some of the Organisation who received Grants in 2008.

Terry Ashenden receiving Special Service award for Bank from Clark Livingston, President of Woolamai Beach Surf Life Saving Club.



Branch snapshot

San Remo District **Community Bank**® Branch

- > Established in June 2003
- > 12-month campaign
- > More than \$500,000 in capital raised via a public share offer
- > 300+ local shareholders

San Remo District **Community Bank**® Branch,
103A Marine Parade, San Remo VIC 3925
Phone: 5678 5833

Opening hours: Monday to Friday 9.00am – 5.00pm
and Saturday mornings 9.00am – 12 noon

2008 Community Bank® National Conference

8 and 9 July 2008 - Celebrating 10 years

Albert and I drove up to Bendigo to attend the **Community Bank®** National Conference.

There were 650 attendees and the place was buzzing. We had inspirational presentations about the development of the **Community Bank®** model and the fantastic achievements that have been made in communities all over Australia.

Rob Hunt and Russell Jenkins talked about a partnership beyond belief, how the concept was developed and grew, and how **Community Bank®** has never been just about banking.

There were presentations on the themes of:-

- Engaging with youth
- Healthy communities
- Environment
- Community education
- Overcoming adversity
- Community Capacity Building

Workshops were held the next day where we could learn more about these activities. I attended the Community Education workshop; Terry attended the Environment, Michael and Trudy, Healthy Communities and Dawn, Engaging with youth. I learnt of Driver Education programs



▲ Russell Jenkins & Rob Hunt at **Community Bank®** National Conference.

Bendigo Bank snapshot

- > Established in 1858
- > Branch network throughout Australia
- > 163 Company owned branches
- > 216 Community owned branches

*Figures relevant June 2008

for L-platers, and the concept of a Youth Initiative Award to enable the Board to recognise the achievements of an individual.

We all came away inspired and with great ideas to bring back to the Board over the next year.

We also had the opportunities to workshop future directions for our **Community Bank®** branch. The main topics to come out of the workshops were:-

- Succession planning, with skill development for Directors, staff and shareholders a priority
- Telling our story, to share our point of difference
- Take-over protection
- Environment
- Youth
- Support structure for Boards
- Expanding partnerships
- Relationship with the Bendigo bank, to be open and frank and to be maintained.

We were given a preview of the new advertising campaign "At the Bendigo it starts with 'U'." If you look at the word Comm-you-nity or community you can see where it comes from.

The most inspiring part of the conference for me was to hear Rob Hunt speak. He is retiring from the Board before the next annual conference.

He spoke about the original idea for a **Community Bank®** branch coming from his refusal to believe that people in the country had to just put up with the loss of community blamed on the drought, the economy and so on.

He felt that access to capital results in an engaged and enlivened community. It was the loss of capital in the communities that was destroying them. So the **Community Bank®** model was created. The role of the bank is one of the most efficient ways to put that capital back into local communities.

Rob Hunt's adage is that banking services should be relevant, connected and valued by the people who use the service, i.e. the whole community.

Mostly banks are just about product, price and access. The **Community Bank®** concept is much more than this. Successful customers, make successful communities, which lead to a successful bank and then a successful Company.

Chairman: Terry Ashendon.

Directors: David Harrison, Suzanne Becker, Joan Mathews, Bruce Proctor, Janice Rowlingston, Miranda Sage, Craig Semple, Norma Stack-Robinson, Caroline Talbot.

2008 Community Bank® National Conference (continued)

The sustainability test requires us to

- Broaden the base of revenue beyond banking
- Identify 'irresistible opportunities'
- Prevent loss of money from the community through things like superannuation
- Attract and retain people

As Rob Hunt said, as the world becomes global people act tribally. People want to belong, to contribute and to be valued. Rob Hunt sees the **Community Bank®** Boards as being the true champions in the community.

We need to understand:-

- We will manage this environment
- We are the only limiting factor.
- The concept of looking after you, the customer, leads to looking after us, the community.

Rob Hunt concluded with the statement that "the **Community Bank®** concept is one of the greatest social frameworks for social well-being." We need to tell our story, the real stories.

In conclusion I found the conference very stimulating and inspiring. It was so good to be amongst hundreds of other Board members and staff, all smiling.

Miranda Sage
Director

Piggy at our branch



▲ Piggy and local customer standing out the front of our branch.



Whether you're after a home loan with a variable or fixed interest rate, a line of credit or an investment loan, you'll find a home loan shaped to suit you at San Remo District **Community Bank®** Branch at 103A Marine Parade.

www.bendigobank.com.au Subject to terms and conditions. Fees, charges and lending criteria apply. Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879 (71906-v2) (2/10/2008)

It starts with U.



Community
banking can
start at home
– your home.



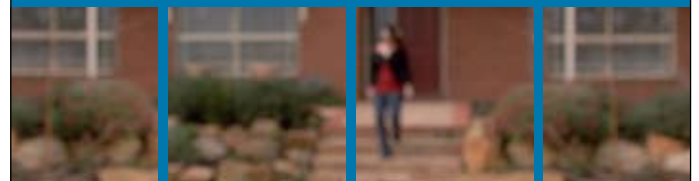
Jade's dream home has three big bedrooms and is a great investment.

And with a home loan from the Bendigo, Jade also got a great interest rate, the flexibility to make additional repayments, and to redraw them when she needs to.

At the Bendigo we let you choose the perfect home loan for you – and look for ways to help your local community too.

So if you're after the perfect home loan, there's only one bank you need to know. Drop into San Remo District **Community Bank®** Branch at 103A Marine Parade or phone 5678 5833.

Terms, conditions, fees and charges apply. All loans subject to the bank's normal lending criteria. Bendigo and Adelaide Bank Limited ABN 11 068 049 178. AFSL 237879 (71958-v2) (2/10/2008)



San Remo District **Community Bank®** Branch