

**SAN REMO DISTRICT FINANCIAL SERVICES
CHAIRMAN'S ADDRESS AGM 2009**

It is six years since we opened, and proudly Bendigo Bank is the bank with the best customer satisfaction rating in the country. Many thanks to all of our staff who have contributed to this.

In May we opened our second branch in Cowes and the result from there to date has exceeded expectations. We had built up holdings for Cowes in our San Remo Branch of approx \$17million thanks to the early work done by Fred Borg, and followed up by the steering committee and bank staff.

Our business expansion within the Community is meeting our original mission statement and with the steering committee in Grantville progressing with pledges the future is looking good.

We have expanded our employee numbers from six to nine and our combined holdings between the two branches at the end of June 2009 were in excess of \$103 million. Currently they are at \$121 million.

Since our journey started in 2003 we have returned over \$329,000 to our Communities, this includes special contributions e.g. The Bushfire appeal, the Tsunami etc. which have an overall affect on all of us.

We have returned to our shareholders a total of \$48,750 in dividends, plus a 1 for 10 share issue to our original shareholders prior to the Cowes expansion.

Our margins decreased in the latter part of 2008 and early 2009 due to the necessity to narrow the gap between loans and investment forced upon us by the global meltdown. However we are now back into a more positive

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outlook and locally we are still getting great support from our ever expanding customer base and you our loyal shareholders.

Where to from here?

The committee in Grantville has pledges totaling \$380,000 and continues working hard to increase this figure and also encouraging pledgees to transfer their banking to San Remo. These accounts will be tagged with a special Grantville code, as this will affect our ability to commence planning timelines for a feasibility study and move forward in the quest to establish a branch there as soon as possible.

With Cowes doing much better than anticipated we envisage our future financial position being stronger than expected, we will review our accounts at the end of December and check the position for a dividend to shareholders early next year.

My annual thank you list gets longer each year. Firstly to all of our shareholders, whose numbers have increased by approx 190 to 550 due to Cowes, thank you for your loyalty and your belief in our company, many of our original shareholders also invested in Cowes.

Thank you to our two managers, Michael Scott and Peter Wayman, and their enthusiastic staff who all contribute their time at community events most willingly.

To all of our directors who have given their time throughout the year. Thank you for the help you have given me inside and outside of meetings. We farewell David Harrison who has not sought re-election and also Sue Becker, one of the driving forces in our endeavors in Cowes, resigned in July due to other commitments.

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Our secretary Michele and Janice our treasurer have done a wonderful job once again this year.

Finally to our partner The Bendigo Adelaide Bank, whose staff both at regional and head office, have given great advice and support when necessary.



Terry Ashenden
Chairman