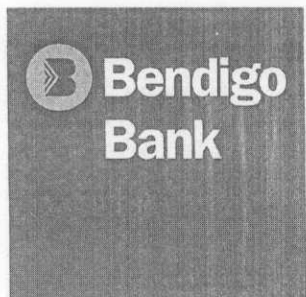


San Remo District Financial Services Limited



SAN REMO DISTRICT FINANCIAL SERVICES LTD CHAIRMAN'S ADDRESS AGM 2011

Monday 24th October 2011

We have now completed eight years of community banking in San Remo, just over 2 years in Cowes and 7 months at Grantville.

Our three branches cover the north and western reaches of the Bass Coast Shire and our shareholders and customers should be proud of the monetary returns that have been retained to benefit all within this area.

We have returned in excess of \$580,000 in sponsorships and grants during this period.

Shareholders have received \$83,000 in dividends plus a 1 for 10 bonus issue to the original San Remo shareholders. All thanks to the support from you, our customers and shareholders.

With three branches now operating we have increased our staff numbers to 13 overall. I thank them all for their endeavours at all times to look after our needs. Their excellent service has once again enabled the Bendigo and Adelaide Bank to retain its top spot for customer satisfaction in Australia.

Individually each branch is travelling well – San Remo with footings of \$90M. Cowes at \$61.5M prospectus target was \$38.5M. Grantville \$19.5M against a forecast of \$13.4M. Combined total footings of \$171M, this has grown to \$177.5M as at the end of September 2011.

Our Company has three Bendigo Community Bank® branches' operating in this area, San Remo was the 100th Community Bank to open in June 2003, and there are now 280 throughout Australia.

These numbers speak volumes for the concept of our business system which shares the profits with you, the shareholder and also the customers who reside in our areas of disbursements.

We expect to declare a dividend of .03c unfranked, payable prior to the end of 2011.

I wish to thank my co-directors for their efforts throughout the year, without their input we wouldn't be in such a sound position as we currently are.

Finally thanks to our partner Bendigo and Adelaide Bank, the regional staff at Warragul, Docklands and Bendigo, whose service and advice throughout our journey in establishing these three branches has always been given graciously.

A handwritten signature in black ink, appearing to read 'Terry Ashenden', is written over a horizontal line.

**TERRY ASHENDEN
CHAIRMAN**