

Private and Confidential

23 March 2020

By email

Dear Valued Shareholder,

It is my pleasure to update you on the results achieved by Beamaris Community Financial Services Ltd in the first six months of the 2019/20 financial year.

Our strategy of focusing on our unique value proposition as a Community Bank continues to deliver a steady growth in profits as shown by the following results:

Size of Business	-2.6% to \$144.3 million
Income	-0.2% to \$376,721
Expenses [before allowing for Charitable Donations and Sponsorships]	-7.3% to \$298,915
Profit from Operations [before allowing for Charitable Donations, Sponsorships and Income Tax]	\$77,806 (vs \$54,997 last year)
Charitable Donations and Sponsorships	\$39,537 (vs \$10,268 last year)
Total comprehensive income for the year after retrospective adjustment upon adoption of AASB 16 on the treatment of leases.	-\$3,279 (vs. \$30,913 last year)
Customer numbers	+4.4% to 2,629

- **Size of Business:** Our business growth has levelled out and the Board remains focused on continual improvement across all aspects of our operations as we seek to diversify our income base. This is important as loans provide a longer term, higher yield income stream.
 - Loans grew by 8.3% and make up 21.6% of our total business compared with 19% last year
 - Deposits fell by 3.0% but remain at 72% of our total business, and
 - Wealth and other business declined by 26% to account for 6% of our business, down from 8% in the same period last year.
- **Revenue** growth has been adversely affected by tighter margins and the decline in the size of the business.
- **Expenses** have fallen which has more than offset the small decline in revenue resulting in an increased profit.

Community

With your support the Beaumaris Community Bank was able to provide your community with almost \$40,000 in sponsorships and grants bringing the total contributions to the community since inception to almost **\$500,000**.

Some of the recipients who have received contributions include:

- Beaumaris Secondary College
- Concourse Traders Association (Car Show and Christmas Carnival)
- Bay Quilters
- Beaumaris Life Saving Club
- Beaumaris Cricket Club
- Neighbourhood Watch 3193
- Beaumaris Football Club
- Beaumaris Theatre
- Beaumaris Rotary
- 3rd Beaumaris Scouts
- Disabled Divers Association

Earlier this month, we published the autumn edition of our community newsletter, which has now been delivered to letterboxes throughout the 3193 postcode. If your address lies outside this postcode, then a copy is enclosed with this letter. The newsletter can also be accessed online by going to our website: www.bendigobank.com.au/beaumaris, clicking on Investors & Shareholders, and scrolling to the Company Noticeboard.

Board and Branch Team

The strong financial position of your company and its continued support of the local community is largely the result of the leadership provided by Chris Shaw. Unfortunately, Chris has had to resign as a director and Chair due to ill health. I'd like you to join the Board and Staff at the Beaumaris Community Bank in wishing Chris all the very best with his treatment and a speedy recovery.

At the March Board meeting, the Board elected me as the new Chair. To all of my fellow volunteer directors and branch staff, I thank them for their contribution to ensure the successful running of the company and their community engagement work.

Alexandria McDowall has settled in to her role as the new Branch Manager of Beaumaris Community Bank and if you have not already done so, please feel free to pop into the Branch and say hello and discuss any of your financial needs.

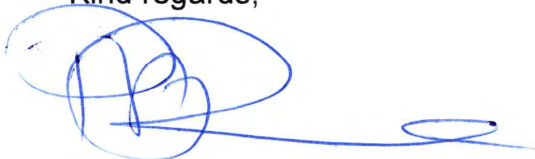
Brad Cornwell joined the Board during the period, and has since been appointed a director of the company. Brad is a resident of Beaumaris and has experience in the banking sector, and the Board looks forward to benefitting from his expertise. There are still some open Board positions and we encourage anyone who may be interested in joining the Board to talk with us.

As events beyond our control take hold and the world around us becomes a little more uncertain and unsettling, it is important not to lose sight of those areas where our contribution can make our 3193 community just that little bit more resilient. Please think of us for any of your financial needs. Remember that up to 80% of our profits can go back to the community so that the more you bank with us, the more we can contribute towards supporting our community in the form of sponsorships and grants.

Our branch is currently keeping its regular opening hours, although if you feel unwell we ask that you do not come in. Please consider phoning the branch directly on **9589 5366** if you prefer.

Finally, I'd like to thank you, our loyal shareholders, for your continued support. Without you, Beaumaris Community Bank could not exist. As always, we welcome your feedback and please feel free to contact me at peter.a.demura@bigpond.com or Alexandria at Alexandria.McDowall@bendigoadelaide.com.au.

Kind regards,

A handwritten signature in blue ink, consisting of a large, stylized 'P' followed by a horizontal line that ends in a small loop.

Peter Demura
Chair
Beaumaris Community Financial Services Limited