

Clifroy Limited

15 October 2021

Dear Clifroy Shareholder,

The Annual Report of Clifroy Limited for the financial year ended 30 June 2021 is now available for you to [view](#), download, or print from the branch website at www.bendigobank.com.au/clifton-hill - just click the Investors and Shareholders tab and scroll down.

Despite the many challenges of the past year, your Board and staff were able to grow the branch's total book (loans and deposits) by 8% to \$225 million. However, the impact of extremely low market interest rates for well over a year now has significantly reduced the margin that Clifroy earns on this business. As at 30 June 2021 revenue was down 16% over the prior year, which represents a reduction of almost \$200,000.

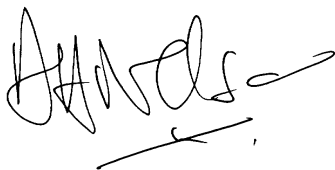
In response your Board has critically reviewed all branch expenditure, however the costs of operating the branch including staff remuneration are relatively fixed, leaving marketing, community grants/sponsorships, and shareholder dividends as the only areas where savings can be made.

Your Board recognises that investing back into our community is a key priority for our shareholders. Since 2006, we have contributed over \$3 million in community funding to many important and deserving groups within our community on your behalf. In order for this to continue, your Board has decided to prioritise ongoing community investment during this challenging time over the payment of a shareholder dividend. I have attached our Community Investment summary for FY2021 which shows where \$243,000 was invested by Clifroy, your Community Bank, to support local organisations.

The Directors understand that suspending this year's dividend payment may be unpopular with some shareholders, however we feel strongly that supporting our community in these difficult times is our primary purpose as a Community Bank.

Finally, it may be a surprise to learn that less than half of our 294 shareholders bank with us. We offer a full range of personal and business banking and insurance products at competitive rates, a leading digital banking experience across the network, and all with our outstanding local and personal service. Please contact Branch Manager Andrew Weybury on (03) 9482 9040 or 0403 130 283 to discuss your banking needs. Remember - banking with us makes dollars and sense!

Yours sincerely



Adrian Nelson
Company Secretary, Clifroy Limited