

15<sup>th</sup> November 2021

Dear Shareholders,

**Re: Acquisition of Branch premises and non-renounceable pro rata entitlement offer to Shareholders of 1 New Share for every 3 Shares held.**

Your Company has made a very significant step to secure it's future, reduce costs and ultimately improve returns to all our stakeholders.

Since opening the Malvern East Community Bank Branch in May 2000, the Company has operated as a social enterprise with the objective of returning banking services to the Malvern East shopping precinct and balancing returns between community partners by way of sponsorships and donations and dividends to its shareholders. Since its inception the Company has returned:

- \$4,750,000 to community partners in sponsorships and donations; and
- \$1,429,000 to shareholders in dividends

Recently the opportunity arose to purchase the Branch premises at 268 Waverley Rd, Malvern East and the Company has now entered into a binding contract to acquire the premises for \$1,634,000 plus on-costs. As part of the consideration for the purchase the vendor has agreed to accept 40,000 shares in the Company valued at \$2.50 each for a total ongoing investment of \$100,000. These shares have now been issued and the vendor has become a significant shareholder in the Company with a shareholding equivalent to 9.2% of the issued capital.

By taking advantage of the low interest rate environment there are substantial and immediate cost savings from purchasing the premises and the opportunity in time to fully pay off the lending facilities for this property purchase and create a substantial commercial property asset for the benefit of all Shareholders.

The Company today is also announcing a non-renounceable pro rata entitlement offer to all shareholders of 1 New Share for every 3 Shares held at \$2.50 per share in order to raise up to \$362,112 before costs. The funds raised through this entitlement offer will be used to assist the Company in paying for the acquisition of the premises at 268 Waverley Rd, Malvern East.

For many Shareholders this offer will be the first opportunity in over 21 years to add to their existing shareholding in the Company. The Board is aware that many Shareholders and non-Shareholders have expressed strong interest in acquiring shares in the Company. There can be no guarantees of future success but all Shareholders should consider this opportunity to build their own shareholding in the Company and to help strengthen the Company's position in our local community.

## Offer Timetable

Event	Date
Pro-rata Offer announced	15 November 2021
Record Date (date for identifying Shareholders entitled to participate in the Offer).	16 November 2021
Offer Document with Entitlement and Acceptance Form sent to Eligible Shareholders	18 November 2021
Offer opens	22 November 2021
Closing Date (last date for lodgement of Entitlement and Acceptance Forms and Application Money)	10 December 2021
Issue of New Shares	17 December 2021
Refund of unapplied Shortfall Shares monies	21 December 2021

The timetable outlined above is indicative only and subject to change. The Directors reserve the right to vary these dates including the Closing Date, subject to the Corporations Act. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to the issue of New Shares. In that event, the Application Money will be returned without interest.

## Upcoming AGM

The Company's twenty second Annual General Meeting of Shareholders has previously been announced and is scheduled for Monday 29<sup>th</sup> November 2021 at 7.30 pm at one of our community partners Malvern Bowls Club which is located on 14 Coonil Crescent, Malvern 3144.

This will provide an excellent opportunity for Shareholders to ask questions and further understand the Board's rationale for both making the decision to acquire the Branch premises and to undertake the non-renounceable pro rata entitlement offer. If you have not already done so, I would encourage all Shareholders to register for the AGM and attend.

To ensure the planned AGM is able to comply with COVID-19 restrictions as they currently stand all Shareholders are requested to register their likely attendance by emailing the Branch at [malverneast@bendigoadelaide.com.au](mailto:malverneast@bendigoadelaide.com.au) to ensure sufficient capacity and catering is available at the AGM.



**Stuart Martyn**  
Chairman