

Chairman and Manager's 2025 AGM address

25 November 2025

East Malvern Community
Financial Services Limited

Community Bank
Malvern East, Murrumbeena and Wantirna

ABN 27 089 542 174

Chairman's address

For year ending 30 June 2025

Good evening and great to see so many shareholders here at one of our key sponsor partners the Chadstone Bowls Club.

Last year at the AGM I reported that it had been an even better year compared to the extraordinary year before. This year it is my pleasure to report on what has been another wonderful year, where the Company has achieved record profitability along with many significant developments, including:

- Becoming officially certified as a social enterprise by Social Traders.
- Concluding our 3rd highly successful capital raise in recent years with over \$818,000 in shares issued at \$4.00 each.
- Celebrating the 25th anniversary of the Community Bank Malvern East opening with 190 guests including community partners, shareholders, senior Bendigo Bank executives and many past and present directors and staff.
- Releasing the "Impact Report – The First 25 Years" booklet a copy of which has been sent to all shareholders.
- Distributing well more than \$500,000 to community partners in FY25 and surpassing the \$6m cumulative milestone.
- Completing the second full year of paying quarterly dividends.
- A transformative refurbishment of Community Bank Wantirna which was completed in the first 2 weeks of July 2025.

In addition to these highlights there was further solid growth in Branch footings, revenue, profits, community sponsorships and dividends to shareholders. All made possible by the first full year of contributions from both Community Bank Wantirna and Community Bank Murrumbene.

At the beginning of the FY25 your Board conducted a full day strategy session titled "EMCFS in 2030", the resulting strategy set out goals including:

- To be the bank of choice in our communities and use the profits to properly reward all stakeholders and help our communities thrive.
- Becoming the leading Community Bank company in the Community Bank network. As continuing to build scale is crucial, especially in an industry with a long term trend of declining margins.
- Putting in place the management structures to manage the group and its expansion plans.
- Strengthening the financial enablers to support further growth.

We are still at the early stages of that 6 year plan and it certainly hasn't all been smooth sailing as the inevitable unexpected storm squalls have threatened to blow us off course. In the past year however much has been achieved:

- We have our first ever mission statement which was approved at last year's AGM being, "East Malvern Community Financial Services Ltd mission is to be a substantial, sustainable community-built business that contributes to community prosperity."
- Becoming officially certified as a for purpose, for profit, social enterprise by Social Traders.
- Implementing a new management structure that Ruth will detail in her report.
- Expanding shareholder's equity by \$1.2m or 45% to over \$3.9m through the capital raise and growing retained earnings.

- At \$3.9m your Company now has the highest market capitalization of any Community Bank company, well supported by an active Low Volume Market and many new shareholders who are keen to support a fast growing social enterprise with strong impact and ESG credentials.

This was all in the first year of our 6 year strategy.

While our 2030 strategy is still in its early stages, significant Company change has been underway for some years. Your Board supported by great branch teams began to recognise and unlock significant latent value that in some respects has lain dormant within the Community Bank network.

Beginning in 2021 our social enterprise has progressed through a period of significant transformation.

Over the last 4 years the Malvern East premises was acquired to signal to the community our long term commitment to face to face banking. The acquisition helped to lower costs and was substantially enhanced both internally and externally to create a fantastic community function space. The addition of Community Bank Wantirna and Community Bank Murrumbene soon followed enabling our social enterprise to make a decisive break from the long term average for both Branch revenue and operating profits.

These growth initiatives could only have been implemented through great support from shareholders keen to invest in our social enterprise with its high social impact values. During this period 3 capital raises have been undertaken, each time at a higher share price with greater amounts raised, demonstrating strong support from both existing and new shareholders.

From a shareholder perspective the change in dividend policy to paying quarterly fully franked dividends has been well received, as has the recent official certification of our Social Enterprise status.

I and I believe the whole Board have been exceedingly pleased, and somewhat relieved, to be able to demonstrate that this strong support from shareholders for our Company has worked both ways. As during this period the Company's share price has more than tripled and shareholder's equity increased by 411% from \$771,000 to \$3,938,000.

The long term sustainability and purpose of most social enterprise however is about growing the pie so that the benefits to all stakeholders continues to expand in a balanced way. Our Community Banking social enterprise is no different and it is very pleasing to see that payments to all our key stakeholders; staff, community partners and shareholders have seen very substantial increases over the last 4 years. The extent of the impact we are having can be seen in the total payments and dividends to these 3 groups moving up from \$686,000 in FY21 to \$3,060,000 in FY25, an almost 350% increase.

The transformation journey is ongoing, as are the margin pressures, and your Company sees many growth opportunities ahead as part of its 2030 strategy.

Underpinning our strategy, your Board is guided by an unshakeable belief that the future of Community Banking will always be based around the geographic proximity to the customers and communities we serve. New digital tools will come and go, but at its core physical branches will remain central to the ethos and purpose of Community Banking for the foreseeable future. Accordingly our social enterprise will continue to invest in our people, in our branches and in the communities we serve. This year the Board chose to invest in a complete refit and upgrade of

the Community Bank Wantirna branch, which is already starting to produce strong growth results.

At the heart of social capital and social cohesion is togetherness. That can only come through community and our social enterprise is playing its part by maintaining a central physical presence in the communities we serve, supporting local small business and making a real impact by investing significant amounts in community partners to strengthen support systems and the communities overall well being.

We can all be proud of what has and is being accomplished through our community contributions which this year increased by 31% to a record \$527,000. I will leave it to Michael to go into more detail in his Sponsorship Report.

As guided in last year's Annual Report and at the AGM, the Board has fully delivered on its 2nd year of paying quarterly fully franked dividends which for FY25 were set at 10 cents per share per quarter and paid on the last business day in October, January, April and July.

Subsequent to year end, the Board resolved to pay the first quarterly dividend for FY26 of 11 cents per share fully franked. The FY26 Q1 Interim Dividend was subsequently paid on 31 October 2025. The Board also announced that the expectation is that unless circumstances change materially the declared quarterly dividends will be held stable at 11 cents per share fully franked for the remaining quarters of FY26.

The intention is to provide shareholders with a stable and regular flow of dividends that respects the distribution limit in

the Franchise Agreement with Bendigo Bank and the Mission Statement that shareholders approved at last year's AGM.

The Community Bank model has moved from concept to one of the world's biggest social enterprises that returns not only banking services to the community but also significant community investment. Carefully managed, balancing returns to all stakeholders, this business model is incredibly profitable and your Board is actively exploring several opportunities for profitable expansion that will further build the scale and strength of our social enterprise. It is also pleasing to report that your Company has recently signed its 5th five year franchise renewal with Bendigo Bank incorporating the latest Franchising Code changes that were introduced by the Federal Government this year. Including our option period the existing revenue share arrangements have now been locked in until May 2035.

To conclude it would be remiss not to acknowledge the tremendous efforts of the Board and our capable Branch teams in taking the Company through to a significantly higher level of profitability. On behalf of all shareholders, I thank Ruth and her whole team for the great operational and financial results.

The last financial year was truly wonderful in so many ways and the future remains bright for our social enterprise.

Stuart Martyn
Chairman

General Manager's report

For year ending 30 June 2025

I am delighted to report another year of strong performance, building on the momentum of previous successes. We've achieved significant milestones, and I am incredibly proud of the dedication and hard work of our entire team.

There have been many highlights over the past 12 months and tonight I wish to discuss a few of them.

We achieved remarkable growth of \$34.6m, the strength of our business model, dedication of our staff, the effectiveness of our strategies and the trust our customers place in us has made this growth possible.

Beyond the numbers, we've also focused on enhancing our customer experience and strengthening our ties with the communities we serve. A prime example of this is the recently completed refurbishment of our Wantirna branch.

To minimise the disruption to our Wantirna customers we set the project management and construction teams a challenging task of completing the refurbishment in under 3 weeks. Pleasingly, our project partners rose to the occasion and we only saw the branch close for 12 working days.

The response to the revitalised Wantirna branch has been overwhelmingly positive. We've received fantastic feedback from our local community and customers, who appreciate the modern, welcoming environment and the improved service our staff can now offer.

One customer has now brought more than \$2m in business to us from one of the major banks. This customer commented that he didn't truly think the branch would

remain open, until he saw the investment we made in the refurbishment. Now that he can see our commitment to the area he is determined to demonstrate his commitment to us.

The refurbishment of Wantirna branch has also seen a marked improvement in the staff facilities and working environment for all staff.

This project underscores our commitment to providing a first-class banking experience and investing in the future of our branch network which, as Stuart previously confirmed, forms part of our strategic plan.

We also saw the establishment of our Lending Hub, which was a strategic initiative that will set us up for strong, sustainable lending growth into the future. This saw Mark Davenport, our Senior Lending Manager appointed as the leader of the lending hub. Mark is charged with supporting all our Home Lending Specialist's and its delivery of our lending growth objectives.

Early results from the lending hub have been promising, with increased efficiency, improved customer service as well as more focused training for our newer lenders. Our staff also have a clearer understanding of potential career opportunities via the lending hub.

This year also marked a significant milestone - our 25th anniversary! We celebrated this achievement with a wonderful evening at the Kooyong lawn Tennis Club. This brought together nearly 200 guests, including local dignitaries, key Bendigo Bank corporate staff, representatives of many of our community groups as well



as valued past and present staff and board members. This reinforced the importance of our relationships and partnerships.

On this evening, we celebrated Stuart's 25 years of service with a special presentation made to Stuart. We also chose to celebrate our founding chairman, Peter Norman's contribution by way of establishing an annual community grant in Peter's honour, with the inaugural recipient of this award being to The Currajong School, who are an independent specialist school in Malvern East.

Some key staff updates include Taylor Speechley being promoted to Senior Branch Manager across both Malvern East and Murrumbeena branches. Tyler Catherine and Declan O'Connor have been promoted to Home Lending Specialists at the Murrumbeena branch. Finally, George Derham has been successful in being promoted to the Personal Banker role at Wantirna. These internal promotions form part of our integral strategy to retain valued staff members.

We also celebrated the Bayside Region awards event recently that saw Malvern east win the award for Wealth and Wantirna take home the Community Engagement Award. These awards are highly contested by all branches across the regions and are challenging to win. I am very proud of our staff who all contribute to the success of the branches.

Looking ahead we are working with our valued community groups to explore ways we can increase their members banking held with us, which is vital to ensure we can continue to deliver strong sustainable growth outcomes as well as continued support to our communities via not only physical branches but also increased sponsorships and grants.

I want to express my sincere gratitude to my leadership team of Taylor, Leigh and Mark, our dedicated employees across our branches, our loyal customers who continue to trust us with their banking needs, and our supportive shareholders. Your contributions are invaluable, and we couldn't have achieved these results without you.

My heartfelt thanks to Regional Manager Kristy Marshall, Strategic Performance Manager Simon Sponza, Project Manager Michael Haig.

Before I conclude, to Stuart, and the Board for your ongoing guidance and unwavering support, I thank you all. Without this support, our ongoing success would not be possible.

Ruth Hall
General Manager

Community Bank - Malvern East
268 Waverley Road, Malvern East VIC 3145
Phone: 9563 6044
Email: malverneast@bendigoadelaide.com.au
www.bendigobank.com.au/malverneast



/communitybankmalverneast



/communitybankmalverneast

Community Bank - Murrumbeena
436 Neerim Road, Murrumbeena VIC 3163
Phone: 9568 8166
Email: murrumbeena@bendigoadelaide.com.au
www.bendigobank.com.au/murrumbeena



/communitybankmurrumbeena



/communitybankmurrumbeena

Community Bank - Wantirna
Shop 5-6 Wantirna Mall, Wantirna VIC 3152
Phone: 9720 4122
Email: wantirna@bendigoadelaide.com.au
www.bendigobank.com.au/wantirna



/communitybankwantirna



/communitybankwantirna

Franchisee:
East Malvern Community Financial Services Limited
ABN: 27 089 542 174
268 Waverley Rd
Malvern East VIC 3145
Phone: 0412 555 452
Email: manager@eastmalverncfs.com.au

Share Registry:
Lead Advisory Services Pty Ltd
PO Box 30, Bendigo VIC 3552
Phone: 5445 4200
Email: shares@rsdregistry.com.au

