

22 March 2021

Dear Shareholder

The way people choose to conduct their banking continues to change. Following an operational review of our footprint across the districts in which we operate and after exploring options to retain our branch in Doreen, the Board of Valley Community Financial Services Limited, (operators of Community Bank Doreen and Mernda) have made the decision to transition the branch to a cashless site from 24 May 2021.

What does this mean for shareholders?

Despite considerable effort on behalf of branch staff and the board, the Doreen and Mernda branch has been unable to operate sustainably. After 10 years, your board have reviewed the branch operations and after strong consideration decided to make some necessary operational changes. To balance the interests of all those connected to the branch, we plan to provide the services that the community are using and benefiting from, whilst removing those costly services where demand is diminishing, expected to decline or is no longer required. These operational changes are intended to help stabilise our current financial situation, with a longer-term view of trying to achieve profitability and better outcomes for all.

The transition to a cashless branch is a change now adopted by several others in the Bendigo Bank network. The repurposing of the branch will require some internal modification and a new layout will provide the full range of banking services expected by our customers including the appointment of a full-time mobile banker. In line with the refresh underway in other branches, it will also provide a space that local business and the community can use to display and promote their products and/or services – a symbol of the Bank's purpose of feeding into community prosperity. This space will be free to use and will be booked via the branch.

What does this mean for customers?

Our branch and ATM will be closed from Thursday, 8 April at 3.00pm and will reopen on Monday, 24 May 2021 at 9.30am whilst the branch undergoes renovations. Customer habits and the way people are increasingly choosing to conduct their banking continues to change and there are now many alternate ways of making payments, including 'tap and go' on cards, mobile devices, EFTPOS, online banking and via telephone banking.

Community Bank Doreen and Mernda is one of five Community Bank sites operated by Valley Community Financial Services Limited including Hurstbridge, Eltham, Diamond Creek and Kinglake and although we may be transitioning Doreen and Mernda to cashless, our staff will remain employed within our local Community Bank network and will be available for customer lending and other financial service needs until the branch reopens.

What alternative arrangements are in place for cash transactions as a result of this change?

As outlined, the renovated branch will soon transition to operating under a new cashless model. Cash transactions in Doreen can be made by using the Bank@Post service nearby at Australia Post (located at 90 Hazel Glen Drive, Doreen) or at any of our other Bendigo Bank branches nation-wide.

Withdrawals can continue to be made via any ATM and the Bendigo ATM will return to operation when renovations are completed.

The closest Bendigo Bank sites from Doreen for cash transactions

- Community Bank Hurstbridge – 808 Main Road Hurstbridge 3099 (5.6km)
- Community Bank Diamond Creek – Shop 8, 75-77 Main Hurstbridge Road Diamond Creek 3089 (7.8km)
- Community Bank Eltham – Shop 3, 958 Main Road Eltham 3095 (12.1km)
- Bendigo Bank Kinglake – 1 Victoria Road Kinglake 3763 (19.1km)
- Bendigo Bank South Morang – 795 Plenty Road South Morang 3752 (7.4km)
- Bendigo Bank Greensborough – 78 Main Street Greensborough 3088 (11.5km)

Our staff look forward to continuing to assist you with your lending and other financial service enquiries and we are always happy to meet with you to discuss the best solution for your banking needs.

If you have any queries, please email administration@valleyfinancial.com.au.

Kind regards



Malcolm Hackett OAM
Chair



Barry Henwood
Executive Director