

Mt Evelyn & Districts Financial Services Limited

22 October 2014

Dear Shareholder,

It is with great pride that I present the 2014 Annual Report for Mt Evelyn & Districts Financial Services Ltd.

The report covers the achievements of our branches and outlines our business expansion endeavours, in what was an extremely challenging year that was governed by the soft demand for credit, heightened competition and fragile consumer confidence.

Recently, the Board was faced with the realization that the likelihood of the required community support, for a third site for the company at Canterbury Gardens Shopping Centre, was proving to be highly improbable. All aspects of the campaign's progress and the Board's evaluation and conclusions have been explained in a letter sent to shareholders on 9 October and will also be covered at the AGM.

The growth of the business has again been consistent and delivered a profit for the company. This is outlined in depth in the Chairman's and Financial Reports.

David Watt and his staff at both Mt Evelyn and Montrose branches are to be applauded again for their exemplary efforts, in what proved to be a very difficult banking environment for them. However, I am delighted to say that Montrose branch has now reached profit and is forging strong connections with the local traders, clubs, schools and kindergartens. This is testament to the hard work and outstanding customer service of the branch teams.

We will continue to support local and surrounding district's organizations and strengthen the many partnerships that have developed since 2002. These relationships have had significant impact on the positive growth of the company and drive our ability to continue to make a positive difference to the communities in which we operate and the individuals and businesses within them.

I look forward to seeing you at the AGM.



Yours sincerely,

Jill Rule
Chairman

ABN 93 096 782 240
Shop 2, 35-39 Wray Crescent, Mt Evelyn, VIC 3796
Phone 9737 1833 Fax 9737 1844, Email enquiries@medfsl.com.au
Franchisee of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879

(S42238) (11/12)