Doncaster East Community Financial Services Limited

Annual General Meeting

24^{th} October 05

Chairman's Address - Objectives

- Provide an overview of the Company's financial performance for the year ended June 05
- Provide an overview of non-financial achievements during the year to June 05
- Update you on the Company's performance in the year to-date.

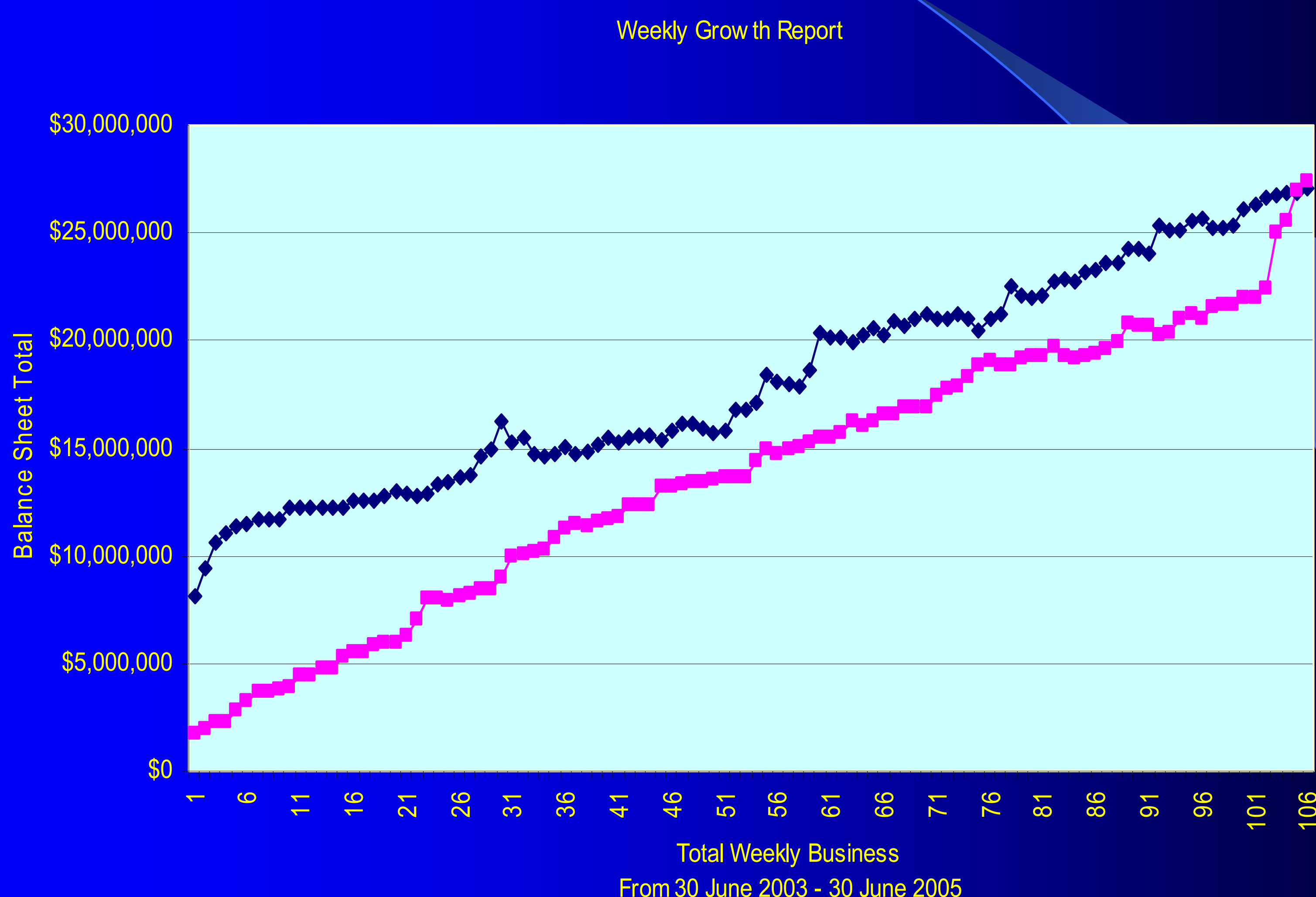
Business Growth to June 2005

Outstanding!

Business Growth to June 2005

- Highest growth of all Community Bank® Branches in Victoria
- Highest growth of all metropolitan Community Bank® Branches across Australia
- Second highest growth of all Community Bank® branches across the Australian network of 154 branches

Business Growth to June 2005



Overview of Financial Performance to June 2005

	2005	2004	Var
Income	$449,982	$271,376	+66%
Costs	$447,364	$409,748	+9%
Profit / Loss	**$2,618**	**($138,372)**	**+$140,990**

Profit / Loss figures before tax

Overview of Financial Performance to June 2005

Reasons For Variation From Forecast

- Essentially problems with forecasting model not performance problems:
  - Forecast was a pure cash forecast and made no allowance for depreciation or amortisation
  - Income forecast used average margins not Doncaster East specific margins
- Directors consciously increased expenditure on promotional activity

Revised Forecasting Model

- Introduced by Bendigo Bank this year and is far more robust:
  - Takes account of non cash items – excl tax
  - Takes account of individual branch margins
- If we achieve business growth objectives we should achieve our forecast income

Overview of Non-financial Achievements

- Branch's operational performance rated at the highest level by a Bendigo Bank audit
- Maintained high standards of customer service
- Conducted an internal review of the Board's composition and performance

Board Review

- Need for ongoing professional development
  - Attendance at 12 programs over past 12 months
    - Australian Institute of Company Directors Programs
    - Marketing
    - Bendigo Bank National / Regional Conferences
- Need to improve skill mix led to appointment of one new director with one other appointment pending

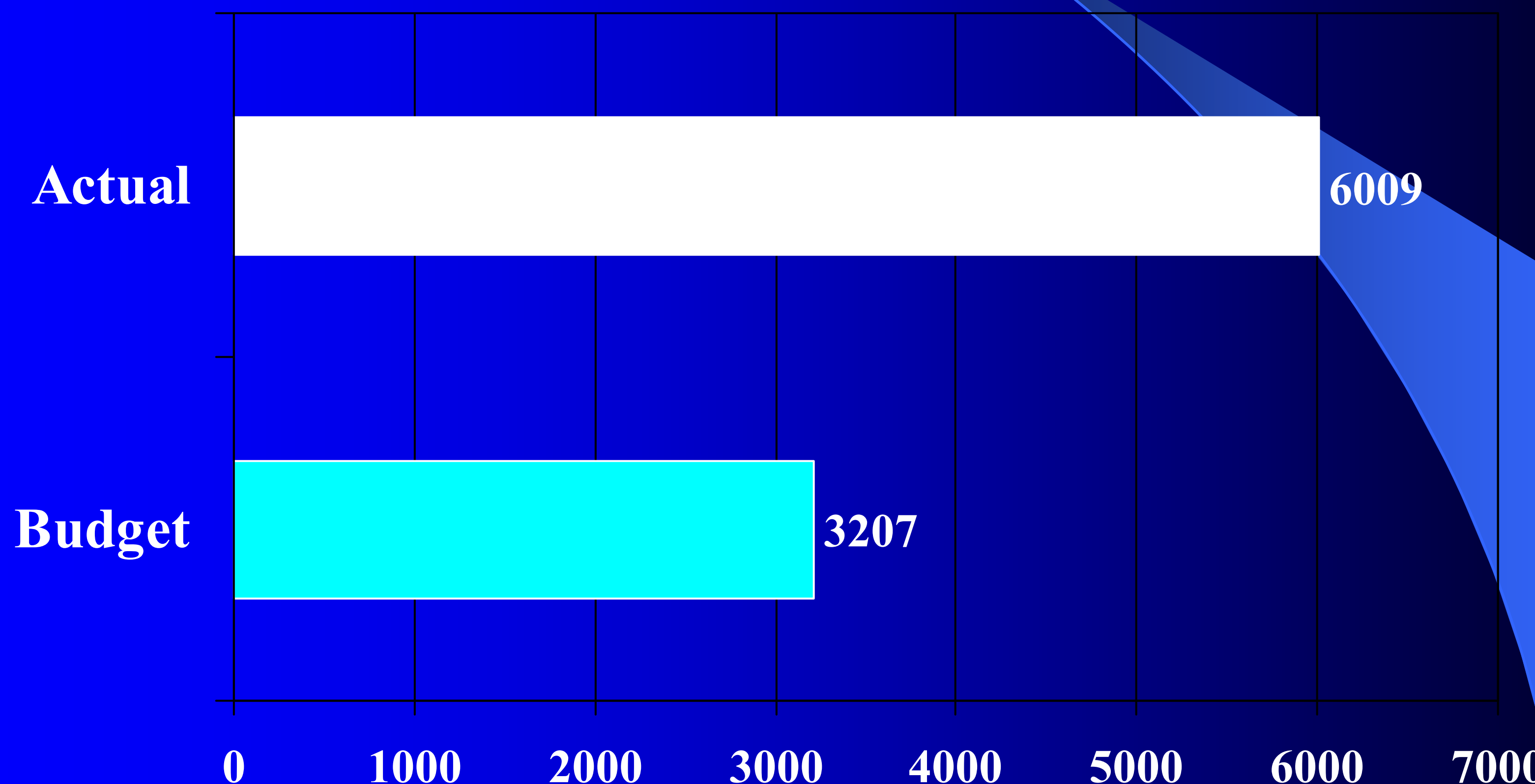
The Branch Team

- Paul Thompson – *Manager*
- Lisa Jones –*Supervisor*
- Susan Scroop – *Customer Service Officer*
- Elise Chan – *Customer Service Officer*
- Anna Plane – *Customer Service Officer*

  – Meredith Byrne – *Resigned 8/05*
  – Teresa Mullen – *Resigned 12/04*

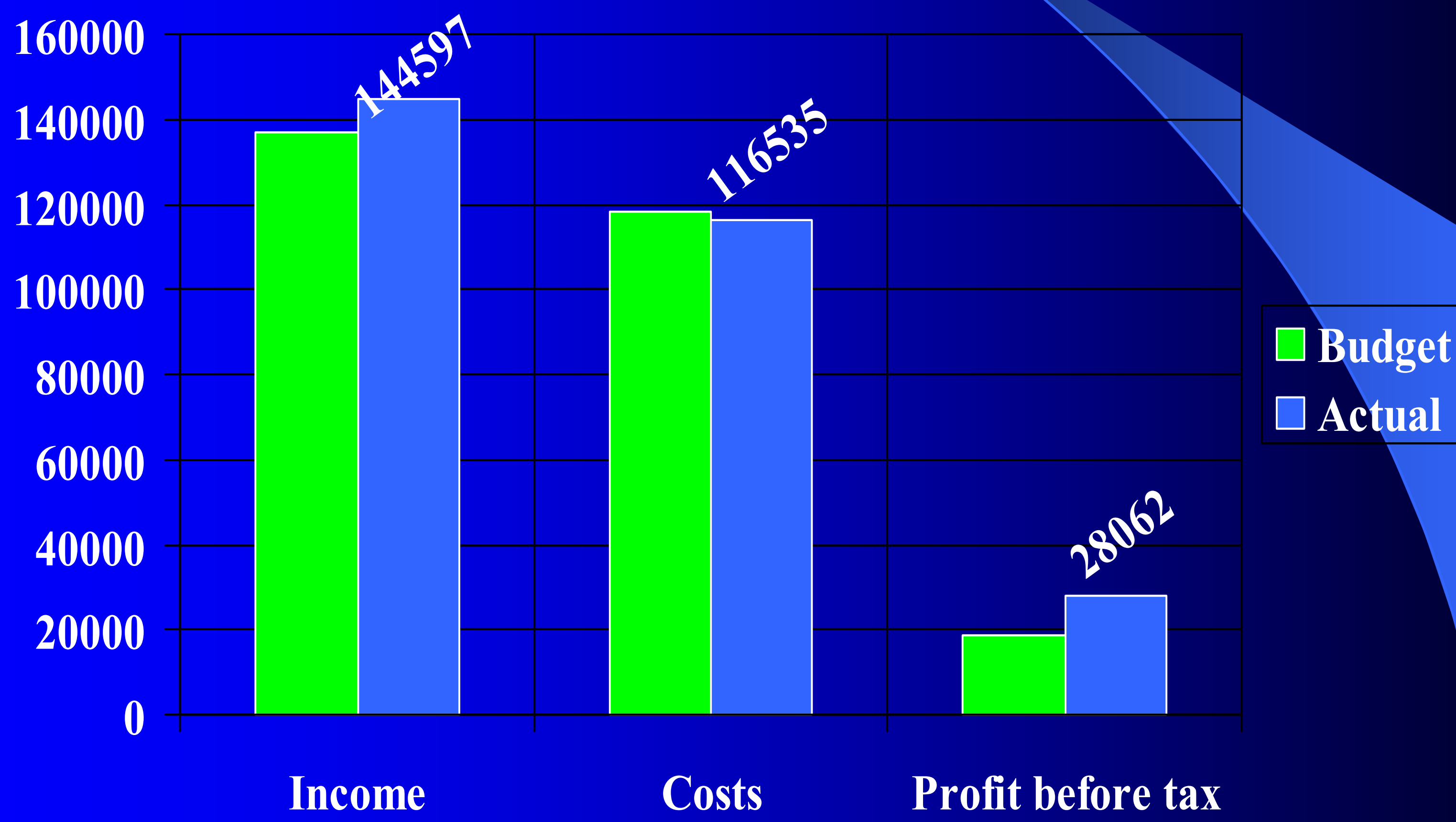
Update on Company's Performance Since June 2005

Business Growth to 30th September 05



Performance Against Budget

as at 30th September 05



Performance Outlook to 30th June 2006

- Confident of continued strong growth in business volumes albeit not at the same rate as last year:
  - Housing market remains slow
  - Confidence is down
  - Competition is tough

Performance Outlook to 30th June 2006

- In terms of income - if business volumes grow in line with our forecast, income should be around $575,000 an increase of 28%
- In terms of expenses - we are forecasting an increase to around $485,000 an increase of 9%
- Before tax profit in the order of $90,000

Performance Outlook to 30th June 2006

- Our business is growing strongly and we appeal to you as the owners of the business to help your Directors and the Branch Team in achieving and exceeding our growth objectives.

Here is How YOU Can Help

- Act as ambassadors for the Bank – talk it up
- Recommend and refer your family, friends and community organisations to the Bank

283 shareholders have the potential to bring a lot of business to our Bank

Questions?