

Chairman's Report

For the year ended 30 June 2008.

The Fremantle **Community Bank**[®] Branch of Bendigo Bank has continued to grow steadily in its second full year of operation.

This year has seen continued focus on building the business and developing stronger and broader relationships with the local community.

The growth has again exceeded our expectations with new accounts being opened at a rate of approximately 50 per month and total business within the branch has passed the \$40 million milestone.

These figures are very satisfying and we thank our shareholders, our customers and the community of Fremantle for giving us such continuing strong support.

Along with the rest of the Board I would again like to extend our gratitude to our new branch manager Brad Peel and his team. The hard work and dedication of the past year has been rewarded with the results that have been achieved.

As Directors we continue to take our responsibilities seriously through the ongoing review of our corporate governance practices.

The Board has continued to develop long term strategies for business growth and the fulfilment of our charter with some exciting community partnerships including the Film & Television Institute of WA Bohemia Outdoor Cinema Project and the South Fremantle Senior High School's Carbon Neutral Project.

We continue to remain confident in the long term future and growth prospects of the Company and look forward to the continued support of the shareholders and the greater community.

I would like to thank my fellow Directors for their confidence and support as the Chairman and our **Community Bank**[®] branch staff for their continued support and assistance as we continue this exiting growth phase for our Company.

A. Bart Houwen
Chairman

Managers Report

The Branch has now been operational for 2.5 years and I have been Manager for over 4 months now which has gone very quickly and I have enjoyed every minute of it.

During my short time here thus far we have achieved some great results with our total book (deposits and lending) sitting at \$35M at the end of June we now have a book that totals \$44M which is a great result in a short period of time, we also have 2000 customers supporting the Fremantle Community Bank® and in turn supporting their local community.

We are striving for and fast approaching the \$50M mark which should see us in a profitable position.

The recent global crises has had little or no impact on our business as Bendigo Bank has no exposure to the US or European markets, the only impact that maybe felt is the drop in consumer confidence but we haven't encountered any negative concerns.

The Fremantle Community Bank® and across the whole Bendigo Bank network offers a truly unique banking experience to its customers and I feel that this is the reason why we continue to retain and build our customer base at such a rapid rate.

I would like to acknowledge the efforts of our staff, Jennie O'Halloran, Norrey Brown and Jeannie Lyons who have been an integral part of our retention and growth strategy.

I would also like to thank the Business Banking team based at Fremantle Denzil Pinto and Damien Lim who have provided great support to myself and the entire Branch.

I must also acknowledge and thank the board for their support and enthusiasm since I arrived, Bart Houwen, Geoff Dunstan, Debra Rule, Mike Finn and Ian Beach.

Last but not least I would like to thank the shareholders who without your continued support we would not have a business and hence not be able to contribute to the Fremantle Community.

I am very confident that we will have a very successful financial year 2008/2009 and look forward to working with you to achieve our Community goals.

Brad Peel
Branch Manager