

CHAIRMANS REPORT

INGLEWOOD AND DISTRICTS COMMUNITY BANK

Life is an unpredictable business and in the past year we have seen significant economic, political and climatic change, all variables over which we have little influence. I am proud to report that in these uncertain times Inglewood and Districts Community Bank has seen enormous growth.

The prospectus of March 2007 contained a base forecast total portfolio of \$52 million at three years for our Community bank. The total portfolio is now \$65 million – 25% above the base forecast. Since the creation of a Community Bank was first mooted our total business has almost trebled from \$22 million to \$65 million.

The growth of our bank means :

We have already returned in excess of \$190 000 to our community in the form of sponsorships and grants and we will be able to continue to do so. Every dollar of profit that we return to our community benefits our community. Without a Community Bank, those profits would go elsewhere.

The Board is particularly pleased to report that we have been able to provide \$20 000 for the purchase of a bus for the transport of local disabled young adults. We have also placed another \$50 000 with the Community Enterprise Foundation for distribution to the community.

Our Community Bank would not exist without the faith and commitment of our shareholders. In September of this year we will be paying a 6 cent dividend per share (6%).

We are able to continually improve upon the service provided to our customers. – We have established a new agency in Wedderburn and the coming year will see physical improvements to the bank and the employment of additional staff.

Our growth during the past year has been truly remarkable and would not have been possible without the continuing hard work and dedication of our staff. We value the contributions of all and were sad to see our former Business Development Manager , Andrew Nevins, leave us but know that we have been fortunate to secure the services of Jon Champion

It is said that there are only two certainties in life – death and taxes – but at Inglewood and Districts Community Bank we believe there is a third : A Community Bank strongly supported by its' local community will be successful and will certainly benefit that community.

On behalf of the Board, I thank our shareholders, our customers and our staff for that support.

Max Higgs.