

Chairman's Address

AGM 26/10/2006

Welcome everyone to our 5th AGM of Mt. Evelyn & Districts Financial Services Ltd, the operating company of Mt. Evelyn & Districts Community Bank® branch of Bendigo Bank.

This is our 4th Annual Report for a full financial year of operation

My name is Allan Grundy and I am proud to be your elected Chairman.

This is a properly constituted meeting and as such will be minuted and I confirm that a quorum is present. I now declare the meeting open for business.

Before we get into the Agenda proper, I must say that this is another “good news” AGM, and I will shortly be announcing our final dividend, and also our very first Community Grants Program recipients.

I will take this opportunity to introduce those seated here with me, and my fellow Directors.

Firstly, we have Alison Burr. Alison is our Regional Manager from Bendigo Bank. She is our “minder” and is responsible for all of our activities, whether it be budgeting, planning, marketing, governance, H/R, branch and staff performance and so on. As I have remarked in my Annual Report, Alison has done a fantastic job for us. Welcome Alison.

Next we have Fiona Beckwith. Fiona is Grants Manager from Community Enterprise™ Foundation and will shortly give us a “snap shot” on how the Foundation came into being and what its function is. Welcome Fiona.

Next we have David Watt. David, of course, is our Branch Manager and I cannot speak highly enough of this man. His efforts and skills are magnificent and his leadership has melded a very conscientious and dedicated team. It is a pleasure to both work with him and to support him. The number of letters, cards, and the like, of thanks and appreciation is quite remarkable, and in this year's review of branch performance, conducted by Alison for Bendigo Bank, top marks again were awarded. A fantastic effort by all.

Now, my fellow Directors:-

Margi Sank – Treasurer
Albert Buitenhuis – Company Secretary
Brian Hewett – Vice Chairman (Apology)
Jan Simmons
Jill Rule
Craig Keithley
Arch Carswell
Leighton Clark

We also have some very special guests in attendance. Tim Heenan, our Councillor for Billanook Ward. Welcome Tim.

We would also like to welcome Terry Vail representing our Auditors, Richmond Sinnott and Delahunty. Welcome Terry.

Also, we have a contingent of representatives of local community groups and organisations here for our very first grants awards, and their names will be read out in conjunction with the awards.

As I said, the meeting is open for business and the notice of this meeting was sent to all shareholders. Some were returned to us endorsed “not known at this address” so I urge shareholders to keep us advised of any changes of contact details, or shareholder status.

I presume all shareholders have read the Notice of AGM containing the Agenda, and the Annual Report, however, there are spare copies available on the table by the door.

Minutes of our last AGM held last year were approved by the Board and signed off by myself as Chairman in accordance with the provisions of section 251A of the Corporations Act. Copies of the minutes are also available on the tables. Minutes of this meeting are being taken by Jill Rule.

Apologies and proxies Albert, can you report on these matters please?

With regard to the apology received from Heather McTaggart, Heather has asked me to read it to the meeting, which I will do a little later.

With regard to the apology received from Brian Hewett, I must advise that he has been quite unwell and I’m sure we all wish him the very best, and a speedy recovery.

Okay, the Agenda!

Item 1 has been covered in welcome, introduction, apologies and proxies

Item 2 is my report. This is essentially what I have said in the Annual Report. Please bear in mind that the figures stated in the Annual Report are pretty much redundant as they are for year ending 30th Jun, which is now 4 months ago.

However, to quickly throw a few figures around, I will indicate the financial year’s growth and also our current situation.

At the end of the 2004 – 2005 financial year, the branch was holding a little over 4000 accounts with a value of \$57.5 million. At the end of the 2005 – 2006 financial year, the branch was holding a little over 4600 accounts with a value of \$70.1 million. Current figures are at 4800+ accounts and \$77.0 million. These figures are just fantastic and once again I would like to congratulate David and the team.

Each year I make mention about the amount of information I receive, and how pleased I am, along with my Board, with the progress. And each previous year, I’ve made mention of how our growth has steadily eroded accumulated losses and at last year’s AGM I stated that all losses would be dispensed with and that we would be in operating profit in December. This major event in our history did happen, and we are now enjoying full and rewarding profit. I say rewarding meaning that it is our shareholders and the community sharing in these rewards, and I am delighted to announce that on top of the 6% fully-franked interim dividend paid earlier this year, we are also paying a 4.6% fully franked final dividend, making a total dividend of 10.6%. This final dividend will be paid to all shareholders who had a holding as at 30th September 2006

and will be paid on 15th November 2006 or soon after. Margi will give a brief “snapshot” regarding our dividends shortly, together with an update on BSX.

In regard to rewards to the community, we have given away many thousands of dollars in the form of sponsorships to many worthwhile groups and organisations. This is totally separate to our Community Grants and I will detail this later.

In my Chairman’s Report I made mention that one of our original girls, Shelley Wild is leaving us in the near future. Shelley has been an outstanding asset for us, and her contributions and efforts from day one have been greatly appreciated. Thanks Shell.

We are very conscious of maintaining a high level of customer service, especially as the branch is getting busier. To this end we have employed two more Customer Service Officers, Jan Krueger and Susan Nightingale. Both girls have fitted in to our team very well, so welcome aboard Jan and Sue.

Bendigo Bank’s growth has been quite phenomenal over the past few years and this year has seen the establishment of their first branch in the Northern Territory, making Bendigo Bank truly national by being Australia wide.

The growth has seen the establishment of an ultra-modern complex at Docklands and building works are underway for a new \$70 million Bendigo head office.

Bendigo Bank is opening 30 new branches per year, and all this growth has necessitated the increasing and restructuring of personnel, and part of this restructure is the assignment of Alison, as Regional Manager to the Yarra Valley region.

And about Bendigo Bank? Every year I have said the same about this mob and I’ll say it again this year in that I have nothing but the highest praise and admiration for them. We have a fantastic relationship with them that is of the highest degree and they are indeed an excellent partner.

Alison, on behalf of David, our board and staff, would you please pass on our sincere thanks and appreciation.

I briefly mentioned before about sponsorships. One particular initiative we launched this year is a Youth Driver Training Program. This program is aimed at helping to reduce local road trauma by subsidising year 10, 15½ -16 year old students to undertake off-road driving and classroom courses. This course will provide invaluable pre-licence experience, and our initiative has been highly commended by Heather McTaggart in State Parliament, the Shire of Yarra Ranges, Victoria Police, Secondary Colleges and the community. For 2007, we have committed \$5000 for our local youth, and only last week David and I met with Monbulk College to extend our initiative into that area as well.

This is an excellent example of how our Community Bank® is acting in a responsible and supportive way to the community.

Winding up my report, I can confidently say we are doing very well. The future looks extremely promising, we have the very best team at the branch, a dedicated and responsible Board of Directors and the best possible partner in Bendigo Bank.

Item 3 is to receive and adopt the Annual Report for year ending 30th June 2006.

For shareholders only;

Are there any questions or comments on the Report?

I put the motion that the Report be accepted. Is there a seconder?

Those in favour, please raise your hand.

(motion carried)

Item 4 is Director fees.

I confirm that all Directors have unanimously elected to remain unpaid, and I also confirm that no Director, past or present, is in receipt of any fee or remuneration.

No motion required.

Item 5 is the election of Directors.

I confirm that the election or re-election of Directors is in accordance with Rule 62 of the Company Constitution.

We have 3 Directors retiring by rotation and who offer themselves for re-election.

Firstly we have Jan Simmons.

I put the motion that Jan be re-elected as a Director of the Company.

Is there a seconder?

Those in favour please raise your hand

(motion carried)

Secondly we have Craig Keithley.

I put the motion that Craig be re-elected as a Director of the Company.

Is there a seconder?

Those in favour please raise your hand

(motion carried)

Thirdly we have Brian Hewett.

I put the motion that Brian be re-elected as a Director of the Company.

Is there a seconder?

Those in favour please raise your hand

(motion carried)

Item 6 is the Appointment of Auditors

We have employed our Auditors Richmond Sinnott & Delahunty since inception of the Company. This was decided on following advice from Bendigo Bank, our solicitor, and other Community Bank® companies. We have found their work and reports etc to be of the highest professional degree, at reasonable cost, and they are specialists in our field.

I therefore put the motion that our current Auditors be re-appointed

Is there a seconder?

Those in favour please raise your hand

(motion carried)

Item 7 is Special Announcements

Community Grants Program. This program has been established to seek applications for grants for registered charitable organisations and not-for-profit community groups and organisations who are working to benefit, develop and enhance the Mt. Evelyn and Districts Community.

The program was widely advertised and applications were invited during September.

The grants program is in conjunction with the Community Enterprise™ Foundation.

Franchise Agreement Renewal. Our current Franchise Agreement with Bendigo Bank is due for renewal prior to the expiration of the initial term of five years. Bendigo Bank has invited us to continue the Grant of Franchise, and the Franchise commencement date will be April 25th 2007 and will be for a further five years. The Franchise Agreement is subject to renewal every five years.

Bendigo Bank recognises that our achievements have been significant, and are proud to have been part of our success story.

To celebrate this milestone and our 5th birthday we intend to hold a large function, date and venue to be advised, for all shareholders and invited guests. This function will not be a meeting format, but a social event to celebrate the success story of our bank and our community.

Dividends. I will now pass over to Margi for this item, and also for an update on BSX status and for her general Treasurer's Report. Thanks Margi

Item 8 are our Guest Speakers.

Fiona Beckwith is our first guest speaker. Fiona will give us a "snapshot" of Community Enterprise™ Foundation. Thanks Fiona

Alison Burr is our next guest speaker. Thanks Alison

And our next guest speaker is our Branch Manager, David Watt. Thanks David.

Heather McTaggart, our State Member for Evelyn has asked me to read her apology and message

Ladies and Gentlemen:

I would like to apologise for not being able to attend the AGM this evening. I am on my way to Tasmania to the funeral of a 19 year old close family friend.

I thank the Chairman for conveying my message to you.

All of you know the original impetus for the creation of community banking philosophy was in response to the loss of major banks and their facilities in rural communities and the subsequent impact of that loss to the communities economic and social functioning.

I really admire the Managing Director of the Bendigo Bank – Rob Hunt. I remember reading a speech where he talked about Community Banking providing more than just a bank branch. It was about OWNERSHIP, INVOLVEMENT, ENGAGEMENT and UPSKILLING – rather than being more than just securing access to banking.

I have read many testimonials from community members throughout the state and Bendigo Community Banks can be very proud that they have not only empowered individuals, but whole communities.

I am sure he would be delighted by the work undertaken by **Allan Grundy and the Board, David Watt** and his great team of staff as they provide such an important asset to Mt Evelyn and surrounding districts.

I would like to congratulate you all for your work over the last five years in delivering a professional banking facility to our town.

I know that the board members are very familiar faces within the Mt Evelyn community and that all of you have been involved in many aspects of community and business life in Mt Evelyn.

There were some little doubts in the community that this project of a community bank would never eventuate. Congratulations on proving that theory wrong!

You should be very proud of how this branch has grown since 2002, with nearly 4750 accounts totalling \$74M.

As a local resident and a customer of this bank I am thankful for the services you provide, services such as Saturday morning trading, the ATM and most of all personalised, friendly service.

You may be aware that I have commended the bank in the Parliament recently for the Youth Driver Training Program. I am very pleased that the Community Bank is supporting young people within (the) district.

Well done for your commitment to the Lead on Program, Kinders and Primary Schools as well as our great 1st Mount Evelyn Scouts and Guides. The support of Life Education Victoria will ensure our students are well advised on the effects of drugs as well as receiving good health messages.

I know the sponsorships and contributions to the many other groups and organisations are certainly welcomed and appreciated.

I wish you all the best tonight as you celebrate the 5th AGM, and I wish I was there to hear the announcement of the community grants recipients.

Keep up the good work and once again congratulations on your commitment to our great Mt Evelyn community.

Warm regards
Heather McTaggart.

And now for our first ever Grant Presentation!

Item 9. I must say that this is something I've looked forward to for a long time. I consider this to be a huge step forward for us and to be another milestone in our support for our community. I wish to thank Bendigo Bank and Community Enterprise™ Foundation for their invaluable guidance and assistance.

The Grant applications were of an extremely high quality in that a lot of thought, honesty, consciousness and supporting material went into them. All applications were considered on the same criteria, with an emphasis shown for our local community. Of course we had a budget to work to and of the 17 applications received and evaluated, we are able to assist 13. 4 only did not meet all criteria but this does not preclude them from making future applications. Of the 13, we have decided to assist 11 with a Grant via the Foundation and 2 with Sponsorship funding.

There is no need for me to say what amount was requested in each application, but rather to announce the amount of grant awarded. I will also give a brief explanation of what the Grant is for.

So without any further ado, it gives me great pleasure, on behalf of my board, David and staff to announce our very first Grant recipients. I ask each recipient, as they are called, to come forward to accept their Grant, and to remain for a group photo.

Ladies and gentlemen, the total of tonight's Grants and sponsorships is \$62,000. So how about a huge round of applause for our very first Grant recipients.

Item 10 is Question Time. If anyone has a question, please raise your hand and when asked, please stand and state your name.

Thank you to everyone for coming along. I now have pleasure in declaring this meeting closed, and I now invite everyone to join me for drinks and snacks and a special thanks to the RSL women's auxiliary for putting on supper.

Allan Grundy

Chairman