

Mt Evelyn & Districts  
**Financial Services Limited**



30 October 2007

Mr I Craig  
Companies Manager  
NSX Limited  
Announcements Office

By Facsimile 02 4929 1556

Dear Ian

MOUNT EVELYN AND DISTRICTS FINANCIAL SERVICES LIMITED

As part of our reporting procedure obligations, I have pleasure in forwarding my Annual General Meeting speech for your records.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'A. Grundy'.

Allan Grundy  
Chairman

**AGM 25/10/2007**

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

This is our Fifth 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, once again, this is another “good news” AGM, and I will shortly be announcing our final dividend for the year, reports on various initiatives, and also announcing our second 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, and with us. Welcome Alison.

Also from Bendigo Bank Regional Office we have Natalie Goold. Natalie is Customer & Community Manager and apart from being Alison’s right-hand man, she is essentially looking after Marketing & Community initiatives. Nat is also doing a great job for us.

Next we have Fiona Beckwith. Fiona is Grants Manager from Community Enterprise™ Foundation and will shortly give us a “snapshot” of the function of the Foundation. Welcome Fiona.

Next we have our Branch Manager, David Watt. I cannot speak highly enough of David. His efforts and skills are magnificent and his leadership has melded a very conscientious, competent and dedicated team. His work with my Board, and his input, has been tremendous and is greatly appreciated. It is a pleasure to 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, with myself in attendance, top marks again were awarded. A fantastic effort by David and his team.

Now, my fellow Directors:

Margi Sank – our Treasurer  
Jill Rule – our Vice Chair  
Albert Buitenhuis – our Company Secretary

Jan Simmons  
Craig Keithley  
Arch Carswell

Brian Hewett - More on young Brian a little later on. And a special welcome to Brian's lovely wife, Liz.

We also have some other special guests in attendance. Belinda Zini and James Chapman who are prospective Directors. Terry Vail who is representing our current Auditors – Richmond, Sinnott and Delahunty. Also, a contingent of representatives of local Community groups and organisations here for the Grants awards, and I will introduce these people in conjunction with the Awards.

As I said, the meeting is open for business and the notice of this meeting, together with attachments including the 2007 Annual Report was sent to all shareholders. Some were returned to us endorsed "not known at this address" so I urge all shareholders to keep us advised of any changes of contact details, or shareholder status.

I presume all shareholders have read their documentation, 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 table. Minutes of this meeting are being taken by Jan Simmons.

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

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. Bear in mind the figures stated in the Report are pretty much redundant as they are for year ending 30<sup>th</sup> June, which is now 4 months ago.

At each AGM, I have provided details of growth figures, and comparative figures with the year before. This year, I won't detail all of this as it is in the Annual Report, however, I am delighted to announce, and this deserves a round of applause for our branch team, that our current "accounts value" figure is knocking right on the milestone of \$100 million! The total number of accounts held is in excess of 5300.

It is now almost 2 years that we have been in operating profit. This means that our stated charter of rewarding our shareholders and the Community, providing that unforeseen circumstances prevented it, is now the norm. And I am delighted to announce that on top of the 5% fully franked interim dividend paid earlier this year, we are also paying a 6.35% full franked final dividend, thereby making a total dividend of 11.35%. This final dividend will be paid to all shareholders who have a holding as at 9<sup>th</sup> November 2007 and will be paid on 30<sup>th</sup> November 2007, 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, after this evening's Grants awards, given a quarter of a million \$ in the form of grants and sponsorships, the majority since we attained operating profit, some 2 years ago. On a personal note, this has been one of my great pleasures, being able to help, support, sponsor etc those individuals, groups and organisations that have a worthy need, and are a little "cash strapped".

We are very conscious of maintaining a high level of customer service at the branch and we have employed another Customer Service Officer, Kaye Barnes. Kaye has fitted in very well with the team, so welcome aboard to Kaye.

Our growth has indeed been very pleasing and of course we are a part of Bendigo Bank's network, which is now truly national. Bendigo's growth has been quite phenomenal, and Bendigo enjoys the highest customer satisfaction of any Bank in Australia. Their customer base is growing by in excess of 6000 per month. There are now over 200 Community Bank® branches with 25 more planned for this current financial year. Some impressive Community Bank® statistics include \$10 billion in banking business, 1000 branch staff, \$7 million in shareholder dividends and over \$10 million paid in grants. To help support this overall growth, staff have begun to move into a new \$100 million Head Office and Bendigo has recently opened a \$10 million Data Centre. 2008 will see the Company's 150<sup>th</sup> birthday, and 10<sup>th</sup> birthday of the first Community Bank® branch.

Every year I have said the same about Bendigo Bank 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 an excellent partner.

Alison and Natalie, on behalf of David, our Board and staff, would you once again pass on our sincere thanks and appreciation.

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 30<sup>th</sup> June 2007.  
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.

I must take this opportunity to thank our Audit sub-committee of Margi, Jill, Craig and myself, and also a tremendous input from David.

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 three Directors retiring by rotation and who offer themselves for re-election.

Firstly, we have Jill Rule.

I put the motion that Jill 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 Margi Sank.

I put the motion that Margi 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 myself. To keep matters above board, I ask Jill as Vice-Chair to put the motion.

Jill to say – I put the motion that Allan 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 founding 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).

Terry, please pass on our thanks and appreciation to your colleagues.

Item 7 is Adoption of Revised Constitution. I have here a copy of our current Company Constitution and also a draft of a proposed Revised Company Constitution. The difference between the two documents is essentially cosmetic, and they are for all intents and purpose identical in their meaning. However, there is a proposed change under Section 9 which is titled "Prohibited Shareholding Interest". This involves the creation of a "Base Number" of shareholders in the Company. At the time of formation of the Company, we had a total number of shareholdings of 341, and at present we have 341. Our Prospectus and Constitution limit a shareholding to not

exceed 10% of the total number of shares in the Company. To ensure your Board has greater control over the number of shareholders in the Company, and to ensure they have a reasonable connection with our Community, the proposal is to create a Base Number of 270 shareholders, so that in effect our number of shareholders will be a minimum of 270. I must mention that this proposal has been evaluated diligently by Albert, Margi and myself as a sub-Committee, and it is recommended by the Board, Bendigo Bank and the Stock Exchange. I therefore put the motion that a Revised Constitution containing a Base Number of shareholders of 270, be adopted.

Is there a seconder?

Those in favour please raise your hand.

(Motion carried).

Item 8 is Special Announcements.

The first item of mention is the proposed merger of Bendigo Bank and Adelaide Bank. This is as I have written in the Annual Report. We have been assured by Bendigo Bank that if the merger does proceed, it will in no way whatsoever affect Community banking. It will, however, create another 24 or 25 Bendigo retail outlets. If anyone has a question on this subject, can it please be left until Alison says a few words shortly.

Next mention is the Community Grants Program. This program, now in its second year, 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. This year we received 21 applications, several of which did not meet the application criteria.

The Grants Program is in conjunction with the Community Enterprise <sup>TM</sup> Foundation.

If anyone has a question re the Program, could they please wait a moment and direct it to Fiona from the Foundation who shortly will say a few words.

The next point of mention is Franchise Renewal. Our Franchise Agreement has been renewed for a further 5 years, effective from 25<sup>th</sup> April 2007, at the invitation of Bendigo Bank who recognise that our achievements have been quite significant. The Renewal coincided with our 5<sup>th</sup> birthday, celebrated mainly with a large function attended by some 120 people. The Franchise Agreement is subject to renewal every 5 years.

And now for the Treasurer's Report, and I have great pleasure in handing over to Margi, who once again has done a fantastic job for us during the year.

Thanks Margi.

During the year we have had two Directors resign. Firstly, Leighton Clark, who resigned mainly due to pressures of work and limited availability for his role of Director. Leighton was with us for a comparatively short time but his input and contribution was of the highest degree. Thanks Leighton.

Secondly, Brian Hewett, and I ask Brian and his lovely wife Liz to come forward.

I know I could have trouble talking about Brian so I will quote myself from my Annual Report.

On a sad note, I reluctantly advise that Brian Hewett has also resigned from the Board effective from the date of our AGM 25<sup>th</sup> October 2007. Brian has been with us as a founding member of our original Steering Committee right through to being our Vice Chairman. His input, dedication, support and assistance has been invaluable. I have trouble putting adequate superlatives together for this gentleman and true friend, so I will summarise by saying that we will all be forever grateful for Brian's outstanding contribution to the establishment of 'Our Bank'. We all wish Brian and his wife Liz good health and all the very best for the future. Huge thanks Brian.

I will always have many fond memories and I will always be indebted to you old mate. I am sure there are many "Mt Evelynites" who, for quite a long time will remember going into your shop and didn't know if they were in a butchers or a bank.

I recall in our capital raising days you were at times, quite pessimistic. "Oh I don't know if we'll get there" and so on. Well, I'd give you a kiss on the top of your head, and for some unknown reason, your pessimism would instantly change to optimism. Well, we got there and well done mate. Brian, on behalf of everyone, please accept our token of gratitude for a great job.

Item 9 are our Guest Speakers.

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

Alison Burr is our next guest speaker. Thanks Alison.

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

Item 10 on the Agenda is our Grants Presentation. Prior to the actual presentations, I have invited Tom O'Meara, Principal, and Robyn Dew, Head of Junior School – Pembroke College, to give us a brief insight into how sponsorship of a Youth Learner Driving Program has assisted the College and the students. Sponsorship of \$3000 was given for this current year and I have assured the College we will continue the Program for next year in the least.

After Tom and Robyn, Gary Park, Group Leader from Mt Evelyn Scouts Group will give us a "snapshot" on how they employed a \$10K Grant give at last year's AGM.

And Jan Simmons as head of our Youth Affairs sub-committee will give us a brief "snapshot" on youth oriented initiatives. Time doesn't permit it this evening for detail, but we are constantly evaluating other initiatives. For example, we have had preliminary talks, along with Alison for BB, with the Shire on possible joint initiatives regarding environmental issues.

Thanks folks, and now for our Grants Presentations. It would be a great honour if Brian Hewett would come up and assist me, as his last official role.

I consider our Grants Program to be a huge milestone in our support for our Community. I wish to thank BB and CEF for their invaluable support 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 21 applications received and evaluated, we are able to assist 15. Six only did not meet all criteria but this does not preclude them from making future applications. Of the 15, we have decided to assist 14 with a Grant via the Foundation, and 1 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 2007 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 \$83,500. So how about a huge round of applause for our recipients.

Item 11 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 Womens Auxiliary for putting on supper.

A handwritten signature in black ink, appearing to read 'Allan Grundy', with a stylized, cursive script.

Allan Grundy  
Chairman  
Mount Evelyn and Districts Financial Services Ltd