

Chairman's Report at AGM on 20 November 2006

Good morning ladies and gentlemen.

My Chairman's report for the period up to 30 June 2006 is printed in the Annual Report which you have all received.

On Saturday, 9 December 2006, our branch will be celebrating its first birthday. I encourage you to be involved in this function to celebrate one year of the Bendigo's **Community Bank**[®] model in Rosewood.

I thought this morning I would give you a brief snapshot of what has happened over the past four months since the end of the 2005/06 financial year.

Since the beginning of July 2006 our customer accounts have increased by 9%, while the portfolio of the branch has increased by 15.2% to \$26.84 million as at 12 November 2006. Another pleasing aspect for our branch is the increase by 11.2% of the lending portion of the portfolio. The continued increase in the branch's portfolio is a credit to our manager, Amy Wolens, and her staff for their dedicated efforts.

Every month since July 2006, the Treasurer has reported a monthly profit. If the monthly income continues to increase, the Board is confident that by the end of June 2007 our branch will be close to trading at a profit.

Each month our branch receives Market Development Funds as part of its monthly income. The monthly amount is dependent on the size of the branch's portfolio. Recently the Board decided to use some of these funds for advertising of the business, and sponsorship. Since July 2006, nearly \$1,800 has been allocated to sponsorship of community groups in the district. As our profits increase, the amount allocated to sponsorship or to the support of community projects will increase.

The challenge to all of us is to keep our local **Community Bank**[®] branch in mind. If your friends are thinking of purchasing a house, suggest that they call into the branch to discuss their needs with the staff. Keep in mind, the Directors have no involvement in the banking aspect of the branch. The branch offers full banking facilities, including home loans, business lending, term deposits, a range of insurance products, day to day banking, and personal financial planning. With your continued support of spreading the word, our branch will continue to grow.

It has been an honour to be the first chairman of the Board. I thank the Directors for their efforts during the past twelve months. I wish to give special thanks to the Company Secretary, Melissa McGeary, and the Treasurer, Eirys Heit, for their dedicated efforts.

Clyde I Nicoll
Chairman