

Chairman's Report at AGM on 19 November 2007

Good morning ladies and gentlemen.

My chairman's report for the period up to 30 June 2007 is printed in the Annual Report which you have all received.

In early next month, the branch will be celebrating its second birthday. I encourage you all to help to celebrate two years of the concept of Community Banking 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 2006/07 financial year.

Since the beginning of July 2007 our customer accounts have increased by 2.6% while the portfolio of the branch has increased by 5.7% to \$31.2 million as of 13 November 2007. The continued increase in the branch's portfolio is a credit to the manager, Amy Clem, and her staff for their dedicated efforts.

Since July 2007, there have been a number of expenses such as nearly \$11,000 in grants from the profits of 2006/07, sponsorship and advertising. If the monthly income continues to increase, the Board is confident that by the end of June 2008 the branch will again be trading with a profit.

During the 2007/2008 financial year, the Company will continue to use the Market Development Funds to market the Community Bank along with a number of sponsorships in the community. As our profits increase, the amount allocated to sponsorship or to the support of community projects will increase. We are looking forward to the collation of the survey that was conducted with businesses in Rosewood and Walloon, community members in Rosewood via a letter drop and a group of students in Years 10, 11 & 12 at Rosewood High. Lead On Ipswich has supported the Directors in this project.

During August and September, the Directors were again involved in the conduct of a performance review. Section 1 involved the Board of Directors, Section 2 involved self-assessment of each Director and Section 3 involved the evaluation of the Chairman. The results of the three sections were collated and discussed at the September meeting of Directors. Improvements were noted in a number areas compared to the performance review conducted in 2006.

The challenge to all of us is to keep the local Community Bank 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. It is important that the branch's portfolio continues to increase especially in the lending area. Keep in mind, the Directors have no involvement in the banking aspect of the branch. The branch offers full banking facilities of 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, the branch will continue to grow.

It has been an honour to be the Chairman of the Board of Directors. 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