

Rosewood & District Financial Services Ltd
ABN 62 115 218 472
Trading as Rosewood & District Community Bank Branch Bendigo Bank

Chairman's Report at AGM on 18 November 2009

Good evening ladies and gentlemen.

My Chairman's Report for the period up to 30 June 2009 is printed in the 2009 Annual Report which you have either read on the Company's website or collected a hard copy from the branch. There are spare copies available tonight.

On Saturday 5 December outside the Supa IGA in Rosewood, the branch will be celebrating its fourth birthday. I encourage you all to help to celebrate four years of the concept of Community Banking in Rosewood.

I thought this evening that I would give you a brief snapshot of what has happened over the past four months since the end of the 2008/09 financial year.

Since the beginning of July 2009, our customer accounts have increased by 3.1% while the portfolio of the branch has increased by 7.3% to \$50.1 million on 8 November 2009. Our deposits during this period have increased by 6.1% and our lending portion has increased by 8.8%. These figures do not include the Treasury deposit which was \$47.2 million early in July 2009. \$10.1 million was removed during the week ending 4 October 2009. The figure at the week ending 8 November 2009 was \$38.2 million. It is pleasing to note the increase in both lending and deposit portions of the branch portfolio. The branch Manager, Anita Carpenter, may wish to make further comments about the branch's portfolio. The continued increase in the branch's portfolio is a credit to the Manager, Anita Carpenter, and her staff for their dedicated efforts. Well done to the Manager and staff for their efforts.

Since July 2009, there have been a number of expenses such as nearly \$26,085 in grants during September 2009, planned issue of our second dividend to shareholders of 5 cents per \$1.00 share in December 2009, sponsorship and advertising. If the monthly profits continue to increase, the Board is confident that by the end of June 2010 the branch will be trading with an increased profit.

During the 2009/2010 financial year to date, the Company has continued to use the increased 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 continue to increase.

During July and August 2009, the Directors were involved in the annual 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 these three sections were collated and were discussed at the September meeting of Directors. During this discussion the results were compared to the performance review conducted in 2008.

In August 2009, the Directors and staff held a workshop organised by Malcolm Frizzell, Senior Community Enterprise Manager as a lead up to a community workshop in March 2010. We are looking to ask community leaders how we can become more involved in the community by supporting major community projects. The challenge to all of us is to keep the local Community Bank in mind.

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. I again reiterate that the Directors have no involvement in the banking aspects of the branch. With your continued support of spreading the word, the branch will continue to grow during the rest of the present financial year.

It has been a pleasure to be the Chairman of the Board of Directors. I thank the Directors for their efforts during the past twelve months. You will note in the 2009 Annual Report there have been no changes of Directors since the 2008 Annual General Meeting. I wish to give special thanks to the Company Secretary, Helen Suthers, and the Treasurer, Eirys Heit, for their dedicated efforts.

Clyde I Nicoll
Chairman