

## Chairman's Report at AGM on 18 November 2010

Good evening ladies and gentlemen.

My chairman's report for the period up to 30 June 2010 is printed in the Annual Report which you have either read on the Company's website or collected a hard copy from the branch. If you would like a copy of the report, there are copies available here tonight.

Early next month, the branch will be celebrating its fifth birthday. I encourage you all to help to celebrate five years of the **Community Bank**<sup>®</sup> concept in Rosewood. This year the celebrations will be part of the annual Lions Street Carnival on 8 December 2010.

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 2009/10 financial year.

Since the beginning of July 2010, our customer accounts have increased by 0.6% while the portfolio of the branch has increased by 4.1% to \$52.2 million at 31 October 2010. Our deposits during this period have increased by 5% and our lending portion has increased by 3%. It is pleasing to note the continued improvement in both the lending and deposit portions of the branch portfolio. Congratulations to the branch Manager, Anita Carpenter, and her staff for their efforts.

As I reported in the September Newsletter, over \$50,000 was moved late in June 2010 to Bendigo and Adelaide Bank's philanthropic arm, Community Enterprise Foundation<sup>™</sup>. This was done to reduce our tax and to be able to continue to increase our grants and sponsorships to community groups. As a result at our Grants evening in September 2010, we handed out just over \$25,000 in grants to 15 recipients and sponsorships of nearly \$5,000 to 3 recipients. If the monthly income continues to increase, the Board is confident that by the end of June 2011 the branch will be trading with an increased profit.

In October 2010, the Board approved the third dividend to be declared to shareholders in December 2010.

In August this year, Melissa McGeary resigned as a Director. Melissa had been Company Secretary for three years and had been an excellent contributor as a Director. I thank Melissa for her efforts. During November, the Directors have been involved in the annual performance review. This year it involved reviewing the Board, the Chairman and the Directors. Malcolm Frizzell, Senior Community Enterprise Manager, is acting as our mentor and the results should be available late this year or early next year.

The challenge to all of us is to keep the local **Community Bank**<sup>®</sup> branch in mind. If your friends are not involved with the **Community Bank**<sup>®</sup> branch, encourage them to make contact with Anita and her team. I again reiterate, 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 a pleasure 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, Helen Suthers, and the Treasurer, Eirys Heit, for their dedicated efforts.

Clyde I Nicoll  
Chairman