

## CHAIRMANS ADDRESS 2007 AGM.

OVER THE PAST 12 MONTHS, YOUR BOARD AND THE BRANCH STAFF HAVE HAD A VERY BUSY TIME.

WE STARTED LAST FINANCIAL YEAR IN GREAT SHAPE AND LOOKING FORWARD TO THE RENOVATIONS AND COMPLETION OF THE DROMANA BRANCH.

AS THE TIME DREW NEARER FOR THE PROSPECTUS LAUNCH AT DROMANA, IT WAS OBVIOUS TO THE BOARD THAT THE DROMANA FLOAT WOULD BE AS SUCCESSFUL, OR EVEN MORE SO THAN THAT OF RYE BACK IN 2000.

(AND AGAIN, I'D LIKE TO THANK THE STEERING COMMITTEE FOR THEIR TIRELESS WORK BEHIND THE SCENES IN GETTING THE DROMANA COMMUNITY BEHIND THE PROJECT.)

ON THE NIGHT OF THE LAUNCH, WE WERE ALL BUT SOLD OUT OF SHARES TO A VERY ENTHUSIASTIC GROUP OF LIKE MINDED PEOPLE, WANTING TO MAKE A DIFFERENCE IN THE COMMUNITY BY SUPPORTING '**OUR COMMUNITY BANK**' BRANCH IN DROMANA.

THE BOARD RESTRUCTURED THE STAFFING TO ENABLE US TO PUT THE RIGHT PEOPLE IN THE RIGHT POSITIONS.

WE NOW EMPLOY 17 LOCAL PEOPLE IN BOTH BRANCHES

Rye;

- Julie Toward; (Branch Manager)
- Mary Rentsch:
- Ann Morris
- Elizabeth Marriott
- Christine Gray
- Tim Ling
- Deborah Harper
- Patreece Topp
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Dromana:

- Neil McKinnon (Branch Manager)
- Michelle Woolven
- Denise Coumbe
- Val Jarman
- Lynda Lowe
- Melissa Oorloff
- Chris Broderick

Upstairs:

- Senior Manager & C.E.O. Gary Sanford.
- Bronwyn Ralph (Senior Managers Assistant)

WE WERE MOST PRIVILEGED TO HAVE MR. ROB JOHANSEN, THE CHAIRMAN OF BENDIGO BANK COME ALONG FOR THE OPENING OF THE BRANCH IN JUNE THIS YEAR, THE 200<sup>TH</sup> COMMUNITY BANK BRANCH .

OUR THANKS TO ALL OF THE STAFF FOR YOUR COMMITMENT IN CONTINUING THE COMMUNITY SPIRIT THROUGH THE BRANCHES. SINCE DROMANA OPENED, AS GARY MENTIONED IN THE ANNUAL REPORT, THE GROWTH HAS BEEN VERY STEADY IN BOTH BRANCHES.

NEW ACCOUNTS CONTINUE TO BE OPENED AND NEW OPPORTUNITIES FOR THE BOARD TO ASSIST IN OTHER AREAS OF THE COMMUNITY CONTINUE TO PRESENT THEMSELVES.

TO DATE, OUR COMBINED BALANCES FOR BOTH BRANCHES TOP THE **\$200,000,000** MARK..... AND AS FOUNDING BOARD CHAIRMAN, DAVID KEECH WOULD SAY....'**WE ARE NOW A VERY SERIOUS BUSINESS!!!**

THIS UNBELIEVABLE RESULT HAS ENABLED THE FUNDING FOR COMMUNITY SUPPORT BY THE WAY OF SPONSORSHIPS & DONATIONS FOR THE LAST FINANCIAL YEAR TO THE TUNE OF **\$396,000** AND OUR GRANTS FUNDING SINCE 2005 AND INCLUDING TONIGHT IS OVER **\$500,000.**

THIS BRINGS THE TOTAL AMOUNT OF FINANCIAL COMMITMENT THROUGH FUNDING, DONATIONS, SPONSORSHIPS & GRANTS SINCE OPENING IN JUNE 2001 TO OVER **\$2 MILLION.**

A HUGE EFFORT IN SUCH A SHORT TIME OF THE HISTORY OF '**OUR COMMUNITY BANK**'.

OUR PARTNERSHIPS WITH OTHER PHILANTHROPIC ENTITIES WILL CONTINUE TO INCREASE AS THE WORD OF OUR EFFORTS IS SPREAD.

VERY SHORTLY TONIGHT YOU WILL HEAR OF A JOINT PROJECT WITH ANOTHER MAJOR ORGANISATION WHICH WE ARE VERY PROUD TO BE ASSOCIATED WITH AND GARY WILL ELABORATE ON THIS A LITTLE LATER THIS EVENING.

I AM EXTREMELY PLEASED TO HAVE HERE TONIGHT REPRESENTATIVES FROM THE MORNIGTON PENINSULA SHIRE COUNCIL WHO WILL WITNESS FIRST HAND THE PRESENTATION OF GRANTS TO **30** LOCAL COMMUNITY ORGANISATIONS TO THE AMOUNT OF JUST OVER **\$136,000.**

THIS IS THE SECOND GRANTS PRESENTATION BY THE COMPANY IN TWELVE MONTHS, WHICH IS A FANTASTIC EFFORT.

WE HOPE THAT THE COUNCILLORS PRESENT WILL REPORT BACK TO THEIR COLLEAGUES ON JUST HOW MUCH WE ARE INVOLVED AND COMMITTED IN OUR COMMUNITY AND COME BACK TO US WITH THEIR HOPES OF JOINT VENTURES IN OUR AREA THAT WE CAN BOTH BE INVOLVED IN TO THE BENEFIT OF THE PENINSULA COMMUNITY AT LARGE.

AS I HAVE ALWAYS STATED, NONE OF THIS WOULD HAVE BEEN POSSIBLE WITHOUT THE INVOLVEMENT AND ENDORSEMENT OF OUR MAJOR CORPORATE PARTNER.... BENDIGO BANK. THEIR ONGOING COMMITMENT TO STAFF TRAINING, SUPPORT OF YOUR BOARD AND ADVICE ON PROJECTS AND OTHER ASPECTS OF OUR BUSINESS IS INVALUABLE AND WE THANK THEM FOR THIS.

AS I MENTIONED EARLIER, DROMANA WAS THE 200<sup>TH</sup> COMMUNITY BANK BRANCH TO BE OPENED AND WHEN YOU THINK THAT RYE WAS THE 44<sup>TH</sup> TO BE OPENED IN 2001, THERE HAVE BEEN A LOT OF COMMUNITIES THROUGHOUT AUSTRALIA WHO'VE REALISED THAT THIS MODEL IS THE IDEAL WAY FOR COMMUNITIES TO INVEST IN THEMSELVES AND REAP THE BENEFIT!

I WOULD NOT HESITATE TO SAY THAT OUR COMPANY, '**RYE & DISTRICT COMMUNITY FINANCIAL SERVICES LTD.**' AND OUR COMMUNITY SPIRIT, IS THE MAJOR EXAMPLE USED WHEN BENDIGO BANK REGIONAL MANAGERS SPEAK TO STEERING COMMITTEES WHO ARE LOOKING TO FORM A COMMUNITY BANK COMPANY IN OTHER COMMUNITIES.

THAT'S A REAL FEATHER IN OUR CAP.

OUR SHAREHOLDERS WHO HELD SHARES PRIOR TO THE REVALUATION OF THE COMPANY AND THE ISSUE OF SHARES FOR DROMANA SHOULD ALSO BE DELIGHTED WITH THE ANNOUNCEMENT OF OUR FOURTH YEAR FULLY FRANKED DIVIDEND.

AS I OUTLINED IN THE ANNUAL REPORT, WHEN YOU CONSIDER THE BONUS SHARE OFFER OF **3 FOR 1**, IT EQUATES TO **.12c** PER SHARE WHICH IS ONLY SLIGHTLY LESS THAN LAST YEAR, BUT THE BONUS IS THAT OUR EQUITY AND ASSETS HAVE INCREASED TO COMPENSATE.

OUR NEW SHAREHOLDERS WOULD ALSO BE DELIGHTED HAVING HELD THEIR SHARES FOR JUST A FEW MONTHS AND RECEIVE A DIVIDEND ALMOST STRAIGHT AWAY, IS JUST ABOUT UNHEARD OF IN THE CORPORATE WORLD TODAY.

I'D LIKE TO SAY THAT IN YEARS TO COME AND AS WE GROW, THE DIVIDENDS WILL ALSO GROW TO MORE SUBSTANTIAL AMOUNTS.

SO HANG IN THERE AND KEEP SPREADING THE WORD ABOUT OUR COMMUNITY BANK.

6½ YEARS IN BUSINESS AND FOUR YEARS OF A RETURN IS A FANTASTIC EFFORT FOR ANY COMPANY TO ACHIEVE. OUR ORIGINAL SHAREHOLDERS HAVE RECEIVED **.52c** BACK FOR THEIR INITIAL **\$1.00**.

THIS HAS TO BE FURTHER PROOF THAT THIS COMMUNITY HAS A SOLID BELIEF IN WHAT WE ARE DOING IN THE COMMUNITY WITH THIS BANKING MODEL.

THE BOARD IS CONTINUALLY HONING ITS SKILLS BY ATTENDING CONFERENCES & TRAINING SESSIONS.

DURING NOVEMBER WE WILL ATTEND A WORKSHOP TO PLAN THE NEXT YEAR AND BEYOND.

WE'LL DISCUSS IDEAS AND STRATEGIES TO KEEP “**OUR COMMUNITY BANK**’ IN THE SPOTLIGHT ON THE PENINSULA.

NEW IDEAS PERHAPS ON HOW TO GET OUT TO MORE PEOPLE OR TELL OUR STORY A BIT BETTER, OR TO LISTEN TO OTHER SPEAKERS AND USE SOME OF THEIR IDEAS HERE IN RYE & DROMANA.

ALREADY THIS YEAR, OUR ACCOUNTANT HAS SUGGESTED THAT THE WAY DROMANA IS PROGRESSING AND AS RYE CONTINUES ITS STEADY PATH, WE MAY NEED TO INCREASE OUR ASSET BASE AGAIN AND DIVERSIFY OR EXPAND.....

MAYBE THE NEXT COMMUNITY BANK BRANCH WILL BE IN **ROSEBUD**, WHO KNOWS... **STAY TUNED FOR THAT ONE.**

IN CLOSING, I'D LIKE TO THANK GARY AND THE TEAMS IN BOTH BRANCHES FOR THEIR TIRELESS EFFORT IN KEEPING THE COMMUNITY SPIRIT IN ‘**OUR COMMUNITY BANK BRANCHES**’ ALIVE.

AND THANKS ALSO TO MY FELLOW BOARD MEMBERS FOR THEIR ONGOING SUPPORT & INPUT INTO THE DAILY OPERATION OF THIS JUGANAUGHT WE CALL: “**OUR COMMUNITY BANK**”

**AND LAST BUT BY NO MEANS LEAST, TO YOU, OUR SHARHOLDERS AND SUPPORTERS, WITHOUT YOU WE WOULD NOT BE ABLE TO CONTINUE TO OFFER SUPPORT TO LOCAL CLUBS, CHARITIES, SPORTING BODIES AND SCHOOLS, SOME REPRESENTED HERE TONIGHT.**

**KEEP UP THE GREAT WORK, CONTINUE TO ASK US TO TALK TO YOUR CLUB COMMITTEES, SCHOOL OR GROUPS....WE LOVE IT!**

**THANK YOU AND I TRUST YOU ENJOY THE REMAINDER OF THE EVENING.....**