

25 November 2009

For immediate release to the Market

Chairman's Address – 2009 Annual General Meeting

Please find attached a copy of the address to be delivered by the Chairman of Rye & District Community Financial Services Limited, Mr Shane McCarthy, at the Annual General Meeting of the company, being held on Wednesday 25th November 2009 at 7.00pm.

By order of the Board



Eileen Naylor
Secretary

CHAIRMAN'S ADDRESS – 2009 Annual General Meeting

In this, my first year as Chairman of our company, I take great pains to point out that the coincidence of my taking up of the Chairmanship and the event known as the Global Economic Crisis, is purely accidental.

That being said, it is with some pride and great pleasure that I stand before you to present this Chairman's Address in what has been a most difficult year in the financial services industry.

Difficult it may have been. But it has not been without its rewards.

Despite the turmoil in global financial markets, I am proud to be able to stand before you and declare an after-tax profit for your company of \$169,150 for the financial year ended 30 June 2009.

And this, after distributing \$474,759 to 115 community organisations in the Southern Peninsula area.

This amount excludes the \$60,000 we will be distributing to 20 organisations at the conclusion of this Annual General Meeting. I extend a warm welcome to the representatives of those organisations who have joined us tonight.

We have now contributed over \$3,000,000 to the community since our formation eight years ago – a remarkable achievement and an outstanding example of how the Community Bank[®] model of the Bendigo & Adelaide Bank limited can, and does, make a significant difference to the communities in which it operates.

As Chairman, I thank you, our shareholders, for the support and faith you have shown in your board of directors, in allowing us

to represent you in overseeing the operations and strategic direction of our company.

Make no mistake. The achievements of this company would not be possible without the support and trust provided to it by our customers, our shareholders and the community at large.

This support and trust carries with it considerable responsibility which your board willingly accepts. We are mindful of our duties to both our shareholders and to all the other stakeholders who contribute to the success of this company.

In recognition of your ongoing support, it gives me great pleasure to announce that the dividend payable for this year will be 4.5 cents per share, fully franked and payable tomorrow, 26 November 2009, to those shareholders on our register as at 31 October 2009.

This represents a 125% increase over the dividend of 2 cents per share paid in the past financial year – a remarkable achievement given trying external conditions.

The past year has been challenging, to say the least - a year in which the cost of wholesale funds increased for our partner, Bendigo & Adelaide Bank Limited, which, in turn, squeezed the margins available to us as a Community Bank on the products and services we offered on their behalf.

As a result, our income stream suffered considerable pressure and our satisfactory profit result is the outcome of ongoing growth at both our Rye and Dromana branches and stringent cost control by our Senior Manager, Gary Sanford and his team.

Gary will provide more detail on the growth of our bank during his report in a few minutes.

It would be remiss of me if I failed to acknowledge, publicly, the contribution made by Gary and his team over the past year.

Without Gary's drive and determination, without the efforts of his staff towards providing exceptional customer service – we would certainly not be basking in the warmth of another profitable year. I thank Gary on your behalf.

I acknowledge, too, the efforts of Julie Toward and her team at Rye. Julie has continued to grow into the role of Manager at Rye and leads the team with confidence and empathy. That Rye has continued to grow its book in this difficult year is due, in no small part, to the relationship Julie and her staff enjoy with their customers and we thank them for maintaining such a high standard of customer service.

I would also like to acknowledge the efforts of Neil McKinnon and the team at Dromana.

Neil chose to leave our company of his own accord at the end of the last financial year but oversaw a period of staggering growth for a new Community Bank Branch since it opened in 2007. Dromana is poised to become a very successful branch in its own right and much of the credit for the solid foundations for future growth go to Neil and the team who opened, and have remained with, the branch since June 2007.

We are very grateful for the ongoing support given to our company by our business partner, Bendigo & Adelaide Bank Limited.

Like all financial institutions, they too have experienced their challenges during the year but their support of our company, and for the entire Community Bank concept, has been exceptional.

I wish to convey publicly, my appreciation for the guidance, direction and friendship provided by our previous Regional Manager, Michael Petering.

Michael has recently moved to another area within the bank but his common sense approach to banking and business administration and his willingness to ‘get his hands dirty’ in the business of Community Banking, has been a significant factor in the ongoing success of this business.

We thank Michael for his assistance and wish him well in his future career with the bank.

In farewelling Michael, we welcome Cora Clough who has assumed the position of Regional Manager within the past few days. We look forward to building a mutually successful relationship with Cora in the days to come.

I would also like to pay special tribute to my fellow directors who, by their dedication, hard work and commitment to the community and to the concept of Community Banking, ensure that the interests of all shareholders are protected and that every opportunity is taken to develop shareholder value.

Whilst there is often vigorous discussion at board meetings, I am proud to advise that your board works as a cohesive unit and is very mindful of its responsibilities to you, our shareholders.

I am proud of their efforts and proud to have the opportunity to lead this conscientious group. I thank them for their support.

As I mentioned in the Annual Report, the surge of activity in the development of Community Banks in the Mornington Peninsula area, whilst a positive development for local communities and

for the Bendigo Bank brand, constrains our ability to expand our operations by opening new branches.

However, I give you my assurance that your board will continue to explore opportunities to provide for future growth of the company for the benefit of all shareholders.

With the positive start experienced so far in this new financial year, and subject to the avoidance of another financial tsunami, I look forward to standing before you again next year and announcing yet another successful year of operations for our company.

Shane McCarthy

Chairman

25 November 2009