

Chairman's Address – AGM 16 November 2006

The 2006 Annual Report outlined trading results for the first 8 months of operations of the company.

As at 30 June 2006 we had a total business volume of approximately \$9,000,000 with 770 accounts held at the branch.

I am pleased to announce that in the four months since 30 June 2006, the total business volume has increased to approximately \$17,000,000. This represents an 88% increase in business over that four months and is testament to the efforts of the branch team.

The total balance of \$17,000,000 is evenly split between deposits and loans and this is a desirable situation in terms of the company generating profits on interest margins.

The number of accounts has also grown significantly from 770 to 1016 over the same period.

Forward projections based on growth and income rates over the first 12 months, should see us reaching a break even point by mid 2007 with an estimated business volume of \$27,000,000 and a reasonable prospect of reaching cumulative profitability towards the end of our third year of operations.

I again call on the help of all shareholders to spread the word about your Community Bank[®] branch. The more business that can be generated, the quicker we can move to profitability and be in a position to start paying dividends and increasing our spend on sponsorships and community projects.

The company has provided some small sponsorships totalling \$580 to date, to local organizations and we have budgeted to increase this spend to \$5,000 in the current financial year. This budgeted increase is aided by Bendigo Bank's marketing and development fund incentive payments, which we are now entitled to in view of the size of our business book. Consequently, we will be writing to local clubs and organizations over the next few weeks seeking expressions of interest in accessing some of this sponsorship money.

The company has also recently purchased two marquees displaying the Emu Park Community Bank[®] name and these are available for use by local clubs free of charge. They have been used at the Community Expo, Octoberfest, Youngies and Oldies day and at our recent first year birthday celebrations.

On the branch front, I regret to advise that we are losing our Branch Manager Brian Auld. Brian has been promoted within the Bendigo Bank family to a specialist lending position based in Rockhampton. Brian is currently on annual leave and depending on the timing of his replacement, may not be

returning to his position at Emu Park. Brian has to be commended on his efforts in guiding the branch through the early development stages and he leaves behind a dedicated, close-knit team to build on their early success. On behalf of the Board, I wish Brian well in his future banking career.

At the Board level, we welcome the provisional appointment of two new Directors, Heather Clelland and Ian Chambers who both possess a strong community focus and skill sets to compliment those of the other Board members.

The Board and Branch team remain totally committed to achieving the best possible outcomes for our shareholders, customers and community.

Bob Hodgson
Chairman