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Branch Manager's Report

It is now 10 months since our Community Bank Branch opened and we have maintained the very good progress we experienced in the first period after opening. Account numbers now total 1170 at time of writing, and accounts under management (deposits and loans) have passed \$16.5M.

Customer Service Officer Fiona Hilcke has commenced her Maternity Leave and Susan Drake has been appointed to replace her. Susan commenced with the Branch in mid-April and was able to complete a significant amount of required training prior to Fiona commencing leave. We wish Fiona all the best, and welcome Susan.

I would like to formally acknowledge all the staff for dedication and conscientiousness. Karen Kingston, our Customer Service Supervisor and staff members Kim, Kelly, Fiona and Susan have all shone under considerable work pressures.

While we have made good progress with business gains, continuing this momentum will be vital if we are to quickly reach profitability to enable shareholder dividends to be made as well as community projects to be identified and supported.

I encourage all shareholders who have not yet done so, to consider opening an account and transferring business across to your Community Bank as soon as possible. I encourage you to also promote the benefits of our Bank to others in the community. Our Community Bank's success depends on the local community members supporting their Bank.

Give us a call or drop into the Branch where we will be delighted to assist you.

We look forward to sharing our first birthday celebrations with you on Saturday July 29th. starting at 11am.

John Tabor, Branch Manager

Community Bank Conference Report By Lynn Hayward

Thanks to all our shareholders for their wonderful support for the Bank. Please continue to encourage others, as we need to grow our business as quickly as we can to reach profit.

On May 11th and 12th, Director Gordon Brookes, newly appointed Director John Dare and I attended the Regional Community Bank Conference for Victoria, Riverina, South Australia and Tasmania held at the Dingley International Hotel in Victoria.*

The Victorian Community Bank Branches of Beaumaris, Dingley, Elwood, Highett, Parkdale/Mentone East and Sandringham hosted the conference. Needless to say, golf was a bit of a theme given the locality, as was the footie. It's impossible to go to Victoria at this time of year and not mention the oval ball!

The theme of the conference was "Community Partnerships" and we were presented with a number of examples of the opportunities by which communities can benefit through their Community Banks. Partnering local enterprises, supporting development projects were just two examples of benefits.

Presentations were also given by The Community Enterprise Foundation, Bendigo Bank's charitable arm, and Community Solutions Australia. The latter provides telecommunications solutions to participating communities. Meander Valley Financial Services Board will examine in more detail the potential of such services for our community.

The keynote address was given by Brian Cook, CEO of Geelong Football Club whose topic, "Talent Vs Values," outlined his approach to leadership in turning the fortunes of the Club around. Bendigo Bank's Community Bank Branches can readily identify with the "team approach" noted in Brian's talk.

More than 180 participants at the conference participated in discussions ranging from Directors' responsibilities, governance, and strategies for successful communities, to examining the latest market research and being up-dated on Bendigo Bank's new administrative structure. During our time at the Conference, we also met with Directors from the other Tasmanian Community Banks, Geeveston/Dover and Queenstown, for very useful discussions in a Tassie context.

There are now more than 177 Community Banks around Australia with nearly 500,000 account holders. Being part of this inspirational movement is a great privilege, we felt very encouraged by the support we received and the ideas and information we were able to gather.

I look forward to celebrating our first year with you on Saturday July 29th.

* NB Directors are volunteers on the Board and do not received remuneration. Travel, accommodation and meal costs involved in attending the Conference were personally borne by each Director.

MVFS LTD Chairman's Report

The Community Bank® you made possible through your share purchases continues to grow in the Meander Valley. At its Board meeting 29th May, Bank Manager John Tabor reported a total of over \$16.5 million 'on the books.' The graphs monitoring the Branch's performance show a good steady upward line since opening. Long may it continue because it is a tangible indication the community has embraced "Banking with Bendigo."

There is a great deal of work associated with opening the 1170+ accounts that represent the money brought to the Branch. But viewed another way, those accounts represent the Branch's positive response to what the community wants.

New services from our bank are advertised regularly both in the press and at the Branch. For instance, the farming sector will be interested to learn about Bendigo Farm Management Deposit accounts that let you set aside your pre-tax income from profitable years for times when you need it most.

The first share trades have occurred through the Bendigo Stock Exchange. It is early yet to have seen much movement in shares, but as additional business brings the Branch to breakeven point, then to profitability, we can expect more activity in share trading. Profitability will also mark the opportunity for shareholder dividends.

As shareholders are aware, how soon that occurs depends only on how much business the Branch writes. You will find a brochure in this mail package that encourages moving accounts to your Branch as a "new start" for the financial year. We've also included a shareholder "Feed Back" form and we hope you will take time to respond. You can lodge the forms in the "Suggestion Box" at the Branch.

A most important role on our Board is that of Treasurer. Director Virginia de Groot holds this demanding portfolio which involves monitoring and reporting the financial path of the company. A major aspect of Director's responsibilities is to review these reports, consider their implications and make decisions accordingly on behalf of the shareholders.

I am pleased to advise that the Board has recently secured some assistance for Virginia. Mr. John Dare has been appointed to the Board as Director with special responsibilities to assist the Treasurer. Mr. Dare has had extensive business experience both on the mainland and overseas. John recently attended a Community Bank Conference in Victoria in company with Lynn Hayward, Company Secretary, and Director Gordon Brookes. You can read the news items about the Conference and about John's appointment in this newsletter.

On 30th May, your Community Bank again showed its support for a local organization by supplying Bendigo Bank sponsored Registration Kit bags for Junior Basketball. Basketball registration is well up this year, we are told, and your Community Bank is pleased to encourage each young participant in this fun and healthy activity.

Chris Moorhouse
Chairman, MVFS Ltd.

Junior Basketball Sponsorship

Junior Basketball organizer Lindy Dornauf had a lot of happy children at Registration Day on 30th May when our Community Bank was there to give each child a fun-filled Bendigo Bank kit bag to start their basketball season with loads of encouragement.

Branch Manager John Tabor, Customer Service Officer Kelly Challis and MVFS Ltd. Chairman Chris Moorhouse had smiles all around when a sea of happy faces crowded in for their registration kits.

Junior Basketball for the age group 7 to 10 years has been a Deloraine tradition for more seasons than anyone can count. About 100 children under 10 years of age participate. This is the first year, however, that Junior Basketball has had training exercises for the 5 to 7 age group. Group organizers for the exercises and games include Wendy Larcombe and Janelle Scott. Many active Mums and Dads who were probably keen basketball players themselves attend the play sessions. There are no "teams" or intramural competitions. 20 sessions are scheduled for this year during which children practice their skills and learn how good it feels to be active and enjoy sport.



Left to right: Organiser Lindy Dornauf, BBL CSO Kelly Challis, MVFS Ltd. Chairman, Chris Moorhouse & Jr. Basketball participants.



Left to Right:
Organisers Janelle Scott & Lindy Dornauf, Branch Manager John Tabor.

News Item

Farewell Suz, Welcome John!

Meander Valley Financial Services Board of Directors has been fortunate its Board Members have brought a broad range of skills and expertise to the establishment phases of the Community Bank project in Deloraine & Districts.

There has been a complement of talent and enthusiasm that makes working for our Community Bank a real pleasure. Of course people move on and while it is sad to say good-bye to a colleague, it is also a great feeling to welcome a new face.

So with appreciation for her contributions to the community bank effort, Meander Valley Financial Services accepted with regret Director Susan ("Suz") Heywood's resignation. Suz is well known in the district, still "a local" but working on a career change. Everyone will remember a colourfully clad, smiling Susan working with mascot "Piggy" during the branch's opening day in July 2005. A good organizer, Suz always had a flare for public events.

In Suz's words, "Opportunities worth taking don't come up every day. In helping to establish our Community Bank, this was one of THOSE opportunities. EVERY time I walk through Deloraine I say 'wow, WE DID that!'

"The different and diverse personalities who worked on the committee and later as the Bank Board really made the project achievable: we had a project bigger than any one personality. Thank you to all the Board for sharing a good many months of your lives with me, and thank you - my community - for believing in us," Suz said.

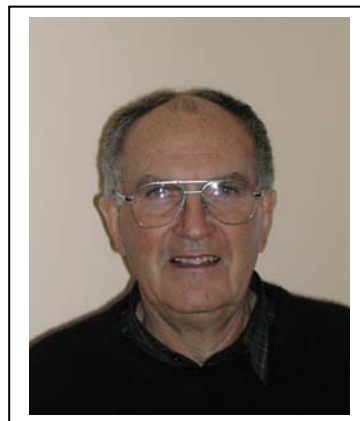
It is Board policy to maintain working numbers and actively seek expertise in specific areas. The appointment of John Dare to the Board brings experience in business development and accountancy.

John Dare moved to Mole Creek from Sydney, NSW in July 2005. He and wife Lesley have three grown children. John has had extensive business experience with major internationally engineering companies including work in the USA and in Western Australia for Dampier constructing high voltage transmission lines and small power generating stations. In more recent times, John has managed Thomas and Coffey, an Australian engineering maintenance services company listed on the ASX. John and Lesley are Directors of Caringbah Systems International, one trading arm of which is Andrew Dare Electrical Services.

John will be eligible for election as a Full Director should he stand for election at the AGM.



Suz Heywood & Piggy
At Branch opening, July 2005



New Director John Dare

New Customer Service Officer: Susan Drake

Our Community Bank Branch has a new friendly face in Customer Service as Susan Drake joins the staff at 49 Emu Bay Road. Susan is Chudleigh/ Deloraine born, a Deloraine Primary and High School graduate, is married to Grant and has two sons, Nathan and Ryan. She enjoys doing photo scrapping and basketball. As Customer Service Officer, Susan replaces Fiona Hilcke who is currently on maternity leave. Say hello to Susan when you are next in the Branch.



Susan Drake
CSO

Bendigo Account Holders: Are You With Us?

Many Bendigo Bank supporters opened accounts prior to the official opening of our local branch on Emu Bay Road. Check your bank statement to see that your **BSB # is 633 -000** as it will be if your account is lodged with our Community Bank® branch. If this is not the case, come into 49 Emu Bay

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Road and our friendly staff will arrange to domicile your account with Our Community Bank® Branch. This is a simple procedure and doesn't require much time or detail.

Advert Box:

5 Month Term Deposit New Rates: There does not appear to be a template in the BBL Marketing Guide for this five month term deposit offer at the moment. Can you please supply the appropriate item?

Advert Box: BBL Media Template # MTCBA037

Branch's 1st Birthday July 2006

Deloraine & Districts Community Bank® Branch is now turning one and you are invited to join in the celebrations on **Saturday 29th July 2006** starting at **11am**.

Coffee/Tea and Cake will be served, there's balloons and gadgets for the kids and we all look forward to seeing you there. For more information, please call into 49 Emu Bay Road or phone 6362 4801.

End of Newsletter