

Meander Valley Financial Services Limited Newsletter October 2008

Chairman's report



On the 10th of September, members of the MVFS Board attended the opening of the new **Community Bank**[®] branch in Bicheno. Its sister bank at Swansea opened several months ago and this new opening completed the first part of that community's strategy to return banking to the communities on the East Coast. We wish them all the best.

It's worth reflecting that it is now 10 years since the very first **Community Bank**[®] branch opened in the tiny western Victorian towns of Rupanyup/Minyip. Now there are 220 **Community Bank**[®] branches in every state and territory of Australia. Tasmania has six of them, and there will be more as time goes on. We are proud that our Meander Valley community was the second to open a branch in Tasmania just three years ago. With more than 2500 accounts and \$43 million on our books, we are going from strength to strength.

This coming year, as our profit share grows, we'll be developing our first community grants program and encouraging community groups, clubs and organisations to become involved. We'll also be in a position to make our very first dividend payment to shareholders which we expect to be achieved in the next 8 to 10 months. This is a great result, and has come about from the commitment and sheer hard work of the people involved. Our branch staff, led by Darren Rumble, our new Manager, supported by Kelly Hills, the new supervisor, and branch staff, Kellie Challis, Susan Drake, Kim Walters and Kim Hanson, and the MVFS Board members who work very hard as volunteer Directors.

In addition to the products and services our **Community Bank**[®] branch offers, we are proud to announce that

the Company has signed an agreement with Tastel Community Telco to provide telecommunications services to bank customers at great rates with great service, while also providing community benefits. See details in this newsletter of how you can improve your home and business telecommunication services while helping your community.

Also included with this newsletter is a "Guide for Shareholders" MVFS Ltd. has provided for your information regarding the nature of shares and how to manage your shareholding. As a shareholder in Meander Valley Financial Services Ltd, you are part of a publicly listed Company, with certain rights and also responsibilities. Your shareholding in the Company enables the bank to continue to operate. As the business grows, so does our ability to benefit from the shares we hold, So continuing to support the bank with as much business as you can, will ensure that not only your shareholding benefits, your community does too.

Thank you for your continuing support. Members of the Board are always available to talk to you about your Company and to answer any questions you may have. In addition, any suggestions you may have will be very welcome.

Lynn Hayward
Chairman, MVFS Ltd.

Branch Manager's report



The year ending June 30 2008 has seen the Deloraine & District **Community Bank**[®] Branch end very strongly with growth of 35% for the financial year. This is made up of 2420 accounts and \$42 million in business on our books. We have continued this growth through July and August and have reached the milestone

Branch Manager's report (continued)

of 2500 accounts and \$43 million on our books. Lending has slowed due to the current economic climate and a large amount of our growth has occurred through deposits. In light of this economic slow-down it is more important than ever that we receive as much support as possible from the community and our shareholders so we can deliver the full benefit of everyone's hard work over the last three years.

We had a number of things to celebrate during the month of July. The Branch reached the milestone of three years in operation and we celebrated with the community, Board, share holders and staff with a small gathering at the Branch. The other event that we celebrated was the appointment of Kelly Hills to the position of Branch Supervisor. Kelly has been with the Bendigo Bank for six years and brings a wealth of knowledge and experience to our Branch with her transfer from the Launceston Tasmanian Banking Services Branch. Kelly is a great asset and has settled in incredibly well.

Anyone who has visited the Branch recently will have seen the installation of a third terminal, our continued growth in customers and accounts has made this necessary and it will also be used to help assist us in providing better service as well as helping with staff training.

Thank you to everyone who has provided us with their support. Just remember that this is the community's bank so help us support you!

Darren Rumble
Branch Manager

Welcome to New Customer Service Supervisor, Kelly Hills



The month of July 2008 was our branch's third year anniversary since opening the **Community Bank®** branch. Our branch staff have been joined by a new Customer Services Supervisor, Kelly Hills. Yes, we now have two staff named Kelly/Kellie so when telephoning or asking to speak to them, make sure you remember to specify Kellie Challis or Kelly Hills! We also

Branch snapshot

- Deloraine & Districts **Community Bank®** Branch
- > Steering Committee established in March 2000
- > Branch opened 26 July 2005
- > \$650,000 in capital raised via a public share offer
- > 354 shareholders

have two "Kims," Kim Hanson and Kim Walters. Lucky for fifth staff member Susan Drake she is one of a kind!

Kelly Hills is a Tassie native, born at Burnie, educated at Marist Regional College and is currently studying part time at the University of Tasmania where she is half-way through her degree in a Bachelor of Business. She has been employed in banking services since December 2002. Kelly and husband Garry moved from the North West Coast to Launceston in 2004 when Kelly transferred to the Launceston Tasmanian Banking Services franchise branch of the Bendigo and Adelaide Bank.

Kelly loves spending time with family and friends, netball and mountain bike riding. In Kelly's words "I enjoy working with Darren and the girls at Deloraine & Districts **Community Bank®** Branch, its good knowing that the community is benefiting by what we do and I enjoy helping customers with their banking needs."

Welcome to the branch, Kelly Hills!

Good-bye and thanks, Virginia: Hello and welcome Ken!



MVFS Ltd. foundation Treasurer and Director, Virginia de Groot, has resigned from the Board as of July 1 2008. Virginia's role has been one of the most time-consuming and exacting of any Director on the Board and she has left a legacy of sound

financial management to our new Treasurer, Nikki Atkins. On behalf of all the shareholders, the Board has expressed its appreciation to Virginia and thanked her for the tremendous work she has done for Deloraine & Districts **Community Bank®** Branch.



The Board welcomes shareholder Ken Philpott who been appointed as a Director after working with us for several months in an associate capacity. Ken is originally from Hornsby in Sydney and worked as a wool buyer for William Houghton and Japanese Company F. Kanematsu in his early career. Ken has

Deloraine & Districts **Community Bank®** Branch,
49 Emu Bay Road, Deloraine TAS 7304
Phone: 6362 4801

Opening hours: Monday to Friday 9.00am – 5.00pm
and Saturday mornings 9.00am – 12 noon

operated several small businesses including a small goods distribution and commercial greenhouses.

Since moving to Tasmania, Ken has operated an environmentally friendly pest control business. He has headed up the SES unit at Meander and in retirement steps in as a relief driver for Meander School. He is also a well known musician and along with his jazz band colleagues frequently performs all around Tasmania – readers will remember the wonderful Dixieland style entertainment at our branch opening in 2005 where Ken and crew were featured. His interests include the stock market and business development. Welcome Ken!

Local Retail Traders TAFE Course Sponsored by **Community Bank®** branch

Training courses in retailing skills are often only available if one lives in the major cities. To address this problem, Deloraine on the Move, the local retail traders association, approached TAFE and Deloraine & Districts **Community Bank®** Branch with the idea that locally held courses would have good support if specific training modules were made available to this area.



Course subjects were selected by the Deloraine on the Move Board in co-operation with TAFE and sign-ups offered to both Deloraine and Westbury retail businesses. Around 25 participants attended the classes in July. It was everyone's opinion that a good deal of valuable information was gained and holding further classes would be planned. The **Community Bank®** branch support included a fee subsidy for each person attending and a study compendium for taking all those important notes!

Bendigo Bank snapshot

- > Established in 1858
- > Branch network throughout Australia
- > 163 Company owned branches
- > 216 Community owned branches

*Figures relevant June 2008

Community Bank® branch sponsors Deloraine Show Society's inaugural "Meander Valley 8 Fun Run & Walk"

Get out your trusty trainers, shorts and tees it is only a couple weeks to the inaugural running of the "Meander Valley 8" organised by Deloraine's Agricultural and Pastoral Society with major sponsorship assistance from your **Community Bank®** branch!



Taking a completely new direction, the Deloraine Show Society has ventured where no Show Society has gone before and the response has been overwhelming. The event will be held on Sunday 12 October 2008 starting and finishing at the Show Grounds with an 8km return circuit taking in the banks of the Meander River and the River Road.

There are events for children, group teams, veterans, professional runners, amateur runners, kids in prams, mums and dads. Cash prizes, children's bank account vouchers are provided by Deloraine & Districts **Community Bank®** Branch and lots of "Spot Prizes" provided by local businesses will be drawn on the day to reward those who participate.

It is not too late to sign up, but you'll have to hurry. Entry forms are available from the **Community Bank®** branch, "Good Sports" store, Deloraine Deli, and Service Tasmania. This is a great example of local cooperation and support for community-focused activity, so don't miss it!

Chairman: Lynn Hayward.

Directors: Drew Badcock, Steve Blakeney, Jan Blakeney, David Bounds, Gordon Brookes, George Christie, Barb Harvey, Chris Moorhouse, Laura Richardson, Grant Ward, John Dare, Nikki Atkins, Ken Philpott.

Community Telco opportunity

An exciting opportunity for Deloraine & Districts **Community Bank**[®] Branch customers to save on telecommunications services is being established by MVFS Ltd. and Tastel Community Telco, a Community Enterprise[™] franchise of Bendigo Bank Ltd.

Tastel Community Telco Community Enterprise[™] is owned by Tasmanians and has been established to benefit the Tasmanian community by providing new technologies, employment and business opportunities as well as providing funds from profits for the benefit of Tasmania's youth.

Under the agreement developed with MVFS Ltd, Tastel will provide Deloraine & Districts **Community Bank**[®] Branch customers with favourable rates for mobile telephony, fixed voice services, data and internet. Customers will be assisted with data and voice technology solutions which can be packaged under very competitive finance arrangements. This will enable customers to reduce the cost of telecommunications while improving business and household efficiency. In addition to saving on the cost of telecommunications, Tastel will pay a commission to MVFS Ltd., thus assisting our community shareholders by enhancing Company profitability.

A draft agreement was presented to the MVFS Ltd, Board at the September 2008 meeting and was approved. Information about this opportunity will be available to interested customers at the **Community Bank**[®] branch, 49 Emu Bay Road, about the middle of October.

Mr. Richard Mulligan, Chief Executive Officer of Tastel, describes the arrangement: "The partnership with Community Telco has been set up to allow funds to be returned to our local Deloraine community. This means that when you choose to have your phone, mobile and internet services connected a percentage of every dollar spend goes back to support local community projects."

Lynn Hayward
Chairman

Bendigo Bank response to the sub-prime market

In view of the current global credit market breakdown, the following statement was circulated to all Bendigo Bank and **Community Bank**[®] branches for the information of customers.

"Bendigo Bank holds very few direct equity investments. Those we do hold are in financial services and related companies (e.g. IOOF, Australian Wealth Management), or community oriented companies (e.g. Community Telco Australia). We have no holdings in industrial stocks and therefore have no investments in companies that cause environmental degradation (e.g. wood-chipping) or potentially infringe human rights (e.g. armaments)."

"Bendigo Bank's core business is raising deposits which we then lend out to people to buy homes, run small to medium businesses and farms, or make purchases (Credit cards). Our credit policy includes safeguards to ensure we do not lend for illegal or environmentally harmful purposes."

Help Meander Valley win \$5,000 for charity and win \$5,000 yourself!

Bendigo Bank launched its new advertising campaign during the broadcast of the Olympic Games.

"It Starts with U!" is the theme and the message couldn't be more to the point. Community prosperity and community development does start with "U" that's you, our banking customers and shareholders - as does excellence in the banking services Bendigo customer enjoy.

To focus on this attention-grabbing campaign that highlights **Community Bank**[®] branches, there is a great opportunity to win \$5,000 for yourself and your community by playing Bendigo's on-line website game. Just log-on to the Bendigo website at www.bendigobank.com.au and click on the game panel. Each time someone from our area code (7304) plays the game, we get a point towards the draw for the prize money!

The community achieving the highest number of game-players will win a \$5,000 donation to charity and the area's winning person drawn at random gets \$5,000 too. You "gotta be in it to win it," so visit the Bendigo website and get playing! Competition ends 14 November 2008.

BMP557 (29/09/08)