

Chairman's Report for 2007/2008 Annual General Meeting November 10th 2008

Good evening Ladies and Gentlemen, a warm welcome and thank you for your attendance here tonight.

I have already introduced to you the members of the Meander Valley Board, our Branch Manager, Darren Rumble, and the Tasmanian Regional Manager for Bendigo Bank Ltd, Mr Rob Hanley, and our auditor David Hutchings from AFS and Associates in Bendigo.

I took over the Chairman's role in May this year from our first company Chair, Dr Chris Moorhouse. I would like to thank him for being the Company's inaugural Chair and for the hard work and knowledge and expertise he has provided us with during that time and I am personally delighted, but not surprised, given his personal ethic of commitment to the community, that he has decided to remain as a Director of the Company. I would also like to pay tribute to Director, Virginia De Groot, our first Treasurer, who has retired from the Board, and in so doing I would like to say that the role of Treasurer of a public Company is an extremely responsible and often onerous one, and Virginia performed this role with great diligence and competence. Also retiring this evening from the Board is Director George Christie. George has been with us almost since this project began and has made a wonderful contribution to the company, always willing to assist with every task, and as a member of the Business Development and Sponsorship Sub-committee of the Board, he has given invaluable assistance to Steve, the Chair of that committee and to the other members. We wish him all the best for the future. I would like to thank our Regional Manager, Rob Hanley and his staff, for the support given to our Branch during the year, and, especially during the two major transitions, of supervisor and Branch Manager. I have always found that Rob will step in and provide support when we need it most.

As I have outlined in the Annual Report, 2007/2008 has been a very exciting year for Deloraine & Districts Community Bank. The company achieved consistent monthly profits which have exceeded budget forecasts and expectations. In the past year the number of accounts held in the Branch increased by 26 % from 1917 to 2420. By way of an update, at November this year account numbers have reached a total of 2534 and the total value of banking business which grew from \$31 Million to \$42 Million, for June 30th 2008, has now as at the end of October reached over \$44M.

These great results come from very hard work over the year on the part of the bank's staff, and the Meander Valley Financial Services Ltd. Board. I would also like to acknowledge the work of John Tabor, who was Branch Manager since the bank opened in July 2005, and who built a strong business base for the bank. John retired in April and leaves with our thanks and best wishes for a fulfilling retirement. We have welcomed our new Branch Manager, Darren Rumble, who lives locally and who comes with wide experience in the banking and financial planning industry and a passionate interest in community development. And I'll ask Darren to say a few words in just a moment. Those of you who come in to our Branch regularly will know how well our Branch staff look after your banking needs, and how friendly and interested they are in providing a quality service. On behalf of the Board I express my deep appreciation for the dedication, and commitment to our customers shown by bank staff, Kim Walters, Kelly Challis, Susan Drake and Kim Hanson, and Darren and our new supervisor, Kelly Hills.

As the Bank's profits grow, we have been able to improve our capacity to support community initiatives. Beneficiaries in the 2007/8 year were :

The profit share we receive increases in proportion to the business on the books, so as the business grows the Board will be able to engage in projects of a much larger nature and we expect to be able to announce our first substantial community grants program in 2008/9. We also expect to be able to pay a

first dividend to our shareholders within the next 8-10 months. To some degree this will of course depend on the general financial situation, but provided that the community continues to support the bank as it has done over the past year, we will achieve these important milestones. This will represent a significant achievement for our Board Directors, all of whom give many hours of service each week to the company and community on a totally voluntary basis. As the new Chairman, I would like to thank every Director for the support and hard work they provide to the company.

Our partner Bendigo Bank Ltd. continues to exceed expectations and is now at least according to the AFR* set to become Australia's largest regional bank. This year BBL celebrated it's 150th year of operation, and as well, 10 years of Community banking. BBL is by anyone's estimation a remarkable organization which continues to provide inspiration and genuine support to so many small communities. Rob will have more to say about this shortly, but I would like to record my thanks for their continued interest and assistance for the Meander Valley community.

Finally, I would like to thank all of you as our shareholders who continue to support us with your banking business as evidence of your faith in and commitment to your community. All of us on the Board appreciate the interest and encouragement you show as we work hard to build on the benefits community banking provides for our community.

I would now like to ask our new Branch Manager, Darren Rumble to make his presentation to the meeting. Following this I will ask our Regional manager, Rob Hanley to say a few words.

Thank you again for your attention and for your attendance this evening.

Lynn Hayward
Chairperson MVFS Ltd.

*Australian Financial Review Weekend 11=12Th October 2008 p13