

Chairman's report

For year ending 30 June 2008

In what has been a difficult year for business generally it is my privilege to report the continued strong growth of our Company.

Despite the fact that the tight economy has resulted in returns on income streams continuing to be lower than projected our financial results are a credit to all concerned. A trading loss of \$21,439 reflects an improvement of \$83,790 over last year's operating loss of \$105,229. These figures are underpinned by a huge \$152,679 improvement in our cash flows from a negative \$133,147 last year to a positive \$19,532 in 2008.

Community support continued to thrive with the branch opening over 500 new accounts again this year. This represents approximately two new accounts being opened every day we open. We are confident that these results confirm that we have now established a solid base upon which to build a vibrant business which, in turn will provide strong returns for our shareholders and significant benefits to our community in future years.

Sadly, during the year we lost the services of our Manager, David Pearce at very short notice. It must be noted that the efforts of the staff and the support offered by our business partner, Bendigo Bank during the time we were looking for a new Manager was magnificent and helped us through this difficult time significantly.

I believe that we have been very fortunate to secure the services of our new Manager Duncan Grant. Duncan brings with him a wealth of banking experience, is extremely approachable and well organised and, importantly understands and supports the **Community Bank®** concept.

We have continued to maintain our community profile through the sponsorship of selected clubs and organisations, whilst our Marketing Committee, under the astute leadership of Glenn Williams is well advanced in its pursuit of identifying one or more significant community projects that satisfy our criteria.

Thanks must go to all of our Directors for their continued dedication, although it is with regret that we acknowledge the retirements of Don Blainey and Margaret Supplitt over the last 12 months.

My thanks also go to the balance of our staff, Tari Mills and the girls who are always professional and courteous when dealing with customers and their enquiries.

In closing may I remind shareholders that our business is a partnership with our community. If we all bank together then we can all grow and benefit together. Returning the profits to the community who invests the money is what makes the **Community Bank®** concept unique and explains why there are now over 220 **Community Bank®** branches right throughout Australia.



Geoff Brooks
Chairman