

MT EVELYN & DISTRICTS FINANCIAL SERVICES LTD
A.C.N. 096 782 240

Minutes of the Ninth Annual General Meeting of Shareholders held at Pembroke Secondary College, 2 Old Hereford Road, Mt Evelyn, on Thursday the 25th of November 2010 at 7.00 pm.

Meeting commenced at 7.05pm.

Present :

MEDFSL Board: Jill Rule Chairman, Margi Sank Treasurer, James Chapman Company Secretary, Jan Simmons, Gai Williams, Craig Keithley and Gareth Little-Hales

Branch Staff: members from both Mt Evelyn and Montrose branches and headed by Senior Group Manager David Watt and Branch Managers Leanne Vaytauer and Shelley Murcutt.

Bendigo and Adelaide Bank Ltd: Alison Burr Area Manager, Mark Nolan Regional Manager, Callum Wright C.E.O Community Enterprise Foundation™ and representatives from Yarra Ranges Regional Office.

Shire of Yarra Ranges: Mayor Cr. Len Cox and Deputy Mayor Cr. Tim Heenan.

Other Notable Guests: Bob Taylor Chief Commissioner Scouts Australia, Victorian Branch and Terry Vail from Auditors, Richmond Sinnott & Delahunty.

Apologies: Christine Fyffe, Peter Harris, Ian Fraser, Albert Buitenhuis, Adam Rimington, and David Hodgett.

Legality: Chairman Jill Rule announces that the minutes of the previous AGM have been approved by the Board and that this is a properly constituted meeting in accordance with s.251A of the Corporations Law.

Welcome and Opening Address by Jill Rule (Chairman's Report)

Well, what a year! Since our last meeting, an Extraordinary Meeting in January this year for the adoption of a new shares issue and subsequent changes to the company's Constitution, we have successfully completed our commitment to open a second branch for our company. From your unanimous vote to continue with the project, there certainly has been a lot of work done to see this come to fruition.

As detailed in the Annual Report, we have had a very busy, but highly satisfying year. Since January, we have launched the new prospectus, entered into a Franchise Agreement with Bendigo & Adelaide Bank Ltd, raised the capital from the conversion of pledges, secured a site, signed a lease/purchase contract, recruited staff, completed the new branch fit-out, and on November 3rd Montrose Community Bank® opened it's doors for business and was officially opened by the Honourable James Merlino on November 12th at the Grand Opening Ceremony.

Cr Len Cox, Our Mayor who is a great exponent of community banking, was also a guest speaker. We were also delighted to have Russell Jenkins, Chief Executive of Customer & Community, travel down from Bendigo & Adelaide Bank Ltd's Head Office in Bendigo, to speak at our official

proceedings. It was Russell who headed the introduction and subsequent roll-out of the Community Bank® concept in 1998.

Of course all this would not have been possible without the passionate and committed Steering Committee. It was they who braved the elements each Saturday to canvas support, badgered shop keepers to put up posters, phoned pledgers in their spare time to put in their share applications and made the commitment of their time for as long as it would take to bring community banking to Montrose. And that was nineteen months!

I would now like to acknowledge this dedicated team and thank them on behalf of the Board, management and shareholders, firstly Gareth Little-Hales, who chaired the Committee, Peter Blank, Jill Bonsor, Albert Buitenhuis, Valerie Fordham, Iain Fraser, Allan Grundy, Barrie Hicks, Bob Hovenden, Geoff Meehan, Jeni Nathanielsz, Curt Tebbutt, and Gai & Rod Williams.

It has been an absolute pleasure to work with All of you. And to everyone involved, you are to be congratulated and should be filled with pride with the legacy for future generations that you have been a part of creating.

As part of our business expansion strategy, we will continue to explore other business expansion opportunities, with you the shareholder's, best interests at heart.

With the capital raised in the new share issue, the total shares in the company have gone from 702,510 to 2,940,081 and from 341 to 593 shareholders. We have also increased our account base from 6060 last year to currently 6518 over the two branches with a total value of business for the company of just over \$142 million for Mt Evelyn and Montrose. This is an increase on last years \$122 of \$20 million for the group, at this time in 2009. I will shortly be making a much anticipated announcement on this year's dividend.

The growth of the business has again been outstanding in delivering profits way beyond our expectation, that is outlined in depth in the Annual Report and will be covered again shortly by our Treasurer, Margi Sank. These figures have been achieved through sound branch management and the strong implementation of policies and procedures from excellent governance by your Board.

David and his staff are to be applauded again for their exemplary efforts resulting in this extremely pleasing result, during a time of persistent global market volatility in the finance sector. They are a totally committed team with a strong sense of both banking and community engagement who continue to deliver the highest level of customer service. They are constantly exceeding customer expectations and always conscious of delivering products relevant to the customers' lifestyle and needs. We are indeed very fortunate to have such a dedicated team. In branch assessments conducted regularly by Bendigo & Adelaide Bank Ltd, our branch is constantly in the top ranking. We extend our congratulations and gratitude to David and the staff for their outstanding achievements once again.

We are delighted to have recruited some excellent people for our new branch, who fit very well into the Bendigo "way of banking" philosophy. Our Manager, Shelley Murcutt's focus is on building strong rapport and positive customer feedback. Shelley will introduce her new staff later and give us an update on the Montrose branch.

I would also like to thank our support team at the Yarra Valley Regional Office. Our sincere thanks to Area Manager Alison Burr, Regional Manager Mark Nolan and the regional team for their ongoing support. Mark has been looking after us since taking on the role earlier this year. His constructive advice and support has been invaluable and we look forward to our ongoing

relationship in working with him. Special thanks also to Adam Rimington, whose support was immeasurable throughout the Montrose campaign. Adam was always there with words of encouragement and praise when needed.

We are proud to be regional and Community Bank® branches that are focused on delivering value and outstanding customer service and building long term relationships with customers and community sectors. This year, through our sponsorships and grants programs we have continued to support local communities in which we operate, and true to “our vision” have provided profits that underpin enterprise and strengthen these communities, to make a difference to those who otherwise might not have been able to realise their goals.

We have now given back in total to local organizations, sporting clubs, schools, pre-schools, youth groups, the elderly, scouts, girl guides, community houses, CFAS, health groups, Lions and Rotary clubs and various other groups and charities, in excess of \$1 million dollars representing another \$270,000 above last years figure.

For a brief example, at a local level, we have:- provided funding for heating for the Mt Evelyn Scout Hall, funded a heart monitor for an emergency ward in a local hospital, given support for the Mt Evelyn Toy Library, funded a wood splitter for a Scout group to enable them to supply wood to those in need, worked with Yarra Glen Fire Brigade with assistance for the funding for a new tanker, supported the Mt Evelyn Relay for Life event, assisted Melba Support Services and Eastern Volunteers, supported our local youth at the Youth Enterprise Shed and sponsored the Mt Evelyn Women’s and Lilydale Chamber of Commerce Business Breakfasts, just to name a few and there are many, many more wonderful initiatives that we have engaged in with support.

Also, in partnerships with other branches, local Council, and State and Federal Governments, we have been able to be involved in projects and charitable ventures for the benefit of the wider community:-

Some of these are, Bushfire Recovery Programs for victims and re-vegetation of the bush, a Road Safety Campaign targeted at our youth, an annual Art Exhibition for Lilydale Shire VCE students to publicly showcase their work, driver education for students in the L to P program, The CHAMPS program which supports children of families living with mental illness, and a Neighbourhood House Community Link network project.

As you can see our support of local and surrounding communities is far reaching and varied, and we will continue to contribute to those communities that support us.

I would now like to announce that our dividend declared is 2.5 cents per ordinary share which will be paid to shareholders during December. The total dividend amount is \$73,502.

I now ask the Company Secretary to report to you on the matter of proxies.

.....

Proxy Votes

Company Secretary, James Chapman read the results of the proxy votes, which were as follows:

I report that the number of valid proxy forms received at the Registered Office of the company by 7.30pm on the 23rd of November was fifteen (15).

Details of individual proxies were:

- One shareholder elected Margi Sank as their proxy and all items voted 'for';
- The remaining 14 shareholders appointed the Chair as their proxy;
- Seven of the 14 shareholders did not provide instructions and have therefore allowed the Chair to use the proxy as they see fit.

Of the eight shareholders who did provide instruction, these are the results:

Item 1: Receipt of Financial Report – 8 'for'
 Item 2: Re-election of Director Jan Simmons – 8 'for'
 Item 3: Re-election of Director James Chapman – 8 'for'
 Item 4: Re-election of Director Gareth Little-Hales – 8 'for'
 Item 5: Resignation of Albert Buitenhuis - no vote required
 Item 6: Election of Director Ian Fraser – 7 'for' and 1 'against'
 Item 7: Re-appointment of Auditor, Richmond Sinnott & Delahunty – 8 'for'

Ordinary Business.

In light of the proxy votes above, the Chairman then requested a mover and seconder for each of the motions proposed:

Item 1: approved by the Board & motion carried
 Item 2: moved by Gareth Little-Hales, seconded by James Chapman: motion carried
 Item 3: moved by Margi Sank, seconded by Jan Simmons: motion carried
 Item 4: moved by Gai Williams, seconded by Trevor Fyander: motion carried
 Item 5: n/a
 Item 6: moved by Craig Keithley, seconded by Jan Simmons: motion carried
 Item 7: moved by Margi Sank, seconded by Craig Keithley: motion carried

Treasurer's Report

Good evening all

It is a pleasure to present my 2010 Treasurer's Report.

This year has certainly been a challenging and inspiring one. As Jill, David and others have attested it has been a year of continuing excellent banking service, community involvement whilst making our dream a reality. That dream was to work collaboratively to bring a Community Bank and full banking service to Montrose. And it has been done! Thankyou... to many and varied people, who have indeed been inspirational

As many of you know, it is central to the community bank philosophy that banking profits are shared between the shareholders and the community in which we operate. Your board is mindful of its duty to honour and embrace this vision. In addition, our franchise agreement prescribes the maximum dividends payable by a community bank company to its shareholders.

At the start of the year, the Board and Management considered its obligations to both our shareholders and to the wider community. We knew that some in our community would be disadvantaged by the global financial crisis, and that possibly our income and therefore our profits would be less than in previous years.

We were mindful though, that our support to the community by way of sponsorship and grants could soften the negative impact of the GFC. And so, we continued with our philosophy to support many and varied community groups from tots to seniors. Jill has discussed previously some of these examples.

It is a testament to the branch team, and their exceptional banking and customer service that your company has been able to achieve strong results in the economic climate that existed whilst also going through all the steps required to open the Montrose Branch.

If we look at our Statement of Income ,during the 2010 financial year our revenue increased by 17% to just under \$1.3 million dollars.

Our operating expenses also increased. The increase in the operating expenses was 16% from \$912,000 in 2009 to \$1,055,000 in 2010. We were able to contain increases in Employee Benefits, Depreciation, Finance Costs and Administration thereby freeing up funds to continue to put money into the community. Our charitable donations and sponsorship increased from \$197,000 in 2009 to \$274,000 in 2010. Of these amounts some funds were paid directly whilst others were deposited into the Community Enterprise Foundation to be part of our grants program. And some of those grants will be awarded this evening.

Our resulting net profit after tax increased by 24% to \$155, 000 in 2010.

Since Mt Evelyn opened its doors and started trading, then achieving profitability, we have contributed over \$1Million in grants and sponsorship.

In addition, to date, we have paid a total of just under \$310, 000 in fully franked dividends.

As you are aware, we have increased our share issued by the issue of bonus shares to our previously existing shareholders and the raising of additional capital. We issued bonus shares to reflect the value of the company and so as to treat fairly the existing shareholders and new shareholders who would take up shares under the prospectus. Our shareholding has increased from 702,510 to just under 3 million shares.

The dividend we declare is applicable to all shares. The dividend pool last year was \$68,846 and the dividend per ordinary share was 9.8 cents. Because of our strong result we have been able increase the dividend pool slightly to \$73,502 and therefore declare a fully franked dividend of 2.5 cents per ordinary share.

The total dividends to be paid since incorporation are therefore approximately \$383,000.

And to the future.....Montrose has now opened its doors and the banking business is accumulating. Initially, and as outlined in the prospectus, it will take some time for Montrose to achieve profitability. Consequently, we expect the profit for the company to be reduced until Montrose achieves profitability and there may be a reduction in dividends that are able to be paid.

In our continuing operations, we continue to evaluate and where prudent implement our expansion strategies and opportunities with additional business and locations.

We are mindful of our joint obligations, to both shareholders and community, and the fact that sponsorship in the community helps us to grow our business and therefore our revenue and profits from which to pay dividends.

Consequently, we will continue to make significant grants and sponsorships within the community either in or own right or partnering with other community banks and government agencies. Some of our contributions benefit many; whilst some are targeted at smaller groups.

Quantifying the number of people who benefit from our grants and sponsorship initially appears quite difficult. But I would like to share some numbers other than financials with you. The recipients of our grants tonight will contribute to the wellbeing of approximately 10,000 people in our community. Our ongoing sponsorship would benefit more than that again..... so overall we are

talking in the tens of thousands of people your company makes a difference to.

And then there is the multiplier effect of the dollars, Last year, we spoke about the fact that the dollars your company contributes is retained and spent locally, creating more work and opportunities for the community. We also continue to employ eleven full time and part time employees at the Mt Evelyn and four at Montrose. These wonderful people live in our communities and also help support local business, and further increase the flow-on effect.

We continue to be listed on the Bendigo/Newcastle Stock Exchange. You are able to use the internet to review various financial and non financial information relating to our company and other Community Banks. Shares can be traded through stock brokers.

In closing, thank you to all our various stakeholders, Bendigo and Adelaide Bank Community Network, our local government, our banking customers, you our shareholders, a dedicated and skilled board of directors, and most importantly the most wonderful team at the banks. Thanks to David and all of the team.

Thanks to you all.

Financial Report Open to Discussion

Chairman Jill Rule invited shareholders to ask any questions with regard to the financial report. No questions were asked.

.....

Guest Speakers.

1. Cr. Len Cox, Mayor Shire Yarra Ranges:

- acknowledged the role of Bendigo Bank in our local communities
- Bendigo Bank filled a gap left by the major banks when they closed regional branches
- Community Banks have achieved the Triple Bottom Line: providing banking services, paying dividends to shareholders and assisting local groups with grants and sponsorships
- Len stated that he is a 'proud shareholder.'

2. Mark Nolan, Regional Manager, Bendigo Bank:

- Congratulated Jill Rule regarding the opening of the Montrose Branch
- 22 new Bendigo & Adelaide Bank branches opened in 2010
- \$17.8 billion dollars of business on the books
- \$40mil now given back to communities across the network
- 65 new branches currently in the pipeline
- Healesville and Monbulk to open locally
- BABL cautiously optimistic about the short-term future of the economy

3. Callum Wright, CEO, Community Enterprise Foundation™

- Bushfires Appeal raised over \$1 million dollars
- Community banks put back \$7 million dollars into their communities locally
- Community Enterprise Foundation now 5 years old
- The C.E.F. Has now put back \$30 million dollars into the community
- The C.E.F. Can assist with administration for charities and social causes
- The Australian Cancer Council has stated that one in every two Australians will get cancer in their lifetime
- Nadiya's Challenge – raising money for kids with cancer

Callum ended his speech in asking James Chapman to play a 2-minute introductory DVD about Nadiya's Challenge and the project that aims to raise \$100,000 for the Challenge Foundation.

4. Shelley Murcutt, Branch Manager, Montrose Community® Bank

- Montrose Branch opened November 3rd – soft opening
- Officially opened to the public on 12th November
- Thanks to the Mt Evelyn team for their help

5. David Watt, Senior Group Manager

- Spoke of team effort and acknowledged staff at both Mt Evelyn and Montrose
 - Acknowledged the Board, especially Chairman Jill Rule whose efforts were outstanding
 - Also acknowledged the Montrose Steering Committee and made special note of Directors Gareth Little-Hales and Gai Williams for their work
 - Thanked customers for their continued support, their business and their input
 - Montrose was a difficult project because of its timing
 - The new Montrose branch already has \$6.5 million dollars of business on it's books
 - The cocktail party after the branch opening was fantastic.
-

Inaugural Allan Grundy Award 2010

In recognition of the special efforts of young people in the local community, Chairman Jill Rule announced this year's recipient of the award named in honour of the company's inaugural Chairman, Mr. Allan Grundy.

The winner of the award for 2010 is Cassandra Button. Cassandra was involved in organising, fundraising for, and participating in the Yarra Ranges 'Relay for Life', in addition to running Wellbeing Days for students. A good all rounder.

.....

Grants Presentation

1. Coldstream Social & Sporting Club (accepted by Kevin Smith)– grant to be used to update kitchen
2. Morrison House (accepted by Richard Schoenmaker) – grant to be used for the Family Violence Education Program and “Baby Makes Three” Program
3. Hills Community Childcare (accepted by James Edge) – grant to be used for new signage
4. Montrose Football Club (accepted by Gary Reimers) – grant to be used to erect rain shelters on the football ground
5. Mt Evelyn Football & Netball Club (accepted by Ray Fellows) - grant to be used to update the bar facilities to assist with catering for functions
6. Scouts Australia (accepted by Bob Taylor) – grant to be used for camp sites (Callum added that firewood would be donated to families and people in need)
7. Mountaintop Toy Library – grant to be used for office equipment

8. Bridgebuilders Limited – grant to be used for a camp for up to 60 young women who undertake leadership training
9. Mt Dandenong Preschool – grant to be used to erect a water tank stand
10. Sarah Court Preschool (accepted by Marie Lyons) – grant to be used on the foyer area and new floor coverings
11. Melba Support Services (accepted by Jim Burns) – grant to be used on accommodation for young people with profound disabilities
12. Careforce Community Services (accepted by Neville Skewes) – grant to be used on extra storage space for up to 600 food hampers and 1000 toys
13. Mt Evelyn Girl Guides (accepted by Alice Keogh) – grant to be used for kitchen upgrade

The Chairman made mention that 3 submissions did not meet the criteria for grants, but did however get recognition and support from the company in the form of sponsorships. They are as follows:

1. Mt Evelyn Christian School – sponsorship to assist with equipment for multipurpose stadium
2. Mt Evelyn Special Development School – sponsorship to assist with purchasing an outdoor shade sail
3. Yarra Glen CFA (accepted by Bill Boyd)– sponsorship to assist in the supply of a silent pack generator

Questions from the Shareholders

Chairman Jill Rule then asked the shareholders if they had any questions concerning their company.

Con Clavant to Cr. Len Cox: “Does the Shire support Bendigo Bank with banking business?”

Response from Cr. Len Cox: “No.”

Interjection from Mark Nolan, Regional Manager: “Some of the Shire's business is in fact with us at Bendigo Bank.”

Chairman Jill Rule then thanked Anita, Georgina, Georgia and Isabella for their efforts in the kitchen preparing food and refreshments for the evening.

The AGM was then declared closed at 8:33pm.