

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus and any information or representation not contained in the Prospectus may not be relied upon as having been authorised in relation to the Offer. No assurance is given that any forecast or prospective information made in this Prospectus will be achieved.

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Letter from Hobsons Bay Community Financial Services Limited

Dear Investor

Thank you for your interest in the Laverton/Altona Meadows and Altona Community Bank® Branches of Bendigo Bank and the proposed Point Cook Community Bank® Branch of Bendigo Bank.

We are pleased to offer you the opportunity to invest in a project which we believe will deliver significant social and economic benefits to our region, as well as the prospect of positive returns to its shareholders. In keeping with these dual aims, the amount of profits that can be distributed to shareholders is limited. In addition, there are limitations and restrictions on shareholdings (for example, you maybe required to have a close connection to our community to hold shares in the Company). This is explained in detail in this Prospectus.

The Company already has established and is managing the Laverton/Altona Meadows and Altona Community Bank® Branches of Bendigo Bank. In addition, the Company has established and is managing a sub-branch of Bendigo, located in Point Cook. This Prospectus outlines your opportunity to assist in raising funds for the conversion of the Point Cook sub-branch into a Community Bank® Branch of Bendigo Bank. Following the successful raising of the capital pursuant to this prospectus all three Community Bank® Branches will be part of the Bendigo Bank Community Bank® project, the terms of which are outlined in this document.

I encourage you to read the Prospectus closely and seek professional advice, so that you might base your investment decision on a clear understanding of the nature and prospects of the business.

The Company is already listed on the Bendigo Stock Exchange, which facilitates a secondary market for the trade of the Shares (subject to the share ownership rules described in this Prospectus). Further details on this are set out in this Prospectus.

Our decision to proceed with this capital raising for a new branch in Point Cook was based on our experience with the sub-branch in Point Cook. The performance of the Point Cook sub-branch formed the basis of a business plan which, if achieved, shows the enterprise has solid prospects of continuing to generate positive returns for investors. We are further heartened by the experience of many of the other Community Bank® Branches of Bendigo Bank which have been enthusiastically embraced by their communities.

The Point Cook Community Bank® Branch of Bendigo Bank and the Laverton/Altona Meadows and Altona Community Bank® Branches of Bendigo Bank afford our communities the chance not only to secure branch banking services, but to improve our long-term prospects by retaining greater control over our communities' capital resources. I commend the investment to you.

Yours sincerely,



Henry Da Silva

Chairman, Hobsons Bay Community Financial Services Ltd

Letter from Bendigo Bank Limited

Dear Investor

By owning shares in Hobsons Bay Community Financial Services Limited, you will help secure banking services for your community and also share in the prospect of income which can be used to generate further development in your region.

Why has Bendigo Bank developed this concept? Because we are a community based bank ourselves and by helping to create successful communities we will share in your success.

Bendigo Bank will work with you to maximise the potential of your new branch at Point Cook, just as it has worked with Hobsons Bay Community Financial Services Limited in relation to the existing Community Bank® Branches at Laverton/Altona Meadows and Altona. However, as for any business, the success of your community company is ultimately based on the support it receives from its customers – which in this case are the members of the Point Cook and Hobsons Bay communities.

Members of your community have previously supported the Point Cook Sub-Branch with their banking business. Now is your chance to support it through investing in Hobsons Bay Community Financial Services Limited. This Prospectus provides you with information you need to make an informed choice.

Your commitment will help make a difference to your community.

I look forward to the successful opening of the Point Cook Community Bank® Branch of Bendigo Bank.

Yours sincerely



Russell Jenkins
Chief General Manager Retail & Distribution
Bendigo Bank Limited

1. Purpose and Details of the Offer

1.1 Purpose of the Offer

The purpose of the Offer is to raise funds for the capital expenditure and working capital requirements to convert the existing sub-branch in Point Cook to a new Community Bank® Branch of Bendigo Bank.

Details of the establishment costs and estimated initial annual operating costs of the new branch at Point Cook, together with the ongoing costs of the two existing branches, are set out in Section 4.4 of this Prospectus.

In July 2000 Hobson Bay Community Financial Services Limited (the Company) entered into a franchise agreement with Bendigo Bank for the Company to manage, and provide services to, the Laverton/Altona Meadows Community Bank® Branch as a “franchise” of Bendigo Bank which included the franchise rights to the Laverton/Altona Meadows Community Bank® Branch. In November 2002 the Company entered into the current franchise agreement with Bendigo Bank for the Company to manage, and provide services to, the Altona Community Bank Branch as a “franchise” of Bendigo Bank. The Company raised the funds required for the establishment and initial ongoing operations of the Laverton/Altona Meadows and Altona Community Bank® Branches via an offer of shares (at an issue price of \$1 per share) to the Hobsons Bay community. The Company’s Prospectus for the offer of shares for the Laverton/Altona Meadows Community Bank® Branch was dated 2 March 2000. The Company’s Prospectus for the offer of shares for the Altona Community Bank® Branch was dated 14 June 2002.

If the Offer under this Prospectus is successful, the Company will manage, and provide services to, the Laverton/Altona Meadows and Altona Community Bank® Branches and a newly formed Point Cook Community Bank® Branch. Each branch will operate as a “franchise” of Bendigo Bank. The franchise arrangements relating to the Laverton/Altona Meadows and Altona Community Bank® Branches will be unchanged and a new Franchise Agreement relating to the Point Cook Community Bank® Branch has been entered into between the Company and Bendigo Bank.

The franchise arrangements for the three branches and the business of the Company are described in detail in this Prospectus, especially Sections 3 and 6.

Please Note: This is not an offer to subscribe for shares in Bendigo Bank - it is an offer to subscribe for shares in Hobsons Bay Community Financial Services Limited, which is listed on the Bendigo Stock Exchange (BSX). It is not intended that the shares in the Company be listed on the Australian Stock Exchange.

1.2 Description of the Offer

The Company is offering for subscription 150,000 ordinary shares in the Company (Shares) at an issue price of \$1.00 per Share, payable in full on application.

Applications for Shares should be for a minimum of 500 Shares, or a greater number of Shares in multiples of 100, up to a maximum of 5,000 Shares. However, the Directors reserve the right to accept applications for fewer than 500 Shares or (subject to the maximum permitted shareholding - see Sections 1.3 and 7.3 below) greater than 5000 Shares.

The company will not be accepting any oversubscriptions.

The amount of dividends and other distributions to shareholders that the Company may make in any 12 month period is limited by the terms of the franchise arrangements between the Company and Bendigo Bank. You should refer to Section 5.2 of this Prospectus for a description of this limit.

Applicants should be aware of the voting and ownership restrictions that apply to the Company, including the Directors’ right not to accept applications in breach of these restrictions (see Section 1.4 below).

1.3 Capital Structure

Assuming the Offer is fully subscribed the capital structure of the Company following completion of the Issue will be as follows:

Ordinary Shares

Shares Currently on issue	1,002,508
Shares issued pursuant to bonus issue	250,627
Shares issued pursuant to this Prospectus	150,000
TOTAL	1,403,135

Bonus Issue

On the basis of a valuation of the Company, made as at 20 October 2006 by Ken James & Associates, the value of the existing shares in the Company

was determined at \$1.25 per share. The Directors believe that the Shares should be offered under this Prospectus at \$1 per share. However, on the basis of the expert's report, the Directors believe it would not be fair to existing shareholders to offer new shares at \$1 per Share, without some compensating action. Accordingly, the Directors believe that it is fair and reasonable on this basis that if the minimum subscription amount is reached under this Prospectus (see Section 1.4 below), the Company will undertake a 1 for 4 bonus issue to existing ordinary shareholders.

The record date for this bonus issue will be set as a date before Shares are issued under this Prospectus. Thus, only existing shareholders will qualify for the bonus issue.

Immediately after this bonus issue, the ordinary shares in the Company will, on the basis of the expert's report, be valued at \$1 per share.

1.4 Voting and Ownership Restrictions

It should be noted that, pursuant to the Constitution of the Company, each shareholder is entitled to only one vote, regardless of the number of Shares held. The Constitution also contains a number of restrictions on shareholdings. For example, a shareholder will not be able to control or own 10% or more of the Company. The Directors reserve the right to not accept any application if it appears the Applicant would be in breach of the above restriction.

The voting rights attaching to Shares and the ownership restrictions are discussed further in Sections 7.2(a) and 7.3 below. You should note that where a person is or would be in breach of the restriction, the Directors not only have the power to refuse to register a transfer but the voting and dividend rights attaching to the relevant Shares are suspended and the Directors have the power to require a divestment of the relevant Shares (see Section 7.3 below).

1.5 Minimum Subscription

The Company must receive applications (and payment) for 150,000 Shares in order for the Offer to proceed. Shares will not be issued unless this condition is satisfied. If this minimum subscription is not reached by the date (the Four Month Date) which is four months from the date of this Prospectus, no Shares will be allotted and all application monies received will be returned to the Applicants (without interest) as soon as practicable after the Four Month Date. Please refer

to Section 1.6 and "Franchise Arrangements" in Section 3.2 below for further information on the minimum subscription requirement. This Offer is not underwritten. Please also note that no Shares will be allotted or issued if the Shares do not receive permission for official quotation within three months, unless ASIC grants an exemption (see Section 1.7 below).

1.6 Allocation

Application monies will be held on trust by the Company in a separate bank account which has been established by the Company for the purposes of the Offer. This money will be held on trust by the Company until the Shares are issued or the money is returned, as required by the Corporations Act, to the Applicants.

The Company may allocate the full number of Shares applied for by an Applicant or may allocate any lesser number or decline any application.

Where no allocation is made or where the number of Shares allocated is less than the number applied for, the surplus application money will be returned to the Applicant without interest as soon as practicable.

1.7 Quotation of Shares on the Bendigo Stock Exchange

The Company is listed, and its Shares are quoted, on the Bendigo Stock Exchange (BSX). Application will be made within seven days of the date of this Prospectus for quotation of the Shares offered under this Prospectus on the BSX. Please see Section 5 of this Prospectus for a discussion of the risk factors relevant to the Company's listing on the BSX and quotation of the Shares.

1.8 How to Invest

An application for Shares can only be made on the Application Form in this Prospectus (or on a copy made from that form, but only if the copy was made by the Applicant). The Application Form (or the copy) must be completed in accordance with the instructions set out in "Application Details and Instructions" commencing towards the end of this Prospectus. The terms and conditions in the Application Form form part of this Prospectus.

1.9 Important Dates

An indicative timetable for the Offer is set out below.

Event	Date
Offer opens:	4 Dec 2006
Offer closes:	12 Jan 2007
Bonus Shares expected to be allotted	19 Jan 2007
Shares pursuant to this prospectus expected to be allotted:	15 Jan 2007
Certificates expected to be dispatched:	15 Feb 2007

These dates are indicative only and are subject to change. The Company has the right, in its absolute discretion, to close the Offer early or to extend the closing date, without notice. If the closing date for the Offer is extended, the subsequent dates may also be extended accordingly.

1.10 Expiry Date of this Prospectus

No Shares will be issued on the basis of this Prospectus after the Expiry Date. The Expiry Date is the date 13 months after the Date of this Prospectus.

1.11 Accepting Applications

The Company will not accept an application for, or issue any, Shares offered under this Prospectus until the Exposure Period has ended. The Exposure Period is the period of seven days after lodgment of this Prospectus with ASIC or if ASIC, in accordance with the Corporations Act, extends that period, such longer period. At present, ASIC is not permitted to extend the Exposure Period to more than (in total) fourteen days after the lodgment of this Prospectus.

Accordingly, the Company will not process any applications received until after the Exposure Period and no preference will be conferred on applications received in the Exposure Period.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. It is possible that this examination may result in the identification of deficiencies. Any application received in these circumstances may need to be dealt with in accordance with section 724 of the Corporations Act (this section may require, in certain circumstances, the return of application money and/or the distribution of a supplementary or replacement prospectus together with the right of an Applicant to withdraw their application).

2. Directors

Details of the Directors of the Company are as follows:

Name Michael Allan Boyd
Date of Birth 13 November 1957
Occupation Restaurateur

Background information

Busines owner 18 years, Inaugural Chairperson of Hobsons Bay Community Financial Services Limited.

Address 57 Huntingfield Drive, Hoppers Crossing Vic 3029

Name Bruce John Cahoon
Date of Birth 25 December 1942
Occupation Manager of Sanctuary Corporate Wear

Background information

Past employee in the Petro Chemical Industry for 25 years.

Address 18 Sandlewood Lane, Sanctuary Lakes Vic 3030

Name Henry Da Silva
Date of Birth 15 July 1965
Occupation Estate Agent/Auctioneer

Background information

Director of an Estate Agency in Laverton/Altona/Werribee.

Address 6/161 Railway Avenue, Laverton Vic 3028

Name Wayne Malcolm Gray
Date of Birth 23 November 1964
Occupation Project Director

Background information

Past Naval Officer

Address 17 Gellibrand Close, Seabrook Vic 3028

Name Guiseppe (Joe) Inserra
Date of Birth 8 October 1936
Occupation Retired
Background information
39 years in the building industry and Company Director
Address 160 Central Avenue,
Laverton Vic 3028

Name Graeme John Murdoch OAM
Date of Birth 5 January 1938
Occupation Retired
Background information
Former Education Department Employee. Councillor and Past Mayor of Hobsons Bay City Council.
Address 11 Fisher Court,
Altona Vic 3018

Name Michael Stephen Pernar
Date of Birth 8 April 1962
Occupation Manager
Background information
Has managed the Laverton Community Centre for the past 11 years. Centenary Medal 2001 for "Service to Community".
Address 2 Greenwood Street,
Wyndhamvale Vic 3024

Name Franklin John Porter
Date of Birth 29 May 1945
Occupation Work Supervisor
Background information
Many years involvement with the Hobsons Bay City Council, Justice of the Peace and Vice President of the Returned Services League sub-branch Altona.
Address 8 Newton Court,
Altona Vic 3018

Name Robert Ray Quail
Date of Birth 25 July 1956
Occupation I.T. Consultant
Background information
Business Owner for 13 years. Community Service.
Address 12 Sienna Place,
Point Cook Vic 3030

Name Andrew Denis Shanahan
Date of Birth 23 May 1940
Occupation Company Director
Background information
Retired; formerly University Lecturer, Accountant and Business Proprietor.
Address 3/263 Esplanade,
Altona Vic 3018

3. Bendigo Bank Franchise

3.1 Bendigo Bank

Bendigo Bank had its origins on the Bendigo goldfield in 1858 when the settlement comprised thousands of makeshift tents and humpies clustered along the gold bearing gullies. Disturbed by the temporary and unsightly nature of these dwellings, a group of prominent citizens banded together to foster a sense of civic pride by providing finance for miners wishing to own their own homes. Thus was born the Bendigo Land and Building Society, which immediately began financing humble miners' cottages, some of which remain in the city today.

Within 30 years, Bendigo had established itself as one of the most gracious Victorian era cities in the world, its grand public buildings a monument to the vast riches produced by the deep reef miners.

As Bendigo prospered, so did its building society, which rapidly established a reputation for prudent financial management and ethical dealing. While other societies came and went, the Bendigo Land and Building Society grew steadily, declaring a profit in each year of its operation, even through the crises of the 1890s and 1930s Depressions.

Bendigo Bank converted to a bank on 1 July, 1995, at which time it was Australia's oldest and Victoria's largest building society.

The past 20 years have seen the Bendigo Land and Building Society, now Bendigo Bank, grow quickly and in the process merge with a number of other firms and building societies: the Bendigo and Eaglehawk Star (1978), Sandhurst (1983), Sunraysia (1985), Capital (1992) and Compass (1992), trustee company Sandhurst Trustees (1991), mortgage securitisation firm National Mortgage Market Corporation (1995), Monte Paschi Australia Limited (1997) and Victorian Securities Corporation Limited (1997). Sandhurst Trustees, National Mortgage Market Corporation, Monte Paschi (now Cass Comm Limited) and Victorian Securities Corporation Limited are wholly-owned subsidiaries of Bendigo Bank, as is the financial planning arm Bendigo Investment Services. Bendigo Bank also operates a joint venture, with Elders Limited, called Elders Rural Bank. This joint venture is aimed at bringing banking services to farmers throughout Australia. In October 2000, Bendigo Bank acquired the Queensland-based

First Australian Building Society, which has since been integrated into Bendigo Bank.

The Bendigo Group now operates (itself and through franchises) approximately 334 branches and has assets of around \$16 billion. It is listed on the Australian Stock Exchange and is the only Australian bank with headquarters outside a capital city. Through Bendigo Bank and its subsidiary companies, the Bendigo Group provides a wide range of products including home loans, commercial mortgages, unsecured loans, investment products, insurance and superannuation.

3.2 Community Bank® Project

Bendigo Bank developed its Community Bank® project in response to the continuing closure of bank branches across Australia, and the subsequent effects on disenfranchised communities.

A Community Bank® is a means by which communities with the will and enthusiasm can enhance their future prospects by securing a conduit to the finance system.

The aims of the Community Bank® project are threefold:

- to secure branch banking services for participating communities;
- to help these communities better manage locally generated capital, and so provide them with a better return on their capital; and
- to enable participating communities to share in revenues generated from their Community Bank® enterprise.

Community Bank® draws on the greatest strength communities possess – their parochialism.

Through the potential to share in branch revenues, communities have the opportunity to generate profits which can be returned to support and develop the community via dividends to participating shareholders and through projects identified by the community and agreed to by the Company.

The Community Bank® project does this by providing communities with the opportunity to manage a community owned branch of Bendigo Bank. It supposes that ownership of this management right provides local residents and businesses with a powerful incentive to conduct their financial affairs through their own local bank branch, thereby maximising revenue potential for the local enterprise.

Each branch operates as a franchise of Bendigo Bank, using the name, logo and system of operations of Bendigo Bank. The franchisees are appointed as 'authorised representatives' of Bendigo Bank for the

purposes of the Corporations Act and manage the Community Bank® Branches on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank® Branches are effectively conducted between the customers and Bendigo Bank.

To date, Bendigo Bank has granted around 180 franchises to Community Bank® Branches, located in places such as Avoca, Bellarine Peninsula, Carrum Downs, Coleambally, Doncaster East, East Gosford, East Malvern, Elwood, Fern Tree Gully, Henty, Kulin, Lang Lang, Laverton/Altona Meadows, Maldon, Minyip and Rupanyup (combined franchise), Nathalia, Neerim South, Parkdale, Ringwood East, Tambellup and Cranbrook (combined franchise), Toora, Upwey, Virginia, Warburton and Wentworth. Bendigo Bank has also granted a number of commercial franchises.

Regulation of Franchising

The relationship between Bendigo Bank and the Company as franchisor and franchisee is governed by the Franchising Code of Conduct (Franchising Code).

The Franchising Code is a mandatory industry code of conduct for the purposes of Section 51ACA of the Trade Practices Act 1974 (Cth) (TPA). Section 51AD of the TPA makes a contravention of the Franchising Code a contravention of Part IVB of the TPA.

The Franchising Code requires a franchisor to provide a prospective franchisee with a Disclosure Document, to enable the prospective franchisee to make a reasonably informed decision about entering into the franchise. The Franchising Code prescribes the information that must be included in the Disclosure Document. A Disclosure Document was provided to the Company in connection with the existing franchise arrangements for the Laverton/Altona Meadows and Altona Community Bank® Branches and a further Disclosure Document has been provided by Bendigo Bank to the Company in connection with the Franchise Agreement (New Franchise Agreement) relating to the proposed Point Cook Community Bank® Branch.

The Franchising Code requires that, prior to entering into a Franchise Agreement with the Company (see below), Bendigo Bank must have obtained from the Company a statement that the Company has received, read and had a reasonable opportunity to understand the Disclosure Document and the Franchising Code and statements as to whether the Company has obtained independent legal, accounting and business advice. The relevant statements have been provided to Bendigo Bank by the Company.

Existing Arrangements

In July 2000 the Company entered into a franchise agreement (the Original Franchise Agreement) with Bendigo Bank pursuant to which the Company acquired rights to manage the Laverton/Altona Meadows Community Bank® Branch of Bendigo Bank. The funds required for the Company to acquire these rights and provide initial working capital were raised by way of an offer of shares in the Company, under a Prospectus. The subscription price was \$1 per share and the sum of \$450,000 was raised under that offer. The Laverton/Altona Meadows Community Bank® Branch of Bendigo Bank has been operating since 3 July 2000. In November 2002 the Company terminated the Original Franchise Agreement and entered into a franchise agreement with Bendigo Bank pursuant to which the Company acquired rights to manage the Laverton/Altona Meadows and Altona Community Bank® Branches of Bendigo Bank (the Current Franchise Agreement). The funds required for the Company to acquire these rights and provide initial working capital were raised by way of an offer of shares in the Company, under a Prospectus. The subscription price was \$1 per share and the sum of \$530,000 was raised under that offer. Prior to the current Franchise Agreement being entered into, the Company issued an additional 22,500 Shares by way of a Bonus Issue. The Company currently has approximately 450 shareholders. The Altona Community Bank® Branch of Bendigo Bank has been operating since 1 November 2002. Information regarding the financial performance of the Company is set out in Section 4. The Current Franchise Agreement will not be amended and will continue to apply to the Company's management of the Laverton/Altona Meadows and Altona Community Bank® Branches.

The Company has also managed and operated a Bendigo sub-branch in Point Cook since 6 June 2005 under a Sub-Branch Agreement dated 2 June 2005. In light of the success of that venture, the Company has now decided to enter into arrangements under which the Company will convert the Point Cook sub-branch into a Community Bank® Branch of Bendigo Bank (this is discussed further below).

To facilitate these new arrangements, the Company has entered into the new Franchise Agreement (New Franchise Agreement) with Bendigo Bank pursuant to which, subject to the satisfaction of a number of conditions precedent, the Sub-Branch Agreement is terminated and the Company will have the right to manage and provide services to a Community Bank® Branch to be established instead of the

Point Cook sub-branch from the “Commencement Date”. The Commencement Date is the date the capital is raised under this prospectus (as specified in the New Franchise Agreement), unless a different date is agreed. As at the date of this Prospectus, the only condition precedent that has not been satisfied is the condition relating to the raising of the subscription amount (see below).

If the condition precedent (referred to above) in the New Franchise Agreement is not satisfied, the New Franchise Agreement will not commence operation and the existing Sub-Branch Agreement will continue to apply to the Point Cook Sub-Branch. The Company's right to manage and operate the Laverton/Altona Meadows and Altona Community Bank® Branches under the Current Franchise Agreement will be unaffected.

The Current Franchise Agreement is for an initial term of five years plus two options to renew each for a five year period (subject to the satisfaction of certain conditions at each renewal). The current term is due to expire on 31 October 2007.

New Franchise Arrangements

In addition to the arrangements described above in relation to the Laverton/Altona Meadows and Altona Community Bank® Branches, under the New Franchise Agreement, the Company will acquire the right to manage and provide services to the proposed new Point Cook Community Bank® Branch of Bendigo Bank. The term of these arrangements is an initial five years from the Commencement Date, plus two options to renew each for a five year period (subject to the satisfaction of certain conditions at each renewal).

For ease of reference in this Prospectus, the rights granted to the Company under the Current Franchise Agreement to manage and operate both the Laverton/Altona Meadows Community Bank® Branch and the Altona Community Bank® are referred to as the Laverton/Altona Meadows Franchise Rights, and the Altona Franchise Rights. The rights granted to the Company under the New Franchise Agreement to manage and operate the Point Cook Community Bank® Branch are referred to as the Point Cook Franchise Rights.

A condition precedent to the New Franchise Agreement being granted is that the Company raises the subscription amount of \$150,000 pursuant to the Issue. If this remaining condition in the New Franchise Agreement is not satisfied, the Company will not have the right to manage and operate the Point Cook Community Bank® Branch and the existing

Sub-Branch Agreement will continue to apply to the Company's management and operation of the Point Cook Sub-Branch.

The key features of the franchise arrangements are described below, and in Section 6 of this Prospectus.

3.3 Duration of Franchise

As noted in Section 3.2 above, the current five year term for the Laverton/Altona Meadows Franchise Rights and the Altona Franchise Rights expire on 31 October 2007 and Bendigo Bank has granted the Company the Point Cook Franchise Rights for an initial term of five years from the Commencement Date. Pursuant to the Current Franchise Agreement, the Company may seek to extend the term of the Laverton/Altona Meadows Franchise Rights and the Altona Franchise Rights (or either of them) for (in total) two additional five year terms each (subject to satisfying the applicable conditions). Pursuant to the New Franchise Agreement, the Company may seek to extend the term of the Point Cook Franchise Rights for (in total) two additional five year terms (subject to satisfying the applicable conditions).

It is possible that the Company will not be able to, or may not wish to, renew the term of the franchise rights in relation to one or more Community Bank® Branches at the end of an applicable five year term, but will do so in relation to one or more of the others. In such circumstances, it is possible that the Company will continue to manage and operate only one (or two) Community Bank® Branches. It is, of course, also possible that at the end of an applicable five year term, the Company may not be able to, or may not wish to, renew the franchise rights in relation to any of the branches, in which case, the Company would not be able to continue and operate any branch.

A request to extend the term of any of the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights or the Point Cook Franchise Rights, must be made between 3 and 6 months prior to the end of the then existing term relevant to that Franchise Right. Bendigo Bank must agree to extend the term of the particular Franchise Rights (ie the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights, the Point Cook Franchise Rights or any one or more of them) provided that the Company:

- is not in breach of the relevant Franchise Agreement;
- secures continued rights to possession and use of the relevant branch site(s) for the renewal period, and refurbishes the relevant site(s) to

the then current standards of Bendigo Bank franchises;

- provides the relevant statement required under the Franchising Code; and
- pays the Renewal Fee for the particular franchise rights being renewed under the applicable Franchise Agreement and pays Bendigo Bank's costs of renewing the term of the relevant Franchise Rights.

These conditions must be satisfied at the end of an initial term and, in the case of any Franchise Rights which are extended for the first five year period, at the end of that first renewal period.

Bendigo Bank has the ability to assign or novate its rights and obligations (or any part of them) under either Franchise Agreement at any time. However, Bendigo Bank must not assign its obligations (without the consent of the Company) unless the proposed assignee is either a related body corporate of Bendigo Bank, a person whose business includes the provision of financial services (and it is reasonable to expect that the person will be able to comply with its obligations under the Franchise Agreement) or a person who has entered into arrangements with Bendigo Bank and/or any of the foregoing, so as to enable that person to comply with its obligations under the Franchise Agreement. In any event, any assignee would have to continue to perform Bendigo Bank's obligations under the Franchise Agreement.

The Company may only dispose (in any way) of, or otherwise effect or permit a change of control or ownership of, the franchises (or any one of them), the Company or the Company's interest in the franchise operations, a Franchise Agreement (including, the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights or the Point Cook Franchise Rights) or the location of any branch with the prior written consent of Bendigo Bank and with the payment of a transfer fee to Bendigo Bank.

Bendigo Bank also has a pre-emptive right over the sale, transfer or disposal of the Company's interest in either of the Franchise Agreements, any of the Franchise Rights or the branch locations.

The consequences of the termination of the franchise are discussed in Section 5.2 below.

3.4 Activities of Company

Branches

The Laverton/Altona Meadows Community Bank® Branch at Shop 3, 28 Aviation Road, Laverton commenced operation on 3 July 2000. The Company

terminated the Original Franchise Agreement between the Company and Bendigo Bank and entered into the current Franchise Agreement with Bendigo Bank on 1 November 2002, pursuant to which the Company acquired rights to manage the Laverton/Altona Meadows and Altona Community Bank® Branches of Bendigo Bank. Rental costs for the Laverton/Altona Meadows site have been included for the purposes of the forecasts. The Laverton/Altona Meadows Community Bank® Branch is open from 9.00am to 5.00pm on Monday to Friday, and from 9.00am to 12 noon on Saturday, excluding public holidays.

The Altona Community Bank® Branch at 64 Pier Street Altona, commenced operation on 1 November 2002. The Company has managed that branch since that time under the Current Franchise Agreement between the Company and Bendigo Bank. There is no rental cost in association with the Altona branch as the premises is owned by the Company. The Altona Community Bank® Branch is open from 9.00am to 5.00pm on Monday to Friday, and from 9.00am to 12 noon on Saturdays, excluding public holidays.

In addition, the Company intends to convert its existing Bendigo Bank sub-branch in Point Cook into a Community Bank® Branch of Bendigo Bank at Shop 24, Sanctuary Lakes Shopping Centre, 300 Point Cook Road, Point Cook. Rental costs for that site have been included for the purposes of the forecasts.

It is proposed that the Point Cook Community Bank® Branch will open from 9.00am to 5.00pm on Monday to Friday, and from 9.00am to 12 noon on Saturday, excluding public holidays.

It is possible, with Bendigo Bank's consent, to operate the existing and proposed Community Bank® branches from sites in addition to, or in substitution of, the current proposed sites. However, the Directors have no intention to do so at this stage.

Branch Manager and Employees

The Company currently employs Branch Managers and a number of employees to staff the Laverton/Altona Meadows and Altona Community Bank® Branches. It is envisaged that a new Customer Service Manager will be employed by the Company to manage the Point Cook Community Bank® Branch. All employees must be first approved by Bendigo Bank. It is also possible that staff will be seconded from the Bendigo Group.

Financial Products and Services

Through the existing Laverton/Altona Meadows and Altona Community Bank® Branches and the new Point

Cook Community Bank® Branch, the Company will provide a range of financial products and services determined by Bendigo Bank from time to time.

The products and services will include (but are not necessarily limited to) the following:

- deposit business, for example, “Ultimate” accounts, term deposits, “Money Extra”, “Classic” accounts, investment accounts and specialised rural accounts;
- personal bank products and services, for example, credit and debit cards, insurance and financial planning;
- loans and lending products, for example, home loans, investment loans, home equity loans, leasing, commercial loans, farm loans and personal loans;
- investment products, such as superannuation, Sandhurst Select products and common fund and tax-based savings products; and
- cash and cheque facilities, delivered through electronic means and ATM services.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the Company facilitating the provision of those products.

All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The products and services available to be offered via the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook Community Bank® Branch will not necessarily be the same as those offered by other Bendigo Bank branches or franchises or by each other. However, the Company will endeavour to ensure that the products and services offered will be appropriate for the requirements of its customers.

Other Products and Services

In addition, the Company can offer or promote other products and services under agreements with members of the Bendigo Group if Bendigo Bank has given its prior consent. In particular, the Directors envisage that the Company may enter into a referral agreement with a member of the Bendigo Group under which the Company will, in return for a commission, offer and promote to the community non-banking products and services offered by that group member.

These products and services may, for example, include telecommunication services.

3.5 Benefits of Franchise Arrangements

Name, Logo and Systems

As part of the franchise arrangements, Bendigo Bank grants the Company the right to use its name, logo and system of operations and other relevant intellectual property rights including the trademark “Community Bank® ” for the purpose of managing the Community Bank® Branches of Bendigo Bank. To the extent that it is able, Bendigo Bank will also give the Company reasonable access to all information and technology created or obtained by Bendigo Bank in connection with other franchises.

The Company will have the benefit of all general advertising and promotions undertaken by Bendigo Bank, in addition to the local promotional activities undertaken by the Company itself (in accordance with the controls set out in the Franchise Agreements).

Assistance and Advice

Bendigo Bank has provided, and will continue to provide, significant assistance in relation to the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook Community Bank® Branch including:

- advice and assistance in relation to the design, layout and fitout of each branch;
- training for the staff in banking, management systems and interface protocol; and
- assistance in the launch of the Point Cook Community Bank® Branch (assistance has already been given by Bendigo Bank in relation to the launch of the Laverton/Altona Meadows and Altona Community Bank® Branches).

Bendigo Bank will continue to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of each branch, including advice in relation to:

- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

Non-exclusive Franchise

The franchise rights granted under the Franchise Agreements are non-exclusive. That is, any member of the Bendigo Group is able to carry on any business (including the granting of franchises) anywhere. Further, Bendigo Bank (for example, through branches), any related body corporate of

Bendigo Bank and any Bendigo Bank franchise are entitled to be located anywhere and to market to, or deal with, persons located anywhere.

Similarly, although the location of the branches at which the franchise operations are carried on must be approved by Bendigo Bank, the Company is entitled to market to, or deal with, persons located anywhere.

3.6 Restrictions on Operations

Sole Purpose Company

The Franchise Agreements provide that, subject to the ability to provide certain other products and services (see below), the Company must not carry on any business other than managing and operating the Laverton/Altona Meadows, Altona and Point Cook Community Bank® Branches of Bendigo Bank, and it must not own or use any assets, or incur any liabilities, other than those required for the operation of those branches.

The Company may offer or promote other products and services pursuant to an arrangement with a member of the Bendigo Group if Bendigo Bank has given its approval.

Competition Restrictions

The Company is also subject to covenants that restrict its activities both during the term of the franchise, and for a further three years after the franchise has terminated.

Pursuant to these covenants (contained in the Franchise Agreements), the Company must not:

- have any interest in an entity carrying on business that is substantially the same as that conducted by Bendigo Bank through its franchises, or is in competition in relation to that business or in relation to any other business carried on by the Bendigo Group;
- seek to attract any customers or employees from Bendigo Bank or any of its franchisees; or
- otherwise interfere with the business being conducted by Bendigo Bank.

Similar restrictions apply to the Directors of the Company.

Bendigo Bank Involvement

Bendigo Bank will retain a tight control over the day to day operations of the Company, including the provision by the Company to Bendigo Bank of regular and detailed reports. Bendigo Bank also has the right to inspect or audit the franchise records.

In particular, as noted above, the products and services to be supplied through the Company will be determined by Bendigo Bank. As described in

Section 3.4 above, all credit transactions must be approved by Bendigo Bank.

Further, the Company must only use Bendigo Bank's intellectual property (including its trademarks) licensed to the Company under the Franchise Agreements in accordance with the guidelines provided by Bendigo Bank.

The Company has been appointed as an 'authorised representative' of Bendigo Bank pursuant to a separate authorised representative appointment (see Section 7.4 below).

3.7 The Company's Board of Directors

The management and control of the business and affairs of the Company is the responsibility of the Board of Directors. There are various rules in the Constitution to ensure that shareholders regularly have the opportunity to vote on Directors. In particular, under the terms of the Constitution, one-third of the Directors (other than an "exempt" Managing Director, if any) will be required to retire at each Annual General Meeting and further, a Director must retire from office at the conclusion of the third Annual General Meeting after which that Director was elected or re-elected. However, Directors who so retire are eligible for re-election. In addition, persons who are appointed as Directors by the Board must retire at the next Annual General Meeting but are eligible for re-election and an employee who is a Director must retire as a Director if they cease to be an employee but is also eligible for re-election.

Notwithstanding the procedure set forth above, it is proposed by the Board that the rules in respect to the retirement and nomination of Directors will be amended at the next Annual General Meeting of the Company. Please refer to section 5.5 for a further description as regards the amendment to the Constitution which will be sought by the Company in respect to the retirement and nomination of Directors.

3.8 Share Price

Shares in the Company have been listed on the BSX since 29 November 2005. While past performance cannot be taken as an indication of future performance, as at 24 October 2006 there have been no shares traded on the BSX. Updated share price information can be obtained from the BSX.

4. Financial information

4.1 Financial Performance

Overview of the process of preparing the forecasts

Based on the history of operations of the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook sub-branch, the Company (together with assistance from Bendigo Bank based its experience with its own branches and other franchises), has prepared forecasts of the interest earnings from the lending products and the interest cost of the deposits, together with forecasts of other revenue streams.

The assumptions made in relation to this financial modelling conducted by the Company and Bendigo Bank are those set out below and in Sections 4.3 and 4.4.

Various forecasts have been prepared, each assuming that a different level of business is generated by the Company as a whole. The process of preparation of the forecasts is discussed in detail below. The annual operating costs (refer to Section 4.4) were estimated by the Company on the basis of the annual operating costs incurred by the Laverton/Altona Meadows and Altona Community Bank® Branches, and the Point Cook sub-branch, and on the bases of other comparable Bendigo Bank branches and franchises. (This comparable information was provided, without identifying particular franchises, by Bendigo Bank.)

The estimated annual operating costs of the Company was included to arrive at the estimated operating profit or loss before any allowance for depreciation, tax or dividends.

The Company's accountant was then provided with these figures and, as part of the accountant's role in relation to the preparation and review of the forecasts, the accountant calculated the depreciation and taxation expenses.

Various forecasts have been prepared for the Company as a whole. The process of preparation of the forecasts is discussed in detail below.

(a) Company Forecast (see Table 1 below)

This is a forecast for the Company as a whole assuming that it will manage the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook Community Bank® Branch after it converts from a sub-branch

and that for the first year of the forecast each of the Laverton/Altona Meadows Community Bank® Branch and the Altona Community Bank® Branch achieves the level and type of business consistent with that achieved in the previous year and that the Point Cook Community Bank® Branch achieves the level and type of business consistent with that achieved in the previous year by the Point Cook sub-branch.

(b) 80% of Company Forecast (see Table 2 below)

This is a forecast for the Company as a whole assuming that the Company will manage the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook Community Bank® Branch after it converts from a sub-branch and assuming that, in the first year of the forecast, the Company achieves 80% of the volume of business assumed for the "Company Forecast" (refer to Section 4.1 (a) above).

(c) 120% of Company Forecast (see Table 3 below)

This is a forecast for the Company as a whole assuming that the Company will manage the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook Community Bank® Branch after it converts from a sub-branch and assuming that in the first year of the forecast, the Company achieves 120% of the volume of business assumed for the "Company Forecast" (refer to Section 4.1 (a) above).

Assumptions

Whilst the Directors have given due care and attention to adopting the forecasts in this Prospectus, they can give no guarantee that these results will be achieved, since there are many factors beyond their influence and control. Some of these risks are discussed in Section 5 below.

The assumptions on which these forecasts are based are set out in Sections 4.3 and 4.4 below. The impact of the GST is discussed in Section 4.5.

(i) Company Forecast

Table 1 shows that the Company could, if it achieves the assumed level of business for this forecast, generate a profit before tax of \$317,072 in the year ending 30 June 2007.

Table 1: Company Forecast

	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Revenue from Ordinary Activities ¹	1,002,528	1,250,655	1,542,014	1,749,300
Expenses from Ordinary Activities ²				
Employee Expenses	(411,163)	(444,740)	(593,879)	(751,000)
Other Expenses	(338,460)	(467,072)	(601,445)	(619,892)
Depreciation and amortisation ³	(64,249)	(58,601)	(61,468)	(61,336)
Operating Profit before tax	188,656	280,242	285,222	317,072
Income Tax expense ⁴	(63,858)	(91,528)	(92,447)	(105,602)
Estimated Operating Profit after income tax	124,798	188,714	192,775	211,470
Retained profits (accumulated losses) at the beginning of the financial year	(213,549)	(138,876)	(32,410)	57,865
Net movement in equity from adoption of AIFRS	-	(2,048)	-	-
Dividends paid	(50,125)	(80,200)	(102,500)	(132,814)
Retained Profits (accumulated losses) at the end of the financial year	(138,876)	(32,410)	57,865	136,521

Notes:

1 See assumptions in Section 4.4 below.

2 See assumptions in Section 4.5 below.

3 Non Current Assets will be depreciated over their useful economic life as follows:-

Life	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Depreciation of non current assets				
Leased Assets 5 years	3,123	3,122	3,122	3,122
Owned Plant & Equipment Straight Line 3 - 13 years	36,296	30,649	33,516	32,384
Amortisation of non current assets				
Franchise fee Term of the franchise	24,830	24,830	24,830	25,830
Total	\$64,249	\$58,601	\$61,468	61,336

4 Income Tax Expense. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Operating Profit before tax	188,656	282,160	285,222	317,072
Income tax expense calculated at 30% of operating profit	56,598	84,648	85,567	95,122
Add tax effect of:				
- Non-deductible expenses	7,829	7,449	7,449	11,049
- tax effects of timing differences	(569)	(569)	(569)	(569)
Income tax expense on operating profit	63,858	91,528	92,447	105,602

The income tax expense may vary depending upon allowable tax deductions to the company under current income tax legislation.

Assumptions

The following two forecasts illustrate how changes in the level of business generated by the Community Bank® Branches affect the forecasts in Table 1 above. For these tables, all of the other assumptions described in Sections 4.3 and 4.4 remain the same. (See Section 4.5 for a discussion of the impact of the goods and services tax).

(ii) 80% of Company Forecast

Table 2 shows that the Company could, if it achieves the assumed level of business for this forecast (see Section 4.1(b) above), generate a profit before tax of \$283,412 in the year ending 30 June 2007.

Table 2: 80% of Company Forecast

	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Revenue from Ordinary Activities ¹	1,002,528	1,250,655	1,542,014	1,715,640
Expenses from Ordinary Activities ²				
Employee Expenses	(411,163)	(444,740)	(593,879)	(751,000)
Other Expenses	(338,460)	(467,072)	(601,445)	(619,892)
Depreciation and amortisation ³	(64,249)	(58,601)	(61,468)	(61,336)
Operating Profit before tax	188,656	280,242	285,222	283,412
Income Tax expense ⁴	(63,858)	(91,528)	(92,447)	(95,504)
Estimated Operating Profit after income tax	124,798	188,714	192,775	187,908
Retained profits (accumulated losses) at the beginning of the financial year	(213,549)	(138,876)	(32,410)	55,947
Net movement in equity from adoption of AIFRS	-	(2,048)	(1,918)	-
Dividends paid	(50,125)	(80,200)	(102,500)	(132,814)
Retained Profits (accumulated losses) at the end of the financial year	(138,876)	(32,410)	55,947	111,041

Notes:

1 See assumptions in Section 4.4 below.

2 See assumptions in Section 4.5 below.

3 See note 3 to Table 1 above.

4 Income Tax Expense. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Operating Profit before tax	188,656	282,160	285,222	283,412
Income tax expense calculated at 30% of operating profit	56,598	84,648	85,567	85,024
Add tax effect of:				
- Non-deductible expenses	7,829	7,449	7,449	11,049
- tax effects of timing differences	(569)	(569)	(569)	(569)
Income tax expense on operating profit	63,858	91,528	92,447	95,504

The income tax expense may vary depending upon allowable tax deductions to the company under current income tax legislation.

(iii) 120% of Company Forecast

Table 3 shows that the Company could, if it achieves the assumed level of business for this forecast (see Section 4.1(c) above), generate a profit before tax of \$350,732 in the year ending 30 June 2007.

Table 3: 120% of Company Forecast

	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Revenue from Ordinary Activities ¹	1,002,528	1,250,655	1,542,014	1,782,960
Expenses from Ordinary Activities ²				
Employee Expenses	(411,163)	(444,740)	(593,879)	(751,000)
Other Expenses	(338,460)	(467,072)	(601,445)	(619,892)
Depreciation and amortisation ³	(64,249)	(58,601)	(61,468)	(61,336)
Operating Profit before tax	188,656	280,242	285,222	350,732
Income Tax expense ⁴	(63,858)	(91,528)	(92,447)	(115,700)
Estimated Operating Profit after income tax	124,798	188,714	192,775	230,032
Retained profits (accumulated losses) at the beginning of the financial year	(213,549)	(138,876)	(32,410)	57,865
Net movement in equity from adoption of AIFRS	-	(2,048)	(1,918)	-
Dividends paid	(50,125)	(80,200)	(102,500)	(132,814)
Retained Profit (accumulated losses) at the end of the financial year	(138,876)	(32,410)	57,865	155,083

Notes:

- 1 See assumptions in Section 4.4 below.
- 2 See assumptions in Section 4.5 below.
- 3 See note 3 to Table 1 above.
- 4 Income Tax Expense. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Operating Profit before tax	188,656	282,160	285,222	350,732
Income tax expense calculated at 30% of operating profit	56,598	84,648	85,567	105,220
Add tax effect of:				
- Non-deductible expenses	7,829	7,449	7,449	11,049
- tax effects of timing differences	(569)	(569)	(569)	(569)
Income tax expense on operating profit	63,858	91,528	92,447	115,700

The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation.

4.2 Sensitivity

The forecasts will be affected by the following factors:

- the extent to which the business generated by the Point Cook Community Bank® Branch varies from the performance of the Point Cook sub-branch including in respect of:
 - the value of the accounts;
 - different business mixes;
 - the timing of writing the business; and
 - account retention;
- the extent to which the business generated by each of the Laverton/Altona Meadows and Altona Community Bank® Branches varies from the business generated by that branch in the past, including the impact of the Point Cook Community Bank® Branch;
- interest rate variations (though see Section 4.3 below); and
- operating costs containment.

4.3 Revenue

Revenue Calculation

The estimated revenue for the 2007 financial year is the amount that would be earned by the Company under both Franchise Agreements on the basis of the assumed level of business for that year (see below).

Both Franchise Agreements provide for three types of revenue that may be earned by the Company.

First, in respect of each branch, the Company is entitled to 50% of the monthly gross margin earned by Bendigo Bank on products and services provided through the Company that are regarded as “day to day” banking business (ie ‘margin business’). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the Company effectively incurs, and must bear, 50% of that loss.

The second source of revenue for the Company is commission paid by Bendigo Bank on the other products and services provided through the Company (ie ‘commission business’).

The initial list of products and services to be provided by the Company is set out in Section 3.4. The Franchise Agreements provide that a commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Elders Rural Bank, leasing referrals, fixed loans

and certain term deposits (>90 days), and that all other products and services are taken into account in determining the gross margin. The amount of commission payable can be varied in accordance with the Franchise Agreements (which, in some cases, permits commissions to be varied at the discretion of Bendigo). However, for the purposes of the forecasts, it has been assumed that the rates of commission payable to the Company will not vary during the forecast period.

The third source of revenue is a proportion of the fees and charges (that is, what are commonly referred to as ‘bank fees and charges’) charged to customers to which the Company may be entitled. This proportion (if any) is determined by Bendigo Bank, may vary between products and services and may be amended by Bendigo Bank from time to time. For the purposes of these forecasts, it has been assumed that the proportions will not vary during the forecast period.

As it is too uncertain to determine whether any revenue (and, if so, how much) will be generated by the Company in promoting or offering “non banking” products or services during the forecast period (see Section 3.4), no such revenue has been included in any forecast.

Level of Business

In preparing the forecasts, the following assumptions were made in relation to the level and type of business to be generated by the Company.

In preparing the forecast in Table 1 for the year ending 30 June 2007, the Directors have taken into account the actual level and mix of business for the Laverton/Altona Meadows and Altona Community Bank® Branches for the year ended 30 June 2006 and assumed a consistent straight line growth in business. This growth rate has been set having regard to the growth to date experienced by the Company operating both of the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook sub-branch, and the experience of the growth achieved across the Community Bank® Branch network. The level and mix of business assumed for the Point Cook Community Bank® Branch in Year 1 is discussed in Section 4.1 above.

In Table 2, it has been assumed for the year ending 30 June 2007 that the Company will only achieve 80% of the volume of business assumed for that year in Table 1.

In Table 3, it has been assumed for the year ending 30 June 2007 that the Company will achieve 120% of the business assumed for that year in Table 1.

Interest Rates

Interest rates (set out below) within broad product groups have been adopted across all forecasts.

Product	Rate
Personal Transaction Account	2.63%
Business Cheque Account	2.06%
Term Deposits ≤ 90 days	5.31%
Home Loans	7.15%
Home Equity Loans	8.76%
Credit Cards	9.31%
Overdrafts (Business)	8.76%
Personal Loans	10.69%

“The rates in the above table represent a weighted average of the interest earned on products within each product group listed across comparable Community Bank® Branches. They are included in the Prospectus solely for the purpose of providing information concerning the rates of interest used in preparing the forecasts and do not purport to represent a market interest rate that customers of any Bendigo Bank Branch should expect to be offered. The interest rates were determined as at 30 September 2006 when the forecasts were prepared. Although some of these rates would now be likely to have changed given movements in market interest rates in the intervening period, the margins that the Company could expect to receive on these products and services have not changed in any material respect. As indicated below, it is changes in the interest rate margin that would be expected to affect the profitability of the Company.”

In determining the profitability of a Community Bank® Branch (as with any other bank branch), one factor is the interest rate margin. The interest rate margin can be described as the difference between the interest rate earned on lending products as compared to the interest rate paid out on deposits and investments. If interest rates change over the period of the forecasts in this Prospectus, the profitability of the branch may not be affected, if the interest rate margin remains unchanged.

However, as the interest rate margin changes, so does the profitability of the branch. It is estimated that, for the “Company Forecast” in Table 1 above, an increase/decrease of 0.1% in the interest rate margin would increase/decrease the Company’s gross revenue by the following amounts:

2007: \$39,375

ATM Fees

The forecasts in this Prospectus contain an estimate of the amount of fees generated from

non Bendigo Bank customers using the Company’s proposed ATM.

A parliamentary inquiry has called for a change in the method of calculating these “foreign” ATM fees that would result in a lower fee being charged.

4.4 Establishment and Operating Costs

The following costs of the Company were taken into account in preparing the forecasts:

- the initial investment required to convert the Point Cook sub-branch into a Community Bank® Branch and commence operations; and
- the estimated annual operating costs of the Point Cook Community Bank® Branch and the Laverton/Altona Meadows and Altona Community Bank® Branches.

Establishment Costs

The establishment costs include:

- the Franchise Fees and Training Costs in relation to Point Cook ;
- site modifications in relation to Point Cook ;
- legal and accountancy costs (including the costs of undertaking this Issue);
- the cost of quotation of the Shares issued pursuant to this Prospectus on the Bendigo Stock Exchange;
- the costs of the launch of the Point Cook Community Bank® Branch; and
- working capital.

Annual Operating Costs

The operating costs of the Company have been included in Section 4.1.

These costs include:

- annual Bendigo Stock Exchange listing and quotation fees;
- share registry fees;
- labour (Branch Manager and Customer Service Officers) and related costs (eg uniforms);
- occupancy and outgoings;
- marketing;
- bad debts and other credit expenses ;
- IT equipment, running costs and support costs;
- insurance;
- phone and fax;
- postage and stationery;
- cash logistics;
- security monitoring and maintenance;
- travel and accommodation;

- repairs and maintenance;
- automatic teller machine (ATM);
- accountancy and secretarial; and
- annual audit fees.

4.5 Goods and services tax

The goods and services tax (GST) legislation took effect from 1 July 2000. The impact of the GST on providers of financial services is quite different from its impact on other businesses. Most businesses are able to claim back all GST paid on business inputs. This is not the case for providers of ‘financial supplies’. Providers of ‘financial supplies’ are input taxed. This means that they can not charge GST on these ‘financial supplies’ and can not claim back all the GST paid on their inputs.

The regulations distinguish between a financial supply “provider” who makes a financial supply and a “facilitator” who facilitates a financial supply made by another entity. Generally, supplies by a “financial supply facilitator” are not financial supplies and would therefore be subject to GST.

The Company is a “financial supply facilitator” and it is able to reclaim the GST suffered on its business inputs but also required to account for GST on its revenues.

For the purposes of the forecasts in this Prospectus, it has been assumed that the services which the Company provides to Bendigo Bank are subject to GST, and the tax paid on purchases of inputs to the business will be able to be reclaimed in full. The revenues stated in the forecasts are net of GST and the costs are net of input tax credits.

4.6 Pro forma Balance Sheet

Set out below is an unaudited pro forma balance sheet for of the Company showing the actual position prior to the date of Issue and alternative unaudited pro forma balance sheets showing the effect of the Issue.

4.7 International Financial Reporting Standards

All financial information disclosed in this prospectus has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board. Urgent Issues Group Interpretations and Corporations Act 2001

	Actual as at 30 June 2005 \$	Unaudited Pro Forma 30 June 2006 ^{1&2} \$
Current Assets		
Cash & Cash Equivalents	664,169	814,169
Trade & Other Receivables	150,107	150,107
Other	8,019	8,019
Total Current Assets	822,295	972,295
Non-Current Assets		
Property, plant and equipment	798,018	798,018
Deferred tax asset	38,219	38,219
Intangible Assets	7,677	7,677
Total Non-Current Assets	843,914	843,914
Total Assets	1,666,209	1,816,209
Current Liabilities		
Trade & Other Payables	117,232	139,532
Interest bearing liabilities	6,948	6,948
Current Tax liability	(19,875)	(19,875)
Provisions	160,431	160,431
Total Current Liabilities	264,736	287,036
Current Liabilities		
Provisions	79,305	79,305
Interest bearing liabilities	221,408	221,408
Tax liabilities	18,866	18,866
Total Non-Current Liabilities	319,579	319,579
Total Liabilities	584,315	606,615
Net Assets	1,081,894	1,209,594
Equity		
Issued capital 1,253,135 ordinary shares (after bonus issue)	980,008	-
Issued capital 1,403,135 ordinary shares (after bonus issue)	-	1,130,008
Less: Equity raising costs	-	(22,300)
Retained profits (accumulated losses)	57,865	57,865
Revaluation Reserve	44,021	44,021
Total Equity	1,081,894	1,209,594

Notes

- 1 Assumes the Offer is fully subscribed and no oversubscriptions are accepted, and all Shares have been allotted.
- 2 This Balance sheet shows the position before any amount has been paid to Bendigo Bank under the Franchise Agreement.

5. Risk Factors

5.1 Introduction

Potential investors should consider the risks of investing in the Company carefully before making an investment decision. Your investment is not guaranteed by Bendigo Bank.

Particular investment risks arise due to the specific purpose for which the Company is being established and the specific nature of the business to be conducted by the Company, that is, to manage and operate three Community Bank® Branches of Bendigo Bank pursuant to the Current Franchise Agreement and the New Franchise Agreement with Bendigo Bank.

An investment in the Company is also affected by the business risks to which the Company will be subject, which may affect the success of the Company and, accordingly, its ability to pay dividends and its ongoing operation.

The following Sections highlight some of the key risks associated with an investment in the Company. There may also be other risks.

5.2 Investment Risk

Dividends

The Directors have established a policy whereby company earnings will be, as a general rule, applied at the discretion of the Directors in one or more of the following ways:

- (a) in payment of dividends to shareholders (subject to the limit described below);
- (b) towards community or charitable projects as determined by the Directors from time to time; or
- (c) as working capital.

The timing and payment of dividends is dependent on many factors which affect future profits and the financial position of the Company. Dividends will be determined by the Directors according to actual results, financial position, capital requirements, operating costs and economic conditions at the time. There will also be an assessment by the Directors of the needs of any worthwhile community or charitable projects. Further, in recognition of the aims of the Company to deliver social and economic benefits to the community (in addition to, if possible, a return to shareholders), the Company has agreed that in

any 12 month period, the aggregate of the profits or funds of the Company distributed to shareholders (whether by way of dividends, bonus shares or otherwise) must not, except in the case of a winding up, exceed the Distribution Limit. The Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital over that 12 month period (as determined by Bendigo Bank in consultation with the Company). The Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period (as determined by Bendigo Bank) plus 5%.

Of course, the actual amounts distributed to shareholders may be less than the Distribution Limit.

The company has paid dividends previously and intends to continue to pay dividends as per the forecasts set forth in section 4 of this Prospectus.

Trading in Shares

The Company provides members of the community with the opportunity to contribute to establishing and maintaining Community Bank® Branches of Bendigo Bank in Laverton/Altona Meadows, Altona and Point Cook. The community nature of the Company is reflected in the provisions of its Constitution relating to voting rights and limits on shareholding interests (see Sections 7.1 to 7.3 below).

Because of the community based nature of the Company, it is not envisaged that there will be significant trade in shares in the Company. Accordingly, there may be limited opportunities for members to recoup their investment in the Company by disposing of their Shares.

In particular, while the Company is listed and its Shares are quoted on the BSX (and the Directors intend to apply for quotation on that Exchange of the Shares issued pursuant to this Prospectus), as listing and quotation impose additional obligations and costs on the Company, it is possible that in the future, the Directors will form the view that listing and quotation is no longer in the best interests of the Company.

Even if the Company remains listed on the BSX and all Shares are quoted, it is not anticipated that an active market for trading of the Shares will develop. For example, the current and possible further restriction (refer Section 7.3) on shareholding interests may limit those persons who are able to

purchase Shares in the Company. If the market for the Shares is not liquid, it is possible that the market price of the Shares may not reflect the true underlying value of the Company.

Further, the market price of the Shares will fluctuate due to various factors, including general movements in the Australian equity market (which, in turn, is influenced by the international equity markets), investor perceptions, local and worldwide economic conditions, movements in interest rates and specific factors affecting the performance and financial position of the Company and its business.

In addition, in the case of some companies listed on a stock market, it is possible that their share price may include a “control premium” to reflect the fact that a person may wish to acquire sufficient shares in the company to gain control of the company and, to do so, the acquirer would need to pay a premium above the underlying share price. It is unlikely that such a premium will be present in the case of the Shares (or will be paid by an acquirer), given the restrictions on share ownership in the Constitution and the fact that a change of control of the Company may trigger a termination of both Franchise Agreements.

In summary therefore, it is possible that the market price of the Shares may be lower than the issue price under the Offer or otherwise may not reflect the true underlying value of the Company or its performance. While this risk applies to all investments in any securities on any stock market, it applies particularly so here given the community nature of the Company (for example, the restriction on dividend payments), the limitations on share ownership, the restrictions on the business activities of the Company and the likelihood of an illiquid market.

Termination of Franchise

The maximum possible term of the Laverton/Altona Meadows Franchise Rights and the Altona Franchise Rights and the maximum possible term of the Point Cook Franchise Rights are discussed in Sections 3.2 and 3.3 above. After that, the continued operation of each Community Bank® Branch will be subject to further negotiations with Bendigo Bank. Bendigo Bank also has broad rights to terminate the Franchise Agreements (see Section 6 below), the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights or the Point Cook Franchise Rights, in particular, if the relevant Community Bank® Branch is not profitable.

If the Current Franchise Agreement is terminated, the Laverton/Altona Meadows Franchise Rights and

the Altona Franchise Rights would also terminate. However, the New Franchise Agreement and the Point Cook Franchise Rights would not, by that fact alone, terminate. However, if the Current Franchise Agreement is terminated, this would generally give rise to a right for Bendigo Bank to terminate the New Franchise Agreement. If the New Franchise Agreement is terminated the Point Cook Franchise Rights would also terminate. However, the Current Franchise Agreement and the Laverton/Altona Meadows Franchise Rights and the Altona Franchise Rights would not, by that fact alone, terminate. Further, this would generally not give rise to a right for Bendigo to terminate the Current Franchise Agreement.

Further, under the Current Franchise Agreement it is possible for Bendigo Bank to elect to terminate only one of the franchise rights provided for under that agreement. If (for example) the Laverton/Altona Meadows Franchise Rights alone are terminated (in accordance with the Current Franchise Agreement), the Altona Franchise Rights and the Point Cook Franchise Rights would not, by that fact alone, necessarily terminate (and vice versa). In other words, it is possible that the Company may end up managing and operating only one (or two) of the branches.

The Company is not entitled to any payment upon termination of either of the Franchise Agreements or any of the Franchise Rights, though it would be entitled to the net proceeds of the sale or transfer of any or all of the Franchise Agreements or Franchise Rights if, at its discretion, Bendigo Bank proceeded with such a sale or transfer after termination (see Section 6 below).

There are no restrictions on where Bendigo Bank (or any of its related bodies corporate or other Bendigo Bank franchisees) may carry on business or be located (either before, during or after the term of the Franchise Agreements – see Section 3.5 above).

On the expiration or earlier termination of a Franchise Agreement, the Company is prohibited from carrying on a substantially similar business for three years.

There are also restrictions on the ability of the Company to dispose of its rights in the franchises, a Franchise Agreement (including the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights and the Point Cook Franchise Rights or all of them, as the case may be), the franchise operations or the branch location (see Section 3.3 above).

5.3 Business Risks

Sole Purpose Company

The Company will essentially be a sole purpose company.

Subject to the ability to offer and promote other products and services under agreements with Bendigo Group members that have been approved by Bendigo Bank, the Company's only business will be managing the three Community Bank® Branches of Bendigo Bank.

Level of Banking Business

Although all transactions conducted through the branches will actually be conducted with Bendigo Bank, the effect of the gross margin sharing arrangement (as described in Section 4.3) is that the Company bears the risk of generating sufficient income from the banking business to derive a profit.

It is important to recognise that the forecasts presented in Section 4.1 are based (in part) on the performance of the Point Cook sub-branch and the Laverton/Altona Meadows and Altona Community Bank® Branches to date, and accordingly, there is no guarantee that the results set out in Section 4 will be achieved. In addition, part of the revenue earned by the Company is based on commission and fee income on certain products and services, and the commission and fees payable to the Company can be varied (in some cases, at the discretion of Bendigo Bank).

The ability of the Company to generate new business is subject to factors beyond the control of the Company.

The level of banking business conducted through the Laverton/Altona Meadows and Altona Community Bank® Branches and the Point Cook Community Bank® Branch will be affected by general economic conditions, in particular, the effect of interest rate movements on the interest rates offered by Bendigo Bank.

It should be recognised that the Company will face competition from other financial service providers (including, possibly, other branches and franchises of Bendigo Bank) whether located in Laverton/Altona Meadows, Altona or Point Cook or in other nearby communities or that are able to deliver such services remotely (for example, through the internet or over the phone). It is also possible that, in the future, other financial services outlets could seek to open in Laverton/Altona Meadows, Altona or Point Cook, particularly if the Community Bank® Branches are successful.

The Directors believe that the possibility of three Community Bank® branches in close proximity offers additional convenience and service opportunities to local people, and may increase the rate of conversion of new customers to the branches. It is however possible that this additional business may be offset if Point Cook residents choose to base their banking at Laverton/Altona Meadows or Altona instead of converting their business to Point Cook as indicated. The Directors are unable to quantify the value of such business that may be affected.

Branch Operations

Like any small business, the Branch Manager and employees will have a key role in the success of each of the Community Bank® Branches. The Branch Manager and employees of each Community Bank® Branch will be responsible for promoting the branch, and providing a level of service and support that will engender ongoing relationships with customers. The ability of the Branch Managers to communicate effectively with representatives of Bendigo Bank, and represent the interests of the Community Bank® Branches, will also be critical to the smooth operation of the branch.

Although all deposits made through the Laverton/Altona Meadows, Altona and Point Cook Community Bank® Branches will be transferred to Bendigo Bank, the Company will bear the risk of implementing procedures for handling and transferring such deposits.

Three Branches

The Company will manage and operate three Community Bank® Branches of Bendigo Bank. Thus, shareholders of the Company will share the risks, and rewards, of all three branches. For example, it is possible that losses from one branch could offset the profits from the other two. Similarly, should the Company incur any liabilities in respect of one branch, all assets of the Company (including assets relating to the other branches) would be available to meet those liabilities.

5.4 Relationship with Bendigo Bank

Success of Bendigo Bank

The Laverton/Altona Meadows, Altona and Point Cook Community Bank® Branches will operate under the Bendigo Bank name and (subject to any products and services approved by Bendigo Bank that may be provided under agreements with Bendigo Group members) will only provide Bendigo Bank products and services.

Accordingly, the success of the Company is, to a significant degree, dependent on the standing and success of Bendigo Bank.

The products and services provided through the Company, and the income that Bendigo Bank (and, accordingly, the Company) is able to earn on those products and services, will be subject to the competitive pressures facing Bendigo Bank generally and the impact of economic conditions and other factors on the business of Bendigo Bank.

Approvals

As described in Section 3.6 above, many of the Company's business decisions (including the products and services made available, the annual budgets and the credit business generated through the branch) are subject to the approval of Bendigo Bank.

It is clear that the Company and Bendigo Bank have a common interest in the success of the Company. However, as noted above, communication between the Company and Bendigo Bank will be critical to ensuring that Bendigo Bank understands the particular requirements of the Laverton/Altona Meadows, Altona and Point Cook Community Bank® Branches and decisions in respect of the branch operations are made accordingly.

Bendigo Bank Claims

Pursuant to a broad indemnity in both of the Franchise Agreements, the Company is responsible for certain claims made against Bendigo Bank in connection with the operation of the franchise operations (see Section 6).

5.5 Constitution Amendments

Since the initial incorporation of the Company, Bendigo Bank have made numerous amendments to the Constitution which is required to be adopted by Companies seeking to be granted a Franchise Agreement by Bendigo Bank. In order to maintain a consistency between the Constitutions of all Companies who are managing Community Bank® Branches of Bendigo Bank, Bendigo Bank has requested that the Company gives consideration to amending its current Constitution.

The proposed amendments which Bendigo Bank is seeking the Company to make to its Constitution are summarised hereunder. The Board has reviewed these proposed amendments to the Constitution and are in full support of same. As a result of reviewing the proposed amendments to the Constitution, the Board has also given Bendigo Bank various assurances that the Board will support these

amendments and seek the Members support of same at the next Annual General Meeting of the Company.

The amendments to the Constitution which the Board will place before the Members at the next Annual General Meeting of the Company can be summarised as follows:-

Rotation of Directors:

The current requirements in respect to the rotation of Directors are in accordance with the procedure set forth in Section 3.7 of this Prospectus.

The Company will request that the Members at General Meeting alter the rotation procedure as hereinbefore set out which will now require one-third of the Directors (other than an "exempt" Managing Director – if any) to retire at each Annual General Meeting and that a Director who has held office for in excess of a continuous period of three years or three Annual General Meetings (whichever is the longer) since last elected must retire. However, Directors who retire are eligible for re-election. In addition, persons who are appointed as Directors by the Board must retire at the next Annual General Meeting, but will be eligible for re-election and an employee who is a Director must retire as a Director if they cease to be an employee but will also be eligible for re-election.

Probity Check:

The Company will seek the inclusion of a further clause in the Constitution whereby each new Director will be required to undergo a Probity Check (primarily a National Criminal Record Check) as a condition of their appointment as a Director. This Rule will further require that a Director will need to undertake such a check prior to appointment as a Director. This Rule will further require that a Director will need to undergo such a check prior to appointment as a Director or, if a Director was appointed before this Rule became effective, within six months of their appointment. Directors will also be required to undergo a further check every twelve months as deemed appropriate by Bendigo Bank.

Close Connection Rule:

In keeping with the community spirit and intent of the Company, the Company intends to introduce a new Rule whereby a person will be deemed to have a prohibited shareholding interest if they do not have a close connection to the Laverton, Altona Meadows, Altona or Point Cook communities. For example, if this Rule is approved, individuals who are residents of the communities, and their close family members, will ordinarily be considered to have such

a close connection. Similarly, a Company which has its registered office in one of the communities and which is owned and controlled by individuals residing in those communities would ordinarily be considered to have such a close connection. This Rule will not apply to any shares allotted by the Company prior to the introduction of this Rule.

A person who is deemed to have a prohibited shareholding due to the fact that they do not have a close connection to the community as aforesaid is liable to have their shareholding suspended in the same manner as a person who controls or owns 10% or more of the shares in the Company (refer section 7.3 below).

5.6 Other Factors

Regulatory Environment

Although the Company will not carry on banking business, by managing three Community Bank® Branches of Bendigo Bank it will effectively be subject to the regulatory environment in which Bendigo Bank operates. In particular, decisions of APRA that affect Bendigo Bank may also have an impact on the business conducted by the Company.

In addition, as part of the franchise arrangements, the Company has been appointed as an 'authorised representative' of Bendigo Bank for the purposes of carrying out the franchise operation (see Section 7.4 below).

Economic Conditions

As noted above, the Company's business will be affected by changes in economic conditions both directly and indirectly through the effect such changes may have on Bendigo Bank. Relevant factors include market growth, inflation, movements in interest rates and exchange rates and the level of loan defaults.

Government Policies and Legislation

The Company's business may be affected by changes to government policies, including those relating to prudential supervision, taxation and regulation of financial services industries. Again, such changes may affect the Company directly or indirectly as a result of their impact on Bendigo Bank.

6. Franchise Agreement

The two Franchise Agreements (being the Current Franchise Agreement and the New Franchise Agreement) govern the relationship between the Company and Bendigo Bank, and set out the parameters within which the Company must operate. The Current Franchise Agreement relates to the Company's operation and management of the Laverton/Altona Meadows and Altona Community Bank® Branches and the New Franchise Agreement relates to the Company's operation and management of the Point Cook Community Bank® Branch. Together, the Franchise Agreements define the business that will be conducted by the Company and, accordingly, are critical to an assessment of the Company.

The provisions of the Franchise Agreements have been described in detail in Sections 3 and 5 of this Prospectus.

The following is a brief summary of the key provisions of the Franchise Agreements.

Grant of Rights

Bendigo Bank grants the Company the right to use Bendigo Bank's system of operations and certain intellectual property rights to manage and operate the Laverton/Altona Meadows, Altona and Point Cook Community Bank® Branches of Bendigo Bank.

It is a condition to the New Franchise Agreement that the Company raises \$150,000 pursuant to the Issue.

Term

The term of each Franchise Right under the Franchise Agreements is discussed in Section 3.3 above.

Branch Operations

There are strict controls on the Company in relation to the operations of each Community Bank® Branch. In particular, the Company must only offer the products and services specified by Bendigo Bank, it must comply with Bendigo Bank's promotions, it (and its staff) must comply with the operating manuals supplied by Bendigo Bank, it must seek the prior approval of Bendigo Bank to its promotional activities and material, public communications, signs and stationery and there are tight controls over the use of Bendigo Bank's intellectual property.

Payments/Receipts

In relation to the Point Cook Community Bank® Branch, the Company is required to pay Bendigo Bank the Franchise Fee and Franchise Establishment Fee. For each additional five year period in respect of each branch (i.e. the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights or the Point Cook Franchise Rights), the Company must pay a Renewal Fee, the reasonable costs of training provided by Bendigo Bank to the Company's employees and the costs of Bendigo Bank of renewing the relevant Franchise Rights (including legal fees).

In addition, the Company is responsible for all ongoing costs in relation to each branch and each branch location (including, for example, all staff costs, rent (where applicable) outgoings and insurance).

The revenue the Company is entitled to receive is described in Section 4.3 above.

You should refer also to Section 5.2 of this Prospectus for a description of the limit, contained in both Franchise Agreements, on distributions by the Company to its shareholders.

Indemnity

The Company provides a broad indemnity in favour of Bendigo Bank. In particular, the Company indemnifies Bendigo Bank against all losses Bendigo Bank may suffer and all third party claims that may be brought against Bendigo Bank in connection with the conduct of the franchises or the franchise operations (ie the management and operation of the three Community Bank® branches), a breach of a Franchise Agreement (including the manuals) by a person other than Bendigo Bank, the offering of any products and services (whether banking or non-banking) by the Company, the carrying on of any business by the Company (whether or not permitted by Bendigo Bank), the activities of the Company or its employees at or near the premises of the Community Bank® branches and any unauthorised act, default, dishonesty, negligent act or omission or fraudulent conduct of the Company or any of its officers, employees or agents.

Bendigo Bank indemnifies the Company against all third party claims that may be brought against the Company to the extent that such claims result from a misleading or deceptive statement in, or a misleading or deceptive omission from, the products or services specified by Bendigo Bank to be offered to customers, certain actions by employees of Bendigo Bank or any related promotional materials or

manuals supplied by Bendigo Bank. Other potential liability on Bendigo Bank is, to the extent permitted, excluded.

Termination

Bendigo Bank may terminate the Current Franchise Agreement (or, at Bendigo Bank's discretion, the Laverton/Altona Meadows Franchise Rights or the Altona Franchise Rights) and/or the New Franchise Agreement (which would have the effect of terminating the Point Cook Franchise Rights) in various circumstances, including if:

- (a) the Company breaches the relevant Franchise Agreement;
- (b) the Company engages in fraudulent or dangerous conduct, becomes insolvent or fails to pay its debts on time;
- (c) the Company is convicted of a "serious offence" (as defined under the Franchising Code);
- (d) the Company operates the business in a way that endangers public health or safety;
- (e) the Company takes (or omits) to take an action that, under the Franchising Code, permits Bendigo Bank to immediately terminate the relevant Franchise Agreement (eg the Company abandons a branch, carries it on in a way that endangers public health or safety or agrees to terminate the Franchise Agreement);
- (f) the Company voluntarily abandons a franchise operation or the franchise relationship;
- (g) the Company agrees to terminate the relevant Franchise Agreement
- (h) the Company, any of its directors or employees is, or has been, convicted of an offence where, in the reasonable opinion of Bendigo Bank, that conviction materially and adversely affects Bendigo Bank and/or the name, goodwill or good reputation of the franchise, the Point Cook, Laverton/Altona Meadows or Altona Community Bank® Branches, Bendigo Bank's system of operations or other Bendigo Bank franchises, unless, in the case of a Director or a member of staff, that person ceases to be involved or concerned in the management or operation of the Company and/or the franchise within the time period (being not less than 7 days) specified by Bendigo Bank;
- (i) the Company carries on the franchise in a manner that, or takes (or fails to take) any action that, harms or adversely affects, or may harm or adversely affect materially, the good name, goodwill or good reputation of Bendigo Bank, Bendigo Bank's business, the franchise, the

Laverton/Altona Meadows, Altona or Point Cook Community Bank® Branches, Bendigo Bank's system of operations or other Bendigo Bank franchises, including if the Company (or its staff) engage in misleading or deceptive conduct or conduct that is unlawful or may cause Bendigo Bank to breach any law or regulation or if the reputation of a Director or of a member of staff could adversely affect the good reputation or goodwill of Bendigo Bank, unless, in this latter case, that Director or member of staff (as the case may be) ceases to be involved or concerned in the management or operation of the Company and/or the franchise within the time period (being not less than 7 days) specified by Bendigo Bank;

- (j) there is an amendment to, renewal of, or alteration of the effect of, a rule or clause of the Company's constituent documents, without the approval of Bendigo Bank; or
- (k) there is, without Bendigo Bank's prior written consent, a change in the underlying ownership or control of the Company, a franchise or the Company's interest in the relevant Franchise Agreement or the branch location (this can be deemed to occur for certain changes to the Directors of the Company or if the Company's control/ownership limit is breached - see Section 7.3 below).
- (l) the Branch Manager of the Community Bank® Branch becomes unable to perform his or her duties for an extended period, without suitable replacement;
- (m) the branch is not profitable; or
- (n) the Company operates the branch from a location not previously approved by Bendigo Bank.

If the Current Franchise Agreement is terminated (other than by effluxion of time) Bendigo Bank may also terminate the New Franchise Agreement.

If the New Franchise Agreement is terminated. Bendigo Bank does not have an express right to terminate the Current Franchise Agreement.

The Company may terminate a Franchise Agreement if Bendigo Bank materially breaches the Franchise Agreement.

The procedures for termination (either by Bendigo Bank or by the Company) are set out in each Franchise Agreement.

In certain circumstances, where there has been a breach of a Franchise Agreement by the Company, the right to manage and operate the Laverton/Altona Meadows Community Bank® Branch and/or the Altona Community Bank® Branch and/or the Point

Cook Community Bank® Branch is suspended until the breach is rectified or the relevant Franchise Agreement is terminated.

Upon termination of either or both of the Franchise Agreements (or the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights or the Point Cook Franchise Rights), there is no obligation on Bendigo Bank to sell or transfer the franchise operation or those franchise rights that have been terminated. However, if such a sale or transfer did proceed, the Company would be entitled to the proceeds received (less the costs of the sale or transfer and certain debts owed by the Company, if any).

7. Additional Information

7.1 Constitution

The rights attaching to Shares (Section 7.2) and the prohibition on shareholding interest (Section 7.3) set out in the Company's Constitution are summarised below.

7.2 Rights Attaching to Shares

The Shares will be issued as fully paid ordinary shares issued at \$1.00 each. They will rank equally with the existing ordinary shares of the Company on issue.

Set out below is a summary of the principal rights attaching to the Shares.

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of Shares held, is to reflect the nature of the Company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Laverton/Altona Meadows, Altona and the Point Cook Community Bank® Branches have the same ability to influence the operation of the Company.

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The Franchise Agreements with Bendigo Bank each contain a limit on the level of profits or funds that may be distributed to shareholders. You

should refer to Section 5.2 of this Prospectus for a description of this limit. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see Section 7.3 below).

(c) Transfer

The Directors have a discretion to refuse to register a transfer of shares. However, as the Company is listed on the BSX, the Directors can only exercise this discretion in certain limited circumstances (for example, the Directors may refuse to register a transfer of shares where permitted or required by law or the BSX Listing Rules or where the registration would result in a shareholder having a prohibited shareholding interest (see Section 7.3 below)). Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the Company's Constitution, the Corporations Act and the rules applicable to transfers on the BSX. In addition, it is likely that brokers will require a statutory declaration from the transferee confirming that the transfer will not breach any of the shareholding ownership restrictions that apply (see Section 7.3 below).

(d) Winding up

If the Company is wound up, then subject to any special or preferential rights attaching to any class of shares, shareholders will be entitled to participate in any surplus assets of the Company in proportion to the capital paid up on their shares when the winding up begins.

If the assets available for distribution amongst shareholders are insufficient to repay the whole of the paid up capital, then those assets will be distributed in proportion to the capital paid up on shares when the winding up begins.

Notwithstanding the above, if the Company is wound up, the liquidator has the discretion to divide among all or any of the shareholders in specie or in kind any part of the Company's assets. The division may be carried out as the liquidator thinks fit, subject to the right of any shareholder prejudiced by the division to dissent. Any dissenting shareholder has ancillary rights as if the determination made by the liquidator were a special resolution passed under the Corporations Act relating to the transfer of the Company's assets by a liquidator in a voluntary winding up (see, in particular, Chapter 5 of the Corporations Act, especially section 507).

7.3 Prohibited Shareholding Interest

The Constitution prohibits a person from having a “prohibited shareholding interest”. The ways in which a prohibited shareholding interest may arise are set out in the Constitution and are summarised below.

A person who controls or owns 10% or more of the shares in the Company has a “prohibited shareholding interest”.

Similarly to the voting rights, the purpose of this shareholding limit is to reflect the community based nature of the Company, by ensuring that the Board can prevent ownership of the Company being concentrated in the hands of a small number of community members.

In summary, a person will be deemed to own the shares in the Company in which the person has a relevant interest and the shares in which the person’s associates have a relevant interest. (The terms ‘relevant interest’ and ‘associate’ have the same meaning as in the Corporations Act, subject to some modifications as set out in the Company’s Constitution). Also, a person is deemed to control the votes that the person, and the person’s associates, can cast or control the casting of on a resolution to elect a director of the Company.

The effect of these definitions is that, for example, if the aggregate of the shares owned (legally or beneficially) by a person plus the shares owned (legally or beneficially) by members of the person’s immediate family, equal or exceed 10% of the shares in the Company, the person has a prohibited shareholding interest. Similarly, if the votes a person can control the casting of on a resolution to elect a director, plus the votes that members of the person’s immediate family can control the casting of on such a resolution, equal or exceed 10% of the votes that could be cast by all shareholders on such a resolution, that person has a prohibited shareholding interest. A person’s “immediate family” includes a person’s spouse, defacto spouse, parent, son, daughter, brother or sister or a spouse or defacto spouse of any of the preceding persons.

In addition, in keeping with the community spirit and intent of the Company, the company intends amending the constitution whereby a person will also be deemed to have a prohibited shareholding interest if they have voting power in the Company and, in the opinion of the Directors, they do not have a close connection to the Laverton, Altona Meadows, Altona or Point Cook communities. For example, individuals who are residents of one of the communities,

and their close family members, would ordinarily be considered to have such a close connection. Similarly, a company whose registered office is in the communities and that is owned and controlled by such individuals would ordinarily be considered to have such a close connection. However, these are illustrative examples only. Ultimately the Directors will need to assess in each case whether there is a close community connection.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to those shares in the Company in which the person and the person’s associates have a relevant interest are suspended. However, where a person has a prohibited shareholding interest purely on the basis that they own or control 10% or more of the shares or votes in the Company, the suspension only applies to those shares in which the person and the person’s associates have a relevant interest in excess of 10% of the Company.

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member’s associate) to dispose of the number of shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

Furthermore, the Board may refuse to register a transfer of shares on the basis (among other things) that after the transfer a person would have a prohibited shareholding interest.

In the Constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

7.4 Authorised Representative Appointment

As noted previously, as part of the franchise arrangements, the Company has been appointed as an ‘authorised representative’ of Bendigo Bank so that the Company can provide financial services on

behalf of Bendigo Bank. Under the appointment, Bendigo Bank authorises the Company to provide financial services advice in relation to, and deal in, various classes of financial products on behalf of Bendigo Bank. It is a condition of Bendigo Bank granting the authorisation that, amongst other things, the Company does everything necessary to ensure that Bendigo Bank complies with the law. If Bendigo Bank believes on reasonable grounds that the Company or its staff may have or are about to contravene the law or cause Bendigo Bank to contravene the law, Bendigo Bank has the power to modify or revoke the authorisation (in which case Bendigo Bank may also have the ability to terminate the Franchise Agreements).

7.5 Taxation Implications

The following is intended only as a general summary and does not purport to be a complete statement of all tax consequences that may be relevant to the issue of ordinary shares in the Company. The taxation implications of investing in the Company may vary depending on the individual circumstances of investors. The information provided is a brief explanation of the potential taxation implications for Australian resident investors.

All investors should consult their adviser about the taxation implications of investing in the Company relevant to their own particular circumstances.

An acquisition of ordinary shares by a resident of Australia will be an acquisition for capital gains tax (CGT) purposes.

A resident of Australia may be assessed in respect of a net capital gain for CGT purposes on disposal of their ordinary shares.

Generally, a net capital gain is determined by reference to the excess (if any) of the consideration received for the ordinary shares over the cost base of the ordinary shares. The amount of the excess will constitute the amount of capital gain unless the investor is entitled to a CGT discount, which is only available to individuals, superannuation funds and, in certain situations, trust investors. The CGT discount is calculated as follows. In the case of an investor who holds their shares for at least 12 months after the date of acquisition of the shares, the capital gain will be reduced by 50% (where the investor is an individual) or 33⅓% (where the investor is a superannuation fund) in the hands of the investor. In the case of trust investors, the calculation of the CGT discount is complex, and specific advice should be obtained.

Any capital loss (namely the excess of the cost base of the ordinary shares over the consideration received for those shares) with respect to the shares can generally be offset against capital gains realised by the investor in the same year or in later years. However, if there are net capital gains to which the investor is entitled to a CGT discount, any capital losses must be offset against the net capital gains realised by the investor before the CGT discount is applied to the net capital gains.

Certain investors, for example those who carry on business of share trading, may be liable to tax in respect of any profit on the disposal of ordinary shares as ordinary income.

Investors who are resident individual shareholders (or a resident superannuation fund) and who receive dividends from the Company must include in their assessable income the amount of the dividend together with any franking credits attached to the dividend. Income tax is calculated on this total amount and investors will generally be entitled to claim a rebate equal to any franking credits attaching to the dividend. Any excess rebate over and above the total tax payable can be refunded to investors.

A resident corporate shareholder that is:

- a public company for tax purposes – is entitled to a rebate of tax only to the extent of the franked portion (if any) of any dividends received; and
- a private company for tax purposes - is entitled to a rebate only to the extent of the franked portion (if any) of any dividends received.

Companies are generally entitled to credit their franking account for the franked amount of any dividend

7.6 Directors' Interests

Other than as set out below, no Director has, or has held at any time during the last two years, any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer of the Shares, or in the Offer of the Shares.

Shares

The Directors of the Company and their interests in the share capital of the Company as at the date of this Prospectus are set out below, but specifically exclude associate shares and joint holdings.

Name of Director	Number of Shares	Nature of Interest
Michael Allan Boyd	1,352	Legal and Beneficial
Bruce John Cahoon	1,575	Legal and Beneficial
Henry Da Silva	2,101	Legal and Beneficial
Wayne Malcolm Gray	6,374	Legal and Beneficial
Guiseppe (Joe) Inserra	1	Legal and Beneficial
Graeme John Murdoch	1,000	Legal and Beneficial
Michael Stephen Pernar	1,119	Legal and Beneficial
Franklin John Porter	17,750	Legal and Beneficial
Robert Ray Quail	200	Legal and Beneficial
Andrew Denis Shanahan	500	Legal and Beneficial

No Director holds shares in any related body corporate of the Company.

Indemnity

Under the Company's Constitution, the Company:

- indemnifies its current and former officers against liability to third parties incurred arising out of the conduct of the business of the Company or in the discharge of their duties as officers; and
- is permitted to pay premiums for insurance policies insuring its Directors and officers against liability to third parties incurred arising out of the conduct of the business of the Company or in the discharge of their duties as officers.

Other Interests

Nil.

Other Benefits

No amounts have been paid or agreed to be paid (and no benefits have been given or agreed to be given) to a Director (or a proposed Director) to induce them to become, or to qualify as, a director of the Company, save as herein after set forth.

Following an Annual General Meeting of Hobsons Bay Community Financial Services Limited, it was agreed that the Directors be paid an annual sum as agreed annually at the Annual General Meeting of Shareholders. At present the amount being paid to each Director is as follows:

Henry Da Silva, Chairman	- \$3,000 per annum
Michael Pernar, Secretary	- \$3,000 per annum
Wayne Gray, Treasurer	- \$3,000 per annum
Frank Porter, Human Resources	- \$3,000 per annum
Denis Shanahan	- \$2,000 per annum
Graeme John Murdoch	- \$2,000 per annum
Bruce Cahoon	- \$2,000 per annum

Guiseppe Inserra - \$2,000 per annum

Michael Boyd - \$2,000 per annum

Robert Quail - \$2,000 per annum

7.7 Disclosure of Interests

Other than as set out below, no person (referred to as a Relevant Person) named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, no promoter of the Company and no stockbroker or underwriter to the Issue of Shares has, or has held at any time during the last two years, any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer of the Shares, or in the Offer of the Shares.

The amounts paid, or agreed to be paid, and the nature and value of any benefits given or agreed to be given, to a Relevant Person or such a promoter, stockbroker or underwriter, for services provided in connection with the formation or promotion of the Company or in connection with the Offer of the Shares are as follows:

Peter S. Glare & Associates have provided legal services to the company in connection with the Offer and for those services will be paid a fee of \$6,500.

AFS & Associates Pty Ltd has provided accountancy services to the company in connection with the Offer and for those services will be paid a fee of \$4,000.

7.8 BSX Waivers

In connection with the quotation of the Shares, on the Bendigo Stock Exchange, the Company obtained a number of waivers and confirmations from the BSX.

The main waivers and confirmations obtained are as follows.

(a) Company's Constitution

The Company obtained confirmation that, for the purposes of BSX Listing Rule 1.2(b), the Company's Constitution is consistent with the BSX Listing Rules (as modified by the waivers and confirmations referred to in this Section).

(b) Voting Rights

The Company obtained a waiver from the requirement in BSX Listing Rule 4.3(b) that, on a poll, each shareholder must have one vote for each fully paid share held. As noted above (see Section 7.2(a)), each shareholder in the Company will have only one vote, regardless of the number of shares held.

(c) Registration of share transfers

The Company obtained a waiver from BSX Listing Rule 6.3 in order to permit the Directors of the Company to prevent a share transfer in accordance with the rules under the Constitution (see Section 7.3 above).

7.9 Consents and disclaimer

None of the parties referred to below have made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, any omissions from, this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

(a) Peter S. Glare & Associates have given and have not, before lodgment of this Prospectus, withdrawn their written consent to be named as solicitors to the Company in the form and context in which they are named.

(b) AFS & Associates Pty Ltd has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion, in Section 4 of this Prospectus, of the details of its involvement in the preparation of the forecasts.

(c) Bendigo Bank has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion, in Section 4 of this Prospectus, of the details of Bendigo Bank's involvement in preparation of the forecasts.

(d) Bendigo Stock Exchange (BSX) has given and has not, before lodgment of this Prospectus, withdrawn their written consent to be named in this Prospectus in the form and context in which they are named.

NSX Limited, the operator of Bendigo Stock Exchange and the Stock Exchange of Newcastle, has advised the Company of its intention to amalgamate the two Exchanges. NSX intends to offer all Companies listed on Bendigo Stock Exchange the opportunity to migrate their listing to the Stock Exchange of Newcastle. Further, the Stock Exchange of Newcastle will be renamed to adopt a national brand. Whilst a formal offer to migrate the Company is yet to be made, the Company would look upon such offer favourably.

(e) Ken James & Associates have given and have not, before lodgment of this Prospectus, withdrawn their written consent to be named in this Prospectus in the form and context in which they are named.

7.10 Privacy collection statement

If you apply for Shares, you will provide personal information to the Company. The Company collects, holds and uses your personal information in order to:

- assess your application;
- service your needs as an investor; and
- provide facilities and services which you may request.

Some of the information which will be collected is required pursuant to tax and company legislation. If you do not provide the information requested, your share application may not be able to be processed efficiently, or at all.

The Company may disclose your personal information for purposes related to your investment to Bendigo Bank and to related bodies corporate, agents and service providers of the Company and of Bendigo Bank or as otherwise authorised under the Privacy Act.

If you become a shareholder, your information may also be used or disclosed from time to time to inform you about products or services that the Company or Bendigo Bank thinks may be of interest to you. If you do not want your personal information to be used

for this purpose, you should contact the Company and Bendigo Bank, on the contact details below.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or Bendigo Bank. You can request access to your personal information held by the Company by contacting the Company's Company Secretary at the Company's Registered Office (see page 37). You can request access to your personal information held by Bendigo Bank by contacting Bendigo Bank as follows:

Bendigo Bank Limited

Registered Head Office:

Level 2, Fountain Court, Bendigo, Victoria, 3550

**Postal address: PO Box 480, Bendigo,
Victoria, 3552**

Telephone: 1300 366 666 (local call)

You can obtain copies of the privacy policy of the Company by contacting the Company Secretary and copies of the privacy policy of Bendigo Bank are available at www.bendigobank.com.au.

8. Definitions

Altona Community Bank® Branch – The Community Bank® Branch of Bendigo Bank located at 64 Pier Street, Altona, Victoria.

Applicant – A person or entity that applies for Shares pursuant to this Prospectus.

APRA – Australian Prudential and Regulatory Authority.

ASIC – Australian Securities and Investments Commission.

Bendigo Bank – Bendigo Bank Limited (ABN 11 068 049 178).

Bendigo Group – Bendigo Bank and its related bodies corporate.

Bendigo Stock Exchange or BSX –

Bendigo Stock Exchange Ltd (ACN 087 708 898) or, as the context requires, the Bendigo Stock Exchange.

Company – Hobsons Bay Community Financial Services Ltd (ACN 091 661 166).

Corporations Act – Corporations Act 2001 (Cth).

Director – A director of the Company.

Disclosure Document – The Disclosure Document provided to the Company by Bendigo Bank under the Franchising Code.

Franchise Agreements – The New Franchise Agreement, the Current Franchise Agreement and the Original Franchise Agreement (and Franchise Agreement means any of the above).

Franchise Rights – Any of the Laverton/Altona Meadows Franchise Rights, the Altona Franchise Rights or the Point Cook Franchise Rights.

Franchising Code – Franchising Code of Conduct.

Issue – Issue of Shares pursuant to this Prospectus.

Laverton/Altona Meadows Community Bank® Branch – The Community Bank® Branch of Bendigo Bank located at Shop 3, 28 Aviation Road, Laverton, Victoria.

Offer – Offer of Shares pursuant to this Prospectus

Point Cook Community Bank® Branch – The Community Bank® Branch of Bendigo Bank located at Shop 24, Sanctuary Lakes Shopping Centre, 300 Point Cook Road, Point Cook, Victoria.

Prospectus – This Prospectus.

Shares – Ordinary shares in the Company issued at \$1.00.

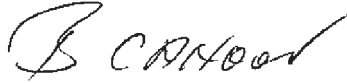
9. Signatures

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC.
Signed for and on behalf of the Company:

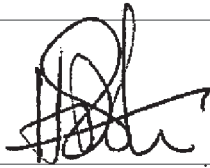
Michael Allan Boyd



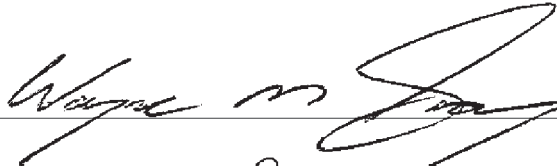
Bruce John Cahoon



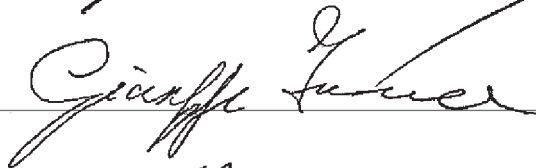
Henry Da Silva



Wayne Malcolm Gray



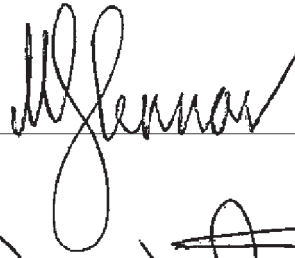
Guiseppe Insera



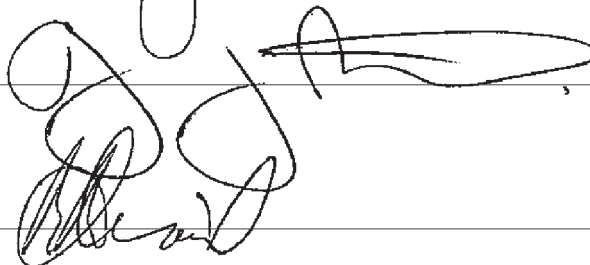
Graeme John Murdoch



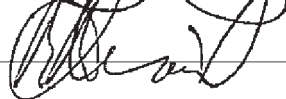
Michael Stephen Pernar



Franklin John Porter



Robert Ray Quail



Andrew Denis Shanahan



10. Directory

Directors

Michael Allan Boyd
Bruce John Cahoon
Henry Da Silva
Wayne Malcolm Gray
Guiseppe Inserra
Graeme John Murdoch
Michael Stephen Pernar
Franklin John Porter
Robert Ray Quail
Andrew Denis Shanahan

Company Secretary

Michael Stephen Pernar

Registered Office

48 Pyke Street,
WERRIBEE, VICTORIA, 3030

Solicitors

Peter S Glare & Associates
15 Lawrence Street
BEAUFORT VIC 3373

Accountants

AFS & Associates Pty Ltd
61-65 Bull Street
BENDIGO VIC 3550

Application Details and Instructions

Please complete all relevant sections of the Application Form (or copy of that form) using **BLOCK LETTERS**.

- A Enter the **NUMBER OF SHARES** you wish to apply for.
Applications must be for the minimum of 500 and thereafter in multiples of 100. The maximum number of Shares that may be applied for is 5,000.
- B Enter the **TOTAL AMOUNT** of application money payable. To calculate the amount multiply the number of shares applied for by one dollar.
- C Enter the **FULL NAME(S)** and **TITLE(S)** of all legal entities that are to be recorded as the registered holder(s). Refer to the **Name Standards** below for guidance on valid registration.
- D Enter the **POSTAL ADDRESS** for all communications from the Company. Only one address can be recorded.
- E Enter telephone numbers and a contact person the Company Secretary can speak to if there are any queries regarding this application.
- F Payment must be made by cheque payable to **HOBSONS BAY COMMUNITY FINANCIAL SERVICES LIMITED SHARE OFFER** and crossed **Not Negotiable**. Cheques not properly drawn will be rejected. Cheques will usually be banked on the day of receipt. If cheques are dishonoured the application may be rejected.
- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the application relates. The Applicant(s) offer(s) to subscribe for Shares in the Company, and agree(s) to be bound by the Constitution of the Company and the terms and conditions set out in this Prospectus. The Applicant(s) agree(s) to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to the Applicant(s) pursuant to the Prospectus. The Applicant(s) declare(s) that all details and statements made in the Application Form are complete and accurate. The Application Form does not need to be signed.

- H Enter the Tax File Number(s) (TFNs), Australian Business Number(s) (ABNs) (where you make the investment in the course of carrying on an enterprise) or tax exemption categories (such as aged pension, invalid pension or non-profit organisation) of the Applicant(s). For joint applications, only the TFNs or ABNs of two applicants are required. Provision of your TFN, ABN or tax exemption category is not compulsory and will not affect your application. If your TFN, ABN or tax exemption category is not provided, the Company is required to deduct tax from your dividend entitlement at the maximum personal tax rate plus the Medicare levy, which currently totals 46.5%.

Payment

Payment must be made in **Australian Currency** and cheques must be drawn on an **Australian Bank**. Cheques or bank drafts must be payable to **HOBSONS BAY COMMUNITY FINANCIAL SERVICES LIMITED SHARE OFFER** and crossed **Not Negotiable**. **Cheques not properly drawn will be rejected**. Cheques will usually be banked on the day of receipt. If cheques are dishonoured the application may be rejected.

Where to send application form

Forward your completed application together with the application money to:

Hobsons Bay Community Financial Services Limited

PO Box 336,
Laverton
Victoria, 3028

Name Standards

- Salutations such as Mr, Mrs and Ms should be included.
- The full and correct name of each entity must be shown.
- Only legal entities may be registered as the holder of securities.
- Securities cannot be registered in the name of a trust and no trust can be implied.
- Securities cannot be registered in the name of a minor or deceased person.
- An account designation can be included. If shown, it must be contained within one line and with the "<>" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company: Use the Company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: Individual(s) as trustee: Use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Trusts: Corporate Trustee: Use the trustee(s) name(s)	Sue Smith Pty Ltd <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: Use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): Use the name of a responsible adult with appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: Use the partners' personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith & Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Club/Unincorporated Bodies/ Business names: Use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Incorporated Associations	ABC Tennis Association Inc	ABC Tennis Association
Superannuation Funds: Use the name of the fund trustee	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Queries

If you have any queries concerning this Offer or any part of this Prospectus, please call Dionne Thomas 0404 725 819 or Denis Shanahan 03 9398 2128

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PUBLIC SHARE OFFER APPLICATION FORM

PLEASE READ ALL INSTRUCTIONS ON THE BACK OF THIS FORM

Shares in Hobsons Bay Community Financial Services Ltd at A\$1.00 per share

\$							0	0
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Title, Given Name(s) & Surname or Company Name

[illegible][illegible][illegible][illegible]

Street Number	Street
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[illegible][illegible]

Postcode

113

— 188 —

[illegible][illegible]

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Drawer	Bank	Branch	BSB	Amount

| | | | | | | | |

Applicant #1:

Applicant #2:

Applicant #3:

[illegible][illegible]

Telephone Number - After Hours

| (| | |) | | | | | | | |

| (| | |) | | | | | | | |

| | | | | | | | | |

Drawer	Bank	Branch	BSB	Amount

- 1 offer to subscribe for Shares in the Company;
- 2 agree to be bound by the Constitution of the Company, and by the terms and conditions set out in the Prospectus;
- 3 agree to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to me/us pursuant to this Prospectus; and
- 4 declare that all details and statements made by me/us in this Application Form are complete and accurate.

[illegible]

Applicant #1:

Applicant #2:

Applicant #3:

