

20th DECEMBER 2005

Dear Shareholder

I am writing to you to update you on changes to the Board of Directors since the Annual General Meeting on 7 November and bring to your attention the issue of shareholder take up of the Bendigo Bank products and services available at our Community Bank<sup>®</sup> branches.

At the Annual General Meeting, John McLaughlin, Patrick Simonis and Russell Jenkins retired in accordance with the Company's Constitution, and, being eligible, offered themselves for re-election. All three were re-elected; however it is with sadness that I advise you that Patrick Simonis has since retired.

Patrick has been a great supporter of the Community Bank<sup>®</sup> concept and we will miss his input and energy.

The Board then met post the Annual General Meeting to elect Board roles for the coming year and the roles and elected Directors are listed below for your information.

Role	Previously Held by	Elected for 2006
Chairman	Colin Nelson	Colin Nelson
Vice Chairman	John McLaughlin	John McLaughlin
Secretary	Cathleen Wallis	Cathleen Wallis
Treasurer	Alan Gough	Alan Gough
Public Officer	Colin Nelson	Colin Nelson
Marketing Committee Chair	Patrick Simonis	Darren Cahill
Governance Committee Chair	Cathleen Wallis	Cathleen Wallis

The Directors met in late December to set the strategic objectives for the coming year and I am confident that implementation of these will result in improved community and shareholder benefits. Many of these objectives are based around improving the links and communication to our community, identifying groups and events that align with the Vision and Mission of our project and identifying community leaders who can help us to achieve our goals for the Logan community.

I welcome any input that you can give me towards these goals, as we drive the objectives closer to substantial community and shareholder benefit.

I have attached a copy of my speech at the Annual General Meeting and bring to your attention the section on number of accounts and shareholders as customers.

*(pages 3 & 4 of the Chairman's Address)*

Whilst our result for the year has been in line with Prospectus projections, there has been substantial growth opportunity lost by shareholders not supporting the Bank with their business. It is very clear that higher shareholder support will lead to a better growth result, which will ultimately lead to better and higher community benefits and shareholder dividends.

The Logan Community Bank® Branches of Bendigo Bank are able to offer you all the products and services required for both personal and business bank accounts, as well as home and business loans, insurance, financial planning and specialised products and services for non profit community groups and specialised business groups. Products are competitively priced and our service is our point of difference achieving the highest rating of satisfactory service for any Australian Bank in independent surveys for successive years.

Therefore I urge you to immediately transfer your banking business to your local Community Bank® branch and help ensure a better outcome for the Logan community in general and yourself as a shareholder. Additionally, I urge you to contact your friends and family to do the same.

With branches at Springwood, Loganholme, Marsden and Browns Plains and another ATM at Logan Central, we are strategically placed to service the city. If you are not able to attend a branch to open your accounts, a Manager will be more than happy to come to you. Just call us or drop us a line and we will arrange this service free of charge.

I look forward to another exciting year as Chairman of Logan Community Financial Services Limited and I am confident that with your support, we will be able to deliver a result in excess of our projections; one that provides substantial community benefits as well as meets shareholder needs and expectations.

Yours faithfully

A handwritten signature in black ink that reads "Colin Nelson". The signature is written in a cursive, flowing style.

Colin Nelson  
Chairman