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Newsletter

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Branch Manager profile

After spending all of his working life in the finance industry, Morris Fowke is a welcome addition to the Logan **Community Bank®** Branch of Bendigo Bank Loganholme, joining us on 3 July 2006. Morris has left his role as a Branch Manager with another bank to make the move to Logan **Community Bank®** Branch of Bendigo Bank.

He started his banking career with one of Australia's major banks in 1992 as a teller and worked his way through to the position of Branch Manager. Morris said the most appealing aspect of his role as Branch Manager with Bendigo Bank is the focus on community.

Morris said he was confident he could deliver what our customers want: old fashioned customer service with modern, tailored products to suit all financial needs – from day-to-day banking to consumer and commercial loans.

"With Bendigo Bank showing strong commitment in these areas, it is an exciting community venture for the people of the Logan district and I am thrilled to be part of it," Morris said.

The Board has been impressed with Morris' achievements to date and invite all shareholders who have banking needs at Loganholme to call into the branch and see how Morris can assist them.



Morris Fowke
Branch Manager (Loganholme branch).

Board of Directors

Colin Nelson (Chairman), Ian Pynor (Secretary), Alan Gough (Treasurer), Russell Jenkins, John McLaughlin, Richard Saad, Stephen Simpson, Jennifer Townend, Darren Cahill.

logan community financial services limited

ABN: 88 101 148 430

Treasurer's report to our shareholders

A common question received by our shareholders at our recent cocktail functions was: "Just when will we start getting something for our money?" I am happy to say that the Board now has an answer to that question. On 20 April those shareholders with a Bendigo Bank Savings account will see their first dividend payment appear in their account. The .03 cents payment is a fabulous milestone for our Company and its shareholders.

I was surprised to hear that several shareholders were unaware that by not opening an account with us and continuing to bank with another financial institution has in fact delayed this first payment of dividends. By banking with another financial institution you are supporting another bank and paying them fees, when they could have been paid a dividend much sooner simply by having their account's with us.

Over the past few weeks this has been changing as more and more of shareholders open accounts

to enable them to receive their dividend payments directly and, in future, increase the business for their bank. Of course, those shareholders without a Bendigo Bank Savings account will still receive their dividend cheque in the mail.

Given our Company's continued growth, this initial half-yearly profit distribution is scheduled for every April and October. Of course, this is subject to our business continuing to grow – as we're confident it will. Not only will you, as a shareholder, receive your dividend in your Bendigo Bank Savings account, your community will also benefit as we direct a percentage of profits into community development programs.

Alan Gough
Treasurer

Our ever expanding network

By the time of receiving this newsletter, there will have been some further additions to our ever expanding network in Logan. In a huge positive for our business, Area Manager Darren Cahill has been able to secure two new ATM's with exclusive rights (ie - the only two ATM's in the entire centre) in the new 'Logan Megacentre' adjacent to IKEA Logan. As well as better serving our community, who will no doubt frequent the centre, this is a significant strategic outcome given that more than 1.5 million people per annum will flow through the centre. This combined with the fact that more than 1200 staff will work in the entire complex, all of whom will at one stage need an ATM means this will drive significant income to our bottom line. Improved branding and exposure through signage is also a valuable outcome from these machines.

These new machines will add to our existing 'offsite' ATM's at Meadowbrook and Logan Central.

On a separate issue, we also take this opportunity to advise shareholders that we are currently investigating the possibility of agencies in many areas across Logan but most notably Logan Central, Rochedale South, Underwood and Park Ridge. Bendigo Bank has in recent times committed to a more streamlined cost effective delivery for Agency

facilities which makes this a perfect solution to get an initial footprint in an area. An Agency is usually located within another business and operated by that business based on a commission income structure. As with past newsletters, we encourage your feedback regarding new site possibilities and on this occasion, we ask that if any shareholder has, or knows of, a prominent business such as newsagency, pharmacy which would be an appropriate Agency site, please let us know.

**VIP CARD**
This card entitles

- 2 Coffees for the price of 1
- 15% off your meal bill

Cafe Metzzo is next to Bi-Lo at the Logan Hyperdome (07) 3801 4041

- All Day Brekky - Extensive Menu

A proud supporter of the Logan Community Bank® branch

An open letter to Community Bank® shareholders from the Chairman of Bendigo Bank

29 April 2007

Dear **Community Bank®** shareholders

You will be aware that recently Bendigo Bank was presented with a conditional proposal by Bank of Queensland for a merger of the two companies.

The proposal involved significant risks including integrating organisations with different business models and philosophies. Bendigo's Board rejected the Bank of Queensland proposal, judging it was not in Bendigo shareholders' best interests. In reaching this decision, we valued the feedback of Directors and shareholders in many **Community Bank®** companies and thank them for their participation.

The Board and management of Bendigo Bank remain committed to a unique banking strategy that is delivering good value to shareholders.

Bendigo Bank is a strong and successful business. For many years it has delivered attractive returns to its shareholders, with significant growth in earnings and dividends and strong share price performance. This has been achieved by providing good customer service and by working co-operatively with communities across Australia. Successful customers and successful communities are creating a successful bank.

As well as delivering strong earnings growth, Bendigo Bank has consistently made substantial investments in its business. We have continued

to deepen the community relationships that are at the heart of our business model and that have been so successful in helping the Bank to flourish. The Bendigo Bank brand has a unique position in the Australian market place and the Bank now has more than 1.1 million customers. We have developed a meaningful wealth management business and have invested in the IT, payment systems and other essential business infrastructure required to support continued long-term growth.

Given the strength of the Bendigo Bank business model, the quality of the Bendigo Bank brand, the size of the Bank's customer base and the extent of the investment we have made in future growth, the Bendigo Board expects that Bendigo Bank is well placed to continue its strong growth. Moreover, the Board believes that Bendigo Bank has the resilience and flexibility to prosper in a variety of market conditions.

On behalf of Bendigo Bank, I thank you for supporting your local Board in its endeavors to improve the prospects of your community. I assure you Bendigo Bank remains a committed partner in providing Community Banking and all its associated benefits.

Robert Johanson
Chairman
Bendigo Bank Limited

Business Banker adding value to our business Profile of Colin Riches, Business Banking Manager

Having spent the past 20 years in the southern Brisbane there is no doubt that Col is here to stay. During that time he has worked in the banking sector, and the majority of that time in the Logan area.

A dedicated family man, Col has managed to help raise two teenage daughters – “my wife Alex and I have learnt a lot about jazz ballet over the last twelve years”.

Business Banking is my role at Bendigo and during the past three years I have met many customers and shareholders of our **Community Bank®** Company

“My responsibility at the branch is to arrange business loans for equipment and premises for small to medium sized businesses.”

“The bank offers all products - term loans, overdrafts, international trade, debtor finance and equipment loans.

“These loans are held by the **Community Bank®** branches and assist in the overall strength of the Company operating the four Logan branches.”

Col would be only too happy to talk to any shareholders or prospective customers about their business finance needs and can be contacted by visiting or phoning any of our Logan branches.

Shareholder Functions

The four Logan **Community Bank®** Branches at Springwood, Loganholme, Browns Plains and Marsden really came alive when staff recently hosted cocktail nights for their local shareholders. While the drinks flowed and the nibbles were munched, staff and shareholders took the opportunity to get to know each other in a more relaxed environment. The evenings gave our staff the chance to talk to shareholders about the importance of their relationship with the branch, both as a shareholder and as a customer. Without the vision of our shareholders and their continued support, the four branches would not be what they are today.

There were approximately 40 shareholders at each branch and all four evenings were considered to be successful. Relationships were strengthened, a greater understanding was achieved and some excellent business opportunities identified with these shareholders keen to bring more business across to us. This, in turn, will of course increase our profit.

Thanks to the evenings and the awareness raised, the percentage of shareholders actually banking with us has now increased slightly. As was made apparent, shareholders can expect dividends to be

paid when the branches are operating in profit. For this to occur, we also need shareholders to be banking with us. Staff continually asked through the evenings, 'Why bank elsewhere when you could be supporting the business you all partially own'.

Both shareholders and staff agreed that the nights should be repeated later in the year, perhaps with 'guest spots' by our own Financial Planners and Business Bankers. After all, if our shareholders can't get some preferential attention, then who can?

Please find time to call into one of your branches for a chat. Branch Managers Heather Scofield, Springwood, Morris Fowke, Loganholme, Drue Hutchinson, Browns Plains and Donna Lawrence, Marsden, all have open door policies and look forward to meeting with you again soon. There is no need to wait for a cocktail party to increase our relationship – start banking with us now and watch those profits grow.

Again, thank you for your vision, your support and your banking. Together we will continue to invest in our wonderful Company, The Logan Community Financial Services Ltd, and together we will prosper.

We are open: Monday - Friday 9am -5pm, Saturday 9am - 12noon

Browns Plains

Westpoint Shopping Centre,
Browns Plains Road,
Brown Plains, QLD 4118
Phone: (07) 3806 9777
Fax: (07) 3806 9500
Manager: Drue Hutchinson

Loganholme

Logan Hyperdome,
Bryant Road,
Loganholme, QLD 4129
Phone: (07) 3801 3600
Fax: (07) 3801 4997
Manager: Morris Fowke

Marsden

Shop 21, Marsden Park
Shopping Centre,
55-77 Chambers Flat Road,
Marsden, QLD 4132
Phone: (07) 3299 7740
Fax: (07) 3299 7870
Manager: Donna Lawrence

Springwood

Shop 40/41 Centro Springwood,
34 Fitzgerald Avenue,
Springwood, QLD 4127
Phone: (07) 3208 2611
Fax: (07) 3208 3611
Manager: Heather Scofield

Logan **Community Bank®** Branch  **Bendigo Bank**

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