

Newsletter

Edition Two, Autumn 2004

Chairman's report

Welcome to the second edition of the Logan Community Financial Services Ltd shareholders newsletter. I encourage you to make a cuppa, put your feet up and have a read about what has been happening in "Our Bank". Recent months have certainly seen a very busy period for our Company and its people with several significant events including Marsden branch opening, our first AGM, our first annual report and the full subscription of our prospectus.

I would like to welcome on board our recent shareholders and thank the multitudes of people who expressed interest in the closing weeks of our prospectus. Without the support of all our shareholders, we would not be at this point today.

Our Community Bank® branches are all performing well and new staff are settling in well. Each Branch Manager has included a quick snapshot of their branch in this newsletter. Simon and his team at Marsden branch have certainly been feeling the pressure, being inundated with new accounts from those who see they finally have "Their Bank" back in Marsden. It has also been very pleasing to note that our branch network now has in excess of \$100 million worth of banking business on its books. When you consider that we started out in June 2003 when Loganholme and Browns Plains branches transferred over at \$84 million, this has been a very good effort.

Although we have now completed what we call "phase one" which was to open the first four branches as per the prospectus, we are certainly not about to take a break. I gave my word to you and Bendigo Bank that we would fully bank Logan. For those of you who were at our AGM or had seen the reports in the media, you would be aware that we are now actively investigating the possibilities for our fifth branch in Logan. We have also been talking with various members of the community about Community Telco and many other beyond banking initiatives.

I would like to also take this opportunity to encourage all shareholders who don't currently bank with us, to go and visit with their local Manager and see just how easy staff can make it to transfer your business over. After all, it is "Your Bank".

Paul Hampson

Chairman

Logan Community Financial Services Ltd

First AGM a great success!

Logan Community Financial Services Ltd held its first Annual General Meeting on 25 November 2003 at Logan Diggers. More than 60 shareholders were in attendance to hear from our Chairman and Directors in relation to our current performance.



All motions and resolutions tabled in the "Notice of AGM" which accompanied your Annual Report were passed by the quorum for the meeting.

Discussion moved on to performance of our branches, our listing of shares, community involvement and most notably, a discussion surrounding the opening of a fifth branch in Logan. As stated at the AGM, we are currently investigating the feasibility of several locations and obviously, when a decision has been reached, our shareholders will be notified accordingly.

It was certainly very pleasing from the board's perspective that our AGM and annual report were received so well by our shareholders and the community. It certainly gives us the encouragement to move on to bigger and better things for "Our Bank".

Banking survey – We need your feedback!

As mentioned in the Chairman's report, we encourage all shareholders to talk with our branches about their banking requirements. In recent months, data has shown that a relatively low percentage of our shareholders actually bank with us. For this reason we have developed a "Banking survey" which is enclosed with this newsletter. If you could take a few moments to complete the survey and return it to us via post or through one of our branches, it would be greatly appreciated.

The data received from these surveys will help us move forward as a company and to make certain decisions based on shareholder input. We will also share the results with you in our next shareholder newsletter.

Should you have any queries in relation to the survey, please call the nominated branch on your survey and speak with one of our friendly staff.

Prospectus reaches full subscription

On 4 December 2003 our prospectus reached its full subscription which now means that our shares can be openly traded on the market.

The staff at our administration office and our branches were inundated with enquiries and applications for shares in the closing weeks with more shares sold in those two weeks than the preceding two months. In the end, we unfortunately had to send partial refunds to some shareholders as we simply did not have enough shares left.

Bendigo Stock Exchange (BSX) was very happy with our listing and the process through to our prospectus closure. Logan has actually

Board of Directors

Paul Hampson (Chairman), Zen Knezevic, Cathleen Wallis, Alan Gough, Scott Elkington, Russell Jenkins, John McLaughlin, Colin Nelson, Patrick Simonis, Terry Skene

followed the lead of other Community Bank® branches by listing on the BSX.

At the time of writing this report, our shares are still listed at \$1.00 as there have not been any registered sales. Should any shareholders wish to sell some shares or register an interest to buy some more, you must register your interest through one of BSX's registered brokers. You are able to do this by either logging onto their website at www.bsx.com.au or phoning (03) 9664 0000.

Of course we also welcome any enquiry through our administration office at Underwood on (07) 3219 7237.

Marsden branch opens its doors – Elvis has left the building!!!!

On 12 September 2003 our Marsden branch held it's grand opening much to the delight of local traders and residents.

State member for Waterford Tom Barton officially opened the branch in front of a huge crowd which included shareholders, prospective customers, local councillor Phil Pidgeon and Bendigo Bank management and staff. Cr Pidgeon had enlisted the help of his wife and the local scout group to provide attendees with a gold coin donation sausage sizzle to help raise funds for their group.

By far the highlight of the day was the surprise visit of none other than Elvis (Dean Vegas) who delighted the crowd by singing a song dedicated to our Community Bank® branch and then serenading several of the ladies in the front row. It was wonderful to see that as Dean is a Logan boy, when he was offered the opportunity to sing at such an event, he jumped at the chance.



Branch report – Loganholme



The past several months have seen a continuing upward trend with business written at Loganholme branch. The branch has experienced growth of 19.2 per cent since June 2003 which is right on target and we are returning a small profit to the company on a monthly basis. New account openings have consistently been in excess of 60 per month.

The local residential property market has been the predominant driver of this growth with many clients looking at upgrading or renovating their home. We have also seen a significant number of clients coming to us from other banks for various reasons, and they are commenting on our friendly service and community focus.

We have opened accounts for several shareholders but I do feel we have a long way to go in this area and I would personally encourage all shareholders to contact us and have a talk about what we can do for you.

With a continued push in the market place for a bank with better service and community based values, I see no signs of the current operating performance of Loganholme decreasing.

I would like to personally thank customers and shareholders alike for their support so far and my team and I look forward to seeing you soon.

Darren Cahill
Manager, Loganholme branch

Logan Hyperdome, Bryants Road
Loganholme, QLD 4129
Phone: 3801 3600. Fax: 3801 4997

Branch hours
Monday - Friday 9am - 5pm
Saturday 9am - 12noon

It's such a flexible loan you may never need another.

Bendigo One is the all-in-one home loan that offers extraordinary flexibility. In fact, Bendigo One is so flexible that you can use it for all your banking needs, from day-to-day banking to paying off your next holiday.

With Bendigo One you have access to a Bendigo Blue Card and cheque book, as well as the added convenience of Bendigo Phone Banking and Bendigo e-banking services. So you can access your funds 24 hours a day, wherever you are. You can also become a member of the Bendigo Rewards Program.

To provide even greater flexibility you get an approved line of

credit secured against up to 80% of the value of your property. You can access those funds at any time for any purpose, and your Bendigo One account provides a full rebate of eligible transaction fees.*

For more information call into any one of our local branches or phone:

Loganholme – Phone 3801 3600
Browns Plains – Phone 3806 9777
Marsden – Phone 3299 7740
Springwood – Phone 3208 2611

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

Subject to terms and conditions. Fees and charges apply. All loans are subject to the bank's normal lending criteria. * A complete list of eligible accounts and transaction types are available in our Schedule of Fees and Charges and Transaction Account Rebates. www.bendigobank.com.au Bendigo Bank Ltd, Fountain Court, Bendigo Vic 3550
ABN 11 068 049 178 AFSL 237879 (S4646) (02/04)

Managers report – Browns Plains

The transition from a Company owned Bendigo Bank site to your Community Bank® branch was a smooth one. There has been no change to the way our customers do their day to day business with us. In that sense, customers have continued to conduct their banking in the same way they had grown accustomed to as Bendigo Bank customers.

The difference, however, is that you the community now has very real ownership of your branch. The community will in turn benefit from this in many ways with the local Company continuing to focus its support on local schools, groups, clubs and events.

We wish to express our thanks to those shareholders that to date have chosen to bring their banking business to us. We also wish to extend a standing invitation to any shareholders, their families and friends who are considering making the change to call on us. We are consistently opening in excess of 100 new accounts each month, to members of the community, not only shareholders. This is a good indicator of our competitiveness and popularity.

Some personnel changes took place during 2003. Our team comprises the familiar friendly faces of Rachel Lintern, Tracey Brown, Karen Bollom and myself. Patricia (Trish) Bugeaney joined our team in November.

We can confidently say, that at Browns Plains we have always strived to provide a superior level of service and will continue to do so at all times. We pride ourselves on listening to our customers and making the "trip to the local bank branch" an enjoyable one.

Our opening was certainly an exciting time for the Board, community and branch staff. Be assured that the excitement has not dimmed. We at Browns Plains branch look forward to the opportunity to continue to look after our present customers and we embrace the opportunity to help existing and new customers achieve their financial goals. Together we will ensure the ongoing success of the Logan Community Bank® Branch in Browns Plains.

Gavin Pingel
Manager, Browns Plains branch



**Grand Plaza Shopping Centre
Cnr Browns Plains & Mt Lindsay Highway
Browns Plains, QLD 4118
Phone: 3806 9777. Fax: 3806 9500**

Branch hours
Monday - Friday 9am - 5pm
Saturday 9am - 12noon

Branch report – Marsden

Since the grand opening of the most recent branch of the four branches of the Logan Community Bank® branches of Bendigo Bank, the branch and staff have been well received with an enormous response from the local community in the forms of new accounts and utilisation of the full range of banking facilities.

Since September 2003, trends indicated that a large proportion of the newly acquired account base revolved around customers transacting on their existing accounts and not considering the range of products and services their Community Bank® branch offers. That trend is starting to change.

It is becoming clear now that with the continued growth in our balance sheet this perception is rapidly changing and the community is beginning to realise that we offer all of the banking products and services that any other bank branch offers.

Our branch continues to open between 30 to 50 new accounts every week with added emphasis being placed on giving every new and potential customer a "Financial Health Check" to make sure that we at Marsden are looking after the needs of our customers totally.

Monthly budgeted targets are now well within reach as we grow and it is anticipated that a profit return to the Company will only be a matter of time as our current banking book has just exceeded the \$4 million mark.



Bank with us and everybody benefits.

At Bendigo Bank we offer a complete range of banking products and services, one-to-one personal service and a commitment to actively participate in the communities we serve.

So for home loans, personal loans, savings*, investments* and business banking, Bendigo Bank is here to help you.

For more information call into any one of our local branches or phone:

Loganholme – Phone 3801 3600

Browns Plains – Phone 3806 9777

Marsden – Phone 3299 7740

Springwood – Phone 3208 2611

Logan Community Bank® Branch  **Bendigo Bank**

* These products are issued by Bendigo Bank Limited. As the information in this advertisement has been prepared without taking into account your objectives, financial situation or needs, before acting on the information, you should consider how appropriate it is having regard to your objectives, financial situation and needs. A Product Disclosure Statement ("PDS") for these products are available from your nearest Bendigo Bank branch or online at www.bendigobank.com.au. You should obtain a PDS and consider it before making a decision whether to acquire or continue to hold these products. www.bendigobank.com.au Bendigo Bank Limited, Fountain Court, Bendigo, Vic. 3550. ABN 11 068 049 178. AFSL No. 237879. www.bendigobank.com.au Bendigo Bank Ltd, Fountain Court, Bendigo Vic 3550 ABN 11 068 049 178 AFSL 237879 (S4646) (02/04)

Our shareholders are our best ambassadors and I encourage all shareholders to consider bringing across all of their banking business to us. This enables our Community Bank® branches to become a major force in the banking community.

Finally, I would like to thank all customers and shareholders alike for their support in bringing Marsden into the banking arena. My team and I look forward to looking after all your banking requirements both now and well into the future.

Simon A Reeves

Manager, Marsden branch

**Shop 21 Marsden Park
Shopping Centre**

**55-77 Chambers Flat Rd
Marsden, QLD 4132**

Phone: 3299 7740. Fax: 3299 7870

Branch hours

Monday - Friday 9am - 5pm

Saturday 9am - 12noon

**Branch report
– Springwood**

After seven months of operation I am pleased to report the Springwood branch has opened 761 accounts with a good mix of consumer and business customers contributing to a book in excess of \$8.5 million.

The feedback we have received from our customers has been very positive with the main themes being:

- “Fantastic to have personal service from a bank again”.
- “Can’t believe I don’t have to wait in long queues at the bank any more”.
- “I didn’t realise the Community Bank® branch offered such a broad range of business and consumer products”.

If there is a disappointment, it would be the low percentage of accounts opened by our shareholders. As our owners, we really want to show you what Logan Community Bank® Branch is all about, but we can’t do that unless you bank with us. Please give us the opportunity and call into your local branch to discuss your financial needs*. We have a great team ready and willing to assist you.

To those who have joined the Community Bank® branch as a customer, thank you, we really appreciate your support and look forward to keeping you informed of your branch’s growth in the year ahead.

Steve McCormick

Manager, Springwood branch



* As the information in this material has been prepared without taking into your account your objectives, financial situation or needs, before acting on the information, you should consider how appropriate it is having regard to your objectives, financial situation and needs.

**Shop 40-41 Springwood Mall
34 Fitzgerald Avenue
Springwood, QLD 4127
Phone: 3208 2611. Fax: 3208 3611**

Branch hours

Monday - Friday 9am - 5pm

Saturday 9am - 12noon

**\$100 million banking
milestone for Logan**

The Logan community has thrown its support behind Australia’s first Super Community Bank® branch network, growing its banking book by 20 per cent in the first six months of business.

The four Community Bank® branches within the City of Logan are celebrating the \$100 million banking business milestone, a combined figure amassed by the four branches within the network.

Chairman Paul Hampson said the \$100 million figure included the transfer of banking business from the two Bendigo Bank branches acquired by the Company.

“Despite this headstart, the business has grown by more than \$16 million in a six-month timeframe, a 20 per cent increase,” Mr Hampson said.

“Put into annual terms, if new business continues to come in at the rate it has, and there’s no reason to say that it won’t, we will be looking at a 40 per cent increase in business volumes during 12 months.

“That is a figure that any new business would be proud of.”

Mr Hampson said despite this early milestone, it is important to sustain the momentum during the coming years to secure the community benefits – a feature of Bendigo Bank’s Community Bank® model.

The Super Community Bank® branch network includes branches in Loganholme, Browns Plains, Springwood and Marsden.

“This \$100 million milestone is the tip of the iceberg for our community,” Mr Hampson said.

“The Springwood branch has been open for seven months and Marsden has been open for five months and are growing their businesses every day.

“The success we have achieved in such a short time speaks volumes for the loyalty of local people who have thrown their support behind us to secure banking in Logan once and forever.

“It is also a testament to the hard work and vision of our original Directors and I would like to thank them on behalf of the community for their contribution,” he said.

Bendigo Bank supports 118 Community Bank® branches throughout Australia. The Community Bank network has a combined banking business book in excess of \$4 billion.

Nine of those Community Bank® branches are located within Queensland, with a further seven Queensland communities campaigning to open a Community Bank® branch.

Logan Community Bank® Branch  **Bendigo Bank**

Bendigo Bank Limited, Fountain Court, Bendigo, VIC. 3550. ABN 11 068 049 178. AFSL 237879