

Newsletter

May 2006



Chairman's report

Getting started

As Yarraman Financial Services Limited has now been in existence for approximately one year, and our **Community Bank®** branch operating for about eight months, we thought it would be an appropriate time to make contact with you all for an update on our progress.

After the huge effort to raise the initial \$350,000 share capital in time to enable our **Community Bank®** branch to open on 29 August 2005, your Board of Directors found themselves on a steep learning curve to

manage the diverse affairs of a new public Company. These early challenges were soon overcome, and we are now 'settling in' to an exciting and ongoing growth period.

Directors

Due to various changes in their circumstances, three of our founding Directors have resigned. Lorraine Wyvill left the Board in July 2005 to become a member of staff; Cyril Brown resigned from the Board in August 2005 and Dawn Plumridge in December 2005. We offer all three people our grateful thanks for their sterling

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**Board of Directors, Yarraman Financial Services Limited,
23 Toomey Street, Yarraman, QLD 4614**

Wayne Emms (Chairman), Ross Begent (Secretary), John Harwood (Treasurer), Keith Carroll, Terry Dhann, Gunter Nehring, Les Schloss, Noel Strohfield, Jenny Hunter.

Chairman's report continued

efforts, particularly for the work involved as members of the original Steering Committee in obtaining the pledges necessary to get the venture started.

Yarraman resident John Harwood and Jenny Hunter from Kooralgin have filled two of the vacancies to date. John and Jenny bring valuable skills to our Board in accounting, banking and office administration.

All Directors commit to active involvement in our Company's various committees, which include Marketing & Sponsorship, Human Resources, Business Development, Budget, Audit, Property, Projects and Corporate Governance.

Sponsorship

Although a very new Company, we have already been able to make fairly regular, small donations to various sporting and community organisations. These have included:

- Yarraman Swimming Club \$100
- Blackbutt/Benarkin Aged Care Assn. \$50
- Nanango State High School Combined Cricket Team \$400
- Yarraman Progress Association \$130
- Yarraman Bowls Club \$85

We all look forward to the time when our branch is able to generate sufficient surplus funds to increase our contributions to the community and return dividends to our shareholders.

Shareholder capital

We are still able to accept applications to purchase shares in our Company. Our maximum share subscription is \$500,000 and to date, stands at just over \$403,000. Shares in our community Company can be purchased up until 16 June 2006. As expected, the bulk of this capital has been used to fund start-up costs including the purchase of the existing Bendigo Bank Agency, franchise fees, staff training, fit out costs and improvements to communications infrastructure.

Half yearly accounts

Our first set of financial statements covering the period from July 2005 to December 2005, were prepared, audited, and copies lodged with ASIC and Bendigo Stock Exchange in March as required by law.

These are very early days, but with the rapid growth already happening in the business, we are confident that in accordance with our initial projections, we will soon start generating profits.

Future plans

Again, we feel that it is important to continue to emphasise that these are very early days in our history, and we are concentrating firstly on building the business, and providing a full banking service to our growing customer base.

To this end, our first major project will be to investigate the provision an ATM facility, which we hope to install at the branch premises in the near future. Whilst work is progressing well on this project, it will require further capital outlay. Accordingly, you will understand the need for us to fulfill our allowed capital raising of \$500,000, if possible.

I would like to take this opportunity to ask you all to re-assess your present shareholding level, with a view to perhaps increasing your shareholding before the 16 June 2006 cut-off date. Perhaps you have other family members, friends or business acquaintances who may be interested in helping us achieve this goal.

Remember always – this is Your Bank and the bigger the effort we make now, the bigger the rewards will be for you, the community, in the future.

We ask you all to keep in mind that your **Community Bank®** branch is now no longer just an Agency, but is indeed a bank branch, offering all of the products that the major banks can.

Our Manager Anne, and her efficient, friendly staff, are always ready and willing to answer all your banking needs, with service to match.

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Chairman's report continued

Annual General Meeting

An early reminder that our first AGM will be held on Tuesday 3 October, beginning at 7.30pm. More information about the AGM will be available closer to the time, but keep this date free, as we would like to see a big turnout for this significant event in the history of our **Community Bank®** branch.

In closing, your Board of Directors would like to thank you all most sincerely for your very generous support to date, which has enabled us as a community to realise the dream of establishing, against huge odds, our very own **Community Bank®** branch.

Thank you for your continuing support,

Wayne Emms
Chairman



Anne Woodrow and Wayne Emms unveil the plaque.

Manager's report

Welcome to the first official shareholder newsletter from Yarraman and District **Community Bank®** Branch.

Bendigo Bank's **Community Bank®** initiative has proven to be a catalyst for many communities around Australia to deal with the challenges facing their districts.

By using the **Community Bank®** Model, many communities across Australia are now beginning to write their own script for the future.

Yarraman & District **Community Bank®** Branch was launched on 29 August 2005, with 1,340 accounts. Today, our account numbers exceed 1,540, our friendly staff carry out more than 1,900 face to face transactions per month and business is rapidly approaching \$20 million. All of this achieved in eight short months.

Customers have discovered our extensive range of products and services, from basic passbook and statement accounts through to:

- Personal loans
- Home loans
- Lines of credit
- Debit and credit cards
- Investment accounts

- Insurance: Home and Contents, Motor Vehicle, Landlords and Travel.

In effect, we are providing our customers with a 'one stop shop' covering all of their banking needs.

The number of business customers is also growing as they discover that at Bendigo Bank we offer a full range of business products:

- Business cheque accounts,
- Overdraft facilities, business loans, business credit cards

At Yarraman & District **Community Bank®** Branch we also offer the services of a Financial Adviser and Agribusiness Manager.

I would like to congratulate my fantastic staff, June, Lorraine, Deanne and Lin for a job well done and thank them for their support.

We have so much to look forward to and if the past eight months is any indication, in the words of Dr. Seuss:

....'We're off to great places!
Today is our day!
Our mountain is waiting.
So.....let's get on our way!

Anne Woodrow
Manager

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.

Equally, we aim to build long-term relationships and make a contribution that counts. It means we get involved in activities at a local level, therefore supporting many local organisations.

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

These products are issued by Bendigo Bank Limited. You should obtain a copy of the Product Disclosure Statement ("PDS") or terms and conditions and consider them before deciding whether to acquire or continue to hold any of our financial products. These are available from your nearest Bendigo Bank branch or online at www.bendigobank.com.au.

For more information call into 23 Toomey Street, Yarraman or phone 4163 8162

Yarraman & District
Community Bank[®] Branch  **Bendigo Bank**

All loans are subject to the Bank's normal lending criteria. This information is provided by Bendigo Bank Limited and Yarraman Financial Services Limited. If you want to contact us or have any concerns about our services you can phone Bendigo Bank Limited 7 days a week on 1300 366 666 or contact Yarraman Financial Services Limited, 23 Toomey Street, Yarraman, QLD 4614 or phone 4163 8162. Bendigo Bank Limited, Fountain Court, Bendigo, VIC 3550. ABN 11 068 049 178. AFSL 237879. (bb21976-v1) (10/05/2006)

**For more information please call into
23 Toomey Street, Yarraman
or phone (07) 4163 8162**

**We are open:
Monday - Friday 9.00am - 5.00pm
Saturday 9.00am - 12 noon**

Yarraman & District **Community Bank[®] Branch**  **Bendigo Bank**