

2006/2007
annualreport

Bright Community
Financial Services
ABN 93 117 798 553

Bright
Community Bank[®] Branch  **Bendigo Bank**

Chairperson's report

For year ending 30 June 2006

This report covers the period of operation of the Steering Committee and the Bright Community Financial Services Limited, from the concept meeting held on 2 May 2005 to 30 June 2006.

The Bright **Community Bank**[®] Steering Committee formed at a meeting on Monday, 2 May 2005, starting the **Community Bank**[®] branch campaign.

The tasks before the Committee included raising awareness and support for the campaign, due diligence to establish the Company and then selling the share capital.

At the same time, work proceeded to determine a site to locate the proposed new branch.

Bright Community Financial Services Limited was established on 10 January 2006, after completion of the exhaustive due diligence process, with the existing 14 committee members becoming the inaugural Directors of the Company.

As part of this process, preparation and proving of the prospectus was completed and lodged with the Australian Securities and Investments Commission (ASIC) for approval. Subsequent approval meant the start of the share sale on 30 March 2006, with a 13 month selling period.

As at 30 June 2006, share sales had reached \$636,564, which is an excellent response to the offer and allowed us to establish our **Community Bank**[®] branch.

I am indebted to my fellow office bearers and all members of the Steering Committee, and subsequently the Board of Directors for their tremendous effort, dedication and generous provision of time in working make our **Community Bank**[®] branch a reality.

The strong support that is being given to the project by the Bright community is appreciated and remains the foundation for the ultimate success of the **Community Bank**[®] branch in Bright.



Roger Williams
Chairman

Manager's report

This Manager's report has been included to provide interim information, from 24 October 2006 – 28 February 2007

It is with great pleasure that I submit my first report as Manager of the Bright **Community Bank**[®] Branch of Bendigo Bank.

The first four months have been an exciting and enjoyable time for all involved. I have been extremely fortunate to have four very capable, enthusiastic and professional staff who, with me, are committed to seeing the Bright **Community Bank**[®] Branch grow into one that both the Bright community and Bendigo Bank can be truly proud.

Customer Service Supervisor Gina Luczkowski and part time Customer Service Officers Linda Dunell, Pauline Dalbosco and Natalie Raymond have settled into their roles very well and on many occasions have been complimented on their friendliness and professional manner towards customers.

We are continually working on our skill levels and our product knowledge by attending available training courses. Our industry is one of continual change and it is essential that we meet the challenges that change brings. I thank the team sincerely for their efforts to date and believe that they are excellent ambassadors for the Bright **Community Bank**[®] Branch and their respective communities.

From an operations aspect, business totalled \$13.69 million at the end of February with 841 accounts. To the end of February, not one day passed without an account being opened. The ATM is being used extensively by both our customers and other bank's customers, with approximately 1000 transactions per month.

Our qualified Financial Planner Ross Lovel attends the branch every second Wednesday. Ross has proved very popular with people throughout the district and has provided excellent advice and counselling in the financial arena.

Many customers are still not aware of the huge range of products that we offer. In addition to a full suite of personal and business banking products, we offer a full range of insurance, including health.

Loan enquiries are steady and we have also had a high number of business banking enquiries. Business Banker Tony Clarebrough and Agribusiness Manager Peter Nolan are based in Wangaratta and have provided great support to our business clients and our team here in the branch.

Manager's report continued

The most rewarding aspect for the staff is that our customers bank with us because they want to. They feel welcome and very comfortable every time they enter the branch. A brand new premises which is bright, cool in summer and hopefully warm in winter provides us all with the perfect vehicle with which to grow from strength to strength.

It certainly makes a big difference to be able to have a job that you enjoy doing and the staff comment on how much they look forward to coming to work and obviously it shows in their performance.

The full benefits of our Bright **Community Bank**[®] Branch are yet to be realised. I hear of the benefits that other communities have gained from having a **Community Bank**[®] branch and it makes me all the more excited as to what benefits we can achieve for the Bright community.

Finally I would like to sincerely thank Chairman Roger Williams and the members of the Bright Community Financial Services Ltd Board, both past and present, all staff in the **Community Bank**[®] branch section of the Bendigo Bank, Bendigo Bank Regional Manager Chris Pursehouse and the Branch Managers and staff at Wangaratta, Wodonga and Albury for all the support and assistance provided both before and after our opening.



Russell McGibbon
Branch Manager, Bright Community Bank[®] Branch of Bendigo Bank

Director's report

Directors

The names of Directors for period ending 30 June 2006.

Roger Williams, Chairman	Marlyn Chipperfield	Karen Dentry
Enid Donadio, Company Secretary	Peter Ely	John Farrington
Stuart Hargreaves	Ronald Kool	Robert Moore
Allan Poyner	Adrian Smith	Carmel Smith
Alan Stephens	Andrew Vey	

No Directors have material interests in contracts or proposed contracts with the Company.

Corporate governance

The Company was in the development phase leading up to the opening of the bank in the second half of the calendar year. Activities mainly centred on the continued raising of share capital, determining staff requirement and planning location of business premises. The Board meeting frequency was in response to the needs during the development phase.

Attendance figures for Director's meetings

Total of 19 meetings. From 20 February 2006 to 26 June 2006.

1. Chipperfield, Marilyn	attended 16, absent 3	84%	
2. Dentry, Karen	attended 13, absent 6	68%	
3. Donadio, Eckberg Enid	attended 16, absent 3	84%	
4. Ely, Peter Joseph	attended 12, absent 7	63%	
5. Farrington, John Edward	attended 16, absent 3	84%	
6. Hargreaves, Stuart	attended 13, absent 6	68%	
7. Kool, Ronald Ido	attended 9, absent 10	47%	Leave of absence 5 June to July 06.
8. Moore, Robert James	attended 15, absent 4	79%	
9. Poyner, Allan James	attended 11, absent 8	58%	
10. Smith, Adrian Victor	attended 18, absent 1	95%	
11. Smith, Carmel	attended 19	100%	
12. Stephens, Alan Bruce	attended 17, absent 2	89%	Leave of absence 17 June to 24 July 2006
13. Vey, Paul Andrew	attended 11, absent 8	58%	
14. Williams, Roger James	attended 18, absent 1	95%	

BSX additional information

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in this report is as follows. The information was current as at 14 July 2006.

A. Corporate Governance Statement

The Board guides and monitors the business and affairs on behalf of the shareholders to whom they are accountable. The Board recognises the importance of a strong corporate governance focus and methodology. The Board is currently working towards adopting policies and procedures that will govern our Company into the future. We believe that building policy framework will assist clarify the future direction of our local Company, provide accountability and transparency and ensure there are guiding principles in place for future decision making.

B. Fourteen largest shareholders

As at 14 July 2006

	Ordinary Shares	% Number of Ord Shares
1. Mr Raymond John Cox	50,000	7.60
2. Mr Stuart Hargreaves & Mrs Cynthia Hargreaves	20,801	3.16
3. Mr Brenton Jarrett & Mrs Sue Jarrett	20,200	3.07
4. Mr Dino Michelini (Jade Michelini a/c)	20,000	3.04
5. Mr Dino Michelini (Kane Michelini a/c)	20,000	3.04
6. Bordmont Pty Ltd	10,000	1.52
7. Mr Frederick R Borschmann & Mrs Ann L Borschmann (Borschmann Super Fund a/c)	10,000	1.52
8. Mr Gregory B Chalwell & Mrs Jill E Chalwell	10,000	1.52
9. Mr Jeffery M Dawes & Mrs Thea D Dawes	10,000	1.52
10. Mr Craig J Martin & Mrs Sharon M Martin (C & S Martin Super Fund a/c)	10,000	1.52
11. Jeanette B O'Leary & Philip J O'Leary (The O'Leary Family S/F a/c)	10,000	1.52
12. Mrs Dreena E O'Toole	10,000	1.52
13. Mr Philip Stubberfield & Mrs Helen Stubberfield (Gallant Ruler S/Fund a/c)	10,000	1.52
14. Mrs Elzbieta W Tually & Mr Geoffrey G Tually	10,000	1.52
	203,001	33.59%

C. Voting rights

Each shareholder has one vote, thus no substantial shareholders.

D. Distribution of Shareholders

The number of shareholders, as at 14 July 2006, by size of holding, is:

	Number of Holders	Ordinary Shares Number of Shares	% Issued Capital
1 - 1,000	204	144,450	21.96
1,001 - 5,000	79	259,900	39.53
5,001 - 10,000	14	122,250	18.5
10,001 - 100,000	5	131,000	19.92
100,001 and over	-	-	-
Total	302	657,600	100.00

There are 6 shareholders holding less than a marketable parcel of 500 shares, apart from Director shares of 1 share. There are 106 shareholders with 500 shares (35.099 % total shareholdings).

E. Monitoring of the Board's performance and communication to shareholders

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Director's is to be reviewed annually by the Chairperson. Director's whose performance is unsatisfactory will be asked to retire.

The Board and Director's aims to ensure that shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors.

The Board does have an Audit Committee.

F. Address and telephone number of the office which securities register is kept

Computershare Investor Services Pty Limited
452 Johnston Street,
Abbotsford, VIC 3067
Phone: 03 9415 5000
www.computershare.com

BSX additional information continued

G. Bright Community Financial Services Limited

Geoff Tually
Company Secretary,
PO Box 82.
Bright, VIC 3741
Telephone: 0407 437 526

Additional information to cover period 1 July 06 to 28 February 2007

The Names of Directors. For period ending 28 February 2007.

Roger James Williams, Chairman	
Marilyn Chipperfield	Resigned 19 December 2006
Karen Jane Dentry	
Enid Donadio, Company Secretary	Resigned 7 August 2006
Peter Ely	Resigned 7 August 2006
John Farrington	Resigned 17 July 2006
Stuart Hargreaves	
Ronald Ido Kool	
Robert James Moore	
Allan James Poyner	
Adrian Victor Smith	
Carmel Smith	
Alan Stephens	Resigned 31 July 2006
Paul Andrew Vey	Resigned 28 February 2007
Susan Cheryl Jarrett	Appointed 25 September 2006
Robert Charles Bone	Appointed 25 September 2006
Kim Hacon Muhlen-Schulte	Appointed 30 October 2006
Geoffrey Gurner Tually	Appointed 25 September 2006

Distribution of Shareholders

The number of shareholders, as at 28 February, 07, by size of holding, is:

	Number of Holders	Ordinary Shares Number of Shares	% Issued Capital
1 - 1,000	215	144,160	20.96
1,001 - 5,000	84	270,403	39.31
5,001 - 10,000	16	142,250	20.68
10,001 - 100,000	5	131,000	19.05
100,001 and over	-	-	
Total	320	687,814	100.00

List of largest shareholders has increased by 2 with the subscriptions of:

Ms Margaret Anne Baker	\$10,000
Mr Ronald McFadyen & Mrs Teresa McFadyen (McFadyen Super Fund)	\$10,000

Significant event since 30 June 06

The **Community Bank**[®] branch opened for business 20 October 2006. Official opening 24 October 2006.

Place of Business

Shop 2, 104 Gaven Street, Bright, VIC 3741.



Roger Williams
Director



Bright **Community Bank**[®] Branch
Shop 2, 104 Gavan Street, Bright, VIC 3741
Phone: (03) 5755 1932 Fax: (03) 5755 1107

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