

PROSPECTUS

East Gosford & Districts Community Bank[®] Branch of Bendigo Bank Limited and the Proposed Lisarow Community Bank[®] Branch of Bendigo Bank Limited



IMPORTANT NOTICE

This Prospectus is dated 17 November 2006

A copy of this Prospectus has been lodged with the Australian Securities and Investments Commission (ASIC). Application will be made within seven days for listing of the Company and quotation of Shares on the Bendigo Stock Exchange Ltd (BSX). Neither ASIC nor the BSX take any responsibility for the content of this Prospectus. The fact that the BSX may list and quote the Shares is not to be taken in any way as an indication of the merits of the Company or the Offer.

This Prospectus is an important document. Before deciding to invest in the shares offered under this Prospectus, you should read the Prospectus in its entirety (especially the risk factors) and carefully consider your own personal circumstances (including financial and tax issues). You should also obtain the advice of your solicitor, accountant or other financial adviser.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus and any information or representation not contained in the Prospectus may not be relied upon as having been authorised in relation to the Offer. No assurance is given that any forecast or prospective information made in this Prospectus will be achieved.

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Letter from East Gosford & Districts Financial Services Limited

Dear Investor

Thank you for your interest in the East Gosford & Districts Community Bank® Branch and the proposed Lisarow Community Bank® Branch of Bendigo Bank.

We are pleased to offer you the opportunity to invest in a project which we believe will deliver significant social and economic benefits to our region, as well as the prospect of positive returns to its shareholders. In keeping with these dual aims, the amount of profits that can be distributed to shareholders is limited and there are also requirements that the Company have a wide shareholder spread. These issues are explained in detail in this Prospectus.

The Company already has established and is managing the East Gosford & Districts Community Bank® Branch of Bendigo Bank. In addition, the Company has established and is managing sub-branches of Bendigo Bank, located in Lisarow and Kincumber. This Prospectus outlines your opportunity to assist in raising funds for the conversion of the Lisarow sub-branch into a Community Bank® Branch of Bendigo Bank. Both Community Bank® Branches are part of the Bendigo Bank Community Bank® project, the terms of which are outlined in this document.

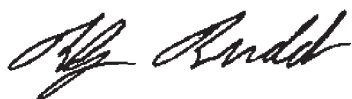
I encourage you to read the Prospectus closely and seek professional advice, so that you might base your investment decision on a clear understanding of the nature and prospects of the business.

The Company is already listed on the Bendigo Stock Exchange, which facilitates a secondary market for the trade of the Shares (subject to the share ownership rules described in this Prospectus). Further details on this are set out in this Prospectus.

Our decision to proceed with this capital raising for a new Community Bank® branch in Lisarow was based on our experience with the sub-branch in Lisarow. The performance of the Lisarow sub-branch formed the basis of a business plan which, if achieved, shows that the business has solid prospects of continuing to generate positive returns for investors. We are further heartened by the experience of many of the other Community Bank® Branches of Bendigo Bank which have been enthusiastically embraced by their communities.

The Lisarow and East Gosford & Districts Community Bank® Branches of Bendigo Bank, together with the Kincumber sub-branch of Bendigo Bank afford our communities the chance not only to secure branch banking services, but to improve our long-term prospects by retaining greater control over our communities' capital resources. I commend the investment to you.

Yours sincerely,



Bob Rudd
Chairman, East Gosford & Districts Financial Services Limited

Letter from Bendigo Bank Limited

Dear Investor

By owning shares in East Gosford & Districts Financial Services Limited, you will help secure additional banking services for your community and also share in the prospect of income which can be used to generate further development in your region.

Why has Bendigo Bank developed this concept? Because we are a community based bank ourselves and by helping to create successful communities we will share in your success.

Bendigo Bank will work with East Gosford & Districts Financial Services Limited to maximise the potential of the current sub-branch at Lisarow, just as it has worked with the board in relation to the existing Community Bank® branch at East Gosford and the new sub-branch at Kincumber. However, as for any business, the success of your community company is ultimately based on the support it receives from its customers – which in this case are the members of the Lisarow, Kincumber and East Gosford communities.

Members of your community have previously supported The East Gosford & Districts Community Bank Branch and Lisarow sub-branch with their banking business. Now is your chance to support its conversion to a new Community Bank® branch by investing in East Gosford & Districts Financial Services Limited. This Prospectus provides you with information you need to make an informed choice.

Your commitment will help make a difference to your community

Yours sincerely,



Russell Jenkins
General Manager Community & Alliance Banking
Bendigo Bank Limited

1. Purpose and Details of the Offer

1.1 Purpose of the Offer

The purpose of the Offer is to raise funds for the continued business development of the company including

- the capital expenditure and working capital requirements to convert the existing sub-branch in Lisarow to a new Community Bank® Branch of Bendigo Bank
- to establish and operate the Kincumber sub-branch and subsequent conversion to a Community Bank® Branch
- the possible acquisition of bank premises, and
- to fund other business opportunities

All funds raised under the offer (including any oversubscriptions) will be used for the purposes of meeting these costs.

Details of the establishment & operating costs of the branches are set out in Section 4.4 of this Prospectus.

In August 2000 the Company entered into a franchise agreement with Bendigo Bank for the Company to manage, and provide services to, the East Gosford & Districts Community Bank® Branch as a “franchise” of Bendigo Bank. The Company raised the funds required for the establishment and initial ongoing operations of the East Gosford & Districts Community Bank® Branch via an offer of shares (at an issue price of \$1 per share) to the East Gosford & Districts community. The Company’s prospectus for that offer of shares was dated 8 May 2000. Since 9 October 2003, the Company has operated a sub-branch at Lisarow and in September 2006, the Company commenced operation of a sub-branch of Bendigo at Kincumber, under the terms of a Sub-Branch Agreement between the Company, its directors and Bendigo Bank (Kincumber Sub-Branch Agreement).

If the Offer under this Prospectus is successful, the Company will manage, and provide services to, the East Gosford & Districts Community Bank® Branch, a newly formed Lisarow Community Bank® Branch (being a conversion of the Lisarow sub-branch) and the existing Kincumber sub-branch. Each of the Community Bank® Branches will operate as a “franchise” of Bendigo Bank. The franchise

arrangements relating to the East Gosford & Districts Community Bank® Branch and those relating to the Lisarow Community Bank® Branch will be contained in one Franchise Agreement between the Company and Bendigo Bank. This Franchise Agreement will replace the existing arrangements with respect to the East Gosford & Districts Community Bank® Branch and the Lisarow sub-branch which will be terminated. The existing sub-branch in Kincumber will continue to operate under the Kincumber Sub-Branch Agreement as a sub-branch of the East Gosford & Districts Community Bank® Branch.

The franchise arrangements, and the business of the Company are described in detail in this Prospectus, especially Sections 3 and 6.

Please Note: This is not an offer to subscribe for shares in Bendigo Bank - it is an offer to subscribe for shares in East Gosford & Districts Financial Services Limited.

1.2 Description of the Offer

The Company is offering for subscription 200,000 ordinary shares in the Company (Shares) at an issue price of \$1.00 per Share, payable in full on application.

Applications for Shares should be for a minimum of 500 Shares, or a greater number of Shares in multiples of 100, up to a maximum of 10,000 Shares. However, the Directors reserve the right to accept applications for fewer than 500 Shares or (subject to the maximum permitted shareholding - see Sections 1.4 and 7.3 below) greater than 10,000 Shares.

The Directors reserve the right to accept oversubscriptions of up to 500,000 Shares. Proceeds from oversubscriptions will be used to provide additional working capital for the Company as set out in Section 1.1.

The amount of dividends and other distributions to shareholders that the Company may make in any 12 month period is limited by the terms of the Franchise Agreement with Bendigo Bank. You should refer to Section 5.2 of this Prospectus for a description of this limit.

Applicants should be aware of the voting and ownership restrictions that apply to the Company, including the Directors’ right not to accept applications in breach of these restrictions (see Section 1.4 below)

1.3 Capital Structure

Assuming the Offer is fully subscribed (and assuming no oversubscriptions are accepted) the capital structure of the Company following completion of the Issue will be as follows:

Ordinary Shares

Shares Currently on Issue (after bonus issue (see below))	703,916
Shares issued pursuant to this Prospectus	200,000
TOTAL	903,916

If the maximum permitted amount of oversubscriptions is accepted, the capital structure of the Company following completion of the Issue will be as follows:

Ordinary Shares

Shares Currently on Issue (after bonus issue (see below))	703,916
Shares issued pursuant to this Prospectus	700,000
TOTAL	1,403,916

1.4 Voting and Ownership Restrictions

It should be noted that, pursuant to the Constitution of the Company, each shareholder is entitled to only one vote, regardless of the number of Shares held. The Constitution also prohibits a shareholder from controlling or owning 10% or more of the Company. The Directors reserve the right to not accept any application if it appears the applicant would be in breach of these restrictions.

The voting rights attaching to Shares and the ownership restrictions are discussed further in Sections 7.2(a) and 7.3 below. You should note that where a person is or would be in breach of these restrictions, the Directors not only have the power to refuse to register a transfer but the voting and dividend rights attaching to the relevant Shares are suspended and the Directors have the power to require a divestment of the relevant Shares (see Section 7.3 below).

1.5 Minimum Subscription

The Company must receive applications (and payment) for at least 200,000 Shares in order for the Offer to proceed. Shares will not be issued unless this condition is satisfied. If this minimum subscription is not reached by the date (the Four Month Date) which is four months from the date of this Prospectus, no Shares will be allotted and all application monies received will be returned to the Applicants (without interest) as soon as practicable after the Four Month Date. Please refer to “New Franchise Arrangements” in Section 3.2 below for

further information on the minimum subscription requirement. This Offer is not underwritten.

Please also note that no Shares will be allotted or issued if the Shares do not receive permission for official quotation within three months, unless ASIC grants an exemption (see 1.7 below).

1.6 Allocation

Application monies will be held on trust by the Company in a separate bank account which has been established by the Company for the purposes of the Offer. This money will be held on trust by the Company until the Shares are issued or the money is returned, as required by the Corporations Act, to the Applicants.

The Company may allocate the full number of Shares applied for by an Applicant or may allocate any lesser number or decline any application.

Where no allocation is made or where the number of Shares allocated is less than the number applied for, the surplus application money will be returned to the Applicant without interest as soon as practicable.

1.7 Quotation of Shares on the Bendigo Stock Exchange

The Company is listed, and its Shares are quoted, on the Bendigo Stock Exchange. Application will be made within seven days of the date of this Prospectus for quotation of the Shares offered under this Prospectus on the Bendigo Stock Exchange.

If the Bendigo Stock Exchange does not grant permission for official quotation of the Shares within three months after the date of this Prospectus, none of the Shares offered under this Prospectus will be allotted or issued unless ASIC grants the Company an exemption permitting the allotment or issue. If no allotment or issue is made, all money paid on application for the Shares will be refunded without interest as soon as practicable.

Please see Section 5 of this Prospectus for a discussion of the risk factors relevant to the Company's listing on the BSX and quotation of the Shares.

1.8 How to Invest

An application for Shares can only be made on the Application Form in this Prospectus (or on a copy made from that form, but only if the copy was made by the Applicant). The Application Form (or the copy) must be completed in accordance with the instructions set out in “Application Details and Instructions” commencing towards the end of

this Prospectus. The terms and conditions in the Application Form form part of this Prospectus.

1.9 Important Dates

An indicative timetable for the Offer is set out below.

Event	Date
Offer opens:	3 December 2006
Offer closes:	5 January 2007
Shares expected to be allotted:	1 February 2007
Shares expected to be quoted on BSX:	6 February 2007
Certificates expected to be dispatched:	17 February 2007

These dates are indicative only and are subject to change. The Company has the right, in its absolute discretion, to close the Offer early or to extend the closing date, without notice. If the closing date for the Offer is extended, the subsequent dates may also be extended accordingly

1.10 Expiry Date of this Prospectus

No Shares will be issued on the basis of this Prospectus after the Expiry Date. The Expiry Date is the date 13 months after the Date of this Prospectus

1.11 Accepting Applications

The Company will not accept an application for, or issue any, Shares offered under this Prospectus until the Exposure Period has ended. The Exposure Period is the period of seven days after lodgment of this Prospectus with ASIC or if ASIC, in accordance with the Corporations Act, extends that period, such longer period. At present, ASIC is not permitted to extend the Exposure Period to more than (in total) fourteen days after the lodgment of this Prospectus.

Accordingly, the Company will not process any applications received until after the Exposure Period and no preference will be conferred on applications received in the Exposure Period.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. It is possible that this examination may result in the identification of deficiencies. Any application received in these circumstances may need to be dealt with in accordance with section 724 of the Corporations Act (this section may require, in certain circumstances, the return of application money and/or the distribution of a supplementary or replacement prospectus together with the right of an applicant to withdraw their application).

2. Directors

Details of the Directors of the Company are as follows:

Name Robert Geoffrey Rudd

Date of Birth 31 May 1948

Occupation Surveyor

Background information

Local surveyor for 34 years with Bannister & Hunter. Owned a number of local fashion boutiques. Bob is a past President of East Gosford Chamber of Commerce. Current Chairman of East Gosford & Districts Financial Services Ltd.

Address 297 Avoca Dr, Green Point,
NSW 2251

Name Stephen David McIntosh

Date of Birth 5 December 1952

Occupation Human Resources Consultant

Background information

Human Resources consultant specialising in organisational design, job analysis and recruitment. Stephen is currently working with East Gosford Progress Association. Current director & Deputy Chairman of East Gosford & Districts Financial Services Ltd.

Address 21 Carrol Ave, Gosford,
NSW 2250

Name Warren Neville Price

Date of Birth 8 November 1957

Occupation Self Employed Shop Keeper

Background information

Licensed plumber, drainer & gas fitter for 27 years. Warren is also involved with the Terrigal BMX Club. Current Company Secretary and director of East Gosford & Districts Financial Services Ltd.

Address 32 Old Mt Penang Road, Kariong,
NSW 2250

Name Brian Wilfred Lindbeck
Date of Birth 26 April 1937
Occupation Retired Maintenance Accountant

Background information

Previous extensive career working in finance with QANTAS. Current director and Treasurer of East Gosford & Districts Financial Services Ltd

Address 659 Pacific Highway,
Wyong, NSW 2259

Name John Gregory Burton
Date of Birth 13 October 1939
Occupation Retired Solicitor

Background information

Solicitor in East Gosford for many years. Chairman of Gosford Committee of Gosford Scouts. Current director of East Gosford & Districts Financial Services Ltd.

Address 163 Albany St,
Point Frederick, NSW 2250

Name Ronald Keith Hincksman
Date of Birth 14 November 1934
Occupation Property Investor

Background information

Managing Director of a property investment company. Founding President of East Gosford Chamber of Commerce. Current Vice President of Gosford Chamber of Commerce. Current director of East Gosford & Districts Financial Services Ltd.

Address 14 Sierra Crescent,
East Gosford, NSW 2250

Name Maxwell Robert Hiron
Date of Birth 27 October 1942
Occupation Licensed Electrical Contractor

Background information

Previously worked for Energy Australia as an electrical inspector. Director of Karagi Limited, a non profit charity. Also Secretary for East Gosford Progress Association. Current director of East Gosford & Districts Financial Services Ltd.

Address 36 Waratah St,
East Gosford, NSW 2250

Name Kenneth George Howes
Date of Birth 27 August 1945
Occupation Chartered Accountant

Background information

Principal of local Chartered Accountant accountancy firm. Actively involved with a number of local sporting and community groups. Current director of East Gosford & Districts Financial Services Ltd

Address 95 Dean St,
Narara, NSW 2250

Name Barry Kenneth McDonald
Date of Birth 8 March 1946
Occupation Retired

Background information

Former Managing Director of Albany International Pty Ltd. Member of boards of a number of local community service industry groups. Current director of East Gosford & Districts Financial Services Ltd.

Address 1 Barracouta Ave,
St Huberts Island, NSW 2257

Name Garry Samuel Morris
Date of Birth 25 January 1954
Occupation Financial Advisor

Background information

Principal of a local financial planning business and part-time university lecturer. Qualified Chartered Accountant and was an Associate Director for an international investment bank. Current director of East Gosford & Districts Financial Services Ltd.

Address RMB 3429 Dog Trap Rd,
Somersby, NSW 2250

3. Bendigo Bank Franchise

3.1 Bendigo Bank

Bendigo Bank had its origins on the Bendigo goldfield in 1858 when the settlement comprised thousands of makeshift tents and humpies clustered along the gold bearing gullies. Disturbed by the temporary and unsightly nature of these dwellings, a group of prominent citizens banded together to foster a sense of civic pride by providing finance for miners wishing to own their own homes. Thus was born the Bendigo Land and Building Society, which immediately began financing humble miners' cottages, some of which remain in the city today.

Within 30 years, Bendigo had established itself as one of the most gracious Victorian era cities in the world, its grand public buildings a monument to the vast riches produced by the deep reef miners.

As Bendigo prospered, so did its building society, which rapidly established a reputation for prudent financial management and ethical dealing. While other societies came and went, the Bendigo Land and Building Society grew steadily, declaring a profit in each year of its operation, even through the crises of the 1890s and 1930s Depressions.

Bendigo Building Society converted to a bank on 1 July, 1995, at which time it was Australia's oldest and Victoria's largest building society.

The past 20 years have seen the Bendigo Land and Building Society, now Bendigo Bank, grow quickly and in the process merge with a number of other firms and building societies: the Bendigo and Eaglehawk Star (1978), Sandhurst (1983), Sunraysia (1985), Capital (1992) and Compass (1992), trustee company Sandhurst Trustees (1991), mortgage securitisation firm National Mortgage Market Corporation (1995), Monte Paschi Australia Limited (1997) and Victorian Securities Corporation Limited (1997). Sandhurst Trustees, National Mortgage Market Corporation, Monte Paschi (now Cass Comm Limited) and Victorian Securities Corporation Limited are wholly-owned subsidiaries of Bendigo Bank, as is the financial planning arm Bendigo Investment Services. Bendigo Bank also operates a joint venture, with Elders Limited, called Elders Rural Bank. This joint venture is aimed at bringing banking services to farmers throughout Australia. In October 2000, Bendigo Bank acquired the Queensland-based

First Australian Building Society, which has since been integrated into Bendigo Bank.

The Bendigo Group now operates (itself and through franchises) approximately 342 branches and has assets of around \$9 billion. It is listed on the Australian Stock Exchange and is the only Australian bank with headquarters outside a capital city. Through Bendigo Bank and its subsidiary companies, the Bendigo Group provides a wide range of products including home loans, commercial mortgages, unsecured loans, investment products, insurance and superannuation.

3.2 Community Bank® Project

Bendigo Bank developed its Community Bank® project in response to the continuing closure of bank branches across Australia, and the subsequent effects on disenfranchised communities.

A Community Bank® is a means by which communities with the will and enthusiasm can enhance their future prospects by securing a conduit to the finance system.

The aims of the Community Bank® project are threefold:

- to secure branch banking services for participating communities;
- to help these communities better manage locally generated capital, and so provide them with a better return on their capital; and
- to enable participating communities to share in revenues generated from their Community Bank® enterprise.

Community Bank® draws on the greatest strength communities possess – their parochialism.

Through the potential to share in branch revenues, communities have the opportunity to generate profits which can be returned to support and develop the community via dividends to participating shareholders and through projects identified and agreed to by the community.

The Community Bank® project does this by providing communities with the opportunity to manage a community owned branch of Bendigo Bank. It supposes that ownership of this management right provides local residents and businesses with a powerful incentive to conduct their financial affairs through their own local bank branch, thereby maximising revenue potential for the local enterprise.

Each branch operates as a franchise of Bendigo Bank, using the name, logo and system of operations of Bendigo Bank. The franchisees are appointed as 'authorised representatives' of Bendigo Bank for the

purposes of the Corporations Act and manage the Community Bank® Branches on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank® Branches are effectively conducted between the customers and Bendigo Bank.

To date, Bendigo Bank has granted around 186 franchises to Community Bank® Branches, located in places such as Bayswater, Berowra, Carrum Downs, Coleambally, East Gosford, East Malvern, Ettalong, Galston, Henty, Kulin, Lang Lang, Laverton, Maldon, Minyip and Rupanyup (combined franchise), Nathalia, Neerim South, North Ryde, Parkdale, and Cranbrook (combined franchise), Toodyay, Turrumurra, Upwey, Virginia, Warburton and Wyong. Bendigo Bank has also granted a number of commercial franchises.

Regulation of Franchising

The relationship between Bendigo Bank and the Company as franchisor and franchisee is governed by the Franchising Code of Conduct (Franchising Code).

The Franchising Code is a mandatory industry code of conduct for the purposes of Section 51ACA of the Trade Practices Act 1974 (Cth) (TPA). Section 51AD of the TPA makes a contravention of the Franchising Code a contravention of Part IVB of the TPA.

The Franchising Code requires a franchisor to provide a prospective franchisee with a disclosure document, to enable the prospective franchisee to make a reasonably informed decision about entering into the franchise. The Franchising Code prescribes the information that must be included in the disclosure document. Such a disclosure document has been provided by Bendigo Bank to the Company.

The Franchising Code requires that, prior to entering into a Franchise Agreement with the Company (see below), Bendigo Bank must have obtained from the Company a statement that the Company has received, read and had a reasonable opportunity to understand the Disclosure Document and the Franchising Code and statements as to whether the Company has obtained independent legal, accounting and business advice. The relevant statements have been provided to Bendigo Bank by the Company.

Existing Arrangements

In August 2000 the Company entered into a franchise agreement (the Original Franchise Agreement) with Bendigo Bank pursuant to which the Company acquired rights to manage the East Gosford & Districts Community Bank® Branch of Bendigo Bank. The funds required for the Company to acquire these rights and provide initial working capital were

raised by way of an offer of shares in the Company, under a prospectus. The subscription price was \$1 per share and the sum of \$469,608 was raised under that offer. The Company currently has approximately 268 shareholders. The East Gosford & Districts Community Bank® Branch of Bendigo Bank has been operating since 5 August 2000. Information regarding the financial performance of the Company is set out in Section 4.

The Company has also managed and operated a Bendigo Bank sub-branch in Lisarow since 9 October 2003. In light of the success of that venture, the Company has now decided to enter into arrangements under which the Company will convert the Lisarow sub-branch into a Community Bank® Branch of Bendigo Bank (this is discussed further below).

Since September 2006, the Company has also managed and operated a Bendigo Bank sub-branch in Kincumber, under the terms of the Kincumber Sub-Branch Agreement, as a sub branch of the East Gosford & Districts Community® Branch.

To facilitate the conversion of the Lisarow sub-branch into a Community Bank® Branch of Bendigo Bank, the Company has entered into a Franchise Agreement with Bendigo Bank pursuant to which, subject to the satisfaction of a number of conditions precedent, the Company will have the right to continue to manage and provide services to the East Gosford & Districts Community Bank® Branch and also manage and provide services to a Community Bank® Branch to be established in place of the Lisarow sub-branch. This Franchise Agreement also provides for the termination, subject to the satisfaction of the conditions precedent, of the Original Franchise Agreement and the Sub Branch Agreement for the Lisarow sub-branch on the "Commencement Date". The Commencement Date is the expected branch opening date for the Lisarow Community Bank® Branch, (as specified in the Franchise Agreement), unless a different date is agreed. As at the date of this Prospectus, the only condition precedent that has not been satisfied is the condition relating to the minimum subscription amount (see below).

The effect of these arrangements will be that the existing management rights in relation to the East Gosford & Districts Community Bank® Branch and the Lisarow sub-branch will terminate on the Commencement Date of the new Franchise Agreement. For a customer of the East Gosford & Districts Community Bank® Branch or the Lisarow sub-branch these changes in arrangements should

not have any material effect. The Kincumber Sub-Branch Agreement governing the operation of the sub-branch at Kincumber will not terminate on commencement of the new Franchise Agreement and will continue unaffected under the new Franchise Agreement.

If the conditions precedent in the new Franchise Agreement are not satisfied, the new Franchise Agreement will not commence operation. The Company's right to manage and operate the East Gosford & District Community Bank® Branch and the Lisarow and Kincumber sub-branches under the Original Franchise Agreement and the Sub-Branch Agreements will be unaffected.

Under the new Franchise Agreement, the current term of the East Gosford & Districts Community Bank® Branch will conclude on 30 June 2010, plus two options to renew each for a five year period (subject to the satisfaction of certain conditions at each renewal).

New Franchise Arrangements

In addition to the arrangements described above in relation to the East Gosford & Districts Community Bank® Branch, under the new Franchise Agreement, the Company will acquire the right to manage and provide services to the proposed new Lisarow Community Bank® Branch of Bendigo Bank. Under the arrangement, the initial term will run from the Commencement Date until 31 August 2010, plus two options to renew each for a five year period (subject to the satisfaction of certain conditions at each renewal).

As indicated above, the Company has entered into a Franchise Agreement with Bendigo Bank that will govern the management of both the Community Bank® Branch at East Gosford & Districts and the Community Bank® Branch at Lisarow. For ease of reference in this Prospectus, the rights granted to the Company under the Franchise Agreement to manage and operate the East Gosford & Districts Community Bank® Branch are referred to as the East Gosford & Districts Franchise Rights (this includes the right to manage and operate the Kincumber sub branch) and the rights granted to the Company under the Franchise Agreement to manage and operate the Lisarow Community Bank® Branch are referred to as the Lisarow Franchise Rights.

A condition to the Franchise Agreement is that the Company raises the minimum subscription amount of \$200,000 pursuant to the Issue. If the conditions in the Franchise Agreement are not satisfied, the Company will not have the right to manage and

operate the Lisarow Community Bank® Branch and the Company's right to manage and operate the East Gosford & Districts Community Bank® Branch and the Lisarow and Kincumber sub branches will be governed by the terms of the Original Franchise Agreement and the Sub Branch Agreements, respectively.

The key features of the franchise arrangements are described below, and in Section 6 of this Prospectus.

3.3 Duration of Franchise

As noted in Section 3.2 above, Bendigo Bank has granted the Company the East Gosford & Districts Franchise Rights, with the current term concluding on 30 June 2010 and the Lisarow Franchise Rights for an initial term beginning on the Commencement Date and running until 31 August 2010 Pursuant to the Franchise Agreement, the Company may seek to extend the term of the East Gosford & Districts Franchise Rights and the Lisarow Franchise Rights (or either of them) for (in total) two additional five year terms each (subject to satisfying the applicable conditions).

It is possible that the Company will not be able to, or may not wish to, renew the term of the franchise rights in relation to one Community Bank® Branch (ie, East Gosford & Districts or Lisarow), but will do so in relation to the other. For example, at the end of a five year term, the Company may satisfy the conditions required in relation to one site, but not the other. In such circumstances, it is possible that the Company will continue to manage and operate only one Community Bank® Branch. It is, of course, also possible that at the end of a five year term, the Company may not be able to, or may not wish to, renew the franchise rights in relation to either branch, in which case, the Company would not be able to continue and operate either branch.

A request to extend the term of the East Gosford & Districts Franchise Rights, or the Lisarow Franchise Rights, must be made between 3 and 6 months prior to the end of the then existing term relevant to that Franchise Right. Bendigo Bank must agree to extend the term of the particular franchise rights (ie the East Gosford & Districts Franchise Rights, the Lisarow Franchise Rights or both) provided that the Company:

- is not in breach of the Franchise Agreement;
- secures continued rights to possession and use of the relevant branch site(s) for the renewal period, and refurbishes the relevant site(s) to the then current standards of Bendigo Bank franchises;

- provides the relevant statement required under the Franchising Code; and
- pays the Renewal Fee for the particular franchise rights being renewed under the Franchise Agreement and pays Bendigo Bank's costs of renewing the term of the relevant franchise rights.

These conditions must be satisfied at the end of an initial term and, in the case of any franchise rights which are extended for the first five year period, at the end of that first renewal period.

The Company has been granted the rights to operate and manage the Kincumber sub branch as a sub branch of the East Gosford & Districts Community Bank® Branch for two years (or such longer period as may be agreed). If certain business volumes are achieved in that time, the Company will have the right to convert the sub branch to a stand alone Community Bank® Branch. If the East Gosford & Districts Franchise Rights is terminated, so would the Kincumber sub branch.

Bendigo Bank has the ability to assign or novate its rights and obligations (or any part of them) under the Franchise Agreement at any time. However, Bendigo Bank must not assign its obligations (without the consent of the Company) unless the proposed assignee is either a related body corporate of Bendigo Bank, a person whose business includes the provision of financial services (and it is reasonable to expect that the person will be able to comply with its obligations under the Franchise Agreement) or a person who has entered into arrangements with Bendigo Bank and/or any of the foregoing, so as to enable that person to comply with its obligations under the Franchise Agreement. In any event, any assignee would have to continue to perform Bendigo Bank's obligations under the Franchise Agreement.

The Company may only dispose (in any way) of, or otherwise effect or permit a change of control or ownership of, the franchise, the Company or the Company's interest in the franchise operations, the Franchise Agreement (including, for example, the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights) or the location of either branch or the sub-branch with the prior written consent of Bendigo Bank and with the payment of a transfer fee to Bendigo Bank.

Bendigo Bank also has a pre-emptive right over the sale, transfer or disposal of the Company's interest in the Franchise Agreement, either of the Franchise Rights or the branch locations.

The consequences of the termination of the franchise are discussed in Section 5.2 below.

3.4 Activities of Company

Branches

The East Gosford & Districts Community Bank® Branch at 101 Victoria St, East Gosford commenced operation on 5 August 2000. The Company has managed that branch since that time under the Original Franchise Agreement between the Company and Bendigo Bank. The East Gosford & Districts Community Bank® Branch is open from 9.00am to 5.00pm on Monday to Friday, and from 9.00am to 12 noon on Saturdays.

In addition, the Company intends to convert its existing Bendigo Bank sub-branch in Lisarow into a Community Bank® Branch of Bendigo Bank at Shop 16 Lisarow Plaza Shopping Centre Corner Pacific Highway & Parsons Road, Lisarow NSW.

It is proposed that the Lisarow Community Bank® Branch will open from 9.00am to 5.00pm on Monday to Friday, and from 9.00am to 12 noon on Saturdays.

The Company also operates a Bendigo Bank sub-branch in Kincumber at 2A/39 Avoca Drive, Kincumber NSW.

It is possible, with Bendigo's consent, to operate the proposed Community Bank® Branches from sites in addition to, or in substitution of, the current proposed sites. However, the Directors have no intention to do so at this stage.

Employees

The Company currently employs a number of staff at the East Gosford, Lisarow, and Kincumber sites. All employees must be first approved by Bendigo Bank. It is also possible that staff will be seconded from the Bendigo Group.

Financial Products and Services

Through the East Gosford & Districts Community Bank® Branch, the new Lisarow Community Bank® Branch the new Lisarow Community Bank® Branch and the Company including the Kincumber sub-branch will provide a range of financial products and services determined by Bendigo Bank from time to time. and the Company will provide a range of financial products and services determined by Bendigo Bank from time to time.

The products and services will include (but are not necessarily limited to) the following:

- deposit business, for example, "Ultimate" accounts, term deposits, "Money Extra", "Classic" accounts, investment accounts and specialised rural accounts;

- personal bank products and services, for example, credit and debit cards, insurance and financial planning;
- loans and lending products, for example, home loans, investment loans, home equity loans, leasing, commercial loans, farm loans and personal loans;
- investment products, such as superannuation, Sandhurst Select products and common fund and tax-based savings products; and
- cash and cheque facilities, delivered through electronic means and ATM services.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the Company facilitating the provision of those products.

All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The products and services available to be offered via the East Gosford & Districts and Lisarow Community Bank® Branches and the Kincumber sub-branch will not necessarily be the same as those offered by other Bendigo Bank branches or franchises or by each other. However, the Company will endeavour to ensure that the products and services offered will be appropriate for the requirements of its customers.

Other Products and Services

In addition, the Company can offer or promote other products and services under agreements with members of the Bendigo Group if Bendigo Bank has given its prior consent. In particular, the Directors envisage that the Company might enter into a referral agreement with a member of the Bendigo Group under which the Company will, in return for a commission, offer and promote to our community non banking products and services offered by that group member.

These products and services may, for example, include telecommunications services.

3.5 Benefits of Franchise Arrangements

Name, Logo and Systems

As part of the franchise arrangements, Bendigo Bank grants the Company the right to use its name, logo and system of operations and other relevant

intellectual property rights including the trademark “Community Bank®” for the purpose of managing the Community Bank® Branches of Bendigo Bank. To the extent that it is able, Bendigo Bank will also give the Company reasonable access to all information and technology created or obtained by Bendigo Bank in connection with other franchises.

The Company will have the benefit of all general advertising and promotions undertaken by Bendigo Bank, in addition to the local promotional activities undertaken by the Company itself (in accordance with the controls set out in the Franchise Agreement).

Assistance and Advice

Bendigo Bank has provided, and will continue to provide, significant assistance in relation to the East Gosford & Districts Community Bank® Branch, the Lisarow Community Bank® Branch and the Kincumber sub-branch including:

- advice and assistance in relation to the design, layout and fitout of each branch (and the sub-branch);
- training for the staff in banking, management systems and interface protocol; and

Bendigo Bank will continue to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of each branch and sub-branch, including advice in relation to:

- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

Non-exclusive Franchise

The franchise rights granted under the Franchise Agreement are non-exclusive. That is, any member of the Bendigo Group is able to carry on any business (including the granting of franchises) anywhere. Further, Bendigo Bank (for example, through branches), any related body corporate of Bendigo Bank and any Bendigo Bank franchise are entitled to be located anywhere and to market to, or deal with, persons located anywhere.

Similarly, although the location of the branches at which the franchise operations are carried on must be approved by Bendigo Bank, the Company is entitled to market to, or deal with, persons located anywhere.

3.6 Restrictions on Operations

Sole Purpose Company

The Franchise Agreement provides that, subject to the ability to provide certain other products and services (see below), the Company must not carry on any business other than managing and operating the East Gosford & Districts Community Bank[®] Branch of Bendigo Bank and the Lisarow Community Bank[®] Branch of Bendigo Bank (and approved sub-branches), and it must not own or use any assets, or incur any liabilities, other than those required for the operation of those branches.

The Company may offer or promote other products and services pursuant to an arrangement with a member of the Bendigo Group if Bendigo Bank has given its approval.

Competition Restrictions

The Company is also subject to covenants that restrict its activities both during the term of the franchise, and for a further three years after the franchise has terminated.

Pursuant to these covenants (contained in the Franchise Agreement), the Company must not:

- have any interest in an entity carrying on business that is substantially the same as that conducted by Bendigo Bank through its franchises, or is in competition in relation to that business or in relation to any other business carried on by the Bendigo Group;
- seek to attract any customers or employees from Bendigo Bank or any of its franchisees; or
- otherwise interfere with the business being conducted by Bendigo Bank.

Similar restrictions apply to the Directors of the Company.

Bendigo Bank Involvement

Bendigo Bank will retain a tight control over the day to day operations of the Company, including the provision by the Company to Bendigo Bank of regular and detailed reports. Bendigo Bank also has the right to inspect or audit the franchise records.

In particular, as noted above, the products and services to be supplied through the Company will be determined by Bendigo Bank. As described in Section 3.4 above, all credit transactions must be approved by Bendigo Bank.

Further, the Company must only use Bendigo Bank's intellectual property (including its trademarks) licensed to the Company under the Franchise

Agreement in accordance with the guidelines provided by Bendigo Bank.

The Company is also required to be appointed as an 'authorised representative' of Bendigo Bank pursuant to a separate authorised representative appointment (see Section 7.4 below).

3.7 The Company's Board of Directors

The management and control of the business and affairs of the Company is the responsibility of the Board of Directors. There are rules in the Constitution to ensure that shareholders regularly have the opportunity to vote on the Directors. In particular, under the terms of the Constitution, one third of the Directors (other than an 'exempt' Managing Director – if any) will be required to retire at each annual general meeting and a Director who has held office for in excess of three annual general meetings (whichever is longer) since last elected must retire. However, Directors who so retire are eligible for re election. In addition, persons who are appointed as Directors by the Board must retire at the next annual general meeting, but are eligible for re election, and an employee who is a Director must retire as a Director if they cease to be an employee, but is also eligible for re election.

3.8 Share Price

Shares in the Company have been trading on the BSX since 4 February 2005. While past performance cannot be taken as an indication of future performance, as at 1 September 2006 the share price was \$1.00. Updated share price information can be obtained from the BSX.

4. Financial information

4.1 Financial Performance

Based on the history of operations of the East Gosford & Districts Community Bank® Branch and the Lisarow sub-branch, the Company (together with assistance from Bendigo Bank based on its experience with its own branches and other franchises), has prepared forecasts of the interest earnings from the lending products and the interest cost of the deposits, together with forecasts of other revenue streams. Given that the Kincumber sub-branch has been operating for a short period of time (since 19 September 2006), its historical operations were not considered in developing these forecasts.

The assumptions made in relation to this financial modeling conducted by the Company and Bendigo Bank are those set out below and in Sections 4.3 and 4.4.

Various forecasts have been prepared, each assuming that a different level of business is generated by the Company as a whole. The process of preparation of the forecasts is discussed in detail below. The annual operating costs (refer to Section 4.4) were estimated by the Company on the basis of the annual operating costs incurred by the East Gosford & Districts Community Bank® Branch, and the Lisarow sub-branch, the estimated annual operating costs of the Kincumber sub-branch and on the basis of other comparable Bendigo Bank branches and franchises. (This comparable information was provided, without identifying particular franchises, by Bendigo Bank).

The estimated annual operating costs of the Company were included to arrive at the estimated operating profit or loss before any allowance for depreciation, tax or dividends.

The Company's accountant was then provided with these figures and, as part of the accountant's role in relation to the preparation and review of the forecasts, the accountant calculated the depreciation and taxation expenses.

Various forecasts have been prepared for the Company as a whole. The process of preparation of the forecasts is discussed in detail below.

(a) Company Forecast (see Table 1 below)

This is a forecast for the Company as a whole assuming that it will continue to manage the East

Gosford & Districts Community Bank® Branch and the Lisarow Community Bank® Branch after it converts from a sub-branch on and manages the Kincumber sub-branch from September 2006. The forecast for the year ended 30 June 2007 assumes both the East Gosford and Lisarow branches achieve the level and type of business growth in the year as they experienced in the year ended 30 June 2006. The assumption of growth for year ended 30 June 2007 is based on Company budgets for all three branches.

(b) 80% of Company Forecast (see Table 2 below)

This is a forecast for the Company as a whole assuming that the Company will continue to manage the East Gosford & Districts Community Bank® Branch, and the Lisarow Community Bank® Branch after it converts from a sub-branch and manages the Kincumber sub-branch from September 2006 and assuming that, in the first year of the forecast, the Kincumber sub-branch achieves 80% of the volume of business assumed for the "Company Forecast" (refer to Section 4.1 (a) above).

(c) 120% of Company Forecast (see Table 3 below)

This is a forecast for the Company as a whole assuming that the Company will continue to manage the East Gosford & Districts Community Bank® Branch, and the Lisarow Community Bank® Branch after it converts from a sub-branch and manages the Kincumber sub-branch from September 2006 and assuming that in the first year of the forecast, the Kincumber sub-branch achieves 120% of the volume of business assumed for the "Company Forecast" (refer to Section 4.1 (a) above).

Assumptions

Whilst the Directors have given due care and attention to adopting the forecasts in this Prospectus, they can give no guarantee that these results will be achieved, since there are many factors beyond their influence and control. Some of these risks are discussed in Section 5 below.

The assumptions on which these forecasts are based are set out in Sections 4.3 and 4.4 below. The impact of the GST is discussed in Section 4.5

Table 1 shows that the Company could, if it achieves the assumed level of business for this forecast, generate a profit before tax of \$23,156 in the year ended 30 June 2007. This Table assumes that the Company will manage the East Gosford and Lisarow Community Bank® branches for the whole year and the Kincumber sub-branch from 1 September 2006.

Table 1: Company Forecast

	Year ended 30 June 2004 (audited)	Year ended 30 June 2005 (audited)	Year ended 30 June 2006 (audited)	Year ended 30 June 2007 (forecast unaudited)
Estimated Revenue from Ordinary Activities ¹	795,961	1,012,681	1,188,223	1,456,111
Estimated Expenses from Ordinary Activities ²				
Employee Expenses	(403,532)	(500,677)	(537,687)	(876,175)
Other Expenses	(267,312)	(347,433)	(405,552)	(511,900)
Depreciation and amortisation ³	(62,137)	(67,356)	(36,642)	(44,880)
Operating Profit before tax	62,980	97,215	208,342	23,156
Income Tax (charge) attributable to ordinary activities ⁴	(32,510)	(36,557)	(64,478)	(9,522)
Estimated Operating Profit after income tax expense	30,470	60,658	143,864	13,634
Retained profits (accumulated losses) at the beginning of the financial year	11,024	(771)	36,407	123,918
Dividends paid	(42,265)	(23,480)	(56,353)	(42,265)
Retained profits (accumulated losses) at the end of the financial year	(771)	36,407	123,918	95,287

Notes:

1 See assumptions in Section 4.3 below.

2 See assumptions in Section 4.4 below.

3 Non Current Assets will be depreciated over their useful economic life as follows:-

	Life	Method	Year ended 30 June 2004 (audited) \$	Year ended 30 June 2005 (audited) \$	Year ended 30 June 2006 (audited) \$	Year ended 30 June 2007 (forecast unaudited) \$
Depreciation of non current assets						
Leased Assets	40 years	Straight Line	9,074	12,099	12,099	13,500
Owned Plant & Equipment	5 years	Straight Line	28,813	30,257	6,580	9,600
Amortisation of non current assets						
Franchise fee	Term of the franchise	Straight Line	24,250	25,000	17,963	21,780
Total			\$62,137	\$67,356	\$36,642	\$44,880

4 Income tax at the company tax rate of 30% has been applied to the estimated profit. The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation.

	Year ended 30 June 2004 (audited)	Year ended 30 June 2005 (audited)	Year ended 30 June 2006 (audited)	Year ended 30 June 2007 (forecast unaudited)
Operating Profit before tax	62,980	97,215	208,342	23,156
Income tax expense calculated at 30% of operating profit	18,894	29,165	62,503	6,947
Add tax effect of:				
Non-deductible expenses	13,616	7,392	1,975	2,575
Income tax expense on operating profit	32,510	36,557	64,478	9,522

The following two tables illustrate how changes in the level of business generated by the Community Bank® branches affect the forecasts in Table 1 above. For these tables, all of the other assumptions described in Sections 4.3 and 4.4 remain the same. (See Section 4.5 for discussion of the impact of the goods and services tax).

80% of Company Forecast

Table 2 shows that the Company could, if it achieves the assumed level of business for this forecast (see Section 4.1(b) above), generate a profit before tax of \$11,848 in the year ended 30 June 2007. As with Table 1, this Table assumes that the Company will manage the East Gosford and Lisarow Community Bank® branches for the whole year and the Kincumber sub-branch for 1 September 2006.

Table 2: 80% of Company Forecast

	Year ended 30 June 2004 (audited)	Year ended 30 June 2005 (audited)	Year ended 30 June 2006 (audited)	Year ended 30 June 2007 (forecast unaudited)
Estimated Revenue from Ordinary Activities ¹	795,961	1,012,681	1,188,223	1,444,803
Estimated Expenses from Ordinary Activities ²				
Employee Expenses	(403,532)	(500,677)	(537,687)	(876,175)
Other Expenses	(267,312)	(347,433)	(405,552)	(511,900)
Depreciation and amortisation ³	(62,137)	(67,356)	(36,642)	(44,880)
Operating Profit before tax	62,980	97,215	208,342	11,848
Income Tax charge attributable to ordinary activities ⁴	(32,510)	(36,557)	(64,478)	(6,129)
Estimated Operating Profit after income tax expense	30,470	60,658	143,864	5,719
Retained profits (accumulated losses) at the beginning of the financial year	11,024	(771)	36,407	123,918
Dividends paid	(42,265)	(23,480)	(56,353)	(42,265)
Retained profits (accumulated losses) at the end of the financial year	(771)	36,407	123,918	87,372

Notes:

- 1 See assumptions in Section 4.3 below.
- 2 See assumptions in Section 4.4 below.
- 3 See note 3 in table 1 above.
- 4 Income tax at the company tax rate of 30% has been applied to the estimated profit. The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation.

	Year ended 30 June 2004 (audited)	Year ended 30 June 2005 (audited)	Year ended 30 June 2006 (audited)	Year ended 30 June 2007 (forecast unaudited)
Operating Profit before tax	62,980	97,215	208,342	11,848
Income tax expense calculated at 30% of operating profit	18,894	29,165	62,503	3,554
Add tax effect of:				
Non-deductible expenses	13,616	7,392	1,975	2,575
Tax effects of timing differences				
Income tax expense on operating profit	32,510	36,557	64,478	6,129

120% of Company Forecast

Table 3 shows that the Company could, if it achieves the assumed level of business for this forecast (see Section 4.1(c) above), generate a profit before tax of \$34,460 in the year ended 30 June 2007. As with Tables 1 and 2, this Table assumes that the Company will manage the East Gosford and Lisarow Community Bank® branches for the whole year and the Kincumber sub-branch from 1 September 2006.

Table 3: 120% of Company Forecast

	Year ended 30 June 2004 (audited)	Year ended 30 June 2005 (audited)	Year ended 30 June 2006 (audited)	Year ended 30 June 2007 (forecast unaudited)
Estimated Revenue from Ordinary Activities ¹	795,961	1,012,681	1,188,223	1,467,415
Estimated Expenses from Ordinary Activities ²				
Employee Expenses	(403,532)	(500,677)	(537,687)	(876,175)
Other Expenses	(267,312)	(347,433)	(405,552)	(511,900)
Depreciation and amortisation ³	(62,137)	(67,356)	(36,642)	(44,880)
Operating Profit before tax	62,980	97,215	208,342	34,460
Income Tax charge attributable to ordinary activities ⁴	(32,510)	(36,557)	(64,478)	(12,913)
Estimated Operating Profit after income tax expense	30,470	60,658	143,864	21,547
Retained profits (accumulated losses) at the beginning of the financial year	11,024	(771)	36,407	123,918
Dividends paid	(42,265)	(23,480)	(56,353)	(42,265)
Retained profits (accumulated losses) at the end of the financial year	(771)	36,407	123,918	103,200

Notes:

- 1 See assumptions in Section 4.3 below.
- 2 See assumptions in Section 4.4 below.
- 3 See note 3 to Table 1 above.
- 4 Income tax at the company tax rate of 30% and has been applied to the estimated profit. The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation.

	Year ended 30 June 2004 (audited)	Year ended 30 June 2005 (audited)	Year ended 30 June 2006 (audited)	Year ended 30 June 2007 (forecast unaudited)
Operating Profit before tax	62,980	97,215	208,342	34,460
Income tax expense calculated at 30% of operating profit	18,894	29,165	62,503	10,338
Add tax effect of:				
Non-deductible expenses	13,616	7,392	1,975	2,575
Income tax expense on operating profit	32,510	36,557	64,478	12,913

4.2 Sensitivity

The forecasts will be affected by the following factors:

- the extent to which the business generated by the Lisarow Community Bank® Branch varies from the performance of the Lisarow sub-branch including in respect of:
 - the value of the accounts;
 - different business mixes;
 - the timing of writing the business; and
 - account retention,

and including the impact of the Kincumber sub-branch.

- the extent to which the business generated by the East Gosford & Districts Community Bank® Branch varies from the business generated by that branch in the past, including the impact of the Lisarow Community Bank® Branch and the Kincumber sub-branch;
- interest rate variations (though see Section 4.3 below); and
- operating costs containment.

4.3 Revenue

Revenue Calculation

The estimated revenue for the 2007 financial year is the amount that would be earned by the Company under the Franchise Agreement on the basis of the assumed level of business for that year (see below).

The Franchise Agreement provides for three types of revenue that may be earned by the Company.

First, in respect of each branch (including a sub-branch of that branch), the Company is entitled to 50% of the monthly gross margin earned by Bendigo Bank on products and services provided through the Company that are regarded as “day to day” banking business (ie ‘margin business’). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the Company effectively incurs, and must bear, 50% of that loss.

The second source of revenue for the Company is commission paid by Bendigo Bank on the other products and services provided through the Company (ie ‘commission business’).

The initial list of products and services to be provided by the Company is set out in Section 3.4. The Franchise Agreement provides that a commission is currently payable on various specified products and services, including insurance, financial planning,

common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Elders Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days), and that all other products and services are taken into account in determining the gross margin. The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo). However, for the purposes of the forecasts, it has been assumed that the rates of commission payable to the Company will not vary during the forecast period.

The third source of revenue is a proportion of the fees and charges (that is, what are commonly referred to as ‘bank fees and charges’) charged to customers to which the Company may be entitled. This proportion (if any) is determined by Bendigo Bank, may vary between products and services and may be amended by Bendigo Bank from time to time. For the purposes of these forecasts, it has been assumed that the proportions will not vary during the forecast period.

As it is too uncertain to determine whether any revenue (and, if so, how much) will be generated by the Company in promoting or offering “non banking” products or services during the forecast period (see Section 3.4), no such revenue has been included in any forecast.

Level of Business

In preparing the forecasts, the following assumptions were made in relation to the level and type of business to be generated by the Company.

In preparing the forecast in Table 1 for the year ending 30 June 2007, the Directors have taken into account the actual level and mix of business for the East Gosford & Districts Community Bank® Branch, and the level of business for the Lisarow Community Bank® Branch for the year ending 30 June 2006 and assumed a consistent growth in business for the Company. This growth rate has been set having regard to the growth to date experienced by the Company operating both the East Gosford & Districts Community Bank® Branch and the Lisarow sub-branch, and the experience of the growth achieved across the Community Bank® Branch network.

Interest Rates

Interest rates (set out below) within broad product groups have been adopted across all forecasts.

Product	Rate
Personal Transactions Account	3.31%
Business Cheque Account	1.64%
Term Deposits ≤ 90 days	5.28%
Home Loans	9.14%
Home Equity Loans	8.75%
Credit Cards	10.36%
Overdrafts (Business)	8.75%
Personal Loans	11.31%

The rates in the above table represent a weighted average of the interest earned on products within each product group listed. They are included in the Prospectus solely for the purpose of providing information concerning the rates of interest used in preparing the forecasts and do not purport to represent a market interest rate that customers of any Bendigo Bank® Branch should expect to be offered. The interest rates were determined as at 17 October 2006, and reflect the rates current at the time the forecasts were prepared. Although some of these rates would now be likely to have changed given movements in market interest rates in the intervening period, the margins that the Company could expect to receive on these products and services have not changed in any material respect. As indicated below, it is changes in the interest rate margin that would be expected to affect the profitability of the Company.

In determining the profitability of a Community Bank® Branch (as with any other bank branch), one factor is the interest rate margin. The interest rate margin can be described as the difference between the interest rate earned on lending products as compared to the interest rate paid out on deposits and investments. If interest rates change over the period of the forecasts in this Prospectus, the profitability of the branch may not be affected, if the interest rate margin remains unchanged.

However, as the interest rate margin changes, so does the profitability of the branch. It is estimated that, for the “Company Forecast” in Table 1 above, an increase/decrease of 0.1% in the interest rate margin would increase/decrease the Company’s annual revenue by \$70,737.

4.4 Establishment and Operating Costs

The following costs of the Company were taken into account in preparing the forecasts:

- the initial investment required to convert the Lisarow sub-branch into a Community Bank® Branch.
- the estimated annual operating costs of the Lisarow Community Bank® Branch, the East Gosford & Districts Community Bank® Branch and the Kincumber sub-branch.

Establishment Costs

The establishment costs include:

- the Franchise Fees and Training Costs in relation to Lisarow;
- site modifications in relation to Lisarow;
- legal costs (including the costs of undertaking this Issue); and
- working capital.

Annual Operating Costs

The operating costs of the Company have been included in Section 4.1.

These costs include:

- annual Bendigo Stock Exchange listing and quotation fees;
- share registry fees;
- Labour (Senior Branch Manager, Branch Manager and Customer Service Officers) and related costs (eg uniforms);
- occupancy and outgoings;
- marketing;
- bad debts and other credit expenses;
- IT equipment, running costs and support costs;
- insurance;
- phone and fax;
- postage and stationery;
- cash logistics;
- security monitoring and maintenance;
- travel and accommodation;
- repairs and maintenance;
- automatic teller machine (ATM);
- accountancy and secretarial; and
- annual audit fees.

4.5 Goods and services tax

The goods and services tax (GST) legislation took effect from 1 July 2000. The impact of the GST on providers of financial services is quite different from its impact on other businesses. Most businesses are able to claim back all GST paid on business inputs. This is not the case for providers of ‘financial supplies’. Providers of ‘financial supplies’ are input taxed. This means that they can not charge GST on

these 'financial supplies' and can not claim back all the GST paid on their inputs.

The regulations distinguish between a financial supply "provider" who makes a financial supply and a "facilitator" who facilitates a financial supply made by another entity. Generally, supplies by a "financial supply facilitator" are not financial supplies and would therefore be subject to GST.

The Directors of the Company have been advised that the Company is a "financial supply facilitator" and it will therefore be able to reclaim the GST suffered on its business inputs but also required to account for GST on its revenues.

For the purposes of the forecasts in this Prospectus, it has been assumed that the services which the Company provides to Bendigo Bank are subject to GST, and the tax paid on purchases of inputs to the business will be able to be reclaimed in full. The revenues stated in the forecasts are net of GST and the costs are net of input tax credits.

4.6 Pro forma Balance Sheet

Set out below is an unaudited pro forma balance sheet for the Company showing the actual position prior to the date of Issue and alternative unaudited pro forma balance sheet showing the effect of the Issue.

	Actual as at 30 June 2006 (audited) \$	Unaudited Pro Forma 30 June 2006 ^{1&3} (unaudited) \$	Unaudited Pro Forma 30 June 2006 ^{2&3} (unaudited) \$
Current Assets			
Cash & Cash Equivalents	431,049	631,049	1,131,049
Trade & Other Receivables	115,420	115,420	115,420
Total Current Assets	546,469	746,469	1,246,465
Non-Current Assets			
Investments	500	500	500
Property, plant and equipment	130,665	130,665	130,665
Intangible Assets	77,220	77,220	77,220
Total Non-Current Assets	208,385	208,385	208,385
Total Assets	754,854	954,854	1,454,854
Current Liabilities			
Trade & Other payables	82,291	104,591	104,591
Current Tax Liabilities	31,343	31,343	31,343
Provisions	103,209	103,209	103,209
Total Current Liabilities	216,843	239,143	239,143
Total Liabilities	216,843	239,143	239,143
Net Assets	538,011	715,711	1,215,711
Equity			
Issued capital 703,916 ordinary shares (after bonus issue)	456,358	-	-
Issued capital 903,916 ordinary shares (after bonus issue)	-	656,358	-
Issued capital 1,403,916 ordinary shares (after bonus issue)	-	-	1,156,358
Less costs of equity raising	-	(22,300)	(22,300)
Retained profits	81,653	81,653	81,653
Total Equity	538,011	715,711	1,215,711

Notes

- 1 Assumes the Offer is fully subscribed and no oversubscriptions are accepted, and all Shares have been allotted.
- 2 Assumes the Offer is fully subscribed and the maximum amount of oversubscriptions is accepted, and all Shares have been allotted.
- 3 This balance sheet shows the position before any amount has been paid to Bendigo Bank under the Franchise Agreement.

4.7 International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Company must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. The first financial year to which IFRS was applicable to the Company was the most recent financial year ended 30 June 2006.

All financial information disclosed in this Prospectus has been prepared in accordance with IFRS.

5. Risk Factors

5.1 Introduction

Potential investors should consider the risks of investing in the Company carefully before making an investment decision. Your investment is not guaranteed by Bendigo Bank.

Particular investment risks arise due to the specific purpose for which the Company is being established and the specific nature of the business to be conducted by the Company, that is, to manage and operate two Community Bank® Branches of Bendigo Bank pursuant to a Franchise Agreement with Bendigo Bank and a sub-branch pursuant to the Kincumber Sub-Branch Agreement.

An investment in the Company is also affected by the business risks to which the Company will be subject, which may affect the success of the Company and, accordingly, its ability to pay dividends and its ongoing operation.

The following Sections highlight some of the key risks associated with an investment in the Company. There may also be other risks.

5.2 Investment Risk

Dividends

The Directors intend that profits will, as a general rule, be applied at the discretion of the Directors in one or more of the following ways:

- in payment of dividends to shareholders (subject to the limit described below);
- towards community or charitable projects as determined by the Directors from time to time; or
- as working capital.

The timing and payment of dividends is dependent on many factors which affect future profits and the financial position of the Company. Dividends will be determined by the Directors according to actual results, financial position, capital requirements, operating costs and economic conditions at the time. There will also be an assessment by the Directors of the needs of any worthwhile community or charitable projects. Further, in recognition of the aims of the Company to deliver social and economic benefits to the community (in addition to, if possible, a return to shareholders), the Company has agreed that in any 12 month period, the aggregate of the profits or

funds of the Company distributed to shareholders (whether by way of dividends, bonus shares or otherwise) must not, except in the case of a winding up, exceed the Distribution Limit. The Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital over that 12 month period (as determined by Bendigo Bank in consultation with the Company). The Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period (as determined by Bendigo Bank) plus 5%.

For the purpose of calculating the Distribution Limit, "Profit" shall be determined by reference to all applicable accounting standards pursuant to the Corporations Act and will be calculated before:

- any tax, including GST;
- eligible contributions to Bendigo's Community Enterprise™ Foundation (or any of its sub funds or successor(s)); and
- community contributions or donations made by the Company that would have been eligible contributions to Bendigo's Community Enterprise™ Foundation (or any of its sub funds or successor(s)).

Of course, the actual amounts distributed to shareholders may be less than the Distribution Limit.

The company has paid dividends previously and intends to continue to pay dividends as per forecasts.

Trading in Shares

The Company provides members of the community with the opportunity to contribute to establishing and maintaining Community Bank® Branches of Bendigo Bank in East Gosford and in Lisarow and a sub-branch in Kincumber. The community nature of the Company is reflected in the provisions of its Constitution relating to voting rights and limits on shareholding interests (see Sections 7.1 to 7.3 below).

Because of the community based nature of the Company, it is not envisaged that there will be significant trade in shares in the Company. Accordingly, there may be limited opportunities for members to recoup their investment in the Company by disposing of their Shares.

In particular, while the Company is listed and its Shares are quoted on the Bendigo Stock Exchange (and the Directors intend to apply for quotation on that Exchange of the Shares issued pursuant to this Prospectus), as listing and quotation impose additional obligations and costs on the Company, it is possible that in the future, the Directors will form the view that listing and quotation is no longer in the best interests of the Company.

Even if the Company remains listed on the BSX and the Shares quoted, it is not anticipated that an active market for trading of the Shares will develop. For example, the restrictions on shareholding interests may limit those persons who are able to purchase Shares in the Company. If the market for the Shares is not liquid, it is possible that the market price of the Shares may not reflect the true underlying value of the Company.

Further, the market price of the Shares will fluctuate due to various factors, including general movements in the Australian equity market (which, in turn, is influenced by the international equity markets), investor perceptions, local and worldwide economic conditions, movements in interest rates and specific factors affecting the performance and financial position of the Company and its business.

In addition, in the case of some companies listed on a stock market, it is possible that their share price may include a “control premium” to reflect the fact that a person may wish to acquire sufficient shares in the company to gain control of the company and, to do so, the acquirer would need to pay a premium above the underlying share price. It is unlikely that such a premium will be present in the case of the Shares (or will be paid by an acquirer), given the restrictions on share ownership in the Constitution and the fact that a change of control of the Company may trigger a termination of the Franchise Agreement.

In summary therefore, it is possible that the market price of the Shares may be lower than the issue price under the Offer or otherwise may not reflect the true underlying value of the Company or its performance. While this risk applies to all investments in any securities on any stock market, it applies particularly so here given the community nature of the Company (for example, the restriction on dividend payments), the limitations on share ownership, the restrictions on the business activities of the Company and the likelihood of an illiquid market.

Termination of Franchise

The maximum possible term of the East Gosford & Districts Franchise Rights and the maximum possible term of the Lisarow Franchise Rights are discussed in Sections 3.2 and 3.3 above. After that, the continued operation of each Community Bank® Branch will be subject to further negotiations with Bendigo Bank. Bendigo Bank also has broad rights to terminate the Franchise Agreement (see Section 6 below), the Kincumber Sub-Branch Agreement, the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights, in particular, if the relevant Community Bank® Branch or sub-branch is not profitable.

If the Franchise Agreement itself is terminated, the East Gosford & Districts Franchise Rights and the Lisarow Franchise Rights would also terminate, together with the Kincumber Sub-Branch Agreement. However, if the East Gosford & Districts Franchise Rights alone are terminated, the Lisarow Franchise Rights would not, by that fact alone, necessarily terminate (and vice versa). In other words, it is possible that the Company may end up managing and operating only one of the branches. As a sub branch of the East Gosford & Districts Branch, the Kincumber sub branch will terminate if the East Gosford & Districts Franchise Rights terminate (and, in addition, Bendigo Bank has stand alone termination rights in respect of the Kincumber Sub Branch Agreement, the same as its termination rights in respect of the East Gosford & Districts Franchise Rights and the Franchise Agreement).

The Company is not entitled to any payment upon termination of the Franchise Agreement, the Sub-Branch Agreement or of the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights, though it would be entitled to the net proceeds of the sale or transfer of either or both of the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights if, at its discretion, Bendigo Bank proceeded with such a sale or transfer after termination (see Section 6 below).

There are no restrictions on where Bendigo Bank (or any of its related bodies corporate or other Bendigo Bank franchisees) may carry on business or be located (either before, during or after the term of the Franchise Agreement – see Section 3.5 above).

On the expiration or earlier termination of the Franchise Agreement, the Company is prohibited from carrying on a substantially similar business for three years.

There are also restrictions on the ability of the Company to dispose of its rights in the franchise, the Franchise Agreement (including the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights or both, as the case may be), the franchise operations or the branch location (see Section 3.3 above).

5.3 Business Risks

Sole Purpose Company

The Company will essentially be a sole purpose company.

Subject to the ability to offer and promote other products and services under agreements with Bendigo Group members that have been approved by Bendigo Bank, the Company's only business will be managing the two Community Bank® Branches of Bendigo Bank and the sub-branch of Bendigo Bank at Kincumber.

Level of Banking Business

Although all transactions conducted through the branches will actually be conducted with Bendigo Bank, the effect of the gross margin sharing arrangement (as described in Section 4.3) is that the Company bears the risk of generating sufficient income from the banking business to derive a profit.

It is important to recognise that the forecasts presented in Section 4.1 are based (in part) on the performance of the Kincumber sub-branch, the Lisarow sub-branch and the East Gosford & Districts Community Bank® Branch to date and accordingly, there is no guarantee that the results set out in Section 4 will be achieved. In addition, part of the revenue earned by the Company is based on commission and fee income on certain products and services, and the commission and fees payable to the Company can be varied (in some cases, at the discretion of Bendigo).

The ability of the Company to generate new business is subject to factors beyond the control of the Company.

The level of banking business conducted through the East Gosford & Districts Community Bank® Branch, the Lisarow Community Bank® Branch and the Kincumber sub-branch will be affected by general economic conditions, in particular, the effect of interest rate movements on the interest rates offered by Bendigo Bank.

It should be recognised that the Company will face competition from other financial service providers (including, possibly, other branches and franchises of Bendigo Bank) whether located in East Gosford and

the surrounding districts, Lisarow or Kincumber, or in other nearby communities or that are able to deliver such services remotely (for example, through the internet or over the phone). It is also possible that, in the future, other financial services outlets could seek to open in East Gosford and the surrounding districts, Lisarow or Kincumber, particularly if the Community Bank® Branches and the Kincumber sub-branch are successful.

The Directors believe that the possibility of two Community Bank® branches in close proximity offers additional convenience and service opportunities to local people, and may increase the rate of conversion of new customers to either branch. It is however possible that this additional business may be offset if Lisarow residents choose to base their banking at East Gosford & Districts instead of converting their business to Lisarow as indicated. The Directors are unable to quantify the value of such business that may be affected.

Branch Operations

Like any small business, the Branch Manager and employees will have a key role in the success of each of the Community Bank® Branches. The Branch Manager and employees of each Community Bank® Branch will be responsible for promoting the branch, and providing a level of service and support that will engender ongoing relationships with customers. The ability of the Branch Managers to communicate effectively with representatives of Bendigo Bank, and represent the interests of the Community Bank® Branches, will also be critical to the smooth operation of the branch.

Although all deposits made through the East Gosford & Districts and Lisarow Community Bank® Branches and the Kincumber sub-branch will be transferred to Bendigo Bank, the Company will bear the risk of implementing procedures for handling and transferring such deposits.

Two Branches and a sub-branch

The Company will manage and operate two Community Bank® Branches and a sub-branch. Thus, shareholders of the Company will share the risks, and rewards, of both branches and the sub-branch. For example, it is possible that losses from one branch could offset the profits from the others. Similarly, should the Company incur any liabilities in respect of one branch, all assets of the Company (including assets relating to another branch) would be available to meet those liabilities.

5.4 Relationship with Bendigo Bank

Success of Bendigo Bank

The East Gosford & Districts Community Bank[®] Branch, the Lisarow Community Bank[®] Branch and the Kincumber sub-branch will operate under the Bendigo Bank name and (subject to any products and services approved by Bendigo Bank that may be provided under agreements with Bendigo Group members) will only provide Bendigo Bank products and services.

Accordingly, the success of the Company is, to a significant degree, dependent on the standing and success of Bendigo Bank.

The products and services provided through the Company, and the income that Bendigo Bank (and, accordingly, the Company) is able to earn on those products and services, will be subject to the competitive pressures facing Bendigo Bank generally and the impact of economic conditions and other factors on the business of Bendigo Bank.

Approvals

As described in Section 3.6 above, many of the Company's business decisions (including the products and services made available, the annual budgets and the credit business generated through the branch) are subject to the approval of Bendigo Bank.

It is clear that the Company and Bendigo Bank have a common interest in the success of the Company. However, as noted above, communication between the Company and Bendigo Bank will be critical to ensuring that Bendigo Bank understands the particular requirements of the East Gosford & Districts Community Bank[®] Branch, the Lisarow Community Bank[®] Branch and the Kincumber sub-branch and decisions in respect of the branch operations are made accordingly.

Bendigo Bank Claims

Pursuant to a broad indemnity in the Franchise Agreement, the Company is responsible for certain claims made against Bendigo Bank in connection with the operation of the franchise operations (see Section 6).

5.5 Other Factors

Regulatory Environment

Although the Company will not carry on banking business, by managing two Community Bank[®] Branches and a sub-branch of Bendigo Bank it will effectively be subject to the regulatory environment in which Bendigo Bank operates. In particular,

decisions of APRA that affect Bendigo Bank may also have an impact on the business conducted by the Company.

In addition, as part of the franchise arrangements, the Company must be appointed as an 'authorised representative' of Bendigo Bank for the purposes of carrying out the franchise operation (see Section 7.4 below).

Economic Conditions

As noted above, the Company's business will be affected by changes in economic conditions both directly and indirectly through the effect such changes may have on Bendigo Bank. Relevant factors include market growth, inflation, movements in interest rates and exchange rates and the level of loan defaults.

Government Policies and Legislation

The Company's business may be affected by changes to government policies, including those relating to prudential supervision, taxation and regulation of financial services industries. Again, such changes may affect the Company directly or indirectly as a result of their impact on Bendigo Bank

6. Franchise Agreement

The Franchise Agreement establishes the relationship between the Company and Bendigo Bank, and sets out the parameters within which the Company must operate. The Franchise Agreement defines the business that will be conducted by the Company and, accordingly, is critical to an assessment of the Company. The Kincumber Sub-Branch Agreement effectively extends the provisions of the Franchise Agreement to the Company's management and operation of the Kincumber sub-branch, and treats the sub branch as part of the East Gosford & Districts Franchise Rights.

The provisions of the Franchise Agreement have been described in detail in Sections 3 and 5 of this Prospectus.

The following is a brief summary of the key provisions of the Franchise Agreement.

Grant of Rights

Bendigo Bank grants the Company the right to use Bendigo Bank's system of operations and certain intellectual property rights to manage and operate the East Gosford & Districts Community Bank[®] Branch of Bendigo Bank and the Lisarow Community Bank[®] Branch of Bendigo Bank.

It is a condition to the Franchise Agreement that the Company raises 200,000 pursuant to the Issue.

Term

The current East Gosford & Districts Franchise Rights will conclude on 30 June 2010 and the initial term of the Lisarow Franchise Rights will run from the Commencement Date and will expire on 31 August 2010 (see Section 3.3). Provided certain conditions are met at the end of each term, at the request of the Company, Bendigo Bank will agree to extend the term of the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights (or both) for two further five year terms (see Section 3.3). The term of the Kincumber sub branch is discussed in section 3.3.

Branch Operations

There are strict controls on the Company in relation to the operations of each Community Bank[®] Branch and the sub-branch. In particular, the Company must only offer the products and services specified by Bendigo Bank, it must comply with Bendigo Bank's promotions, it (and its staff) must comply with

the operating manuals supplied by Bendigo Bank, it must seek the prior approval of Bendigo Bank to its promotional activities and material, public communications, signs and stationery and there are tight controls over the use of Bendigo Bank's intellectual property.

Payments/Receipts

In relation to the Lisarow Community Bank[®] Branch, the Company is required to pay Bendigo Bank the Franchise Fee, Training Costs and the Start Up Costs. For each additional five year period in respect of each branch (i.e. the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights or both), the Company must pay a Renewal Fee, the reasonable costs of training provided by Bendigo Bank to the Company's employees and the costs of Bendigo Bank of renewing the relevant Franchise Rights (including legal fees).

In addition, the Company is responsible for all ongoing costs in relation to each branch and each branch location (including, for example, all staff costs, rent, outgoings and insurance).

The revenue the Company is entitled to receive is described in Section 4.3 above.

You should refer also to Section 5.2 of this Prospectus for a description of the limit, contained in the Franchise Agreement, on distributions by the Company to its shareholders.

Indemnity

The Company provides a broad indemnity in favour of Bendigo Bank. In particular, the Company indemnifies Bendigo Bank against all losses Bendigo Bank may suffer and all third party claims that may be brought against Bendigo Bank in connection with the conduct of the franchise or the franchise operations (ie the management and operation of the two Community Bank[®] Branches and the sub-branch), a breach of the Franchise Agreement (including the manuals) by a person other than Bendigo Bank, the offering of any products and services (whether banking or non-banking) by the Company, the carrying on of any business by the Company (whether or not permitted by Bendigo Bank), the activities of the Company or its employees at or near the premises of the Community Bank[®] Branches and any unauthorised act, default, dishonesty, negligent act or omission or fraudulent conduct of the Company or any of its officers, employees or agents.

Bendigo Bank indemnifies the Company against all third party claims that may be brought against the Company to the extent that such claims result from a misleading or deceptive statement in, or a

misleading or deceptive omission from, the products or services specified by Bendigo Bank to be offered to customers, certain actions by employees of Bendigo Bank or any related promotional materials or manuals supplied by Bendigo Bank. Other potential liability on Bendigo Bank is, to the extent permitted, excluded.

Termination

Bendigo Bank may terminate the Franchise Agreement (or, at Bendigo Bank's discretion, the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights or the Kincumber Sub-Branch Agreement) in various circumstances, including if:

- the Company breaches the Franchise Agreement;
- the Company engages in fraudulent or dangerous conduct, becomes insolvent or fails to pay its debts on time;
- the Company is convicted of a "serious offence" (as defined under the Franchising Code);
- the Company operates the business in a way that endangers public health or safety;
- the Company takes (or omits) to take an action that, under the Franchising Code, permits Bendigo Bank to immediately terminate the Franchise Agreement (eg the Company abandons a branch, carries it on in a way that endangers public health or safety or agrees to terminate the Franchise Agreement);
- the Company voluntarily abandons a franchise operation or the franchise relationship; or
- the Company agrees to terminate the Franchise Agreement.

Termination of the Franchise Agreement in these circumstances would have the effect of terminating the Kincumber Sub-Branch Agreement. In addition, Bendigo Bank may terminate the Franchise Agreement (which would have the effect of terminating both the East Gosford & Districts Franchise Rights, the Lisarow Franchise Rights and the Kincumber Sub-Branch Agreement) in various circumstances, including if:

- the Company, any of its directors or employees is, or has been, convicted of an offence where, in the reasonable opinion of Bendigo Bank, that conviction materially and adversely affects Bendigo Bank and/or the name, goodwill or good reputation of the franchise, the Lisarow or East Gosford & Districts Community Bank® Branches, Bendigo Bank's system of operations or other Bendigo Bank franchises, unless, in the case of a Director or a member of staff, that person ceases to be involved or concerned in the management

or operation of the Company and the franchise within the time period (being not less than 7 days) specified by Bendigo Bank;

- the Company carries on the franchise in a manner that, or takes (or fails to take) any action that, harms or adversely affects, or may harm or adversely affect materially, the good name, goodwill or good reputation of Bendigo Bank, Bendigo Bank's business, the franchise, the East Gosford & Districts or Lisarow Community Bank® Branches, Bendigo Bank's system of operations or other Bendigo Bank franchises, including if the Company (or its staff) engage in misleading or deceptive conduct or conduct that is unlawful or may cause Bendigo Bank to breach any law or regulation or if the reputation of a Director or of a member of staff could adversely affect the good reputation or goodwill of Bendigo Bank, unless, in this latter case, that Director or member of staff (as the case may be) ceases to be involved or concerned in the management or operation of the Company and the franchise within the time period (being not less than 7 days) specified by Bendigo Bank;
- there is an amendment to, renewal of, or alteration of the effect of, a rule or clause of the Company's constituent documents, without the approval of Bendigo Bank; or
- there is, without Bendigo Bank's prior written consent, a change in the underlying ownership or control of the Company, the franchise or the Company's interest in the Franchise Agreement or the branch location (this can be deemed to occur for certain changes to the Directors of the Company or if the Company's control/ownership limit is breached – see Section 7.3 below);

Bendigo Bank may also terminate the rights to manage a branch or sub-branch (ie the East Gosford & Districts Community Bank® Branch, the Lisarow Community Bank® Branch or the Kincumber sub-branch) if:

- the Branch Manager of the Community Bank® Branch becomes unable to perform his or her duties for an extended period, without suitable replacement;
- the branch (or sub-branch) is not profitable; or
- the Company operates the branch (or sub-branch) from a location not previously approved by Bendigo Bank.

The Company may terminate the Franchise Agreement if Bendigo Bank materially breaches the Franchise Agreement.

The procedures for termination (either by Bendigo Bank or by the Company) are set out in the Franchise Agreement.

In certain circumstances, where there has been a breach of the Franchise Agreement by the Company, the right to manage and operate the East Gosford & Districts Community Bank® Branch and/or the Lisarow Community Bank® Branch and/or the Kincumber sub-branch is suspended until the breach is rectified or the Franchise Agreement is terminated.

Upon termination of the Franchise Agreement, the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights, there is no obligation on Bendigo Bank to sell or transfer the franchise operation or those franchise rights that have been terminated. However, if such a sale or transfer did proceed, the Company would be entitled to the proceeds received (less the costs of the sale or transfer and certain debts owed by the Company, if any).

7. Additional Information

7.1 Constitution

The rights attaching to Shares (Section 7.2) and the prohibition on shareholding interest (Section 7.3) set out in the Company's Constitution are summarised below.

7.2 Rights Attaching to Shares

The Shares will be issued as fully paid ordinary shares issued at \$1.00 each. They will rank equally with the existing ordinary shares of the Company on issue.

Set out below is a summary of the principal rights attaching to the Shares.

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting. On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy, has one vote, regardless of the number of Shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy. The purpose of giving each member only one vote, regardless of the number of Shares held, is to reflect the nature of the Company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the East Gosford & Districts Community Bank[®] Branch, the Lisarow Community Bank[®] Branch and the Kincumber sub-branch have the same ability to influence the operation of the Company.

(b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The Franchise Agreement with Bendigo Bank contains a limit on the level of profits or funds that

may be distributed to shareholders. You should refer to Section 5.2 of this Prospectus for a description of this limit. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (for example, by breaching the 10% share owning limit)(see Section 7.3 below).

(c) Transfer

The Directors have a discretion to refuse to register a transfer of ordinary shares. However, as the Company is listed on the BSX, the Directors can only exercise this discretion in certain limited circumstances (for example, the Directors may refuse to register a transfer of shares where permitted or required by law or the BSX Listing Rules or where the registration would result in a shareholder having a prohibited shareholding interest (see Section 7.3 below)).

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the Company's Constitution, the Corporations Act and the rules applicable to transfers on the Bendigo Stock Exchange. In addition, it is likely that brokers will require a statutory declaration from the transferee confirming that the transfer will not breach any of the shareholding ownership restrictions that apply (see Section 7.3 below).

(d) Winding up

If the Company is wound up, then subject to any special or preferential rights attaching to any class of shares, shareholders will be entitled to participate in any surplus assets of the Company in proportion to the capital paid up on their shares when the winding up begins.

If the assets available for distribution amongst shareholders are insufficient to repay the whole of the paid up capital, then those assets will be distributed in proportion to the capital paid up on shares when the winding up begins.

Notwithstanding the above, if the Company is wound up, the liquidator has the discretion to divide among all or any of the shareholders in specie or in kind any part of the Company's assets. The division may be carried out as the liquidator thinks fit, subject to the right of any shareholder prejudiced by the division to dissent. Any dissenting shareholder has ancillary rights as if the determination made by the liquidator were a special resolution passed under the Corporations Act relating to the transfer of the Company's assets by a liquidator in a voluntary winding up (see, in particular, Chapter 5 of the Corporations Act, especially section 507).

7.3 Prohibited Shareholding Interest

The Constitution prohibits a person from having a “prohibited shareholding interest”. The ways in which a prohibited shareholding interest may arise are set out in the Constitution and are summarised below.

A person who controls or owns 10% or more of the shares in the Company has a prohibited shareholding interest.

Similarly to the voting rights, the purpose of this shareholding limit is to reflect the community based nature of the Company, by ensuring that the Board can prevent ownership of the Company being concentrated in the hands of a small number of community members.

In summary, a person will be deemed to own the shares in the Company in which the person has a relevant interest and the shares in which the person’s associates have a relevant interest. (The terms ‘relevant interest’ and ‘associate’ have the same meaning as in the Corporations Act, subject to some modifications as set out in the Company’s Constitution). Also, a person is deemed to control the votes that the person, and the person’s associates, can cast or control the casting of on a resolution to elect a director of the Company.

The effect of these definitions is that, for example, if the aggregate of the shares owned (legally or beneficially) by a person plus the shares owned (legally or beneficially) by members of the person’s immediate family, equal or exceed 10% of the shares in the Company, the person has a prohibited shareholding interest. Similarly, if the votes a person can control the casting of on a resolution to elect a director, plus the votes that members of the person’s immediate family can control the casting of on such a resolution, equal or exceed 10% of the votes that could be cast by all shareholders on such a resolution, that person has a prohibited shareholding interest. A person’s “immediate family” includes a person’s spouse, defacto spouse, parent, son, daughter, brother or sister or a spouse or defacto spouse of any of the preceding persons.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to those shares in the Company in which the person and the person’s associates have a relevant interest are suspended. However, where a person has a prohibited shareholding interest purely on the basis that they own or control 10% or more of the shares or votes in the Company, the suspension only applies to those shares in which the person and the person’s

associates have a relevant interest in excess of 10% of the Company.

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member’s associate) to dispose of the number of shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

Furthermore, the Board may refuse to register a transfer of shares on the basis (among other things) that after the transfer a person would have a prohibited shareholding interest.

In the Constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

7.4 Authorised Representative Appointment

As noted previously, as part of the franchise arrangements, the Company must be appointed as an ‘authorised representative’ of Bendigo Bank so that the Company can provide financial services on behalf of Bendigo Bank. Under the appointment, Bendigo Bank authorises the Company to provide financial services advice in relation to, and deal in, various classes of financial products on behalf of Bendigo Bank. It is a condition of Bendigo Bank granting the authorisation that, amongst other things, the Company does everything necessary to ensure that Bendigo Bank complies with the law. If Bendigo Bank believes on reasonable grounds that the Company or its staff may have or are about to contravene the law or cause Bendigo Bank to contravene the law, Bendigo Bank has the power to modify or revoke the authorisation (in which case Bendigo Bank may also have the ability to terminate the Franchise Agreement).

7.5 Taxation Implications

The following is intended only as a general summary and does not purport to be a complete statement of all tax consequences that may be relevant to the issue of ordinary shares in the Company. The taxation implications of investing in the Company may vary depending on the individual circumstances of investors. The information provided is a brief explanation of the potential taxation implications for Australian resident investors.

All investors should consult their adviser about the taxation implications of investing in the Company relevant to their own particular circumstances.

An acquisition of ordinary shares by a resident of Australia will be an acquisition for capital gains tax (CGT) purposes.

A resident of Australia may be assessed in respect of a net capital gain for CGT purposes on disposal of their ordinary shares.

Generally, a net capital gain is determined by reference to the excess (if any) of the consideration received for the ordinary shares over the cost base of the ordinary shares. The amount of the excess will constitute the amount of capital gain unless the investor is entitled to a CGT discount, which is only available to individuals, superannuation funds and, in certain situations, trust investors. The CGT discount is calculated as follows. In the case of an investor who holds their shares for at least 12 months after the date of acquisition of the shares, the capital gain will be reduced by 50% (where the investor is an individual) or 33⅓% (where the investor is a superannuation fund) in the hands of the investor. In the case of trust investors, the calculation of the CGT discount is complex, and specific advice should be obtained.

Any capital loss (namely the excess of the cost base of the ordinary shares over the consideration received for those shares) with respect to the shares can generally be offset against capital gains realised by the investor in the same year or in later years. However, if there are net capital gains to which the investor is entitled to a CGT discount, any capital losses must be offset against the net capital gains realised by the investor before the CGT discount is applied to the net capital gains.

Certain investors, for example those who carry on business of share trading, may be liable to tax in respect of any profit on the disposal of ordinary shares as ordinary income.

Investors who are resident individual shareholders (or a resident superannuation fund) and who receive

dividends from the Company must include in their assessable income the amount of the dividend together with any franking credits attached to the dividend. Income tax is calculated on this total amount and investors will generally be entitled to claim a rebate equal to any franking credits attaching to the dividend. Any excess rebate over and above the total tax payable can be refunded to investors.

A resident corporate shareholder that is:

- a public company for tax purposes – is entitled to a rebate of tax only to the extent of the franked portion (if any) of any dividends received; and
- a private company for tax purposes - is entitled to a rebate only to the extent of the franked portion (if any) of any dividends received.

Companies are generally entitled to credit their franking account for the franked amount of any dividend.

7.6 Directors' Interests

Other than as set out below, no Director (and no proposed Director) has, or has held at any time during the last two years, any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer of the Shares, or in the Offer of the Shares.

Shares

The Directors of the Company and their interests in the share capital of the Company as at the date of this Prospectus are set out below.

Name of Director	Number of Shares	Nature of Interest
Robert Geoffrey Rudd	4,502	Legal and Beneficial
Stephen David McIntosh	1,502	Legal and Beneficial
Warren Neville Price	1,502	Legal and Beneficial
Brian Wilfred Lindbeck	7,502	Legal and Beneficial
John Gregory Burton	1,502	Legal and Beneficial
Ronald Keith Hincksman	7,500	Legal and Beneficial
Maxwell Robert Hiron	1,502	Legal and Beneficial
Kenneth George Howes	1,502	Legal and Beneficial
Barry Kenneth McDonald	1,500	Legal and Beneficial
Garry Samuel Morris	750	Legal and Beneficial

No Director holds shares in any related body corporate of the Company.

Indemnity

Under the Company's Constitution, the Company:

- indemnifies its current and former officers against liability to third parties incurred arising out of the conduct of the business of the Company or in the discharge of their duties as officers; and
- is permitted to pay premiums for insurance policies insuring its Directors and officers against liability to third parties incurred arising out of the conduct of the business of the Company or in the discharge of their duties as officers.

Other Interests

During the year Max Hiron received \$360 (2005: \$180) for services rendered to the Company. This payment was made under commercial terms and conditions.

Other benefits

No amounts have been paid or agreed to be paid (and no benefits have been given or agreed to be given) to a Director (or a proposed Director) to induce them to become, or to qualify as, a director of the Company.

7.7 Disclosure of Interests

Other than as set out below, no person (referred to as a Relevant Person) named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, no promoter of the Company and no stockbroker or underwriter to the Issue of Shares has, or has held at any time during

the last two years, any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer of the Shares, or in the Offer of the Shares.

The amounts paid, or agreed to be paid, and the nature and value of any benefits given or agreed to be given, to a Relevant Person or such a promoter, stockbroker or underwriter, for services provided in connection with the formation or promotion of the Company or in connection with the Offer of the Shares are as follows:

Rennick & Gaynor Solicitors have provided legal services to the company in connection with the Offer and for those services will be paid a fee of \$9,250.

AFS & Associates has provided accountancy services to the company in connection with the Offer and for those services will be paid a fee of \$4,000.

7.8 Bendigo Bank and the BSX

NSX Limited, the operator of Bendigo Stock Exchange and the Stock Exchange of Newcastle, has advised the Company of its intention to amalgamate the two Exchanges. NSX Limited intends to offer all Companies listed on Bendigo Stock Exchange the opportunity to migrate their listing to the Stock Exchange of Newcastle. Further, the Stock Exchange on Newcastle will be renamed to adopt a national brand. Whilst a formal offer to migrate to the national Company is yet to be made, the Company would look upon such offer favourably.

In connection with the listing of the Company, and the quotation of the Shares, on the Bendigo Stock Exchange, the Company obtained a number of waivers and confirmations from the BSX.

The main waivers and confirmations obtained are as follows. The Company also seeks to obtain the confirmation referred to in paragraph (h) below.

(a) Company's Constitution

The Company obtained confirmation that, for the purposes of BSX Listing Rule 1.2(b), the Company's Constitution is consistent with the BSX Listing Rules (as modified by the waivers and confirmations referred to in this Section).

(b) Voting Rights

The Company obtained a waiver from the requirement in BSX Listing Rule 4.3(b) that, on a poll, each shareholder must have one vote for each fully paid share held. As noted above (see Section 7.2(a)), each shareholder in the Company will have only one vote, regardless of the number of shares held.

(c) Suspension of Dividend & Voting Rights

The Company obtained confirmation that the provisions in the Company's Constitution that suspend the rights of a shareholder to receive dividends or vote if they have a prohibited shareholding interest (see Section 7.3 above) are "appropriate and equitable" for the purposes of the BSX Listing Rule 4.4(f).

(d) Divestment of shares

The Company obtained confirmation that the provisions in the Company's Constitution that permit a divestment of shares if a shareholder has a prohibited shareholding interest (see Section 7.3 above) are "appropriate and equitable" for the purposes of the BSX Listing Rule 4.6 (c) or (d).

(e) Tests for listing

In order to list, among other things, a company must satisfy the "spread test" (ie it must have a certain specified number of shareholders each holding at least a certain specified value of shares) and it must satisfy either the "profits test" (ie among other things, it must have earned a certain level of profits over the past three years) or the "assets test" (ie it must have assets of a certain value): see BSX Listing Rules 1.1 to 1.7. It is not expected that the Company will be able to satisfy any of these tests and the Company obtained a waiver from the requirement to comply with each test.

(f) Ongoing Operations

Under the BSX Listing Rules, there is a requirement for a listed entity to maintain a level of operations and financial stability that, in the BSX's opinion, is sufficient for the entity to remain on the BSX official list (see BSX Listing Rule 9.1). There is also a requirement to maintain a spread of security holders in a company's main class of securities which, in the BSX's opinion, is sufficient to ensure that there is an orderly market in securities (see BSX Listing Rule 9.2). The Company obtained confirmation from the BSX that the level of business contemplated by the prospectus issued by it in May 2000, and the expected shareholder spread, was sufficient for the purposes of these rules. As the level of business contemplated by this Prospectus, and the expected shareholder spread is greater than that contemplated in the earlier prospectus, it is not intended to seek this confirmation from the BSX in connection with this Prospectus.

(g) Rights attaching to shares

The Company obtained confirmation from the BSX that, for the purposes of BSX Listing Rule 2.1(a), the rights attaching to the Shares satisfy the requirements of Chapter 4 of the BSX Listing Rules (as modified by the waivers and confirmations described in this Section) and that, for the purposes of BSX Listing Rule 4.1, the rights attaching to the Shares are "appropriate and equitable".

(h) Limit on New Share Issues

The Company intends to seek confirmation that, to the extent that the limit on new share issues in BSX Listing Rule 5.2 applies to the proposed Issue, the Issue is approved by the BSX for the purposes of that rule.

(i) Registration of share transfers

The Company obtained a waiver from BSX Listing Rule 6.3 in order to permit the Directors of the Company to prevent a share transfer in accordance with the rules under the Constitution (see Section 7.2 above).

7.9 Consents and disclaimer

None of the parties referred to below have made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, any omissions from, this Prospectus, other than the reference to its name and a statement

included in this Prospectus with the consent of that party, as specified below.

(a) Rennick & Gaynor Solicitors has given and have not, before lodgment of this Prospectus, withdrawn its written consent to be named as solicitors to the Company in the form and context in which they are named.

(b) AFS & Associates has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion, in Section 4 of this Prospectus, of the details of its involvement in the preparation of the forecasts.

(c) Bendigo Bank has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion, in Section 4 of this Prospectus, of the details of Bendigo Bank's involvement in preparation of the forecasts.

(d) NSX Limited the operator of Bendigo Stock Exchange, has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

7.10 Privacy collection statement

If you apply for Shares, you will provide personal information to the Company and the share registrar. The Company and the share registrar collects, holds and uses your personal information in order to:

- assess your application;
- service your needs as an investor; and
- provide facilities and services which you may request.

Some of the information which will be collected is required pursuant to tax and company legislation. If you do not provide the information requested, your share application may not be able to be processed efficiently, or at all.

The Company and the Share Registrar may disclose your personal information for purposes related to your investment to Bendigo Bank and to related bodies corporate, agents and service providers of the Company and of Bendigo Bank or as otherwise authorised under the Privacy Act.

If you become a shareholder, your information may also be used or disclosed from time to time to inform you about products or services that the Company or Bendigo Bank thinks may be of interest to you. If you do not want your personal information to be used

for this purpose, you should contact the Company and Bendigo Bank, on the contact details below.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or Bendigo Bank. You can request access to your personal information held by the Company by contacting the Company's Company Secretary at the Company's Registered Office. You can request access to your personal information held by Bendigo Bank by contacting Bendigo Bank as follows:

1300 366 666

You can obtain copies of the privacy policy of the Company by contacting the Company Secretary and copies of the privacy policy of Bendigo Bank are available at www.bendigobank.com.au.

8. Definitions

Applicant – A person that applies for Shares pursuant to this Prospectus.

APRA – Australian Prudential and Regulatory Authority.

ASIC – Australian Securities and Investments Commission.

Bendigo Bank – Bendigo Bank Limited (ABN 11 068 049 178).

Bendigo Group – Bendigo Bank and its related bodies corporate.

Bendigo Stock Exchange or BSX – NSX Ltd (ABN 11 000 902 063) or, as the context requires, the Bendigo Stock Exchange.

Company – East Gosford & Districts Financial Services Limited (ACN 092 538 620)

Corporations Act – Corporations Act 2001 (Cth).

Director – A director of the Company.

Disclosure Document – The disclosure document provided to the Company by Bendigo Bank under the Franchising Code.

East Gosford & Districts Community Bank[®] Branch – The Community Bank[®] Branch of Bendigo Bank located at 101 Victoria St, East Gosford NSW 2250.

Franchising Agreement – The agreement entitled 'Franchise Agreement' dated August 2000 between Bendigo Bank, the Company and its Directors.

Franchising Rights – Any of the East Gosford & Districts Franchise Rights or the Lisarow Franchise Rights.

Franchising Code – Franchising Code of Conduct.

Issue – Issue of Shares pursuant to this Prospectus.

Kincumber Sub-Branch Agreement – The agreement between Bendigo Bank, the Company and its Directors dated 1 September 2006 relating to the operation of the sub-branch located at 2A/39 Avoca Dr, Kincumber NSW 2251

Lisarow Community Bank[®] Branch – The Community Bank[®] Branch of Bendigo Bank located at Shop 16 Lisarow Plaza Shopping Centre Corner Pacific Highway & Parsons Rd Lisarow, NSW 2250.

Lisarow Sub-Branch Agreement – The agreement between Bendigo Bank, the Company and its Directors dated 29 September 2003 relating to the operation of the sub-branch of Bendigo Bank located at Shop 16 Lisarow Plaza Shopping Centre Corner Pacific Highway & Parsons Rd Lisarow, NSW 2250

Offer – Offer of Shares pursuant to this Prospectus.

Prospectus – This Prospectus.

Shares – Ordinary shares in the Company issued at \$1.00.

9. Signatures

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC.
Signed for and on behalf of the Company:

Robert Geoffrey Rudd



Stephen David McIntosh



Warren Neville Price



Brian Wilfred Lindbeck



John Gregory Burton

By his ATTORNEY ROBERT GEOFFREY RUDD



Ronald Keith Hincksman



Maxwell Robert Hiron



Kenneth George Howes



Barry Kenneth McDonald



Garry Samuel Morris



10. Directory

Directors

Robert Geoffrey Rudd
Stephen David McIntosh
Warren Neville Price
Brian Wilfred Lindbeck
John Gregory Burton
Ronald Keith Hincksman
Maxwell Robert Hiron
Kenneth George Howes
Barry Kenneth McDonald
Garry Samuel Morris

Company Secretary

Warren Neville Price

Registered Office

101 Victoria Street
East Gosford
NSW 2250

Solicitors

Rennick & Gaynor Solicitors
431 Riversdale Rd,
HAWTHORN EAST VIC 3123

Accountants

AFS & Associates Pty Ltd
61-65 Bull Street
BENDIGO VIC 3550

Application Details and Instructions

Please complete all relevant sections of the Application Form (or copy of that form) using **BLOCK LETTERS**.

A Enter the **NUMBER OF SHARES** you wish to apply for.

Applications must be for the minimum of 500 and thereafter in multiples of 100. The maximum number of Shares that may be applied for is 10,000.

B Enter the **TOTAL AMOUNT** of application money payable. To calculate the amount multiply the number of shares applied for by the amount per share.

C Enter the **FULL NAME(S)** and **TITLE(S)** of all legal entities that are to be recorded as the registered holder(s). Refer to the **Name Standards** below for guidance on valid registration.

D Enter the **POSTAL ADDRESS** for all communications from the Company. Only one address can be recorded.

E Enter telephone numbers and a contact person the Company Secretary can speak to if there are any queries regarding this application.

F Payment must be made by cheque payable to **EAST GOSFORD & DISTRICTS FINANCIAL SERVICES LTD SHARE OFFER** and crossed **Not Negotiable**. Cheques not properly drawn will be rejected. Cheques will usually be banked on the day of receipt. If cheques are dishonoured the application may be rejected.

G Before completing the Application Form the Applicant(s) should read the Prospectus to which the application relates. The Applicant(s) offer(s) to subscribe for Shares in the Company, and agree(s) to be bound by the Constitution of the Company and the terms and conditions set out in this Prospectus. The Applicant(s) agree(s) to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to the Applicant(s) pursuant to the Prospectus. The Applicant(s) declare(s) that all details and statements made in the Application Form are complete and accurate. The Application Form does not need to be signed.

H Enter the Tax File Number(s) (TFNs), Australian Business Number(s) (ABNs) (where you make the investment in the course of carrying on an enterprise) or tax exemption categories (such as aged pension, invalid pension or non-profit organisation) of the Applicant(s). For joint applications, only the TFNs or ABNs of two applicants are required. Provision of your TFN, ABN or tax exemption category is not compulsory and will not affect your application. If your TFN, ABN or tax exemption category is not provided, the Company is required to deduct tax from your dividend entitlement at the maximum personal tax rate plus the Medicare levy, which currently totals 46.5%.

Payment

Payment must be made in **Australian Currency** and cheques must be drawn on an **Australian Bank**. Cheques or bank drafts must be payable to **EAST GOSFORD & DISTRICTS FINANCIAL SERVICES LTD SHARE OFFER** and crossed **Not Negotiable**. **Cheques not properly drawn will be rejected**. Cheques will usually be banked on the day of receipt. If cheques are dishonoured the application may be rejected.

Where to send application form

Forward your completed application together with the application money to:

**East Gosford & Districts Financial Services Ltd
Share Offer
101 Victoria St
East Gosford NSW 2250**

Name Standards

- Salutations such as Mr, Mrs and Ms should be included.
- The full and correct name of each entity must be shown.
- Only legal entities may be registered as the holder of securities.
- Securities cannot be registered in the name of a trust and no trust can be implied.
- Securities cannot be registered in the name of a minor or deceased person.
- An account designation can be included. If shown, it must be contained within one line and with the "<>" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company: Use the Company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: Individual(s) as trustee: Use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Trusts: Corporate Trustee: Use the trustee(s) name(s)	Sue Smith Pty Ltd <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: Use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): Use the name of a responsible adult with appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: Use the partners' personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith & Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Club/Unincorporated Bodies/ Business names: Use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Incorporated Associations	ABC Tennis Association Inc	ABC Tennis Association
Superannuation Funds: Use the name of the fund trustee	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Queries

If you have any queries concerning this Offer or any part of this Prospectus, please call Bob Rudd on 0409 813 863 or Warren Price 4324 8942.

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EAST GOSFORD & DISTRICTS FINANCIAL SERVICES LIMITED

PUBLIC SHARE OFFER APPLICATION FORM

DO NOT STAPLE

PLEASE READ ALL INSTRUCTIONS ON THE BACK OF THIS FORM

A I/We apply for

Shares in East Gosford & Districts Financial Services Limited at A\$1.00 per share

or such lesser number of Shares which may be allocated to me/us by the Directors.

B I/We lodge full application monies

\$.

Multiply the number of Shares applied for by \$1.00 (ie 2000 Shares = \$2000.00)

C Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

ABN (if applicable)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

D Postal Address (PLEASE PRINT)

Street Number Street

Suburb/Town

State

Postcode

E Contact Name

[Grid for contact name]

Email

[Grid for email]

Telephone Number - Business Hours

Telephone Number - After Hours

[Grid for business hours phone number]

[Grid for after hours phone number]

Mobile

[Grid for mobile number]

F Cheque Details

Drawer	Bank	Branch	BSB	Amount

G This Application Form does not need to be signed. By lodging, or causing to be lodged, this Application Form and a cheque for the full monies I/we hereby:

- 1 offer to subscribe for Shares in the Company;
- 2 agree to be bound by the Constitution of the Company, and by the terms and conditions set out in the Prospectus;
- 3 agree to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to me/us pursuant to this Prospectus; and
- 4 declare that all details and statements made by me/us in this Application Form are complete and accurate.

A person lodging this Application Form on behalf of the above-named Applicant(s) hereby confirms that the Applicant(s) has/have consented to the above terms.

H Tax File Number (TFN), Australian Business Number (ABN) or tax exemption category (where applicable):

TFN of Applicant #1

OR

ABN of Applicant #1

[Grid for TFN of Applicant #1]

[Grid for ABN of Applicant #1]

TFN of Applicant #2

[Grid for TFN of Applicant #2]

TFN of Applicant #3

[Grid for TFN of Applicant #3]

OR Tax exemption category

Applicant #1: _____

Applicant #2: _____

Applicant #3: _____

EAST GOSFORD & DISTRICTS FINANCIAL SERVICES LIMITED

PUBLIC SHARE OFFER APPLICATION FORM

DO NOT STAPLE

PLEASE READ ALL INSTRUCTIONS ON THE BACK OF THIS FORM

A I/We apply for

Shares in East Gosford & Districts Financial Services Limited at A\$1.00 per share

or such lesser number of Shares which may be allocated to me/us by the Directors.

B I/We lodge full application monies

\$. 0 0

Multiply the number of Shares applied for by \$1.00 (ie 2000 Shares = \$2000.00)

C Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

ABN (if applicable)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

D Postal Address (PLEASE PRINT)

Street Number Street

Suburb/Town

State

Postcode

E Contact Name

Grid for contact name

Email

Grid for email

Telephone Number - Business Hours

Telephone Number - After Hours

Grid for Business Hours phone number

Grid for After Hours phone number

Mobile

Grid for mobile number

F Cheque Details

Table with 5 columns: Drawer, Bank, Branch, BSB, Amount

G This Application Form does not need to be signed. By lodging, or causing to be lodged, this Application Form and a cheque for the full monies I/we hereby:

- 1 offer to subscribe for Shares in the Company;
2 agree to be bound by the Constitution of the Company, and by the terms and conditions set out in the Prospectus;
3 agree to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to me/us pursuant to this Prospectus; and
4 declare that all details and statements made by me/us in this Application Form are complete and accurate.

A person lodging this Application Form on behalf of the above-named Applicant(s) hereby confirms that the Applicant(s) has/have consented to the above terms.

H Tax File Number (TFN), Australian Business Number (ABN) or tax exemption category (where applicable):

TFN of Applicant #1

OR

ABN of Applicant #1

Grid for TFN of Applicant #1

Grid for ABN of Applicant #1

TFN of Applicant #2

Grid for TFN of Applicant #2

TFN of Applicant #3

Grid for TFN of Applicant #3

OR Tax exemption category

Applicant #1: _____

Applicant #2: _____

Applicant #3: _____



East Gosford & Districts Community Bank®
Branch of Bendigo Bank Limited



Lisarow Sub-Branch of Bendigo Bank Limited



Kincumber Sub-Branch of Bendigo Bank Limited

