

Newsletter

July 2007

Chairman's report

It gives me much pleasure to bring you up to date with your Company's performance.

You, our shareholders are now the proud owners of three bank branches with the opening of the Kincumber branch on 19 September 2006. Customer numbers are increasing daily and now stand at over 8,000.

A second prospectus was issued by the Board on 17 November 2006 and I am pleased to advise that, as at 4 June 2007, we have issued an additional 278,800 shares in the Company. This has enabled the conversion of our Sub Branch at Lisarow to a full service **Community Bank**[®] branch. The Board would like to take this opportunity to thank the residents of the Central Coast for their support. Investors should be aware that the Prospectus remains open and copies are available at our three branches. Please call our East Gosford branch on (02) 4323 4559 for any further information.

Our three branches - East Gosford, Lisarow and Kincumber - continue to perform strongly with a combined banking business of \$120 million as at the end June 2007. This represents a financial year to date growth of more than \$14 million. For the six months ending 31 December 2006 the net after tax profit of the Company was \$12,728 (2005: \$64,586). The reduction in profit is due to the costs involved in issuing the Prospectus and the opening of the Kincumber branch. Sales revenue for the same period increased from \$570,988 to \$683,271 - which represents an increase of 19.7%. Salaries and employee benefit expenses for the same period increased from \$260,532 to \$361,634 due to staff levels increasing - we now employ 19 local staff.

We are now supporting 55 community groups, including sporting clubs and charitable organisations on the Central Coast. Our total sponsorships now stand at \$110,000.

On 15 November 2006 a 6 cent fully franked dividend was paid to shareholders. Since November 2003 our Company has paid a total of \$164,363.20 in fully franked dividends to shareholders.

On 19 March 2007 Bendigo Bank received a conditional merger proposal from Bank of Queensland. On 24 April 2007 after careful consideration Bendigo Bank decided not to proceed with this proposal. Our Board agrees entirely with this decision.

On behalf of the Board, I would like to welcome our new shareholders and thank all our shareholders for your support in helping to build a successful **Community Bank**[®] branch network. I would also like to welcome our new staff, and congratulate our Senior Manager, Michael Bell, and all support staff for their dedication and hard work in making our branches successful.

Special thanks must also go to all Directors for giving up their time freely to support the **Community Bank**[®] model.

Bob Rudd
Chairman

Manager's report

Another financial year is heading towards an end and it has been another successful year. The opening of our third branch at Kincumber, conversion to full **Community Bank**[®] branch status at Lisarow, the launch of our offsite ATM at Erina Fair, and the addition of six new staff members across our branches, is a direct result of our ongoing success.

Business levels as at end of June 2007 were as follows:-

East Gosford	Deposits	\$49,342,008	56%
	Lending	\$38,749,029	44%
		\$88,091,037	
Lisarow	Deposits	\$10,359,436	40.8%
	Lending	\$14,986,918	59.2%
		\$25,346,354	
Kincumber	Deposit	\$4,413,439	59%
	Lending	\$3,060,169	41%
		\$7,473,608	
Consolidated	Deposits	\$64,114,883	53%
	Lending	\$56,796,116	47%
		\$120,910,999	
Customers	East Gosford	5,936	
	Lisarow	1,637	
	Kincumber	574	
		8,147	
Growth YTD (06/07)	East Gosford	\$5,043,694	
	Lisarow	\$1,994,495	
	Kincumber	\$7,473,608	
		\$14,511,797	

Planning is now complete for the next 12 months to consolidate our current position and introduce programs all staff have undertaken with Bendigo Bank to further grow business levels across the three branches.

Another thank you to all staff at East Gosford, Lisarow and Kincumber for their efforts this year in, again, making customer service our number one priority and ensuring customer satisfaction is achieved, which in turn helps us to achieve the results that we have.

Another reminder to shareholders that supporting your branch with your banking business contributes directly to the above figures and our financial performance.

Michael Bell
Senior Manager

**Board of Directors, East Gosford & Districts Financial Services Limited,
101 Victoria Street, East Gosford, NSW 2250**

Bob Rudd (Chairman), Brian Lindbeck (Treasurer), Warren Price (Secretary), Steve McIntosh, Garry Morris, Barry McDonald, Kenneth Howes, Max Hiron, Ron Hinksman, John Burton.

At the Bendigo Bank we are here to serve you, not the other way around. Everything we do is designed to make things easier for you. This is what we like to call “the Bendigo way” and is reflected in all the products and services we offer. If you would like more information on any of our products and services we’ll be more than happy to talk to you in person.

Bendigo Accounts.

Bendigo Ultimate Everyday Account¹.

When it comes to everyday banking, we understand that everyone likes to do it in a particular way. That's why we developed the Bendigo Ultimate Everyday Account; an account flexible enough to suit the everyday banking needs of every individual.

Bendigo Classic Passbook¹.

With a Bendigo Classic Passbook you won't believe how quickly your savings will grow. The really special thing about Bendigo Classic is that you can access your account at any time through Bendigo phone banking, e-banking or by visiting the branch.

Bendigo Achiever Passbook¹.

If you're saving for something smaller – say under \$500, then the Bendigo Achiever Passbook is probably the best way to start. For just one dollar you can open the account, get passbook access to your money, and make withdrawals at call. There are no account keeping fees and no restrictions on deposits.

Bendigo Term Deposits¹.

With a Bendigo Term Deposit you can see your money growing, and you have the option of a convenient passbook. It provides security, flexibility and highly competitive interest rates. Bendigo Term Deposits can be used as a great way to save or tuck some funds away.

Bendigo Gold 12 Month Fixed Term Deposit¹.

Bendigo Gold is the 12 month fixed term deposit that allows you to withdraw up to 25% of your original deposit at any time.

Bendigo Cash Management Accounts¹.

Bendigo offers a range of cash management accounts to suit your needs. With the choice of a passbook or a statement these accounts are the ideal way to earn great interest on your money.

Bendigo Piggy Bank Passbook^{1,2}.

The Bendigo Piggy Bank Passbook offers children under the age of 13 a fun way to save. It can be opened with just \$1 and you get a special Piggy money box when you do. There's no account keeping fees, no transaction or government fees, no penalties and no deposit restrictions.

Bendigo Mortgage Saver Accounts¹.

A Bendigo Mortgage Saver Account is an at-call statement account with the option of a cheque book and a Bendigo Blue Visa Debit Card or Cashcard facility. However, unlike an ordinary account, with the Bendigo Mortgage Saver Account instead of earning interest, the balance helps reduce the interest you pay on your home loan. Now you can make your home your home sooner.

Bendigo Retirement Accounts¹.

A Bendigo Retirement Account, with a passbook or a statement, is an ideal investment option for self funded retirees or pensioners over the age of 55. You can have your pension or allowance paid directly into your account.

Bendigo Club Account¹.

The Bendigo Club Account is the all-in-one investment account for incorporated clubs, churches, charities and schools. It features cheque book access, quarterly statements and it only takes \$300 to open. Direct debit and credit services are available, as well as phone and e-banking.

Bendigo Business Solutions¹.

Bendigo Business Solutions is designed to help small businesses simplify their banking and provides products and services customised to meet individual business requirements.

Bendigo Primary Producer Account¹.

The Bendigo Primary Producer Account offers the convenience of personal cheques and electronic transactions with your Bendigo Blue Visa Debit Card, allowing your funds to be accessed at any time.

Bendigo Credit Cards.

Credit comes in an exciting choice of colours.

At Bendigo Bank, we realise that some people expect a little more from their credit cards.

A little more credit in reserve for emergencies.

A little more in the way of rewards and recognition.

Or perhaps a little less interest as an option.

Bendigo credit cards give you choices, so you can colour your lifestyle just the way you want.

Bendigo Gold Visa Credit Card.

The Bendigo Gold Visa Credit Card gives you a very comfortable minimum credit limit of \$10,000, up to 55 long, leisurely days of interest-free credit and monthly statements detailing all your spending.

You also receive automatic enrolment in Bendigo Rewards and earn 1.5 points for every dollar spent.

Bendigo Red Credit Card.

Bendigo Red Credit Card offers you the option of a Visa or MasterCard and an interest-free period of up to 44 days. So you can use your credit card to purchase goods or pay your bills over the phone and not pay any interest if full payment of the outstanding amount is made by the due date. Or the option of a no interest free period with a lower rate, where interest is charged from the date each transaction is debited to your account.

Bendigo Rewards.

Bendigo Rewards is the Bendigo's card reward program. It rewards you with products including travel, shopping vouchers, accommodation, theatre, movie passes and more.

So next time you're shopping, or even paying a bill, you could earn one Reward Point for every dollar you spend. Just by paying for your goods or services with a Bendigo Blue, Bendigo Red or Bendigo Gold card by mail, telephone, internet, or at an EFTPOS terminal where a PIN is not used.

You can even earn Bonus Reward Points by shopping at our Bonus Partner outlets. And we keep you informed of Bonus offers and new Bonus Partners with regular updates.

Bendigo Loans.

Bendigo Standard Variable Home Loan³.

If you're buying your first home, an investment property, or even building or upgrading, the Bendigo Standard Variable Home Loan is a straight forward home loan with a variable interest rate.

Bendigo Fixed Rate Home Loan³.

With a Bendigo Fixed Rate Home Loan you always know where you stand. You can purchase a new home, home extension or even a holiday home, with your interest rate fixed for terms of one to five years.

Bendigo Investment Loan³.

Customised to manage investment real estate, the Bendigo Investment Loan can also be used to make extensions or improvements to any existing investment properties you may own.

Bendigo Business Banking Services.

Bendigo offers a full range of business banking products and services including:

- Fixed or variable commercial loans³.
- Lines of credit on working accounts¹.
- Cost effective finance for business vehicles, office and business equipment.
- An all-in-one electronic banking service that combines e-personal banking and e-business banking on one screen¹.
- A choice of money market products¹.
- International products and services including foreign exchange¹.

Other Services.

Insurance¹.

BBL Insurance offers a wide range of domestic insurance covers, which are underwritten by several of Australia's leading underwriters.

Bendigo Phone Banking¹.

Bendigo Phone Banking gives you access to your accounts 24 hours a day, 7 days a week. Call 1300 366 666 for more information.

Bendigo e-banking¹.

Bendigo e-banking is our all-in-one online banking system that ensures you have the freedom to do your banking whenever you feel like it. Visit our website at www.bendigobank.com.au

More information.

For more information call into your nearest Bendigo Bank[®] branch, phone 7 days a week on 1300 366 666 or visit www.bendigobank.com.au

¹ These products are issued by Bendigo Bank Limited. As the information in this document has been prepared without taking into account your objectives, financial situation and needs, before acting on the information, you should consider how appropriate it is having regard to your objectives, financial situation and needs. Product Disclosure Statement ("PDS") for Bendigo Bank products are available from your nearest Bendigo Bank branch or online at www.bendigobank.com.au. PDS's for insurance products are available from CGU Insurance. You should obtain a PDS and consider it before making a decision whether to acquire or continue to hold any of these products. BBL Insurance, a registered business name of Bendigo Bank Limited ABN 11 068 049 178 acts as an agent for CGU Insurance Limited, 485 Latrobe Street Melbourne, Vic 3000 ABN 27 004 478 371. An IAG Company.

² Subject to terms and conditions. Fees and charges apply. The parent or guardian will need to satisfy the criteria for the 100 point check.

³ All loans are subject to the Banks normal lending criteria.

Why aren't you banking with your Community Bank® branch? It's as easy as 1, 2, 3.

What's stopping you.

A growing number of people in our community and surrounding areas are discovering that the right bank – and the right advice – can save them time and money.

We're combining fantastic service, with practical and simple banking solutions that deliver results – whether you're banking for yourself, your family or your business.

But listening and getting to know you is the most important service we can offer.

And because we're local like you, we're in a great position to understand what you need - and because we're a part of the Bendigo, we're armed with all the banking know-how and expertise you'll need.

Make a difference just by doing your banking:

1. Call in and see us at any of our branches listed on this newsletter
2. Bring the appropriate identification and we'll arrange the banking products and services you need
3. We'll help you redirect any automatic transactions and cancel your existing accounts.

Banking at your local **Community Bank®** branch is not just good for you, it's good for our community too – and we think that makes a whole lot of sense.



East Gosford & Districts Community Financial Services Ltd ABN 90 092 538 620 AFSL 265 372 is a franchise and authorised representative of Bendigo Bank. Bendigo Bank Limited, The Bendigo Centre, Bendigo, VIC 3550. ABN 11 068 049 178. AFSL 237879. www.bendigobank.com.au (S15893) 08/07

For more information please call into

101 Victoria Street, East Gosford or phone 4323 4559

Shop 16, Lisarow Plaza Shopping Centre, Lisarow or phone 4328 5472

2a, 39 Avoca Drive, Kincumber, or phone 4363 2213

All branches open:

Monday to Friday 9.00am - 5.00pm

Saturday 9.00am - 12 noon

East Gosford & District and Lisarow **Community Bank®** branches and Kincumber branch

