

Managers Shareholder 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 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	<u>\$38,749,029</u>	44%
		<u>\$88,091,037</u>	
Lisarow	Deposits	\$10,359,436	40.8%
	Lending	<u>\$14,986,918</u>	59.2%
		<u>\$25,346,354</u>	
Kincumber	Deposit	\$ 4,413,439	59%
	Lending	<u>\$ 3,060,169</u>	41%
		<u>\$ 7,473,608</u>	
Consolidated	Deposits	\$ 64,114,883	53%
	Lending	<u>\$ 56,796,116</u>	47%
		<u>\$120,910,999</u>	
Customers	East Gosford	5936	
	Lisarow	1637	
	Kincumber	<u>574</u>	
		<u>8147</u>	
Growth YTD (06/07)	East Gosford	\$ 5,043,694	
	Lisarow	\$ 1,994,495	
	Kincumber	<u>\$ 7,473,608</u>	
		<u>\$14,511,797</u>	

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