

Lockhart & District Financial Services Ltd Newsletter June 2009

Manager's report

The 2009 financial year has proven to be very successful, and I am pleased to report that as at the end of April our branch reached over \$60 million in branch banking business. This equates to a 25 per cent growth in our total banking business in the past 12 months as reflected on the graph in this newsletter.

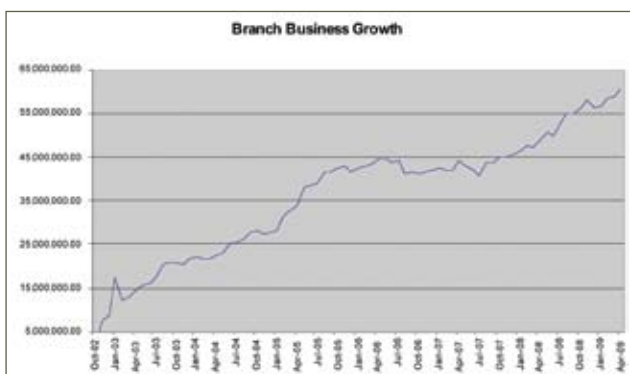
Due to these wonderful results in the last 12 months we have also twice been awarded as "Branch of the Month" in South West NSW for Bendigo Bank.

Our branch now has over 2,100 bank accounts and current economic climate and volatility in the financial services industry has surprisingly had no impact of our branch's business growth levels. Instead people are seeing the benefits of having a local bank that is closely tied to its community and that traditional banking is a more sustainable model.

We continue to offer a great competitive range of products and services, and I would like to encourage all members of the community to think of us and make a no obligation appointment to see what banking facilities or service we are able to offer you. The greater the support our branch receives the more our shareholders and local community will benefit.

This year we will celebrate our seventh birthday and once again will announce our successful recipient organisations of our annual grants program. We are currently calling for applications from local community organisations/groups, and closing date for these is Monday 31 August 2009.

All of our customers would have seen on their bank statements earlier this year that our branch has so far contributed more than \$200,000 to local community projects. This figure does not include shareholder dividends of over \$120,000 already distributed to the shareholders of Lockhart & District Financial Services, the Company that created our local **Community Bank**® branch.



It is clear as our branch reaches maturity greater community outcomes are starting to become a reality, so by supporting your **Community Bank**® branch you will be supporting our great community.

I would like to sincerely thank the wonderful support of our staff, Board and customers both new and old since taking on the position of Branch Manager in May 2007 and helping us to continue to achieve these incredible results of which we should all be very proud. I would also like to announce I will be taking some maternity leave later this year as Ben and I are expecting our first child, but I will certainly be returning to normal Branch Manager duties in mid 2010.

Clare Hamson
Branch Manager

Director's report

Your **Community Bank**® branch has now been operating for almost seven years and in that more than \$340,000 has been distributed back to the community by way of dividends to shareholders of \$120,000 and \$220,000 to local organisations by way of community grants and various sponsorship deals. This has been very gratifying from a Directors point of view.

With the continued support of shareholders and the local banking community we as Directors can see no reason why continued participation will not occur.

Would you please note that there is a register held for the express purpose of keeping track of **Community Bank**® shares for sale and purchase. At the present time there are no shares for sale, however that can change at any time. If any shareholder or someone known to you, would like to increase their holding or become a shareholder for the first time, please advise Terry McAuliffe on 02 6920 5343 and your name will be added to a purchase list.

Terry McAuliffe
Director

Financial crisis quotes

How do you define optimism?

A US Banker who irons 5 shirts on a Sunday

"This is worse than a divorce –

I've lost half my networth & still have a wife"

I had a cheque returned – "insufficient funds"...

Mine or the banks?

Lockhart showgrounds grandstand

When a group of us got together in the late nineties to discuss where our local banking was headed and what we could do to retain our banking, we certainly didn't realise the potential of the **Community Bank**[®] concept. We also had little idea of the amount of money leaving the community via the other banks. The October 2002 opening of our **Community Bank**[®] branch was visual confirmation that local money, via shareholders, had been used to employ local builders, local tradesmen and employ staff at the new branch.

Over the next six years steady customer growth meant we could repay our shareholders faith with dividends and also start putting money into a wide range of community projects through the community grant system. It was not until our grant giving of 2008 that many of us could see the potential for large-scale projects to be realised.

Grandstand Restoration Project

Most of the community was aware that the grandstand at the Lockhart Showgrounds was in disrepair and was not able to be used for the Picnic Races and the Show. There had been some discussion from various groups as to how it would be repaired and also who would pay for it.

With that in mind a submission for a Community Grant was received by our bank from the Lockhart Progress Association, asking for \$50,000, to get the project underway. The Board agreed that if other funding for this project was able to be secured, we would provide the \$50,000 requested.

Federal Government grant money was given to Lockhart Shire Council, of which \$39,000 was allocated to the Grandstand Project. The Lockhart Picnic Race Club and The Lockhart A and P Society made donations, as well as some other individuals. Recently a further grant of \$75,000 was received from the NSW Heritage Office. The result of all this is that our Grandstand will be restored and now be able to be used this year for the Show and Picnic Races.

From the community point of view none of the above would have been possible without the initial pledge of \$50,000 from the **Community Bank**[®] branch. Both lots of Federal and Heritage money were only allocated after it was known that the community had supplied the initial funding. This project has shown the potential for this, and other larger projects, that can be completed by partnering other groups to help leverage funding. Mention of this project was recently made at the NSW **Community Bank**[®] State Conference where it was very well received.

If you're a local **Community Bank**[®] branch customer you should feel justifiable pride in what has been achieved so far, and if your not a customer yet, come and join us as its only the beginning.

Phil Bouffler
Vice Chairman

Our new signs



Directors Heidi Gooden and Philip Bouffler proudly show off the new signs recently erected at all 4 entry points into Lockhart.



Invitation to apply for funding

In line with our objective of returning profits back to the local community we are seeking applications from local community groups and organisations for funding to develop and enhance the Lockhart & District Community.

For further information or to collect an application form call into the branch at 98 Green Street, Lockhart or phone 6920 4244.

Application forms need to be returned to the branch by close of business on Monday 31 August 2009.

Alternatively, you can contact any of our Sponsorship Committee members:

Philip Bouffler
6920 5372 / M 0429 205 372

Chris Mackey
6920 5311 / M 0429 205 311

Ken Hogan
6920 1102 / M 0429 201 101

Chairman, Shane Trotter,
6921 2249 / M 0428 694 581

Bank with us so we can further support our community.

www.bendigobank.com.au. Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo, VIC 3550. ABN 11 068 049 178. AFSL 237879. (S19420) (06/09)

Lockhart & District **Community Bank**[®] Branch

BMPN0030 (25/06/09)

Lockhart & District **Community Bank**[®] Branch,
98 Green Street (PO Box 83), Lockhart NSW 2656
Phone: 6920 4244
Website: www.bendigobank.com.au
Opening hours: Monday to Friday 9.00am – 5.00pm.

Chairman: Shane Trotter.
Directors: Terry McAuliffe, Christine Mackey, Philip Bouffler, Robert Kendell, Ken Hogan, Marea Urquhart, Heidi Gooden & Trevor Day.