

Manager's report

Someone wished me a happy Christmas and prosperous New Year in December of 2009... boy were they right! In the last 12 months we have grown our business by \$20,000,000; a huge testament to the success of the Lockmore Financial Services Ltd and the support of our communities.

I hope everyone enjoys the holiday season, is very safe and we again prosper in 2011. That way we'll have even more joy to spread in the way of sponsorships, grants and community giving in 2011.

All the best to everyone, and again thankyou for your support.

Tracie Kyne
Branch Manager

Shareholder news

Dividend

All shareholders should have received notification via mail that Lockmore Financial Services Ltd will be paying its fourth dividend on Friday 3 December 2010.

Shareholders will each receive eight cents per share, which equates to a total of \$72,000 paid in share dividends for 2010. This amount includes the 25 per cent bonus shares, which all shareholders would have received in July this year.

Please note if anyone doesn't receive their share dividend payment please contact AFS & Associates via their website at www.afsbendigo.com.au or alternatively, phone them on 03 5443 0344 or email shareregistry@afsbendigo.com.au

Alternatively, contact Elmore/Lockington & Districts **Community Bank®** Branch and they will help you.

Shareholder contact details

We remind all shareholders to ensure that your mail and contact details are listed correctly, as this ensures prompt delivery of information to you.

Don't forget to visit our website www.bendigobank.com.au/elmore to keep informed on your **Community Bank®** branch. You can view annual reports, newsletters and other information of interest on the website.

Branch snapshot as at September 2010

Total funds	\$85.3 Million
Total lending	\$35.6 Million
Total accounts	4,062

Branch hours & contact details

Elmore

62 Railway Place, Elmore VIC 3558
Phone: (03) 5432 6706
Fax: (03) 5432 6708
Monday to Thursday 9.30am – 4.00pm
Friday 9.30am – 5.00pm

Lockington

9-11 Lockington Road, Lockington VIC 3563
Phone: (03) 5486 2304
Fax: (03) 5486 2435
Monday, Tuesday & Wednesday 10.00am – 2.00pm
Thursday & Friday 9.30am – 12 noon, 12.30pm – 4.00pm

Rochester Agency

Mitre 10, 57 Mackay Street, Rochester VIC 3561
Monday to Friday 9.00am – 5.00pm

Manager: Tracie Kyne

Mobile: 0427 801 712

www.bendigobank.com.au/elmore

Lockmore Financial Services Limited

62 Railway Place, Elmore VIC 3558
ABN: 41 106 113 599

Directors: David Johnson, Helen O'Sullivan, Louise Ross, Graeme Wood, Corinne Holmberg, Martin Leddra, Christine Weller, Max Williams, Chris Giffin, Kathryn Taylor, Mathew Dennis.

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550.
ABN 11 068 049 178. AFSL 237879.



Elmore/Lockington & Districts
Community Bank® Branch
Newsletter December 2010

From all of us at
Elmore/Lockington & Districts
Community Bank® Branch
best wishes for the
festive season and
thank you for
your loyalty
and support.



What's happening in your community?

Rochester **Community Bank**[®] Project Feasibility Study

After raising more than \$550,000 in pledges of support, the Rochester **Community Bank**[®] Steering Committee has embarked on the next stage of its campaign, a feasibility study.

The entire campaign to date has been based on community spirit – and now the decision has to be made to determine whether a **Community Bank**[®] branch for Rochester is a commercial reality.

Feasibility study survey forms were mailed out to homes and businesses throughout the district, and the results from these surveys will determine whether or not the Committee proceeds with establishing a **Community Bank**[®] branch.

The Steering Committee urged as many local residents, business people and traders as possible to take part in the survey. Regardless of whether people were an existing customer or whether or not they support the project their input was essential in achieving a successful outcome.

The results of feasibility study should be available to the Board by mid-December and they are anticipating a positive result.



▲ Steering Committee member Sandra Peacock and Mitre 10 owner Russell Anderson.



ATM coming soon

Our ATM will be located at 24 Gillies Street, Rochester for your convenience. The ATM will be available 24 hours, 7 days a week and accepts all major cards.

Fuel Project update

The past few months have seen some dramatic changes in the fuel project. The most important of these has been our ability to negotiate a better governance structure whereby the community Company will now handle all the fuel orders and invoicing. This will keep all of the processing within our business, which gives us much greater control and a better margin to return to the community.

Another change has been the acquisition of Atlas Fuels by Scotts Petroleum. In meetings held between Lockmore, Bendigo Bank and Scotts Petroleum they have confirmed their commitment to helping our community achieve this exciting project.

Another benefit of our relationship with Biomax Fuels has been the involvement of several local growers in their Juncea growing program. This has allowed these growers to plant Juncea (a type of mustard) to broaden their options when planning their crop rotations.

Annual General Meeting

The seventh AGM of Lockmore Financial Services Ltd was held in Elmore on Thursday 21 October 2010.

Shareholders adopted the financial, Directors', Auditor's, Chairman's and Manager's reports for the financial year ending 30 June 2010.

Manager, Tracie Kyne, who has now been with the Company for 12 months, addressed the meeting, noting her 'incredible personal journey' so far, with the branch reaching \$84 million in banking business.

Chairman, David Johnson outlined the year of business resulting in a profit of \$38,000 for the financial year with close to \$100,000 having been distributed back into the community by way of grants, sponsorships and donations.

A bonus share issue occurred in July with a 25 per cent reward to existing shareholders and he announced that a 2010 dividend of eight cents per share would be paid in December.

David outlined the business expansion on two fronts: firstly the fuel project which was continuing to progress well and secondly, the Rochester **Community Bank**[®] project, which has now reached the feasibility study stage.

Graeme Wood was re-appointed for another three year term and three new Directors, Matt Dennis, Chris Giffin and Kate Taylor, were welcomed to the Board.

Presentations were made to two retiring Directors, David Trewick and Jennifer Dobell, to thank them on behalf of the Board and

The Juncea is used by Biomax to make biodiesel and they are currently researching the viability of exporting the seed to other countries for them to turn into biodiesel.

Our fuel sales are averaging 70,000 litres a month – with our current margin this translates to \$700 a month in income. This is achieved by people simply ordering their fuel through our business – paying a competitive price and getting a quality product but also helping their community.

If you would like to support your community with your fuel purchasing contact the community energy team on 1300 304 543.

Over the next few weeks we will be finalising the legal documents and preparing to release our prospectus – look out for it in the New Year!



▲ New Directors L-R: Chris Giffin, Kate Taylor and Mathew Dennis.

shareholders for their commitment and dedication to the **Community Bank**[®] concept in our community.

Bendigo Adelaide Bank Ltd Regional Manager, John Sirolli congratulated the Board on another very successful year.

There are now 265 **Community Bank**[®] branches operating across Australia having collectively returned more than \$41 million to communities.

Our special guest speaker for the evening was Lionel Penny, a well-known Rochester identity.

Lionel discussed his recent return visit to the Indonesian island of Ambon, where he had served in World War II. His daughter, Michelle Spence assisted with a presentation of photographs of their recent trip.

Lionel has returned to Ambon on several occasions to attend annual commemoration ceremonies held there in memory of the POW camp of Tantui.

A very warm thank you to Lionel for sharing his experiences with us all.