



See the change your banking can make. Switch and be the change.

Bendigo Bank

Northern Midlands Council Presentation 2018



Bendigo Bank

Bigger than a bank.

bendigobank.com.au

Our Vision. Our Strategy.

Our vision is to be Australia's most customer connected bank.

Our strategy is to focus on the success of our customers, people, partners and communities.

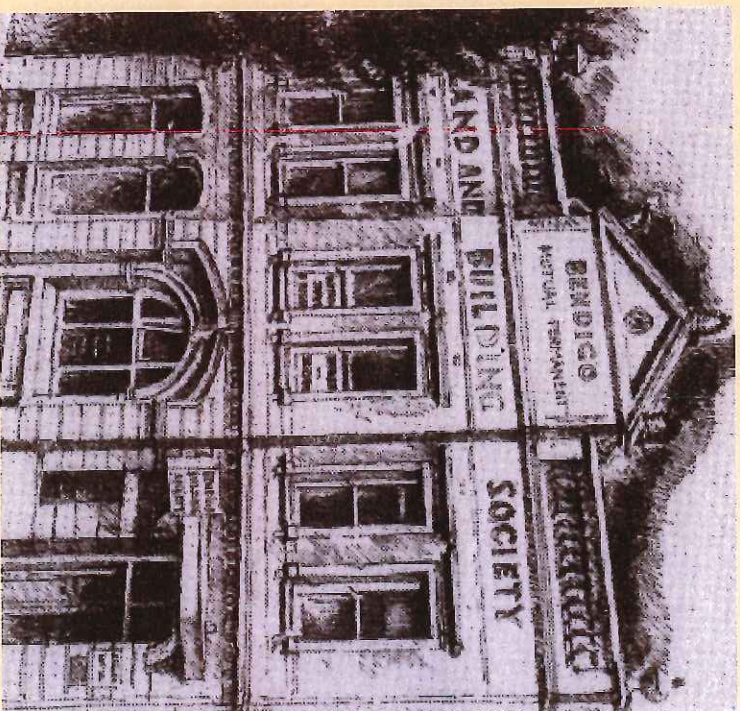
We do this by:

- Taking a 100 year view.
- Listening and responding.
- Respecting every customer's choice, needs and objectives.
- Partnering for sustainable outcomes.

Our purpose is to feed into the prosperity of our customers and their communities not off it

About Bendigo Bank

- Started 1858 in the Victorian Goldfields
- Became a Bank in 1995
- Community Bank® introduced 1998
- Today 549 branches across Australia – 321 of them community-owned, plus 105 agencies
- With 2007 Merger with Adelaide Bank we are the 5th Biggest Bank in Australia.
- Over \$137 billion in total business over 1.6 million customers and 7,200 staff.
- Market capitalisation around \$5 billion
- Top 60 Company on ASX with 99,000 shareholders



Bendigo Bank – Recent Awards

FORTUNE 2017 ANNUAL “change the world list” - Companies that are Doing Well by Doing Good.

- ✓ Leading Australian Company. 2nd Commercial Bank in the world.

MOZO PEOPLE’S CHOICE AWARD - 2017

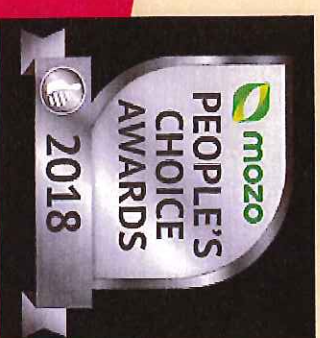
- ✓ Rated Top Bank in 6 out of 8 Categories
- ✓ Most Trusted Bank as voted by our customers

FORRESTER’S AUSTRALIAN CUSTOMER EXPERIENCE

- ✓ Number 1 Customers Experience Index Online Survey – 2015, 2016 & 2017

CANSTAR - 2017

- ✓ Ratings Report - Bendigo Smart Start Super 5 star rating 4th year in a row
- ✓ Innovation Excellence Award - Rural Bank FMD Offset – April 2017



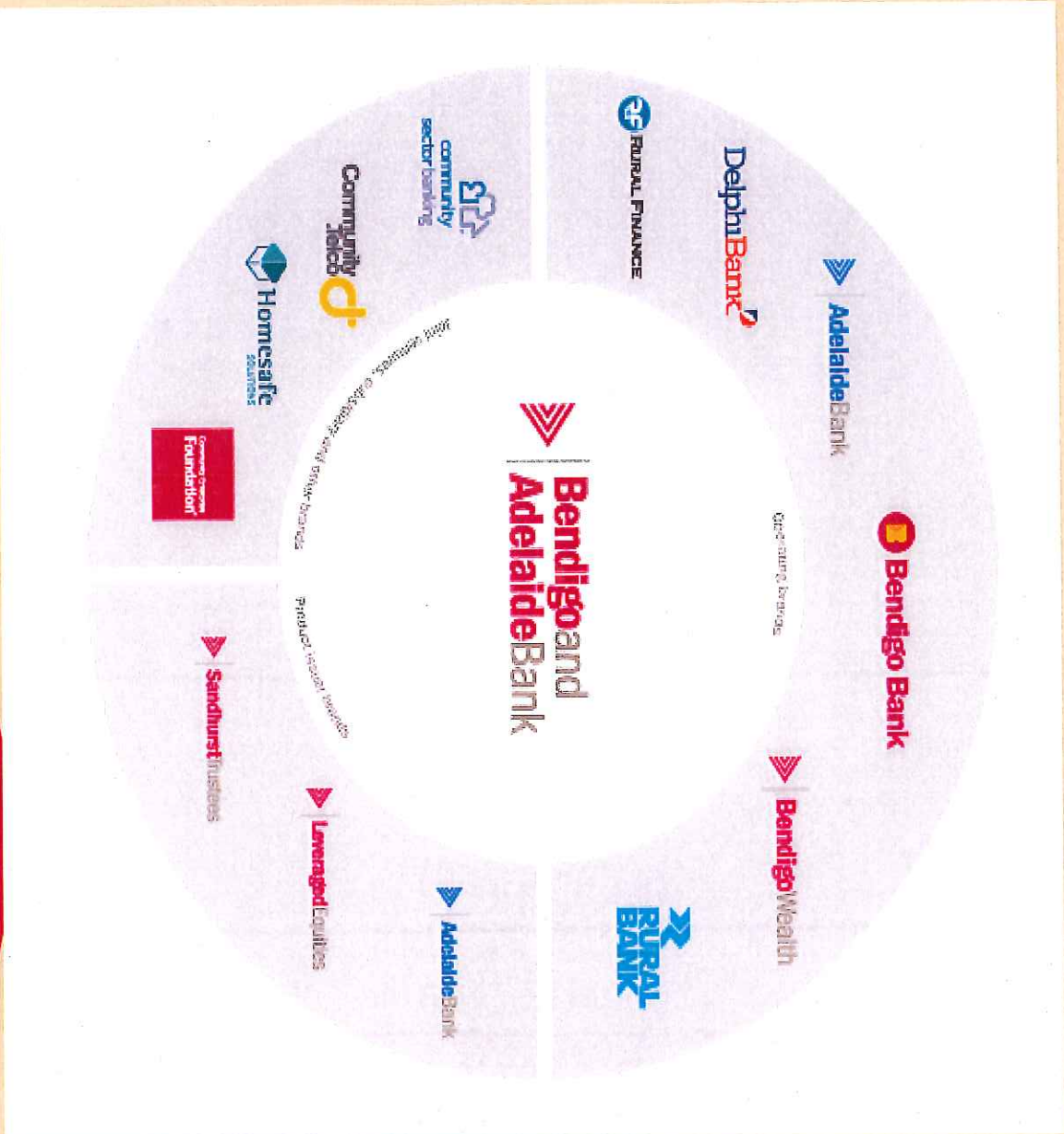
Who are the most satisfied banking customers in Australia?

- Roy Morgan research found that in the last 12 consecutive months, Bendigo Bank customers reported the highest levels of satisfaction (87.5%) when compared to the top ten largest banks.
- This was followed by ING (87.1%), St George (84.6%), Bankwest (84.6%) and Bank of Queensland (83.1%).
- The big four banks remain well below this satisfaction level.
- Of the big four banks CBA (to 79.7%), NAB & ANZ (78.7%) and Westpac (77.7%).
- Looking forward, customer satisfaction with the big four banks may continue to fall as the Royal Commission into Australia's banking sector continues to play out in the media.

Source Roy Morgan Research 8/5/18 for period 6 months leading to 31/3/2018

Bendigo Bank ranked third in Australia as the MOST TRUSTED BRAND behind ALDI and NRMA making us the most trusted bank in Australia.

Source Roy Morgan net trust score research 09/07/18



The Bendigo Group

More than just the "Bendigo" Brand.

Multiple Businesses in the Group

Rural Bank



- Wholly Owned subsidiary since 2010 that specialises in Agri Business
- Only 100% Australian owned specialist Agri Bank
- Unique offering in market where an Agri customer has a dual relationship Branch Manager/Rural Bank Manager
- Core Products:
 - Seasonal Overdraft
 - Term Loan
 - Farm Management Deposit
- Tassie Rural Team headed by a Launceston Based Senior Relationship Manager.

We offer all the services of a Bank But we are Bigger than that

- Significant contributions to community outcomes.
- Banking Business locally owned (shareholders) and operated (board)
- Your Banking Business creates income for Your Community Bank.
- Community Bank Profits split 20% Local Shareholders and 80% Community
- Over \$200m Australia-wide in community returns. (as at 30/6/18)
- Growing as the Community Banks mature - over \$66m in the last 4 years
- In addition to this \$50m in dividends to local Community Bank Shareholders

So, how does your Bank distribute its profits ?

Bendigo Bank - Tasmania

- 22 Branches - 13 are Community Banks. 2 agencies.
 - We continue to expand:
 - our latest opening St Helens/St Marys Community Bank February 2018.
 - Circular Head (Smithton) about to go to Prospectus.
 - 160 staff including our own Local Tasmanian State Management team.
 - 85 Community Bank Directors
 - Over \$4 m in community returns in the last 15 years
- So, how does your Bank distribute its profits ?**

Examples of how Community Bank® are investing in Tasmanian Community

Community Bank	Project	Contribution
Huon Valley	Geeveston Medical Centre	\$250,000
Deloraine	Sports Precinct Relocation	\$250,000 (over 5y)
Swansea/Bicheno	Bicheno School Bus	\$10,000
Port Sorell	Defence War Memorial	\$5,000
Sorell	Sorell High School Financial Literacy Program	\$5,000 (+ staff)
Nubeena	Koonya Garlic Festival	\$7,500 (over 3y)
Numerous	Bendigo Bank Scholarships (Tertiary/TAFE)	\$120,000
Numerous	Beacon Foundation Programs	Ongoing partnerships
Numerous	Edmund Rice Foundation (Community Camps)	\$50,000+

Local Connection

Site Models:

What options do we have for prospective new partners?



Bendigo Bank

Bigger than a bank.

bendigobank.com.au



Options for the Northern Midlands Community

- 2 possible options for a banking service based in Longford

Community Bank[®] Branch

Or

Customer Service Agency

New Community Bank[®] Company Community Bank[®] Branch

- A full branch of Bendigo Bank - carries both the name of the community and the Bendigo Bank branding.
- Requires broad based community ownership. Capital is raised through a share issue and prospectus.
- 200-300 local shareholders - have a close connection to the community. Share of the profits.

Stage 1 – Pledge

- Create awareness - promote benefits
- Secure pledges
- Encourage locals to transfer their banking. (Face to face contact works best)
- Target local “hotspots” – run a card table or set up a temporary campaign office.
- Keep communicating with supporters (newsletters, local media, etc).

1-139

Stage 2 - Feasibility

- Awareness campaign
- Independent consultant to conduct survey
- Survey to provide data to make a better assessment
- Review survey with Bendigo Bank
- Decision to proceed (or otherwise)
- Secure our premises

1-140

Stage 3 – Prospectus

- Board roles confirmed
- Appoint solicitor – Company formed
- Completion of prospectus in conjunction with solicitor (Due Diligence Committee)
- Issue prospectus – public launch (4 months to raise)
- Convert pledgees to shareholders
- Board policies put into place

1-141

Stage 4 – Launch

- Recruitment and training of branch staff.
- Director Education – facilitated by Bendigo advisors
- Premises completion/branch fitout.
- Branch Official Opening - Shareholders, businesses and the community.

1-142

The Agency Model

- Operated from “Host” business (Min 2 staff)
- Staff employed by host business – training provided by Bendigo
- Provides “day to day” banking services (Transactions, New Accounts) – refers other business to Parent Branch
- Support from “Parent” Branch (Technical/Compliance/Sales/Lending Appointments)
- Agent paid commission by Bendigo Bank (refer handout)

1-143

Local Connection

Questions?



Bendigo Bank

Bigger than a bank.



bendigobank.com.au



Opportunities for new and existing **Community Bank[®]** Companies.

New **Community Bank[®]** Company

Community Bank[®] Branch

- This is a full branch of Bendigo Bank, and carries both the name of the community and the Bendigo Bank branding.
- This model requires broad based community ownership. Capital has been raised through a share issue and prospectus. Typically there will be 200-300 local shareholders who will have a close connection to the community and to whom a share of the profits will be distributed.
- For new stand-alone communities there is the ability to lower the costs of establishing a **Community Bank[®]** branch by reducing the actual branch footprint in terms of location, fitout requirements and staffing compliment.



 **Bendigo Bank**
Bigger than a bank.

Four steps to creating a **Community Bank®** branch.

1 pledge

- Create awareness and promote the benefits of a **Community Bank®** for your community.
- Secure pledges and know who your supporters are – ask the important questions.
- Promote Business on the Books – encourage locals to transfer their banking.
- Face to face contact still works best.
- Target local “hotspots” – run a card table or set up a temporary campaign office.
- Keep communicating with supporters (newsletters, local media, etc).
- Local Government, traders, sporting clubs, community groups and schools are important – ensure to talk with them all.
- Continue to assess your support base – it's not just about the \$\$\$.

2 feasibility

- Committee may start to incur costs – ensure you are ready to proceed (assess and re-confirm your support base).
- Appoint independent consultant to conduct a community survey.
- The outcome of the survey should provide you with a better assessment of your community and the support for a **Community Bank®** branch.
- Committee to review outcome of survey and following a successful result commence work on Business Strategy Plan.
- Bendigo Bank to formally review campaign following survey and provide decision to proceed (or otherwise).
- Secure branch premises.

3 prospectus

- Directors and Board roles confirmed.
- Appoint Solicitor – public company is formed and directors are formally appointed.
- Your Solicitor will advise on key documents including: Constitution, Franchise Agreement, Disclosure Document, Prospectus, Lease, Deed of Entry.
- Board Due Diligence committee to review/ complete Prospectus document.
- Issue Prospectus via public launch – 4 months to raise minimum share capital.
- Continued follow up with pledgees to re-confirm support and convert pledges to shares.
- Formalise Board policies and principles.

4 launch

- Director education programs prior to and post opening.
- Recruitment and training of branch staff.
- Premises completion/branch fitout.
- Organise branch opening and official launch involving shareholders, businesses and the community.
- Celebrate the milestone of opening! We won't tell you that it's just the beginning...
- Local shareholders, residents and businesses commence an ongoing relationship with the branch.

Existing **Community Bank**[®] Companies

Customer Service Centre (CSC)

- A CSC must operate within a shared premises, typically with a 'host business' delivering real time banking service and is a low cost expansion model for existing **Community Bank**[®] Companies.
- A CSC is branded 'Bendigo Bank – Customer Service Centre' with the name of the community typically displayed on external signage.
- Typically a CSC is funded from within the existing **Community Bank**[®] Company structure.
- Staff are employed by the **Community Bank**[®] Company and utilised from the existing **Community Bank**[®] branch – a CSC must have a "parent branch" in close proximity in which to operate.
- Delivers core day-to-day banking services.
- A CSC qualifies for the Market Development Fund (MDF) and contribution to the collaborative marketing fund (MDF component dependant on CSC Stage as described below)
- There are three stages/levels for a CSC in which initial annual fees are ultimately based on, with the stages determined by the number of CSC staff and CSC business levels:
 - CSC Stage 1** – no more than one staff member and less than \$25m of business (Annual Fee of \$4,500 and qualify for 25% of applicable MDF and collaborative marketing fund contribution).
 - CSC Stage 2** – up to two staff members and/or more than \$25m of business but less than \$50m of business (Annual Fee of \$9,000 and qualify for 50% of applicable MDF and collaborative marketing fund contribution).
 - CSC Stage 3** – more than two staff members and/or more than \$50m of business (in stage 3 the CSC is referred to as an additional branch location and is treated as a full branch in terms of franchise fees payable and applicable MDF/ collaborative marketing fund contributions).
- An appropriate 'host business' is critical to the success of this expansion model as there are host business obligations and requirements that must be agreed to.
- A CSC will typically operate on reduced hours.

A **Community Bank**[®] branch expansion branch

- Broad-based community ownership, demonstrated by support from local community.
- A Prospectus is issued and capital is raised by the local community.
- Shareholders of the additional branch must have a close connection to that community.
- Depending on the circumstances, 100 local shareholders may be sufficient for an additional branch to be branded as a **Community Bank**[®] branch.
- A percentage of the profits from the additional branch must be distributed within the local community.
- The additional branch must have community representation on the **Community Bank**[®] Company Board.

Franchise Branch

- Operated by the **Community Bank**[®] Company without broad based community ownership in terms of shareholdings.
- A Franchise Branch is branded 'Bendigo Bank' without any reference to 'community'.
- The new branch is funded from within the existing **Community Bank**[®] Company structure.
- Unlike the **Community Bank**[®] Model, profit distribution to the local community is not a core philosophy of the Franchise Model. The return of profits to the new community is at the discretion of the existing **Community Bank**[®] Company Board. However, Bendigo Bank recommends the board provide for some recognition via profit distribution to the community where the new business is located.
- It is important that there is clear understanding of the model in the community as it isn't branded **Community Bank**[®].

The Agency model

- A Customer Service Agency operates from a 'host business' delivering real time banking service and is a low cost entry level.
- Delivers core day-to-day banking services.
- The Agency model opens up new opportunities to grow business and can be used as a stepping stone to further expansion.
- Agent's commission is based on average monthly deposits, transaction fees and new accounts opened and loans referred to Bendigo Bank.
- The Agency business sits on **Community Bank**[®] books and contributes to the Marketing Development Fund calculation.
- Staff are employed by the 'host business'. An appropriate 'host business' is critical to the success of this expansion model.
- A formal application process exists, with all applications for Agencies approved by the Bendigo Bank Group Agencies Department. A commercial agreement is then completed by Bendigo Bank, the **Community Bank**[®] Company and the Agent.
- The Agent is responsible for fit-out costs whilst the **Community Bank**[®] is responsible for signage, stationery, commissions and other running costs.
- A profitability analysis is recommended to evaluate whether the **Community Bank**[®] Company can cover any short-term shortfalls.

For further information on any of these models please contact your Regional Community Manager.



Section 1 – Introduction

1.1 About 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. They formed 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.

The Bendigo Land and Building Society converted to a bank on 1 July 1995, under the name "Bendigo Bank Limited", at which time it was Australia's oldest and Victoria's largest building society.

Bendigo Bank has grown quickly and in the process merged or acquired a number of other firms and building societies including the Bendigo and Eaglehawk Star (1978), Sandhurst (1983), Capital (1992) and Compass (1992), trustee company Sandhurst Trustees (1991) and Queensland based First Australian Building Society (2000). In 2007 Bendigo Bank Limited merged with Adelaide Bank Limited and changed its name to "Bendigo and Adelaide Bank Limited" in March 2008.

Bendigo Bank now operates approximately 500 branches. This includes branches it operates itself and branches operated through franchisees, but does not include agencies.

The Bendigo and Adelaide Group provides access to a wide range of products including home loans, commercial mortgages, unsecured loans, investment products, insurance and superannuation.

1.2 A New Banking Model

Between June 1993 and June 2000, some 2060 bank branches closed across Australia. Those closures

represent a 29% reduction in branch numbers within seven years. Many communities were left without any branch banking facilities.

Bendigo Bank received numerous requests to open branches in these towns and suburbs but felt that to install the same style branch to those that had closed would carry a high risk of failure. We believed that much of the change required to effect a solution to the branch closures had to come from within - that communities would need to take some responsibility in returning these vital services to their communities. We therefore devised a new branch banking model, which requires the participation of local people in the solution to returning banking services. **Community Bank®** branch places a commercial framework around a co-operative spirit, which exists in many communities.

In the early days, most inquiries were received from those communities who had lost all their banks. Those communities were looking to the **Community Bank®** branch model to fill a banking void. Today, we are finding that the key driver of many inquiries for a **Community Bank®** branch is based on the ability to generate local profits and improve customer service. If the concept is fully understood and communicated to the community on the basis of generating local profits to empower and strengthen the community - rather than just bringing another bank into town to offer greater competition - a **Community Bank®** can successfully operate along side any number of other banks. But, the concept must be understood and the community must be committed to its success.

1.3 Introducing our Team

The first two **Community Bank®** branches were officially opened in the Victorian towns of Rupanyup and Mirnyip in 1998. At that stage, the **Community Bank®** Team consisted of two senior staff members of Bendigo Bank. Today, we have an extremely diverse and knowledgeable national team spread across many departments and offices throughout Australia. We believe we have a special team of people, who can recognise the individuality of every community but also the common needs of all communities.

When you have formed a Steering Committee, we will assign a Regional Community Manager to work with your Steering Committee. The Regional Community Manager will offer guidance and share with you the experiences of other campaigns to ensure that your committee is armed with all the necessary information to run a successful campaign.

Not only are we committed to supporting you during your development phase, our Team will continue to guide and support you as you open the doors to your new branch, in the early days of running your new

business and further down the track as you make profits and become a strong, viable company. And you can be assured that while your community is unique, you are part of a large network consisting of over 300 **Community Bank®** branches.

1.4 Confidentiality Agreement

During the campaign, we will share with you the finer details of the **Community Bank®** model, particularly the revenue sharing arrangements. This information must be treated as confidential and cannot be shared with others outside your Steering Committee.

Your Regional Community Manager will provide you with a Confidentiality Agreement which must be executed by all members of the Steering Committee before your campaign is underway.

1.5 How to use this Guide

We have developed this Guide because the process is multifaceted, combining community engagement, establishing and running a public company, capital raising, franchising and banking. We feel that, due to the variety of skills and amount of work involved, it's important to get the "process" down on paper.

While this guide gives you the "how to", we believe that the real secret to the success of a **Community Bank®** branch is in the relationship that your committee and Bendigo Bank develops right from the very beginning. Our team has worked with several hundred Steering Committees and, while we don't have all the answers, we will share our experiences from those campaigns. Our team will help you to understand what you can expect from certain actions you take throughout the campaign. A good working relationship with our organisation and other Directors in the **Community Bank®** network are important ingredients to your success.

This guide contains helpful hints on running a successful campaign. From forming a Steering Committee and running a successful awareness campaign to raising capital and opening the doors to your new **Community Bank®** branch. The guide is broken up into sections to reflect the different stages of a **Community Bank®** campaign. Where appropriate, each section will contain a typical time line and/or checklist to help keep your campaign on track.

Section 2 – The **Community Bank®** Model

2.1 Concept Overview

Overview

Bendigo Bank developed its **Community Bank®** model in response to the continuing closure of bank branches across Australia, and the resulting effects on those communities. Today though, it offers a lot more.

Many communities look to a **Community Bank®** branch as a means to redress the loss of banking services. Initially, a **Community Bank®** branch will meet that need. But we believe that a **Community Bank®** branch will do so much more than just fill a banking void. Through sharing in branch revenues, communities have the opportunity to generate profits, which can then be returned to support and develop your community. This creates a powerful incentive for local residents and businesses to conduct their financial affairs through their own **Community Bank®** branch, thereby maximising the revenue potential for the local enterprise.

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

The aims of a **Community Bank®** branch are threefold:

- To secure branch banking services for participating communities.
- Secondly, to help these communities better manage locally generated capital and share in the potential growth of their local economy.
- To enable participating communities to share in revenue generated from their **Community Bank®** enterprise, as well as offering the potential for shareholders to receive dividends.

Each branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name, logo and system of operations of Bendigo Bank. The franchisees manage the **Community Bank®** branches on behalf of Bendigo and Adelaide Bank Limited. All transactions with customers conducted through the branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

It is local communities, not Bendigo Bank, who drive the motivation and support for a **Community Bank®** branch. Bendigo Bank provides a mechanism, by which your community can secure banking services, and we will support you throughout the process, but it is you and your community who will make it happen.

2.2 How it Works

- A locally based company (formed to represent the local shareholders) purchases the right (franchise) to run a bank branch of Bendigo Bank. The Community Company also secures the premises and purchases branch fittings and systems. Working capital will be the responsibility of the local Community Company.
- A local Board is appointed to govern the **Community Bank®** company. Typically, the original Steering Committee forms the Board upon incorporation of the **Community Bank®** company.
- Each branch is designed to suit local requirements. Where possible, local trades people can be utilised, with Bendigo Bank overseeing the fit-out of the branch to ensure it appropriately carries the Bendigo brand. Every **Community Bank®** branch is replicated with the Bendigo Bank “look” to ensure continuity across the nation.
- Bendigo and Adelaide Bank Limited provides the coverage of its banking license, a full range of banking products, training of staff and ongoing support.
- The local Board’s role is to run the company; Bendigo and Adelaide Bank Limited provides the banking expertise and bank license. One of the Board’s most important functions is to network throughout the community, spreading the word about your **Community Bank®** branch and the role it plays in your community.
- As with all bank deposits, depositors are protected by Bendigo and Adelaide Bank Limited, which also makes all credit decisions, carries the risk associated with these, and protects individual client privacy.
- Customers’ banking details are held in the strictest confidence between the customer and the **Community Bank®** branch staff. Directors of the local Community Company do not have access to individual customer records.
- Bendigo Bank and the Community Company are each entitled to agreed portions of the revenue of the local branch. The local Community Company is responsible for paying branch operating costs.
- Bendigo Bank supports the bank brand, product development, systems, acquisition of additional services (e.g. trustee services), and provides the **Community Bank®** branch with operational requirements such as marketing support, training, stationery, etc.
- When the local Community Company begins to make a regular operating surplus, the profits, within specified limits, are available to be reinvested back into the community through community projects and dividends to shareholders.
- Obviously there are risks, as in any commercial venture, and the community and its supporters will be required to secure independent legal and financial advice.

2.3 Campaign Snapshot

The Campaign Snapshot below provides you with a blueprint to help you succeed in opening your own **Community Bank®** branch. It is a quick guide to the process you will follow. The following chapters will set it out in more detail.

1. Seek information from Bendigo Bank.

We will establish a contact person for your community.

2. Form a Steering Committee.

We would suggest you recruit around 10 to 15 people, all with a passion and belief in community enterprise. One of the roles of Steering Committee members is to educate your community about the **Community Bank®** branch concept and benefits of a **Community Bank®** branch. At this early stage of your campaign, word of mouth is the most important, and effective, form of advertising.

3. Plan your awareness campaign

Aim to complete your awareness campaign within 6 months. At this stage, you are canvassing support from people as to whether they would be prepared to become a shareholder in the venture. It is important to stress to those people pledging their support that they will be approached to transfer their pledge into a shareholding in your **Community Bank®** branch at a later date. You will also be asking for a commitment from people to transfer their banking business to Bendigo Bank. You may wish to consider agency options as a forum to build business at this early stage.

4. Set your pledge target

Bendigo Bank will work with your Steering Committee in setting a pledge target. Generally a pledge target will be set between \$700,000 to \$900,000. Bendigo Bank will assist with setting your pledge target based on using existing comparable branch data. It's not just the pledge target that's important; it's also the number of people that you receive pledges from. The aim is to have as many people as possible from your community with a shareholding in your local company. Ideally, you should be aiming for at least 300 shareholders to ensure your **Community Bank®** branch is a truly community spirited venture.

Please Note: You are asking for indicative pledges only, the payment of funds is not required at this stage.

5. Business on the books

At the same time that a pledge target is set, your Regional Community Manager will also discuss with you the process of having banking business attributed to your campaign prior to your branch opening. Referred to as the "Business on the Books" process, Bendigo Bank will assist your Steering Committee in writing business to transfer to your new branch on opening. This will generally be done via an agent referral code assigned to your Community Bank® campaign (refer to section 10.2 of this Guide for further information) being tagged to new banking business generated through your local community. The level of Business on the Books will also help you and Bendigo Bank determine overall community buy-in and support and will be used as a gauge when progressing through the various campaign stages. The aim for all Community Bank® campaigns is to have a minimum of \$1.5 million of Business on the Books prior to opening. This will not only result in your branch starting with a sound business from which to grow, it can also reduce the strain on working capital required until your branch starts to turn a profit.

6. Start your community survey

Once you are convinced that you have strong overall community buy-in, based on the number of pledges and value of business on the books, Bendigo Bank will assist you in conducting a community survey. Together, your committee, Bendigo Bank and an independent consultant will plan a survey in your area, which includes issuing survey forms to households and businesses in your community and one or two days of interviews within your community. The cost of the community survey will be the responsibility of the Steering Committee.

7. Collating the survey results

The consultant will collate the survey results and provide a report. The Consultant will present the findings to your Steering Committee and Bendigo Bank.

8. Prepare a business plan

If the report's findings are that the proposal for a Community Bank® branch may be viable, your Steering Committee, with some assistance from Bendigo Bank representatives, will prepare a business plan. The survey results will be the reference point for your business plan. Bendigo Bank will provide you with some guidelines to assist in the preparation of this report.

9. Decision to proceed

Bendigo Bank will assess your business plan and prepare a business case to be submitted to Senior Management for approval. All going well, your Steering Committee will be in a position to announce to your

community a decision to proceed. However, if there are areas of concern within the business case or campaign to date, Bendigo Bank will ask you to address those issues and further discussions will be held.

10. Commence legal process

Your committee selects a solicitor who will arrange for the incorporation of your Public Company limited by shares. This is a lengthy process, which includes signing of the franchise agreement and completion of your Company's legal prospectus. You will also need to appoint an accountant to provide guidance to the Board, and assist with the preparation of the prospectus.

11. Launch your prospectus

A prospectus launch is then held at the commencement of capital raising. The majority of communities hold a public meeting to launch the prospectus. Aim to fill your prospectus within eight weeks. The sooner you fill your prospectus, the sooner your branch will open.

12. Staff recruitment/branch fit out

While your prospectus is being filled, Bendigo Bank will work with your Company on issues relating to recruitment of staff and the fit out of your branch.

13. Official branch launch and opening

Launch day and your Community Bank® branch opens for business. Launches are held on weekdays, (preferably not a Monday or a Friday) usually the day before, or morning of the branch opening for business.