

Thank you to all that have come along tonight to demonstrate your interest and ongoing support to Logan Community Financial Services Ltd.

I find myself for first time before you in the Chairman's role and with that point being made it is nice to be able to follow up with what I believe to be a very positive view of the company and its position moving forward.

This is our tenth year in operation and much has been made about that point. We celebrated with a very successful community engagement dinner in September and found that our message is getting heard stronger and clearer.

What happens as a result of us reaching these milestones however is that we do crystalize some operational costs. As a result of turning 10, so it follows that another 5 year franchise term has been served out. Pleasingly the company was able to meet all of its obligations and pay the renewal of franchise fees for the next 5 year term directly from operational cash reserves. Similarly, in a commercial sense we reach anniversary dates on a number of our leases that are brought into alignment with this date. Here to we have seen significant rising of occupancy costs. Extensive negotiations by members of the board have seen us keep these costs at levels that we are comfortable with, but it is noteworthy from an operational sense.

As reported last year we have purchased premises for the planned relocation of the Loganholme branch and this is set to occur within the next 12 months. I extend an invitation to all to come and see what will be a flagship of the group once opened. We will keep you all informed as to the opening date as it draws near. Here again we have the budgeting responsibility to cover the costs of fitting out this new branch and again I am pleased to report that we are in a strong position to cover most if not all of these costs from existing cash. However, we have furthermore already put measures in place for funding if and where it may be required. I remark that when the Beenleigh branch was first launched the decision was made not to pay a dividend in that year as we were using substantial funds and were adopting a cautious view.

I give this background so that it may be considered what a good result we are able to post this year in light of the number of commitments that have fallen due. Whilst still a board that adopts responsible caution where needed, we are comfortable with our position and able to announce an exciting return of 7 cents per share fully franked for the 2012-2013 year. Our team, branch managers and branch staff have worked their respective areas strongly and managed to keep a book of some \$350 million dollars in footings in great shape.

With some small changes in personnel, we have managed to embrace a culture of community engagement, but now more than ever we are ready to launch a concerted effort towards winning the full banking suite of services for our Logan population. We thank you for your continued support and look forward to even more engagement as we roll out new initiatives along with our Banking partner Bendigo and Adelaide Bank Ltd.