

Logan Community Financial Services Limited
Chairman's Address

AGM 8th November 2010

Good Evening Ladies & Gentlemen welcome to the LCFSL 2010 Annual General Meeting.

Having just completed our seventh full year of trading as a **Community Bank®** in Logan City it is with great pleasure that I am able to report on a vastly matured and highly successful business when compared with our conversion on 1 June 2003.

I feel extremely confident of our current financial position, having survived the recent economic climate we have managed to achieve acceptable profits for the 2009-2010 financial year. This has all been achieved with the inclusion of opening our fifth branch in Beenleigh.

As was reported at last year's AGM, we set out this financial year with some very ambitious growth targets.

When these targets were established there was no comprehension of the affect the global financial crisis would have on the Australian economy over this last financial year. However Logan **Community Bank®** group can report that we grew our 'funds under management' (business) by \$15M during the 2009/2010 financial year giving us a closing balance of \$291M in banking business. This equates to a growth of 6% on the previous year's balance.

We are extremely happy to have recently announced to our shareholders an 8 cent per share dividend payment to be paid later this month. It is of the utmost importance to us that at all times we are committed to providing our shareholders a return on their investment. We thank all of our shareholders who have been supportive both through continuing to bank and engage with us during the past year.

It is also my pleasure to inform you that the Logan Community Banking group is now consistently returning a profit each month, this has allowed us to give back to our community some worthwhile investments and support over the past twelve months.

Support by way of sponsorship & donations to various organisations & sporting groups such as:-

- Major donations to Logan City, Crestmead and Beenleigh PCYC's
- Mater Little Miracles Appeal
- Lead-on Logan program running well in the new partnership with Logan City PCYC
- Rochdale Rovers Little Squirts program
- Springwood Pumas
- Park Ridge Pirates
- Loganholme Soccer Club

Our staff contribution to these commitments is also a very note worthy point – all freely give their time to support & assist at various events & functions within the Logan community.

The Board of the Logan Community Financial Services Ltd recently established the Major Projects Committee with a view to identifying future community projects that would benefit our community and could be undertaken with the aid of funds generated by the Logan Community Bank® branches. Community forums held in Beenleigh & another more recently in Logan identified a number of key topics for our company to consider as potential recipients of our investment funds.

We have already commenced working on two of the key topics:-

1. Driver Education – we have recently invested funds into the BRAKE program; a program established to target year 11 students at high schools within Logan to help teach them to make better decisions about their behaviour in motor vehicles in an attempt to lower the accident rate of this age group &

2. Suicide Awareness – co-ordination of a discussion group session to research ways in which we can assist in helping to raise awareness of this issue

Our biggest investment yet has recently taken place with the purchase of a 24 seater bus for the Logan City PCYC to be used as part of their ongoing commitment to the youth of our city – keep an eye out for the big RED BUS!

Moving forward with our correct procedures & policies in place this will ensure we will sustain our current growth & profit expectations. With still much uncertainty of many large worldwide countries I feel very confident that our banks are positioned in such a way that it will not negate our progress. We will continue to implement change & strategies in order to maintain our position but also need to continue our pro active approach.

Much of the success is contributed to our staff and it is a sincere thank you to Area Manager, Drue Hutchinson and his team for their enthusiasm and commitment during the year.

My fellow Directors; a remarkable group of advocates that continue to uphold the principle objectives of our company and as custodians of a \$291million company they remain commendable, competent and passionate.

A few changes took place within the Logan **Community Bank®** Board with Ian Pynor retiring after a number of years as our Company Secretary and Darren Cahill resigning as Director after receiving a well deserved promotion within the Bendigo and Adelaide Bank Ltd network.

Thanks also to our Administration staff, Manager, Michelle Todd and Assistant Donna Duncan for their efforts in ensuring the smooth operation of the company and branches.

Not to forget the continued support from our partners Bendigo and Adelaide Bank Limited. Their help to ensure we achieve our potential at all times, their professionalism is greatly appreciated along with the support provide by Mark Lally, Regional Manager, South East Queensland and his team, all very much appreciated. My thanks go to all the Bendigo and Adelaide Bank Limited support network throughout the past year.

On a personal note as your Chairman for the past seven years the continued success of this banking group has given me tremendous reward. I believe having again achieved consistent profit and the successful expansion of our business into Beenleigh we are now in a position to offer the Logan City community the rewards that flow from our success.

We strive to be Logan's most recognised & preferred financial partner in supporting the community.

Thank you