

**Logan Community Financial Services Ltd**

**Connecting the Logan Community**



# Company Reporting

- **Financial Goals**
- **Your Investment**
- **The Community of Logan**
  - **Time in the market**
  - **Performance against Projections**

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# Financial Factors

- Springwood Branch Opens July 2004

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# Financial Factors

- Marsden Branch opens September 2003
  - Ahead of time
  - Opening was projected for the second full year of trading
  - Strong growth achieved - \$7.4m in business growth

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Logan Community Bank<sup>TM</sup> Branch



Bendigo Bank





# Financial Factors

Costs for Marsden Branch	\$224,735
Management feeds paid in advance	\$300,000
Plus - Browns Plains relocation costs <i>(not planned for in prospectus projections year one)</i>	\$ 20,048
Carried forward losses 2003 – 2004 financial year	\$714,752

**Adjusted loss – One full year of trading - \$169,969**

**Projected loss for one full year of trading- \$649,208**  
*(80% of modified forecast)*





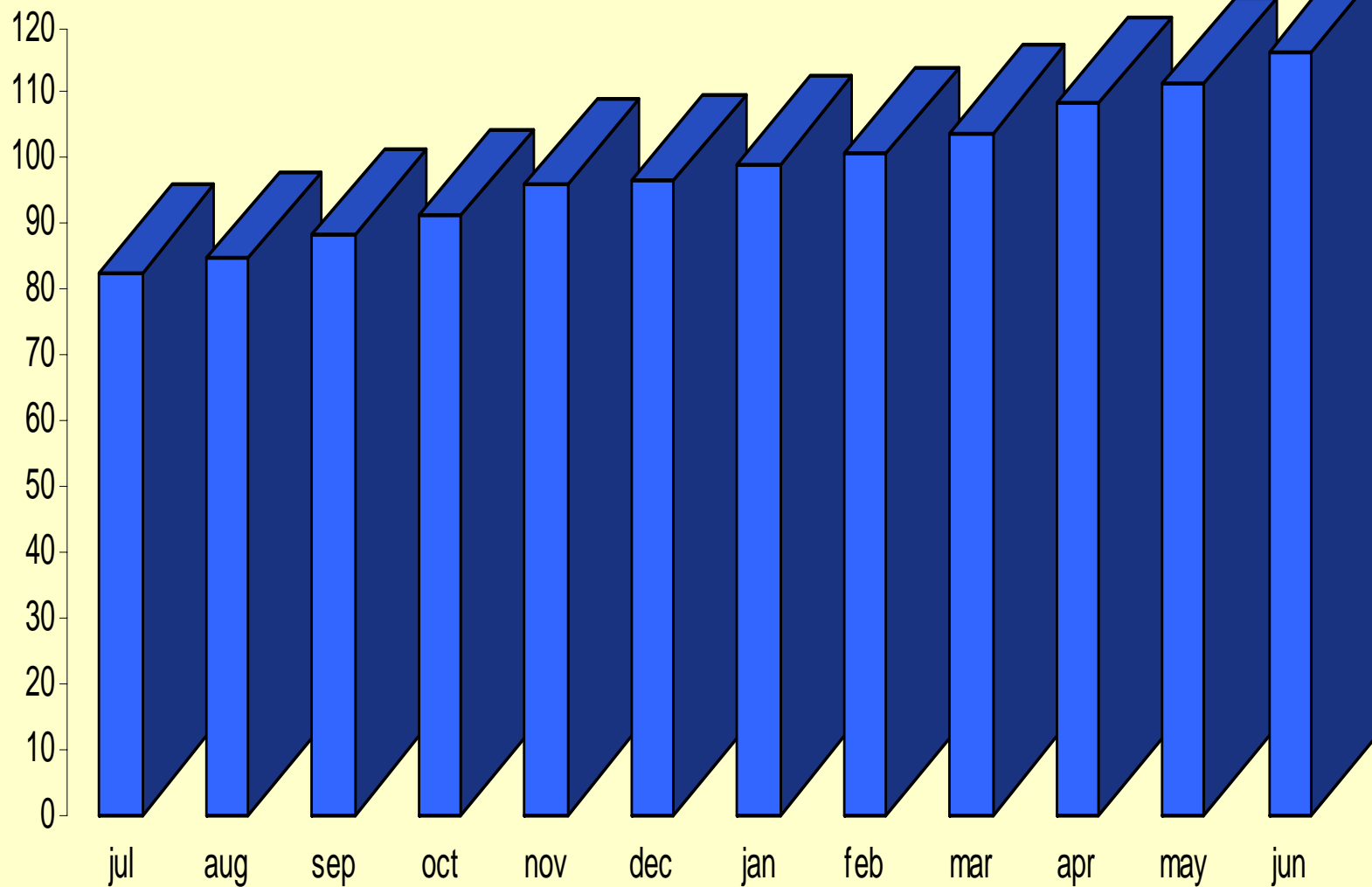
# Financial Factors

- **Business Growth**
  - \$37,146,000 in total business growth
  - Over **\$116,000,000** business volume under management
- Original projected total business after three years = \$128,000,000
- **Account numbers grown from 8,117 to 11,828**

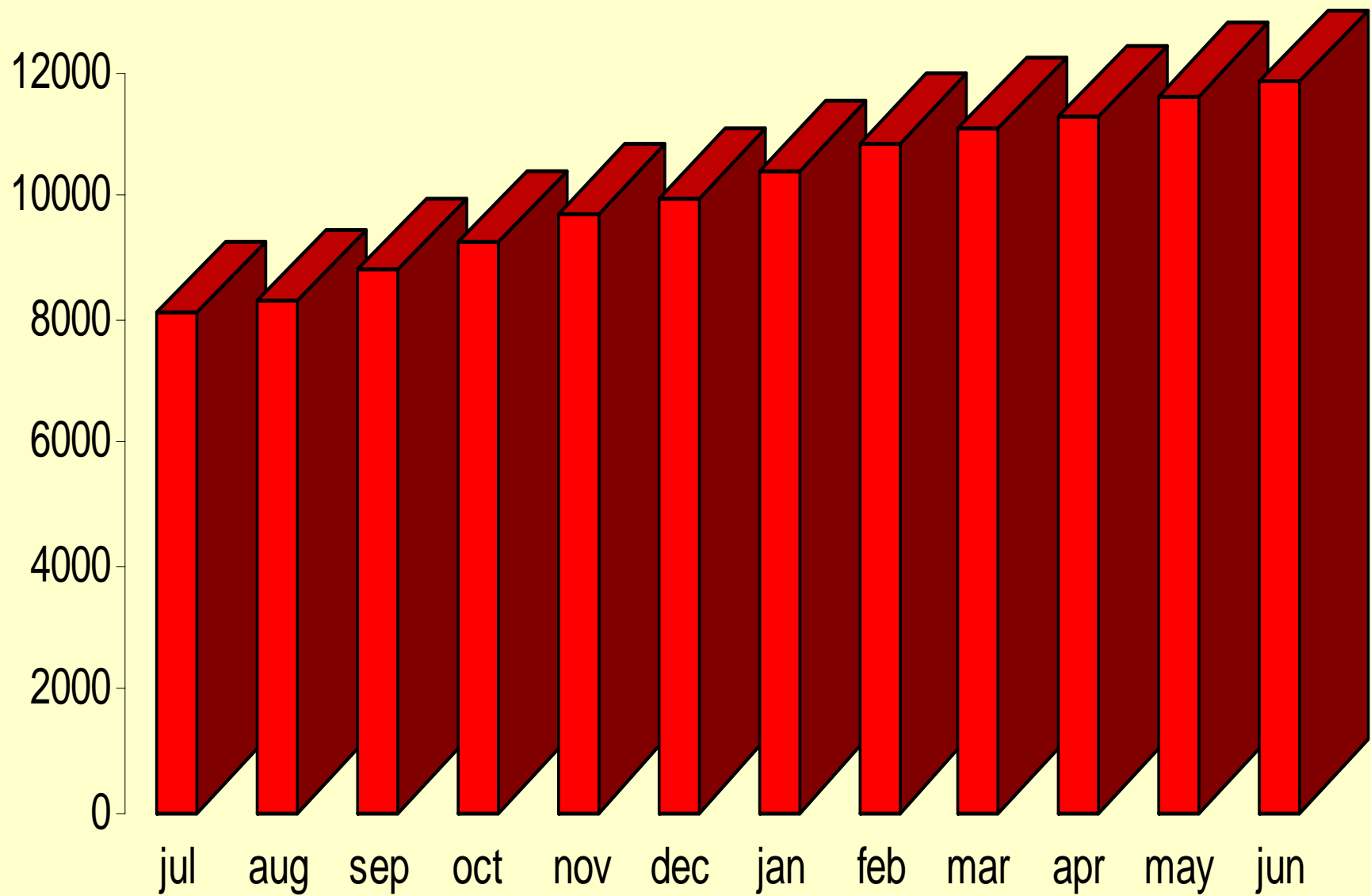
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# Business Volume

Thousands



# Accounts







# Share Trading

- Shares listed on Bendigo Stock Exchange
- Some share trades have taken place – information available on the website at [bsx.com.au](http://bsx.com.au)
- Brokers in Brisbane are ABN Amro Morgans
- Shares are investment in the community – Directors do not expect substantial trading to take place

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# Dividends

'Based on the forecast results set out in Section 4 above, it is not envisaged that the Company will be in a position to pay any dividends prior to the financial year ending 30 June 2006 and there is, of course, no certainty of any dividends after that time.' (*Prospectus, Page 24*)

## Dividends will:



- Remain a high priority item for Directors attention
- Be on the Agenda once profits are regular and sustainable
- Be determined according to results, capital requirements and community needs.



# **Vision, Mission**

## **Vision Statement**

Our vision is to provide the Logan community with a level of community involvement that directly benefits customers and the wider community through the purchase of everyday services.

## **Mission Statement**

Our mission is to focus on developing a sustainable, community-owned business that provides services to Logan residents in a manner that satisfies their needs today, and the broader community's needs in the future.

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# Values

## Values Statements

We place a high value on doing business in an ethical manner.

We place a high value on providing opportunities for youth in our business.

We place a high value on involving the community in business ventures.

We place a high value on developing staff both personally and professionally.

We place a high value on providing accurate and timely information to stakeholders.

We place a high value on treating our customers fairly and with respect.

We place a high value on growing the business beyond banking.

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# Beyond Banking



Lead on Youth Program



Community Telco  
Australia



Community Enterprise - Telco  
Logan City Hospice



# Logan Central

- A Public meeting is held with residents to discuss possible banking facilities
- Surveys are distributed to the Station Road precinct
- Business volumes available are not yet at viable levels – more customers are needed
- An ATM site is under investigation



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# Community

**Logan and Beaudesert**

**Emergency Housing**

**Corporate Challenge**

**Over \$9,000 raised**

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# Community

**Scouts Sausage sizzle, Marsden**

**Kids entertainment, Brown**

**Lighthouse Appeal for kids**

**Charity Golf days**

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# Staff and Customers





# **Chairman's Address – LCFSL AGM 2004**

**Good afternoon, and welcome to the second Annual General meeting of Logan Community Financial Services Limited.**

**I am pleased to be able to speak to you on behalf of the Board of Directors for the financial year ended 30 June 2004, and I would like to focus my address to you on the actions of the Board during the year, but before I go into these I would like to personally thank all the Directors, both those currently on the Board and those who resigned during the year. As Directors do not receive remuneration for their roles, and spend considerable time and sometimes their own company resources assisting the Board, this is a commitment to the community that can't be ignored.**

**Now to the year just passed.**

**It is exciting to report that we have exceeded our goals to establish the Springwood and Marsden branches, ahead of time in both cases, and in the case of Marsden, nearly a year ahead of initial projections. This allows us to bring forward the income and community benefit projections of the company, and the branch is enjoying very strong support from the Marsden community.**

**Springwood branch is busy establishing itself as the 'Business Branch', with both the Logan Chamber of Commerce and the Logan City Council utilising the products and services offered.**

**Loganholme and Browns Plains branches continue to grow their customer bases whilst providing excellent customer service and assisting the establishment of the newer branches.**

**We are tracking well with our goals to employ local, and employ youth. Over 90% of our staff reside in Logan, we have grown our staff numbers during the year, and we have been successful in employing youth, with staff aged under 20 joining us during the year. Further, we have promoted existing staff into newly created positions to do so, and are actively supporting staff with further study to advance their careers.**

**The Board has actively focussed its activities on the 'triple bottom line' of people, planet and profit. This ensures that a balanced approach to the business is always at the forefront of discussion, and that we are committed to ensuring that our customers, community and staff are equally as important as profit generation. A result of this focus has been the development of our Vision, Mission and Values statements, which are now part of the criteria by which we judge our actions and results.**

**This focus has ensured that the Board are not waiting for the accumulated profit position to distribute funds back into the community. With the help of Bendigo bank, we have contributed to many areas and organisations during the year, and are working on on-going projects to further assist the community, even before the profit position is reached. One of these is the youth program Lead On, being successfully run in other parts of the country. We have had discussions with Logan City Council, and are at present working towards a joint program with the Youth Council that will provide employment and leadership opportunities for our youth in Logan.**

**During the year we received many requests from persons interested in purchasing shares in the Logan Community Financial Services Limited, and a small number of trades have taken place on the Bendigo Stock Exchange. The Directors do not expect to see any large numbers of trades, as shareholders have made an investment in, and commitment to, our community, and this is a longer term investment.**

**As shareholders, however, you will be interested in possible dividend payments. Naturally, these were not able to be paid in the year ended 30 June 2004, as we are still in the early stages of business growth. However, dividend payments to shareholders remain a high priority for the Board, and will be on the agenda once operating profits are regular and sustainable. This may be in advance of the prospectus projections, if the community support for banking services is sufficient.**

**In the coming year you will find the Board being even more active in the community, finding new ways to participate and contribute, and helping customers to deal with the branches in ways that work for them. We will refurbish our Loganholme branch early in the new year, investigate new sites and new communities that we can provide banking services to, investigate community telecommunications and community power company options for Logan, work towards a self sustaining youth development program, and continue to encourage shareholders and customers to support their community by Banking with their Community Bank branches.**

**Finally, our major focus is to achieve our profit and growth targets, so that you our shareholders, our customers, and the Logan community as a whole can enjoy the benefits that come from connecting with each other, and connecting with our community.**

**Thank you.**

**Area Manager's address to Shareholder AGM 9<sup>th</sup> November 2004**  
**Logan Community Financial Services Limited.**  
**Area Manager- Darren Cahill**

Good afternoon and welcome to Shareholders, special guests and board directors.

It is my great pleasure to be addressing you to report on what I see as a formidable performance in our first full year of operation.

Whilst I could take the easy way out today and stand up here and report on some pure numbers of business volumes held, accounts opened, transaction numbers I believe that would do our company an injustice and to be honest, may put some of you to sleep! Having already given you all the financial information in the annual report, I would prefer to give you some insight on our branch teams, their growth and how we believe we are adding real value to community in Logan.

Earlier in the financial year we of course opened our branches at Springwood and Marsden and for anyone who has spent time in banking, opening a branch can be one of the most daunting tasks as a manager, let alone starting with a brand new team who have a tremendous amount of learning in front of them. I would like to take this opportunity to congratulate Steve McCormick from Springwood and Simon Reeves from Marsden for demonstrating such a high level of management skill in building their teams into the ones we have today. Additionally, these teams had the formidable task of achieving business targets set from a feasibility study formulated well before their branches opened and I am very pleased with their achievements for the financial year. These performances are not to detract from those of the two branches at Loganholme and Browns Plains with Loganholme in particular achieving very well by exceeding growth and income targets. We have taken these performance achievements, analysed our markets further on real business figures and built on them during our budgeting process for the current year.

As our branch network has grown its business we have had to be very conscious of the customer expectation of superior service in a Community Bank or Bendigo Bank branch and as we say time and time again, 'all we sell is service'!

Consequently, we have seen the need to bring some more people to our teams and during the last 12 months, we have added 3 new roles into our network.

Whilst the addition of 3 roles may not seem earth shattering, the part that I have been very passionate about is the fact these roles have all been filled by 'Young people from Logan' with all 3 being under 20 years of age. I see this as just the starting point in fulfilling our commitment to keeping our Youth/ Intellectual/ People Capital in Logan.

We will be focused on nurturing the enthusiasm and skills of these young people in the coming year and would expect to see them very closely involved with local schools, youth groups and the Logan City Youth Council.

Additionally, we have also restructured several of our teams to include the role of Customer Relationship Officer, a role designed to deliver on the promise of superior service above and beyond our competitors. We have several very talented people growing daily in their roles and I certainly implore you as shareholders to avail of their style of superior service.

By ensuring we employ locally and develop our people within, I believe this allows us to maintain a stronger focus on community involvement and ensure we consider the many diverse groups and cultures within Logan. Our people have demonstrated this throughout the year with their involvement in such endeavours as the recent 'Lean Corporate Challenge' which aids the cause of emergency accommodation in Logan. We are also currently offering our services to the Community Hospice Project by having each of our branches act as a collection point for their fund raising.. We have also taken on many smaller and very localised sponsorships at each of our branches.

Another area I would like to talk about today is Business Development, and being that it is a primary objective of my role, it is something that I am very passionate about. In the next year you will see us as being very active in the market place in many different forms.

We are currently working with the business proprietors in Logan Central to garner their banking support and hopefully lead to some bank representation in the area. We will also be actively investigating areas of interest throughout the whole of Logan for future points of representation whether it be new branches, agencies, ATM's or mobile managers.

Many community groups are now changing their banking over to the Community Bank and we will continue to foster these relationships and build new ones from the valuable contacts made. Ultimately, we would hope to be supporting these groups as part of our Community Support charter with grants and sponsorships in time.

We will be actively involved in your local trader associations and Chamber of Commerce to network and build relationships from these accordingly.

Once again we will be asking for you as shareholders to bring your banking across to help support your investment.

Overall, I would see the past financial year as one of growth. Growth of many kinds not the least of which is our strong financial performance to prospectus expectations. With our company still in its infancy and our teams being very new, we have achieved remarkable results to this point.

Our current year is well on track to budgeted figures and we look forward to delivering further positive results in the coming year.

In Closing, and to put a slightly different slant on things I would leave you with this thought:-

Being the father of three young children myself, I would draw some comparisons for our company to the life of a child.

Born on June 1<sup>st</sup> 2003.

We opened our eyes and saw the world we had come into. Logan.

We made plenty of noise, especially when we needed something. Your business.

We showed true admiration for those who conceived us. Shareholders.

We gave our parents (Bendigo Bank) plenty of sleepless nights.

We had some teething problems- with the emergence of new branches

And just recently, we have found our feet and learned to walk.....

But BY GOLLY, in the coming years, Watch us RUN!!!!