

Edition 4 - Summer January 2005

Newsletter

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Help the victims of the Tsunami - details page 3

Board of Directors

Colin Nelson (Chairman), Zen Knezevic, Cathleen Wallis,
Alan Gough, Steve Simpson, Russell Jenkins,
John McLaughlin, Patrick Simonis, David Manfield.

ABN: 88 101 148 430

logan community financial services limited

From the Chairman

Since the AGM in November, the Board of your Community Bank® Company has focussed on developing the next section of the business plan for the Company, to take us beyond 2008. The Directors took a weekend out to spend discussing the goals, objectives and actions required to ensure the Company's performance exceeds expectations over the coming periods. From this session, you will see enhanced community involvement, greater profile for our Community Bank® branches across Logan, more communication with shareholders, customers and the community, and increased advertising and media usage to boost business and profits. We will investigate more sites for possible ATM's or agencies, and consider other investments for the Company, to boost returns to shareholders

We will commence using Community Enterprise™ Foundation this year. Community Enterprise™ Foundation, the charitable arm of Bendigo Bank, is an independent organisation established to provide a method of making donations to community groups and charities, including disaster relief appeals such as the Eyre Peninsula fires and the Tsunami appeal. The use of the Foundation will allow better tax deductibility for the Company for such donations, and ensure the highest standards of transparency and professionalism are maintained. Additionally, we will commence shareholder and customer reward programs, to involve and connect the Logan community through encouraging residents to shop locally.

During this period our business continues to grow. I have been very pleased to see the number of accounts continue to increase throughout our branches. At present we have over 13,500 accounts, a growth of 1,580 accounts in the last six months. That's over 60 accounts per week! This clearly tells us that Logan residents and businesses are continuing to support the Community Bank® concept, which can only be good for the community and for our shareholders! As well, our total business under management has grown to over \$128.5 million, an increase of more than 9 per cent in the last six months.

We continue to do all we can to ensure our customers experience is second to none, and to this end we are refurbishing our Loganholme branch, to bring it up to the standard of our other branches and improve facilities for staff and customers alike. This will be completed by 14 February and will ensure that 'your bank' is able to compete on every level with its competitors, providing products and services to you and our customers that work towards 'Connecting the Logan community'.

Colin Nelson
Chairman

From the Treasurer - Shares and dividends

At the Annual General Meeting in November, a number of shareholders requested information about dividend payments on their shares. Whilst the prospectus clearly stated that the Board did not expect that the Company would be in a position to pay dividends prior to the financial year ending 30 June 2006, the Directors are mindful of the substantial investment that shareholders have made to ensure banking services in Logan, and will, if the corporations law and business results allow, pay a dividend to shareholders at the end of the financial year ended 30 June 2005. This means that shareholders could receive their first return from shares at least a full year early.

Any payment of dividend is likely to impact on the value of shares on the open market, and may make these more valuable. In actual fact, some shares are currently for sale and may be purchased through BSX registered brokers at less than \$1.00.

Over the last few months, we have received quite a few calls from Centrelink requesting details of their customers Bendigo Bank shares, and what dividends have been paid. We then have to explain to Centrelink that our shareholders do not hold Bendigo Bank shares, they hold shares in Logan Community Financial Services Limited, and that no dividend has yet been paid. If you are receiving Centrelink payments, and have to declare assets, then you can obtain information about the market valuation of your shares from the Bendigo Stock Exchange website, at www.bsx.com.au. Type in the code LCB on the drop down box, and all the information is available. If you do not have access to the internet, you can call us on 1300 366 636 and we will be happy to help.

Alan Gough
Treasurer

How can I buy and sell shares in my Community Bank® Company?

Logan Community Financial Services Limited (LCFSL) is a publicly listed company. Like Bendigo Bank, Commonwealth Bank and Westpac, you can trade its shares on a public stock exchange.

LCFSL commenced quotation on the Bendigo Stock Exchange (BSX) in July 2003 giving all shareholders an opportunity to buy or sell shares in an open, regulated market. Your shareholding helps provide banking services to the community and

support to a number of community organisations. Your shares entitle you to vote at shareholder meetings and to a dividend when declared.

At all times, the state of the market for LCFSL shares is available from the BSX website www.bsx.com.au by following the links to "Markets, Prices and Research" and using the security code LCB. The BSX website also carries all market announcements by LCFSL, including annual and half yearly profit announcements, the Chairman's address to the annual general meeting and more. The price for shares at any time is determined by the market – who wishes to buy or sell and what price they are willing to trade at.

Approximately three trades a month have occurred so far this financial year. Your Directors believe trading volumes will remain low as shareholders see their investment more as an investment in the community. However, by being listed, shareholders are able to trade shares on a public market should they wish.

The share price for LCFSL has fluctuated from a 12 month high of \$1.00 in April 2004 to a low of \$0.83 in November. By the end of 2004, the shares were trading at \$0.86

If you would like to place an order on BSX to buy or sell LCFSL shares, you must do so through a BSX broker. In Brisbane, ABN AMRO Morgans can take your order (phone 07 333 44 888). Other brokers include Strategem Financial Group (03 5445 4777) and AAA Shares (08 8382 4288). Shareholders and prospective shareholders can ring these brokers to discuss brokerage rates and trading procedures.

Ian Craig
Markets Manager
Bendigo Stock Exchange

Tsunami Appeal and Eyre Peninsula Bushfires

The tragedies of these two disasters for their local communities cannot be underestimated. Many lives have been lost, and property and possessions destroyed. If you would like to help out, please call into your local branch (details on last page) to make a donation.

5000th customer for Browns Plains

Shareholders Mr Gregory and Mrs Coralie Casford transferred their business to the Community Bank® branch in January becoming the 5000th customer for Browns Plains branch. We welcome Gregory and Coralie and their family to the Community Bank® family!



Browns Plains Branch Manager, Gavin Pingel welcomes Gregory and Coralie Casford to the Community Bank® branch.

Today I did something for the good of the community. I did all my banking.

When it comes to benefits for our community and for me, Community Bank® branches have several strong points:

- Face-to-face service from friendly, local staff.
- Opening hours that suit me better Monday – Friday 9.00am – 5.00pm, and Saturday 9.00am – 12noon.

- The full range of banking products and services.
 - More money stays in my area because our shared profits are used to help our community's future.
- For more information speak to your local Branch Manager.

Logan Community Bank® Branch  **Bendigo Bank**

Loganholme makeover

Loganholme branch is undergoing a makeover! This will bring the branch up to the high standard of all our Community Bank® branches, and provide a better environment for our customers to do business with us. The work will be finished in early February, and we will re-open on 14 February. We thank you for your patience during this refurbishment period.



Your say

With this newsletter you will find a 'Community contribution survey' and a 'Newsletter survey' sheet together with a reply paid envelope. Please use these to indicate what information you would like to see in the regular newsletters, and how you would prefer to see us support our community

There is also a section to make a comment, on whatever you would like, whether it is to do with the bank, the community, or just a relevant issue in your area. Selected comments from the 'Your Say' sheet will be published in the next newsletter.

"There has been a lot of hard work put in by the Directors and a lot of other people to get the Community Bank® branch to this stage, and now to continue to the next stage there is a need for every shareholder to use the branch in one way or another".

Mike Ross, shareholder and customer

We are open: Monday – Friday 9am – 5pm, Saturday 9am – 12noon

Browns Plains

Westpoint Shopping Centre, Browns Plains Road,
Browns Plains, QLD 4118
Phone: (07) 3806 9777
Fax: (08) 3806 9500
Manager: Gavin Pingel

Marsden

Shop 21, Marsden Park Shopping Centre, 55-77
Chambers Flat Road, Marsden, QLD 4132
Phone: (07) 3299 7740
Fax: (08) 3299 7870
Manager: Simon Reeves

Loganholme

Logan Hyperdome, Bryants Road,
Loganholme, QLD 4129
Phone: (07) 3801 3600
Fax: (08) 3801 4997
Manager: Darren Cahill

Springwood

Shop 40/41 Centro Springwood, 34 Fitzgerald
Avenue, Springwood, QLD 4127
Phone: (07) 3208 2611
Fax: (08) 3208 3611
Manager: Steve McCormick



Logan Community Bank® Branch **Bendigo Bank**

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