

# LOGANSPORT FINANCIAL CORP.

*Leading the Way...*



2010

SHAREHOLDER ANNUAL REPORT

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

ЗНАКЕНОДЕК АННУАЛ РЕПОРТ

2010

## TO OUR SHAREHOLDERS:

### Logansport Financial Corp. DIRECTORS

*James P. Bauer*  
*Arden L. Cramer*  
*Gary L. Enders*  
*Joyce A. Eshelman*  
*Charles J. Evans*  
*Brian J. Morrill*  
*Thomas J. Steinberger*  
*William Tincher, Jr*  
*Dr. Todd S. Weinstein*  
*David G. Wihebrink*

### LOGANSPORT SAVINGS BANK, FSB OFFICERS

DAVID G. WIHEBRINK – *Chairman*  
ARDEN L. CRAMER – *President/CEO*  
CHAD GEER – *Executive Vice President*  
CHAD HIGGINS – *CFO/Sec/Treasurer*  
MICHAEL THOMPSON – *Internal Audit and IT*  
REX BETZNER – *Mortgage Loan Manager*  
JEFFREY JONES – *Senior Vice President*  
SHEILA WILDERMUTH – *Senior Vice President*  
JONI LAMBERT – *Vice President*  
SHARON LANTZ – *Assistant Vice President*  
MAUREEN PRENTICE – *Compliance*  
DEE DEE SETTLEMYRE – *Mortgage Loan Officer*  
JOSH HOPPER – *Business Development Officer*



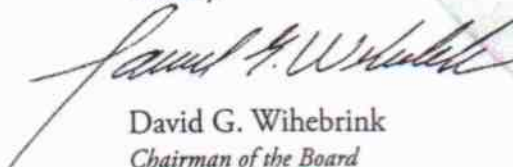
On behalf of Logansport Financial Corp. it is a pleasure for us to present this Annual Report to Shareholders for the year ended December 31, 2010.

As we expected, 2010 was again a difficult and challenging year for banking in general. We are pleased to report however, that Logansport Financial Corp. has been able to face these economically challenging times and again in 2010 report above average earnings as compared to our industry peer group community banks. Stability of earnings and a strong capital position are two elements that are vital to both customers and shareholders and a key element of the ongoing strategic plan for Logansport Financial Corp. For 2010 our pre-tax earnings were 5% greater than those in 2009 after reflecting a 28% increase in the annual provision for estimated loan losses. Our capital strength was well in excess of regulatory standards as defined for "well capitalized" institutions with risk based capital and core capital ratios of 19.0% and 12.7% compared to regulatory standards of 10.00% and 6.00% respectively. We are also pleased to report that our non performing loans and real estate owned continue to remain below national and state reportable statistical levels.

2010 was also a transition year with regard to our Board and management team. In accordance with both our Board and management succession plans, the Board experienced the retirement of a long serving member with over 28 years of service and the appointment of two new members. In addition, in May of 2010, Arden L. Cramer assumed the leadership role of President and CEO culminating a succession plan implemented five years ago. We are pleased to report that both transitions have been implemented effectively.

As we look ahead to 2011 we know the strength of the economic recovery remains uncertain and subject to many events beyond our control. However, Logansport Financial Corp. remains confident in the strategic course it has set that will provide for stability of earnings and the maintaining of a well capitalized institution. We recognize the success of Logansport Financial Corp. is a direct result of the efforts of our dedicated employees, Board of Directors, and the support of our shareholders and customers without whom our success would not be possible. It is our pledge to continue "Leading the Way" as the best community financial institution in our area.

Sincerely,

  
David G. Wihebrink  
*Chairman of the Board*

  
Arden L. Cramer  
*President and Chief Executive Officer*

If you would like a complete audit please contact us by mail, e-mail, phone or fax and we will be happy to send you one. Our quarterly results are posted on our web site. You can check the stock price at [OTCBB.com](http://OTCBB.com) with the symbol LOGN.

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# Logansport Financial Corp.

## SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth certain information concerning Logansport Financial's consolidated financial position, results of operations and other data at the dates and for the years indicated.

Financial Condition Data:	2010	2009	At December 31,		
			2008	2007	2006
			(In thousands)		
Total assets	\$151,239	\$162,230	\$172,890	\$156,817	\$159,894
Loans receivable, net	113,749	111,736	111,404	107,989	110,562
Mortgage-backed securities	10,822	14,904	17,720	5,056	3,947
Cash and cash equivalents	4,287	9,876	14,921	15,124	16,853
Investment securities	15,011	18,020	21,500	20,567	20,210
Deposits	111,254	110,563	116,368	111,645	113,411
Borrowings	19,644	31,645	37,169	25,349	27,390
Shareholders' equity	19,300	18,680	17,805	18,012	17,589
			Year ended December 31,		
			(In thousands, except share data)		
Summary of Operating Results:	2010	2009	2008	2007	2006
Interest income	\$7,808	\$8,592	\$9,329	\$9,671	\$9,454
Interest expense	<u>2,967</u>	<u>4,027</u>	<u>4,769</u>	<u>5,637</u>	<u>5,214</u>
Net interest income	4,841	4,565	4,560	4,034	4,240
Provision for losses on loans	<u>720</u>	<u>560</u>	<u>315</u>	<u>255</u>	<u>890</u>
Net interest income after provision for losses on loans	4,121	4,005	4,245	3,779	3,350
Other income	632	637	856	453	387
Pension termination (recovery)	-	-	-	-	(312)
General, administrative and other expense	<u>3,249</u>	<u>3,216</u>	<u>3,217</u>	<u>3,083</u>	<u>2,844</u>
Earnings before income taxes	1,504	1,426	1,884	1,149	1,205
Income taxes	<u>334</u>	<u>246</u>	<u>351</u>	<u>387</u>	<u>213</u>
Net earnings	<u>\$1,170</u>	<u>\$1,180</u>	<u>\$1,533</u>	<u>\$762</u>	<u>\$992</u>
Basic earnings per share	<u>\$1.49</u>	<u>\$1.51</u>	<u>\$1.82</u>	<u>\$0.87</u>	<u>\$1.14</u>
Diluted earnings per share	<u>\$1.49</u>	<u>\$1.51</u>	<u>\$1.82</u>	<u>\$0.87</u>	<u>\$1.14</u>
Cash dividends per share	<u>\$0.60</u>	<u>\$0.60</u>	<u>\$0.60</u>	<u>\$0.60</u>	<u>\$0.60</u>
Outstanding Shares at 12/31	785,817	783,701	783,701	870,701	870,701

### MISSION STATEMENT

*"The Board of Directors, management and staff of Logansport Savings Bank are dedicated to serving the needs of our customers, providing them with the best possible service in an efficient, friendly, caring atmosphere. As a vital part of this community, Logansport Savings Bank seeks to continue partnering with local business and individuals. The customers, employees, and shareholders are an integral part of Logansport Savings Bank and are best served if the Bank remains an independent, locally controlled and operated, profitable financial institution."*

# Logansport Financial Corp.

## SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA (CONTINUED)

Supplemental Data:	At or for the year ended December 31,				
	2010	2009	2008	2007	2006
Return on average assets <sup>(1)</sup>	.76%	.71%	.95%	.49%	.62%
Return on average equity <sup>(2)</sup>	6.36	6.46	8.45	4.31	5.71
Interest rate spread <sup>(3)</sup>	2.91	2.51	2.49	2.17	2.27
Net yield on interest-earning assets <sup>(4)</sup>	3.30	2.95	3.01	2.73	2.80
General, administrative and other expense to average assets <sup>(6)</sup>	2.05	1.93	2.00	1.97	1.78
Net interest income to general, administrative and other expense <sup>(6)</sup>	149.00	141.95	141.75	130.85	149.09
Equity-to-assets <sup>(5)</sup>	12.76	11.51	10.30	11.49	11.00
Average interest-earning assets to average interest-bearing liabilities	119.59	117.34	116.76	115.13	115.39
Non-performing assets to total assets	1.39	1.31	.77	.86	1.18
Non-performing loans to total loans	1.82	1.87	1.19	1.24	1.68
Loan loss allowance to total loans	1.42	1.33	1.22	1.21	1.12
Loan loss allowance to non-performing loans	77.87	70.96	102.69	97.42	66.87
Dividend payout ratio	40.30	39.74	32.97	68.97	52.63
Net charge-offs to average loans	.52	.37	.23	.18	.93

(1) Net earnings divided by average total assets.

(2) Net earnings divided by average total equity.

(3) Interest rate spread is calculated by subtracting combined weighted-average interest rate cost from combined weighted-average interest rate earned.

(4) Net interest income divided by average interest-earning assets.

(5) Total equity divided by total assets.

(6) Exclusive of costs associated with the termination of the defined benefit pension plan.

**TRANSFER AGENT** - Registrar and Transfer Company is the transfer agent and registrar for Logansport Financial Corp. and maintains shareholder records for the Company. Your account may be managed online via Investor Relations at [www.rtco.com](http://www.rtco.com), a cost-free web tool for shareholders, where you will be able to view your account details, update your account information and process various transactions. Shareholders requiring a change of name, address or ownership of stock, as well as information about shareholder records, lost or stolen certificates, dividend checks, or dividend direct deposit should use the cost-free web site or contact them at:

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