

KEW EAST FINANCIAL SERVICES LTD  
A.C.N. 096 301 058

23<sup>rd</sup> March, 2012

Dear Shareholder,

Your Directors are pleased to announce that a profit after tax for the six months until December 2011 Financial year is \$169,728. A final dividend of 6 cents per share fully franked has been declared. The record date of the dividend will be 16<sup>th</sup> April, with the payment date 30<sup>th</sup> April 2012.

From early in the new financial year the board has restructured the committees as follows:

**Audit & Governance** – arms length from Finance:

Membership: Chair - Eric Thomas, Ross McDermott – Company Secretary, Ken Franks

Responsibilities: To establish and review Risk Register annually; Annual Report, AGM, Auditor; Franchise Agreement; Constitution; BSX/NSX and ASIC; Property leases and management

**Finance**

Membership: Chair- Mark Heffernan – Treasurer, George Prodromidis – Manager, Rod Albury – Chair KEFS

Responsibilities: Budget - preparation, monthly board report; Snap Shot report; Assets register; Book Keeper; Accountant; Board Administrator

**Personnel**

Membership: Chair Allen Borella, Ross McDermott and Mark Heffernan

Responsibilities: Staff and Manager Performance; Remuneration – Directors and Manager; Nominations – Directors to the Board; Director Training; Board Review

**Business Development**

Membership: Chair Paula Davey, Eric Thomas, Rod Albury, Allen Borella, George Prodromidis – Manager

Responsibilities: Five year Business Plan; Marketing – Implementing Blue Frog Local Marketing Plan - Website, Newsletters, Snap Shots; Sponsorship and Community Grant Partnerships; New Branch Sites

**Community Engagement**

Membership: Chair, Ken Franks, Rod Albury, Allen Borella, Paula Davey

Responsibilities: Celebrations, events and Harp Village promotions; Director relationships with sponsored groups; Community partnership programs – initiatives; City of Boroondara Partnership Forum

You will be aware that the Board of your company has embarked on a campaign to obtain sufficient community support to open a new branch in Kew. The first stage of the campaign has been achieved with pledges of over \$500,000 for working capital for the new branch. The next stage is the independent feasibility survey currently distributed to Kew households and supportive community groups. The returns to date look promising. Enclosed is a survey which we invite you to complete if you wish to contribute further banking business to the company. The survey closes on 30<sup>th</sup> March, 2012. The consultants independent report of the survey will advise on the viability of establishing a Kew Community® Bank Branch. We will keep you informed of developments.

We, as a Board, thank you for your continued support.

Yours faithfully

  
Rod Albury  
KEFS – Chairman  
0438 118 148