

15th March, 2011

Dear Shareholder,

I am pleased to report that Company profit for the half year was a steady \$159,737 (\$159,746 - Dec 2010). Your Directors are pleased to announce that a dividend of 6cps per share fully franked will be distributed on Monday 2nd May with the recorded date being Monday 11th April, 2011.

At the AGM in November, 2010 the following Community Grants, totalling \$94,357, were presented:

Organisation:

- 7th Kew /1st Deepdene Scouts
- Bellevue Kindergarten Inc Association
- Boroondara Pre School
- Chaplains Emergency Fund, Kew High School, ACCESS Ministries
- Davis Street Kindergarten
- e.motion21
- East Kew Uniting Church
- Inner East Community Health Service Inc
- J J McMahon Memorial Kindergarten
- Kew East Primary School
- Kew High School History Project Working Group

Project Title:

- Building Upgrade
- Books for Bellevue
- Healthy, Staff, Happy Children
- Chaplains Emergency Fund
- Garden Decking
- Dance Group for Youth with Downs Syndrome
- The Importance of Story Telling
- 2,4,6,8...let's eat food that's great!
- Keep them active & safe - Soft fall in The kinder yard
- Student Leadership in Performing Arts Program
- Recapturing the Kew High School Story

- Kew Historical Society Inc
- Kew Neighbourhood Learning Centre
- Kew Toy Library Inc
- Melbourne Chapter Sweet Adelines International Inc
- Melbourne Deaf Cricket Club Inc
- Mental Illness Fellowship Victoria
- Sacred Heart Primary School Kew
- St Anne's Catholic Primary School
- St Bridget's Primary School
- Studley Park Kindergarten
- Track Youth Theatre
- U3A Deepdene
- Victorian YMCA Youth & Community Services Inc.
- Villa Alba Museum Incorporated
- Villa Maria
- Kew Primary School
- Amplifying Kew's History
- Chinese Culture & Introduction to Mandarin
- Diversity Toys - Reflecting all families In our Community
- Membership Drive
- Deaf Sports Pavilion
- Kew Opportunity Shop re-fit
- Developing an active senior playground
- Sun safe senior space
- Project Green Thumb: Creative play precinct
- Outdoor Learning Space and Secret Garden
- Sound equipment
- Powerful Presenters
- On the Right Track - Kokoda Challenge Program
- Conservation of Marble Floor
- Sensory equipment for Gateway services
- Community Garden

Your Company has now returned significant funds to community organisations:

- Grants totalling \$327,106 over 6 years, and
- Sponsorships of \$136,502
- Totalling \$463,608 heading towards a milestone of \$500,000

When the value of Dividends returned to the shareholders of \$386,004 is included, the Company is approaching \$900,000 return to its local stakeholders.

The vision and determination of the original Steering Committee along with the willingness of the Shareholders to take an initial financial 'leap of faith' to establish our Kew East **Community Bank®** has certainly paid off not only in terms of providing a banking service but also in the value of returns through grants and sponsorship to the community.

The Board is preparing to celebrate a decade of achievements this December and would welcome input from Shareholders as to what form this may take. It is hard to image what the next decade of Kew East **Community Bank®** banking will achieve but I have no doubt it will *'Help U and Your Community'*.

As previously announce the Board is proceeding with a pledge and public awareness campaign as we work towards the establishment of our proposed second **Community Bank®** Branch in the Kew Junction precinct.

The Board is also examining ways to provide up to date communication links with our Shareholders and community partners. It is hoped that through our website, which is provided by Bendigo Bank, we will also be able to provide up to date information by connecting electronically with our stakeholders. The website can be accessed via Google:
Kew East Community Bank

Yours sincerely,



Rod Albury
Chairman
Kew East Financial Services Ltd

keweastmailbox@bendigobank.com.au Mobile: 0438 118 148

Diary Date:
KEFS 2011 AGM, Wednesday 16 November, 2011 Registration 6:00pm, Kew Golf Club