

Chairman's report

Kingsway **Community Bank**[®] Branch has been busy over the past six months. With sponsorships to local groups, staff members starting their families and day to day running of our **Community Bank**[®] branch, our Board and staff have certainly been on their toes!

We are proud of the contribution the Kingsway **Community Bank**[®] Branch has made to our community, through various sponsorships, including \$24,000 over three years toward the Madeley Primary School's Play & Learn Program. The program supports school age children and their parents with the transition from home to school life, and we hope to be able to work with other local primary schools on similar projects

We have also supported the Kingsley Woodvale Cricket Club for a second year, while we are proud to support the Wanneroo Idol event at the Wanneroo Agricultural Show.

This year, the branch has also upgraded its security system for the safety of our customers and staff.

It's a time to celebrate for the **Community Bank**[®] network across Australia, with the return of more than \$50 million since the inception of the first **Community Bank**[®] branch in 1998. Now that is something to be proud of.

Thank you for your support of the Kingsway **Community Bank**[®] Branch, and together we can achieve great outcomes for our local community.

William Meredith
Chairman

Shares

At present there are shares available for sale. If you are interested in purchasing shares please go to the branch and complete an application to Purchase Shares or contact Mr Joe Hawkins on 0427 911 217.

Staff profiles

Suza Todorovska – Branch Manager



I am Suza Todorovska and I am your new Branch Manager. I will be taking up the position on the 27 April 2011. Having lived in the local area since my childhood I feel a great connection to the area and have seen it evolve and grow into the diverse community it is today.

I have over 25 years experience in the banking and finance industry and have a passion for supporting local residents and local businesses. So please come and visit our branch, say hello and let us help you to reach your goals and in doing so we can build a strong and successful local community.

Jack Foster – Customer Service Officer



What is your favourite holiday destination? USA.

What is your favourite food? Curry.

If you could be a super star for the day who would you be? Johnny Depp.

Where do you want to be in 10 years' time? A successful Branch Manager for Bendigo Bank.

Jacinta Brown – Customer Relationship Manager



What is your favourite holiday destination? Cairns / Port Douglas.

What is your favourite food? Stir fry that my husband cooks or sushi.

If you could be a superstar for the day, who would you be? I would like to be the Aussie Netball Captain, Sharelle McMahon.

Where do you want to be in 10 years' time? I would like to be working part time because I have won the lotto & have become a millionaire.

Dividend report

The Directors are pleased to announce that for the 2010 year, dividends paid to our shareholders increased by 50 per cent - up from 5c per share to 7.5 cents per share.

This excellent result follows a successful 2009, which saw Kingsway **Community Bank**[®] Branch making a profit for the first time since the business was established, nearly seven years ago. Put simply, we're in great financial shape!

For those who like the 'nitty gritty', here is some more information for you;

- Net assets increased from \$43,914 in 2009 to \$278,060 in 2010.
- Earning per share increased from 21.07c to 30.21c.

In order to recommend the payment of a dividend, the Directors have to meet three criteria:

- Do Assets exceed liabilities?
- Is the payment fair and reasonable to all shareholders?
- Solvency test – if we pay a dividend will it leave sufficient working capital to pay our bills?

We believe this year's dividend payment is a fair reward for our shareholders' loyalty, while also maintaining a strong financial balance for the continued success of Kingsway **Community Bank**[®] Branch.

Share value

Until the Company has recouped all prior year losses, the value of each share in the Company has been assessed at \$1.00 which was the issue price of each share.

Once the Company losses have been recouped then the Company's auditors will be asked to assess the value of the Company's shares based on the published results.

News from across the Bass Strait.....

Danielle Martinovich

We have settled in really well over here. Work is really great. I started off in a relief role and now have a full time position as Customer Service Supervisor at the Hobart Branch, which has just had major renovations and re-opened on the 15 March as a Branch of the Future which is really exciting. There is a great bunch of staff here and everyone has made me feel really welcome.

Frank has a job as the Finance Manager at the Menzies Research Institute and Jess and Hannah have started at Taroona High School and are really settling in well.

We bought a house last week. We are really excited about the house and having a bit of land to play around on. Hopefully it will all settle on 15 April and we'll have time to really settle in over the Easter break. We have had a bit of snow already...not much of a summer unfortunately but we're really glad to escape the heat.

Lucy Harding's Baby

Thomas Samuel Martinovich

Lucy and Matt Martinovich are proud to announce the birth of their baby boy, Thomas Samuel Martinovich, Born on Saturday, 26 February 2011 at 5.11am, weighing 8lb 11oz and 54cm long.



Sponsorships

Kingsley Woodvale Cricket Club – \$1,250

We have been proudly supporting the Kingsley Woodvale Cricket Club for the last two years and have found it very rewarding for both club and branch.



Madeley Primary School \$24,000 over three years

Kingsway Community Financial Services Ltd has assisted in the Play & Learn partnership with Madeley Primary School, an innovative neighborhood school that aims to build the capacity of parents enabling them to assist with the skill development of literacy, numeracy and the

foundations of social and emotional development in the home and school. The school will also identify specific students enabling the access to early intervention prior to the commencement of formal schooling.

Wanneroo Idol – \$2,700

Kingsway Community Financial Services Ltd has a long association with the City of Wanneroo, and assists the locality in staging the Wanneroo Agricultural Show each year. Demographic change has seen the area become one of the fastest growing in the country, so that focus of the show is now less rural. Our **Community Bank**® branch supports the premier competitive show event, with the Wanneroo Idol a hugely popular window for talented youngsters to hone their musical and stage performance.



Kingsway **Community Bank**® Branch \$75,000 in community contributions

Since opening in 2001, Kingsway **Community Bank**® Branch has contributed more than \$75,000 in much needed funds to local community groups, clubs and not-for-profit organisations that are the backbone of our community.

And, it's all made possible by local people making a choice about where the profits from their banking business go.

It's inspiring to think that our contribution has helped Bendigo Bank's national network of locally-owned **Community Bank**® branches reach the significant milestone of more than \$50 million in contributions to their communities.

They're secret millionaires – local people achieving extraordinary things.

Call in to the branch at 168 Wanneroo Road, Madeley, phone 9409 3177 or watch www.bendigobank.com.au/snapshots to find out more.

Bendigo and Adelaide Bank Limited ABN 11 068 049 178. AFSL 237879. (S34499) (04/11)



Director profile – Peter Newbound

Position: Non-Executive Director.

Occupation: Insurance Broker.

Background Information:

Following on from my details in the 2010 Annual Report and the request from our shareholders at the AGM that they would like to know more about the individual Directors, here are some further personal details;

It only seems like yesterday I was appointed to the Board in April 2008.

I live and breathe the community spirit that attracted me to “Bendigo Bank and Kingsway **Community Bank**® Branch”.

In my teens, I served on numerous sporting club committees and at the same time, I played football as well as umpiring the junior league. I was never home!

Unfortunately, injuries meant that I couldn't play football, so took up umpiring at senior level.

I umpired at WAFL and in my later career, served as Umpire's Advisor for the Mortlock League, while also officiating.

Given my community activity, I was rewarded with running a leg of the Torch Relay for the Sydney 2000 Olympics, which was an extreme highlight in my life. (Aside from my wedding in 1986 and the birth of our two boys, now aged 19 and 16 years!)

In 2005/2006, I also coached with the Wanneroo Junior Football Club, in which our youngest son participated at the time.

I must say our Board is very busy, and we all work very well together and cohesively.

There is still much to do, as we all know. It never stops so it's still a work in progress.

Just to mention a few initiatives;

I've represented our Kingsway **Community Bank**® Branch at a chairman's meeting last year and attended the State Conferences in Collie 2010 and Fremantle in 2011.

I have also attended a financial seminar called AGMs R Us, and another run in March by the Institute of Company Directors.

Aside from that, I attend a number of community functions for local sporting clubs, and these are events that I enjoy attending.

Naturally, I also cast my eye over the Kingsway Insurances as my business is Insurance Broking.

I was awarded a Finalist in the Wanneroo Business Awards in 2010 for businesses under five employees, which was very gratifying as it was my first year in the competition.

There are other initiatives such as looking into the demographics of Wanneroo which have included discussions with ECU University and the City Of Wanneroo, plus other discussions with both local and state government..

And finally, there's our **Community Bank**® branch monthly meetings, which includes preparation work.

As you can see, it's a busy time and while taking time out of my business, I hope to maximise our return for all shareholders, for which I am one.

This is something I enjoy and hope to be re-elected at this year's AGM.



Kingsway **Community Bank**® Branch

168 Wanneroo Road, Madeley WA 6065

Phone: 9409 3177

Website: www.bendigobank.com.au

Opening hours: Monday to Friday 9.00am - 5.00pm
and Saturday mornings 9.00am - 12noon.

Manager: Suza Todorovska.



Board of Directors: Kingsway Community Financial Services Limited
PO Box 1504, Wangara WA 6947

Directors: Bill Meredith (Chairman), Beverley Errington (Secretary/Administrator),
Peter Burns (Treasurer), Ian Newton, Joseph Hawkins.