

Whereabouts Unknown

After much searching for shareholders who had moved but not updated their contact details with us, we still can't locate some shareholders. All correspondence has come back to us as "Return to Sender" and so we have listed their names below and perhaps you can help us locate them. If so, just contact Pene on 9274 6833 or email pene@mundaringcommunitybank.com.au

- COUPES, Tom
- JONES, Raylene and Graeme
- LAUD, El
- MARSHALL, James
- MOORE, Hazel
- SWINFORD, Adam
- SZYDLOWSKI, Stephen & O'SHEA, Donna
- THOMAS, Anna
- WOOD, Sandra
- WOOD, Stephen and Audrey

Unpaid Dividends

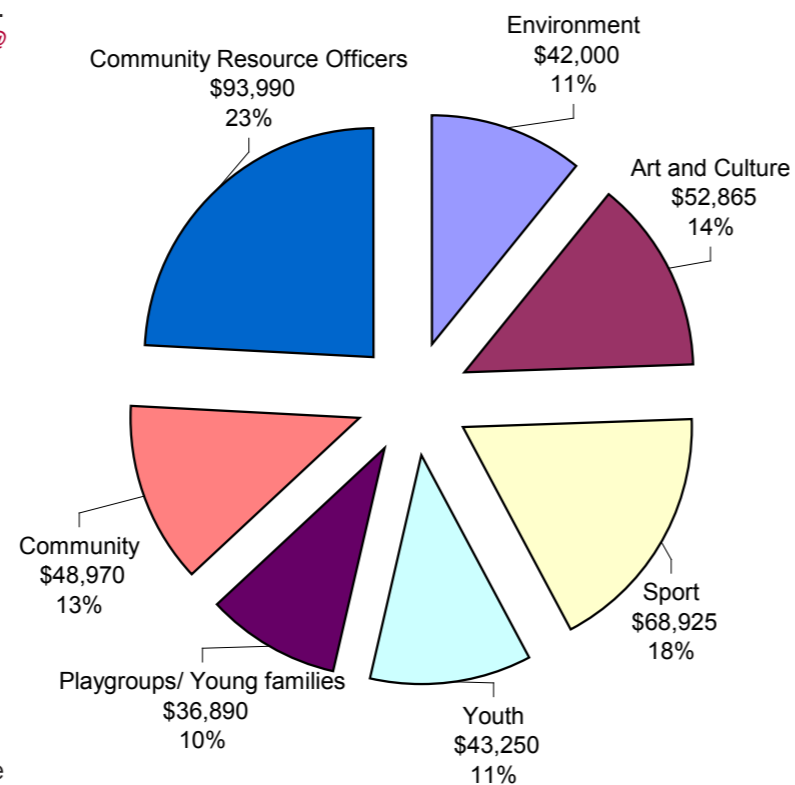
The small amount of \$279.75 was recently paid to the Unclaimed Monies at the WA Department of Treasury and Finance (DFT). This money was the final part of unclaimed dividends from 2005 through to 2008, where we were unable to trace the shareholders or track down payment details. If you believe you may be due an outstanding dividend (2005, 2006, 2007 or 2008) please go to the DFT's website www.money.dtf.wa.gov.au to make a claim.

Update your details

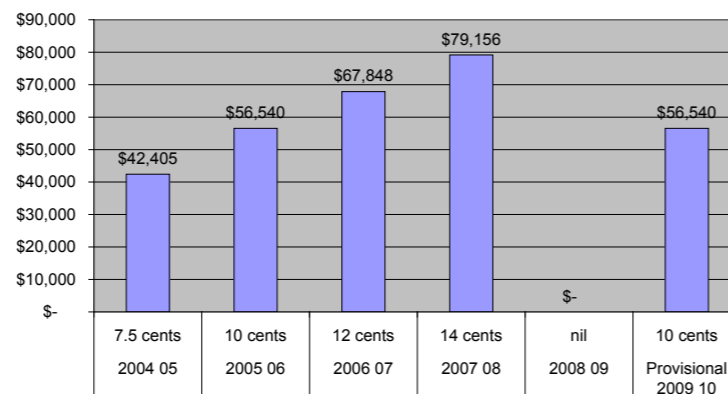
Please make sure that we have your current address and bank account details to pay the 2010 dividend due on 14 December. If you have a change of address or change of details please contact Pene 9274 6833 or post the details to the administration contact address below or email to Pene@mundaringcommunitybank.com.au

Community Investment

Community Investment 2005 to 2010



MCFs Dividend Returns 2005 2010-



Mundaring Community
Financial Services Ltd

Issue 10, Spring 2010

Shareholder Focus

Company Update

The economy continues to improve and along with it the company has returned a profit for the last financial year. This is a very pleasing result and the Board is looking forward to continued improvement in the performance through 2010 - 11. The Board has declared a dividend to shareholders for the 2009-10 financial year of 10 cents per share, fully franked. It will be paid on December 14 to all shareholders as a direct deposit into their nominated bank account.

With the return to profits, the Board has returned to looking at building on the successful foundations from the branch in Mundaring. At this stage, we are in preliminary planning for a new branch to be opened closer to Midland to help service those customers and shareholders living, working and operating their businesses 'down the hill'. We expect that the process will take some time so we will be updating shareholders at the Annual General Meeting in November about plans and news. For your input, which is very welcome, we have included a Shareholder Feedback Sheet in this newsletter. We're interested in your views about the Company and whether you have ideas for the Board to consider in the process. Please do take a few minutes to complete and return to us in the enclosed Reply Paid envelope.

Along with the new Directors all the staff have worked hard over the past year and the results speak for themselves - a profitable performance. The strategy was for the branch staff to concentrate on business development and expanding customer services and they have now reached 10,000 account customers! This is a significant achievement and they deserve congratulations for their remarkable service levels. This will greatly assist growing the business 'on the flats' which is underpinning our business planning.

We're sad to announce that Graeme Samuels, our Mobile Business Banker, has retired. He has wanted to spend more time with his family and improving his golf game and we wish him the best. Graeme has made a tremendous contribution to the business and we are grateful that he has left us with a number of good business opportunities that will be pursued over the next few months by the branch staff. At this stage, with expansion planning underway, we have decided to delay recruitment of a replacement to allow the planning through to actual implementation, with the attendant staffing needs addressed at that time.

Due to the amount of work required in the planning for expansion, the Board has approved the employment of Pene Welsh to join me to manage the community and shareholder aspects of the company. Pene comes with a wealth of experience in business and more particularly marketing and she is a valuable asset to the company. Pene has already



sorted out the unclaimed dividends from the past four years and I'm sure she will have a positive influence on the company with her sunny personality. Pene will take over much of the community liaison role from me over the next few months so don't be surprised if you meet her at functions or events where we're a sponsor.

In closing, we're now organising the end of financial year audit and will be working towards the AGM in November. The Annual Report will not be printed in hard copy this year, other than a few copies that we will have available at the branch, but it will be available for download from our website (www.mundaringcommunitybank.com.au) from October. We will be posting out notices and papers for the AGM and will include the link for you to put into your browser to access your copy. This will save significant costs in printing, with each copy costing between \$3.50 and \$5.00 to produce. You will be able to read the pertinent financial reports comfortably as we will make sure the file is small enough to download and not clog up your Internet access! Please contact Pene on 9274 6833 if you wish to discuss receiving a hard copy of the report.

Allison I'Dell,
Corporate Manager



Mundaring Community
Financial Services Ltd
ABN 63 097 289 677

Branch address:
6945 Great Eastern Highway, Mundaring WA 6073
Telephone: (08) 9295 0744

Administration address:
10 Burgess Street, Midland WA 6056
PO Box 3443, Midland WA 6056
Telephone: (08) 9274 6833
Facsimile: (08) 9274 6855
website: www.mundaringcommunitybank.com.au

Board Report

It is with great pleasure that I compile the Board Report for the Shareholder Focus Winter 2010. As a new Director to the Board, I have been inspired by the Company's achievements to date and impressed by the talented Managers: Gerry and Allison, who provide effective leadership of their formidable teams and efficient management of the day to day business.

The Board restructure in January provided opportunities for strategic planning, focusing on how we can grow the business in a sustainable and profitable manner. Ensuring that we continue to provide excellent service at the Mundaring branch, we have embarked on an expansion plan to offer residents and small businesses in the foothills the opportunity to bank with us. As you are aware, banking with a **Community Bank**® benefits the local Community and we are excited by the prospect of widening our support within the shire district.

The Mundaring **Community Bank**® Branch reached 10,000 account customers this month and this continued growth plus prudent financial management have allowed for the payment of a 10 cent dividend to shareholders. The Board will continue to strive to maintain a sustainable dividend policy moving forward.

The Board regrets to announce Mr Ron Shannon resigned as a Director in May, for personal reasons. The Board sincerely thanks Ron for his significant contribution to the development of the Company and we wish him all the best for the future.

Directors look forward to meeting with shareholders at the AGM and the members of this great community as we provide the EFTPOS facility at community events and registration days. Look out for our features in the local papers and take pride in learning how your investment continues to support the rich community spirit we share in the Mundaring catchment. We extend our sincere thanks to you, the shareholders, for your ongoing support and we encourage you to complete and return the attached Feedback Sheet - we value your feedback.

Paige McNeil
Director



Thankyou

We have had a great response from shareholders to update their banking details with over 90% having done so already. As the Board has determined that we will no longer issue cheques (to help curb increasing costs and the ease of payment for both the company and shareholders) - no longer do you have to trek to the branch to deposit a cheque - we'll do it for you, directly into your nominated account!

It makes the payment of any future dividends so much easier and keeps the costs down as well.

Visit our website www.mundaringcommunitybank.com.au for regular updates on what's happening at MCFS.

Community Report

It is very obvious that the Mundaring community is a very active one. Since taking up the position of Community and Investor Relations I have had the opportunity to meet some of the great people involved in the community. I have very much enjoyed my few hours being entertained while I worked the EFTPOS machine at the Darlington Concerts and didn't manage to keep my money in my purse while manning the EFTPOS facility at the Gooseberry Hill Arts and Crafts sale!

The mobile EFTPOS works a treat, making it easy for community groups to provide an additional service to their patrons without incurring any additional bank fees, plus the increased security of not having cash around is also a bonus. Many community groups have taken the opportunity to have the EFTPOS facility at their registration and fund raising days. Why not book this great service to help your club or association - it's very simple - just contact me with the date and time and if it's available on the date, one of our directors will be on hand to operate the facility so it's another pair of hands on what always seems to be a busy day.

The Market Stall at the Rotary Sunday Markets in Mundaring, held on the second Sunday of each month, has also been successful for community groups wishing to raise money or their profile. If you would like to take advantage of this free marketing opportunity just let us know and we can book you in. It's a very popular event so book early. Plus, you can hire our marquee for your community events, except on the Rotary Market day each month.

We have a lot of requests for sponsorship and unfortunately the demand always outstrips our budget. It's always hard to determine which group or individual will receive support as all the requests put forward are for good causes. The first questions asked when a sponsorship request is received is "How does it benefit the Mundaring community?" and secondly "What is the opportunity to promote the Mundaring **Community Bank**® Branch to the community". So keep these questions in mind if you're thinking of applying for sponsorship.

Whilst meeting the key criteria for sponsorship does help your application, it is no guarantee because the funds we have are highly sought after so do come and discuss your ideas with us first to see if we can help. If you are interested in applying for sponsorship, pop onto the website, www.mundaringcommunitybank.com.au and check out the community page and the sponsorship application forms. Remember we are also able to assist community groups with some marketing and promotional material as well as advertising support, so please contact me and have a chat about what you might need for your community group.

I am looking forward to meeting the people who put so much time and effort into their community.

Pene Welsh
Community and Investor Relations



Mt Helena Junior Netball Club



Hills Choir



Mt Helena Junior Football Club

Shares for Sale

From time to time, and for any number of reasons, parcels of shares become available and at the moment we have a number of mostly small share parcels, for sale. It is very easy to build on your existing MCFS shareholding by taking up the offer to buy these shares. Alternatively you may know someone who is interested in investing in MCFS shares.

Perhaps you are interested in selling your shares. Either buying or selling is quite easy in the Low Volume Market in which MCFS operates. Just fill in the enclosed Expression of Interest form and return it to Pene and she will help you through the process. Of course, you can always go to the shareholder page of the website to find out more about trading your MCFS shares.

The current transfer price of MCFS shares, as at the last sale in April 2010, is between \$1.50 and \$1.65.

Please contact Pene if you would like any further information on 9274 6833 or drop her an email pene@mundaringcommunitybank.com.au



Free hire of our Market Stall at the Mundaring Rotary Markets, contact 9274 6833 and we can send you a booking form or visit www.mundaringcommunitybank.com.au to download a form.

Branch Report

What a year it's been! With the improving economic conditions, the branch continues to be busy. The economy has shown improvement, although there is still some way to go, particularly for small businesses. We are watching with interest how things improve nationally and internationally, and trust that as the recovery picks up pace overseas, our local businesses see the improvements to their bottom lines.

The branch now has a portfolio of more than \$150 million and we have 10,000 accounts. This is a significant achievement and I'm very proud of the excellent service that the branch staff offer. I often say this, but it bears repeating again - thank you to Ann, Leanne, Taryn, Denise, Sandra, Helena and Susan for all your hard work. Without these dedicated individuals working as a great team, we would not have such a good business! Soon we will welcome Ruby to the team, joining us in late August to start her career with some great role models and mentors in the staff.

Allison has already highlighted in this newsletter that Graeme Samuels has retired. We're sad to see him go but I do acknowledge the hard work that he did, pounding the pavement and giving us a presence in the Midland and Midvale business community. It is these leads that will help generate new business for us to build on the business that Graeme secured whilst he was with the branch. Graeme is now working on reducing his golf handicap and we wish him well.

We're turning our attention to business development and expansion and this is an exciting time for all of us. We will be working over the next few months to review the feasibility and costs associated with the planning and I expect that once we have firm plans, it will be part of the discussions with you, our shareholders.

Finally, thank you to the many of you banking with us - it is your commitment and support that have made the business successful and my job so pleasurable.

Gerry Toovey
Branch Manager



Annual General Meeting

The 2010 Annual General Meeting for Mundaring Community Financial Services will be held on Thursday 18 November at 7.30pm at The Hub, Craig Street, Mundaring. All Shareholders are welcome and invited to attend.