

Inner East Community Finance Limited

17 April 2023

Market Announcement
National Stock Exchange (**NSX**)

BY ELECTRONIC LODGEMENT

Dear Sir/Madam

SHAREHOLDER UPDATE

Inner East Community Finance Limited (NSX: IEC) attaches a shareholder update that is being sent to shareholders today.

Yours sincerely

Steve Miller
Company Secretary
Inner East Community Finance Limited

For further information contact:

Juliann Byron
Chairman
+61 419 368 029

Steve Miller
Company Secretary
+61 400 825 397

SHAREHOLDER UPDATE

April 2023



Message from the Chair

I am pleased to report a strong first six months of the financial year. We have seen a significant increase in revenue due to the higher net interest margin environment. The strong income growth and prudent cost management has enabled us to increase our return to the community through sponsorship and grants. We have increased funds provided to our community by more than 100% at the same time last year.

During the year we were approached by our neighbouring Community Bank in Kew/Kew East and after discussions we have acquired the banking book of Kew East Financial Services. The close proximity of our Balwyn branch means the Kew East branch will close permanently on Friday 28 April 2023. All customer accounts will be redomiciled to the Community Bank Balwyn. This acquisition enables IECF to grow our revenue while also committing to continue support for the areas of Kew/ Kew East through our Community Investment Program.

2023 marks twenty years since the opening of our first branches in Surrey Hills and Canterbury and the subsequent branch openings in Ashburton and Balwyn. Following the purchase of Swinburne and now Kew / Kew East we now truly live up to our new company name, Inner East Community Finance, with our Community Bank network now servicing this whole area. We are the biggest of Bendigo Banks Community Bank companies. Our continued growth and almost \$7 million investment into our community is something I am very proud of. I recognise the commitment of our staff and board members both past and present for this significant achievement. **Juliann Byron, Chair**

Interim Financial Results

for half year ended 31 December 2022	31 December 2022	31 December 2021
Revenue	\$3,790,726	\$2,133,310
Expenses	\$2,010,540	\$2,064,240
Charitable donations & sponsorships	\$191,253	\$87,372
Profit/(loss) after income tax expense	\$1,175,287	\$(10,880)

To view the full interim financial report please visit to the NSX website, www.nsx.com.au. Company code: IEC

2023 Share-Buy-Back Program

At last year's AGM, shareholders approved the Company's on-market Share Buy-Back Program for the 2023 calendar year. We have appointed Pritchard Partners Pty Limited to administer the Program for this year. The Buy-Back Program is an on-market Program, which means that the Company purchases shares via the National Stock Exchange (NSX). The shares will be purchased at the market price available from time to time. Any shareholder wishing to sell their shares via the Program will need to appoint a NSX share broker to sell them on the market on your behalf. Details of NSX brokers can be found at www.nsx.com.au/investing/broker-directory. Once you have appointed a broker, they can guide you through the selling process, including how much you will be paid. Further details about the Share Buy-Back Program can be found on our website. If you have any questions about your shareholding, please contact our share registry, BoardRoom Pty Ltd, on 1300 737 760 or via email to: enquiries@boardroomlimited.com.au.

Community Investment Program

Investment (July- December 2022)

Sponsorships	\$157,095
Grants	\$40,104
Total	\$197,198*

We are pleased to have been able to return almost \$200,000 in Grants and Sponsorships in the first six months of the financial year to 50 Community organisations. Our total community investment is now almost \$7 million.

Community & School events

Sponsorship was provided for events held in local shopping precincts. We provided support for Christmas activities and events in Maling Road, Canterbury. We were the major sponsor of the Surrey Hills Music Festival and Ashburton Community Festival. We provided a grant to support the establishment of a Surrey Hills Traders Association, to assist Union Road traders during the level crossing removal project currently underway. We have supported several local school fetes and fairs. It is wonderful to see these school communities being able to host these important fundraising events again.

New playground, The Craig Family Centre

We provided a grant to The Craig Family Centre in Ashburton for the redevelopment of the Community Playground. This was a jointly funded project with the Victorian Government Department of Jobs, Precincts and Regions and Inner East Community Finance Ltd. The new playground will create a more inclusive space for children and their families. The new playground is designed to improve children's cognitive, physical, social and emotional development. It will provide a safe place where families can meet, play together and connect in a social and supportive environment.

Supporting sports clubs

Our sponsorship investment to sporting clubs is important. Many clubs are still recovering from the financial impact of COVID. Participation levels in many sports have not returned to pre-COVID levels, impacting revenue from subscriptions and fees. We work closely with the clubs we support to share our community story and in return grow our banking business, enabling us to continue to provide sponsorship support.

*Includes GST

