

24th July, 2012

Dear Shareholder,

**Kew Community Bank Development:**

At the Shareholders Extra Ordinary Meeting held at the Kew Courthouse on 31<sup>st</sup> May, 2012 the resolution for issuing up to 500,000 shares (\$1 shares) for capital to establish a Kew Community Bank Branch was passed convincingly by shareholder's proxies and those present – one shareholder voted against the resolution. Since that meeting the independent report on the feasibility study was presented to the board and the steering committee for consideration. Based on the report the directors resolved to proceed and an agreement with Bendigo Bank signed supporting a Kew Branch. The board has approved the engagement of consultants for the Legal and Accounting requirements for the Kew Community Bank® Branch – Bendigo Bank Prospectus. The timeline is subject to the availability of revised documents being prepared by Bendigo, the compliant due diligence process presented by the legal team to the board, and the response ASIC has to the proposed Prospectus. As developments proceed the board will advise shareholders.

**Personnel:**

Directors are pleased to announce that Mina Sirianni has been appointed to the board as a director. Mina brings a wealth of experience in small business and we look forward to her future contribution to the company. Director Paula Davey has resigned as Board Administrator effective from 23rd June, 2012. The board thanks Paula for her diligence and skill in administering the ever increasing work load associated with your growing company.

Tanja Blackwell has been appointed part time to the board administration role and we look forward to her future contribution.

To assist with the promotion of our community story we have engaged a writing consultant Georgia Raddcliff-Smith. Both Tanja and Georgia commenced on 1<sup>st</sup> July, 2012.

The Board thank you for your support and looks forward to reporting the 2012 End of the Year Financial results in the near future.

Yours faithfully,



Rod Albury  
Chairman  
Kew East Financial Services Ltd