

Dear Shareholder

8 July 2011

I write to provide an update on developments within your Company over recent months.

The Board welcomes Ziena Yacoub to the banking staff and congratulates Marie Briggs and Elie Yacoub on their respective promotions. For family reasons both Debra Lewis - banking staff and De Fraser - Marketing Consultant have resigned. We extend our thanks and appreciation for their contribution to the Company and wish them well in their future endeavors.

Please consider the enclosed invitation to a Community Forum initiated by your Board in partnership with the Rotary Club of North Balwyn. Invitations will be extended to our sponsored partners, community grant groups and key community identities. Shareholders are most welcome.

It is pleasing to report that our Kew Campaign has exceeded the half way point for pledges (\$290,000 - target \$500,000), approaching half way for number of pledgees (90 - target 200) and business on the books (4.1m - target 10m). The installation of an ATM is planned at the Kew site. Enclosed is the April Newsletter Update sent to pledgees.

As loyal shareholders we seek your support in promoting the campaign by approaching potential new shareholders who may be family members, friends, neighbours or business owners in our Kew community. The steering committee would be most grateful if you would give this request serious consideration. Present shareholders are welcome to pledge, but as you will be aware the success of a Community Bank is to involve as many local people as possible. Enclosed are 3 pledge forms to assist in this drive.

I look forward to report to you on the performance of the company following the release of the 2011 End of Year Financial Statements.

Yours sincerely



Rod Albury
KEFS Chairman
(m) 0438 118 148

Diary Notes:

COMMUNITY FORUM - Wednesday 3 rd August, 2011	Kew Golf Club 6:30pm
KEFS 2011 AGM - Wednesday 16 th November, 2011	Kew Golf Club 6:00pm