Valley Community Financial Services Limited

Bendigo Bank

23 April 2013

Dear Shareholder

Bendigo and Adelaide Bank Limited (**BBL**) has notified Valley Community Financial Services Limited (**VCFS**) that BBL will be varying the amount of commission payable on certain products with effect from 1 April 2013.

VCFS has assessed the impact of the changes and estimates that this will result in a change to commission earnings of $40,000 net of GST for the 2012/2013 financial year, and $180,000 (net of GST) for the 2013/2014 financial year. The likely impact on net profit for the 2012/2013 financial year is $40,000 (before tax) and for the 2013/2014 financial year is $180,000 (before tax).

Other impacts will be on the availability of funds for payment of dividends, for at least the current year.

The Board of VCFS will continue to monitor budgets to ensure maximization of returns to shareholders and the community. Further confirmation of the financial effect will be available in the 2013 Annual Report.

Any queries and all correspondence should be directed to the Treasurer, Stephen Bennett on 9438 3194 or PO Box 469, Diamond Creek, 3089.

Yours sincerely

Barry Henwood
Chair
Valley Community Financial Services Limited

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