

28 September 2016

Dear Shareholder,

On behalf of the Board of Inverloch & District Financial Enterprises Limited, I wish to provide you with the latest news on the progress of the Inverloch & District **Community Bank®** Branch.

Thanks to the support provided by the people of Inverloch and the surrounding districts for more the past ten years, the Branch has \$97,572 million in banking business.

The continuing support of Shareholders has been particularly instrumental in the success of our **Community Bank®** branch to date.

Business results continue at a lesser level for the 2015/2016 Financial Year and although the funds under management for the Bank have increased to \$97,572 million, lower interest rates for both deposits and consumer loans have tightened the margins available to the business and thus impacted upon profitability. Accordingly, the Board has approved a fully franked dividend payment of 03.5 cents per share to all shareholders as of the record date 25 October 2016.

Payment will be made on 10 November 2016. This dividend demonstrates the current circumstances of our business venture and we thank you for your commitment to your community and your **Community Bank®** branch.

AFS & Associates Pty Ltd manages our Share Registry. If you have not already done so, or your address or bank account details have changed, please ensure that you complete the enclosed Shareholder Details Form and return it to AFS before 31 October 2016 so that the dividend payment can be made as a direct credit to your preferred bank account.

Yours sincerely,



Chairman

Inverloch & District Financial Enterprises Limited