

1 September 2010

"Name"

Address 1

Address 2

Dear Shareholder,

On behalf of the Board of Inverloch & District Financial Enterprises Limited, I am pleased to provide you with an update 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 than four years, the Branch has now exceeded \$75 million in banking business.

Shareholders have been particularly instrumental in the success of our **Community Bank[®]** branch to date.

Accordingly, the Board has approved an unfranked dividend payment of four cents per share to all shareholders as of the record date 15 September 2010.

Payment will be made on 15 October 2010. This dividend demonstrates the success of our venture and we thank you for your commitment to your community and your **Community Bank[®]** branch.

To assist the administration of the distribution and to make the dividend payment more cost effective, the Company would like to move to a direct credit payment system.

The system will streamline the distribution process, provide more security for shareholders and result in fewer un-presented dividend cheques, which are forwarded to the State Revenue Office as unclaimed money if they are not presented in a specific time frame.

AFS & Associates Pty Ltd manages our Share Registry. If you wish to arrange a direct credit please complete the enclosed form and return it to AFS before 8 September 2010.

If you have not provided your Tax File Number (TFN) or exemption details you may like to take this opportunity to include them.

It is not an offence to withhold your TFN or, where the securities are held for a business purpose, your ABN. However, if you do not provide your TFN or ABN, tax may be deducted from any dividend payment at the highest marginal rate.

Yours sincerely,

Chairman
Inverloch & District Financial Enterprises Limited