

26 April 2013

Dear Shareholder,

For nearly five years now the people of Balnarring have supported their locally owned **Community Bank®** branch by transferring their banking business to Balnarring & District **Community Bank®**.

As outlined in the 2012 Annual Report, the Company's financial position had reached a stage where the Board approved a dividend payment to shareholders and we are very pleased to now provide formal notification of the payment of this, our first dividend.

An unfranked dividend of two cents per share, which equates to a 2% return on the original share investment, will be paid on your shareholding for the period 1 July 2011 to 30 June 2012 before the end of the financial year. The Record Date for the payment is, therefore, 30 June 2012.

We advise Shareholders that now we are to pay our first dividend, the Board has appointed AFS & Associates Pty Ltd, our current auditor, to administer the Company's Share Register and manage the payment of dividends.

Attached to this letter is a Dividend Nomination Advice form. Please complete and return this form to AFS & Associates at the address below by close of business 13 May 2013, to ensure that our records are updated and your dividend payment is electronically deposited into your account. This account does not need to be held with us, however now might be a great time to consider opening one.

**AFS & Associates,
PO Box 454,
Bendigo VIC 3552**

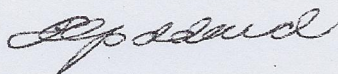
From 29 April 2013, any Shareholder queries related to address changes, changes of name, deceased estate transfers or issuing replacement certificates should be addressed to AFS & Associates. Please see attached information sheet from AFS for all contact details.

All share trading by shareholders will continue via the Company's Low Volume Market, which should be accessed through the Balnarring and District **Community Bank®** Branch website.

This dividend demonstrates the success of our business and we thank you for your commitment to your community and your **Community Bank®** Branch. The shareholders of Balnarring & District **Community Bank®** Branch have been particularly supportive and instrumental in our success to date and we look forward to your continuing support.

If you have any queries please contact Melinda Symes (Company Secretary) on 0434 196 765 or email secretarybdcsl@outlook.com

Yours sincerely,



Heather Goddard,
Chair,
Balnarring & District Community Services Limited.