

Molonglo Financial Services Limited

21 April 2016

Dear Molonglo Financial Services Shareholders

On 15 April 2016 an article was published in the *Canberra Times* regarding the cessation of Saturday trading at our Calwell, Curtin and Jerrabomberra **Community Bank** branches. The purpose of this letter is to address the issues raised in the article and the rationale for the Board's decision.

Saturday trading was a key difference when our Community Banks first opened in late 2002. This point of difference has diminished significantly over the last 14 years with the introduction of new technologies that have enabled our customers to conduct more and more of their everyday banking needs online 24/7. This technological shift, driven by customer demand, has improved the levels of service for our customers and reduced significantly the need to attend our branches.

Our goal is to deliver great customer service while creating sustainable returns for our shareholders and the local community. As part of this we are continually seeking ways to balance meeting the needs of our customers, our shareholders and our community (a task which has become more challenging in the past five years with the banking sector experiencing reduced margins in a highly competitive market place).

Thus, in response to shifts in customer behaviour brought about by the availability of more and more online services, the ongoing feasibility of Saturday trading was discussed by the Board in early February 2014 and has been monitored since that time.

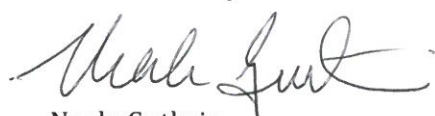
As a result of the monitoring, the decision was taken to cease Saturday trading at our Calwell, Curtin and Jerrabomberra branches while remaining committed to keeping our Wanniasa branch trading five and a half days a week.

While this decision has impacted some of our customers, it has also presented us with the opportunity to increase our Saturday services at the Wanniasa branch, with lending specialists guaranteed to be available every Saturday. We are pleased to be able to offer this improved service — one that could not be guaranteed under the previous arrangements.

The Board of Molonglo Financial Services (MFS) always appreciates feedback from shareholders. We encourage you to contact us through our Branch Managers if there are specific matters you wish to raise or via email at admin@molonglofs.com.au. We also encourage shareholders to attend our Annual General Meetings.

And, as our statement in the *Canberra Times* article states, we regularly review our trading hours and will continue to monitor Saturday trading, including gathering feedback from customers, with a view to increasing them across our four branches if circumstances change.

Yours sincerely



Neale Guthrie
Chair
Molonglo Financial Services

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