

01 September 2017

Dear Shareholder

It is with pleasure that I can provide the following update to the shareholders of Molonglo Financial Services Limited (MFSL).

Recently, our company signed onto a new franchise agreement with Bendigo Bank (BEN). This agreement features a new revenue sharing arrangement with BEN, based on the market-based Funds Transfer Price (FTP). Over many months, we monitored the effects of the new revenue share model. The agreement was signed after the modelling consistently indicated an overall benefit to MFSL.

As we are now expecting better results for MFSL, I can announce that for the second consecutive financial year, MFSL will distribute a dividend to its shareholders. Our aim is to create a consistent dividend payment for shareholders, and grow this over time in line with our commitments to other stakeholders.

The distribution will be paid to all members holding shares at 01 August 2017. It will total \$0.02 per share, unfranked, and will be paid on 01 December 2017.

Enclosed with this letter is the Notice of our Annual General Meeting (AGM) and accompanying Proxy Voting Forms. Our 15th AGM, to be held on 26 October 2017, will be held at the Calwell Club. By then, our refurbishment of the Calwell Branch will be complete, and I encourage all shareholders to drop into the branch shortly before the AGM to take a look.

I would also like to draw attention to Resolution 4 in the Notice of AGM. The Board seeks shareholders agreement to increase the amount allocated to shareholders this year to \$20,000. This request is due to the increasing size of the board after years of lower numbers, as well as the increased ability to remunerate Directors for the many hours they put in each and every week.

We hope to see you at the AGM.

Yours faithfully



Neale Guthrie
Chair
Molonglo Financial Services Ltd.