

16 October 2023

To Shareholders

2023 DIVIDEND ANNOUNCEMENT

The 2023 year has produced an outstanding financial result for Valley Community Financial Services. The Board's focus on containing costs and growing the banking book has been rewarded as rising interest rates have resulted in improved margins. Financial performance has also strengthened as a consequence of the growth in assets under management.

Net assets are up 54.22% on 2022 and earnings per share are up 4.62 times from 2022. Each issued share (@\$1.00) is uplifted by 60 cents to \$1.60 in net assets and each dollar of issued capital is covered by \$3.15 of net assets.

Based on these excellent results, the Board declared that a fully franked twelve cents (12.00 cents) per share be issued to shareholders toward the end of October 2023.

The Board remains cautiously optimistic about the period ahead but expects increased competition, housing volatility and new digital products to challenge current margins. Shareholders should expect interest in share trading to increase. Listings on our Low Volume Market for both buyers and sellers has been strong during the year and shareholders can expect regular updates to support this trading.

Information on the Low Volume Market is available on our website and from the company office.

Please note: Cheques are no longer available for dividends. If you received a cheque in the previous years dividend, and have not already provided your bank details, please fill in the Shareholder details form and return to c.lewis@valleyfinancial.com.au to comply with legislation we are required to receive a Certified ID for each shareholder to make any changes.

Kind regards



Malcolm Hackett OAM
Chair
Valley Community Financial Services Limited