

21 August 2017

Dear Shareholder

PINE RIVERS COMMUNITY FINANCE LIMITED BRENDALE AND SAMFORD COMMUNITY BANK® UPDATE

We are very pleased to provide you with an update on the progress of **Brendale and Samford Community Bank®** Branches.

1. Business Results

This year we celebrate the fifteenth year that the residents and businesses of Brendale, Samford and surrounding areas have supported their locally owned **Community Bank®** by establishing their banking relationship with **Brendale and Samford Community Bank®** Branches. Over the last twelve months, this trend has once again continued, with net customer numbers increasing by 6% (previous year 4%) and loans and deposits under management increasing by 13% (previous year 6%).

Full details of our financial results will be published in our Annual Report that will be made available in October 2017.

2. In the Community

Although growth in company revenue has been difficult to achieve this last twelve months (see point 3), **Brendale and Samford Community Bank®** Branches continue to actively support community groups and projects.

Apart from providing direct grants and sponsorships to a number of organisations, for different projects, across education, sporting, cultural, charitable, public safety, health and disability services your company has continued its popular driver education programme to help young drivers get off to a professionally and practically supported start to their driving lives.

The decision to commit to a programme of installing life-saving defibrillators in strategic public locations was vindicated late last year when our first Defib machine was used to save a resident's life. A second unit was installed at the Samford Showground precinct and other installations are planned across our business catchment.

As a company, our primary objective is to make a significant and positive contribution in the communities in which we live and do business, and we are extremely pleased to have once again achieved this objective.

Over the last seven financial years, the total financial support we have injected into local not-for-profit projects and community groups has exceeded \$440,000, and on behalf of the community, we thank you for the contribution you have made to this outcome.

3. Outlook for 2017/18 Financial Year

Revenue growth will continue to be challenging over the next 12 months, with interest rates and margins not expected to show any great improvement in the company's favour partly influenced by the changes to our revenue sharing model that commenced on 1 July 2016.

Notwithstanding these challenges, we have committed to maintaining a similar investment in our communities during this financial year. We will continue to engage with our community partners and leverage these relationships to both communicate our unique value proposition and, through our team of passionate staff, expand our customer base. As a shareholder, you are able to play a significant role in the future of your company, not only through your own banking activities but as a strong advocate amongst your family, friends and associates.

4. Dividend

We are pleased to advise that a dividend of 2.5 cents per share (unfranked) will be paid in late September 2017, based on your shareholding as at 30 June 2017. **Over the last seven financial years, total dividends of \$0.285 per share have been paid to eligible shareholders.**

The company dividend policy will continue to be reviewed annually in context of our actual and anticipated revenue and profit growth.

5. Bank Account Details for Dividends

As you may recall, all Dividend payments from the company are paid electronically, and cheque payments are no longer administered. If you have previously received your dividend by direct deposit, you do not need to take any further action unless your bank account number has changed.

If you have not previously supplied your bank account details (or if they have changed), please complete and return the enclosed 'Direct Credit Facility Form' (to either Brendale or Samford Branch, or the address listed) before **11 September 2017**. Dividends cannot be paid unless a valid bank account number has been provided.

Thank you for your ongoing support to both your community and your **Community Bank®** Branches - we look forward to continuing our relationship into the future. If you have any questions regarding your individual banking needs, please contact either our Brendale Branch (Ph. 3881 0720) or Samford Branch (Ph. 3289 6710) directly. If there is anything else you would like to discuss regarding the Company or your shareholding, please contact our Administration Manager, Michelle Walsh, on 3289 9000 or email secretary@prcf.com.au.

Yours sincerely



Bob Millar
Chairman
Pine Rivers Community Finance Limited