

13 August 2015

Auswide Bank to strengthen capital

- **Mortgage Risk Management Pty Ltd to be wound up**
- **Approximately \$A10m of Tier 1 capital to be returned to Auswide Bank Ltd**

Auswide Bank Ltd announced today the effective date of 30th September 2015 to wind up its captive Lenders Mortgage Insurance subsidiary, Mortgage Risk Management Pty Ltd (MRM).

The action will free up approximately \$A10m Tier 1 capital and result in Auswide Bank being in a position of regulatory capital strength, exceeding 15%.

Martin Barrett, Managing Director said the capital return puts Auswide Bank in an enviable position allowing for:

- Ongoing lending growth in housing, consumer and business finance
- Strength to consider acquisition opportunity
- Board ability to consider a special dividend in due course

The risk profile for Mortgage Risk Management continues to improve. Provisioning strong and will be transferred to Auswide Bank allowing for a healthy provision buffer against unexpected write offs.

Auswide Bank committed a large part of the MRM portfolio to QBE LMI in 2012 and QBE have continued to provide cover since.



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Small things. Big difference.

About Auswide Bank Ltd

Auswide Bank, formerly Wide Bay Australia, is helping Australians achieve home ownership, create wealth, access banking & financial services that make their life easier and help them to protect their assets and loved ones from financial loss or hardship.

We provide an extensive range of personal and business banking products and services issued directly or in partnership with leading service providers via branches, strategic relationships and online & digital channels.

Auswide Bank has an Australian Credit Licence and an Australian Financial Services Licence issued by ASIC and is an Authorised Deposit-taking Institution prudentially supervised by the Australian Prudential Regulation Authority.

Even though we are a smaller bank, we believe that it's the small things that make us different and can make a big difference for our customers and communities.

Small things. Big difference.