



10 March 2016

Joint Media Announcement

UPDATE ON MERGER PROPOSAL – COURT APPROVAL

Queensland Professional Credit Union Ltd (trading as YCU – Your Credit Union (**YCU**)) and Auswide Bank Ltd (**Auswide Bank** (ASX: ABA)), are pleased to announce that the Supreme Court of Queensland has today approved the despatch of the scheme booklet (**Scheme Booklet**) to be issued by YCU to its members in relation to the proposed merger (**Merger Proposal**) of YCU and Auswide Bank by way of a scheme of arrangement (**Scheme**), under which Auswide Bank proposes to acquire all of the member shares in YCU.

The Court has also ordered a meeting of YCU members (**Scheme Meeting**) be convened to consider and vote on the Scheme.

The Scheme Meeting will be held at 5.00pm (Brisbane time) on Monday 18 April 2016 at City Hall – Kedron Room, 64 Adelaide Street, Brisbane, 4000.

The Merger Proposal cannot proceed unless the YCU members also approve a resolution at a separate meeting to demutualise YCU (**Demutualisation Meeting**). The demutualisation will occur by way of amending the YCU constitution to allow (amongst other things), members to transfer their member shares to Auswide Bank (**Demutualisation**) in accordance with the Scheme.

The Demutualisation Meeting will be held on Monday 18 April 2016, immediately after the Scheme Meeting or at 5.30pm (Brisbane time), whichever is the later.

If the Scheme and Demutualisation are approved, and all other conditions precedent to the Merger Proposal are satisfied or waived (if applicable), eligible YCU members will receive \$4,055 cash and 696 new Auswide Bank shares for their YCU member share.

Information relating to the Scheme and Demutualisation, including the notice convening the Scheme Meeting and Demutualisation Meeting will be included in the Scheme Booklet to be issued by YCU to its members. The Scheme Booklet is expected to be registered with ASIC on 11 March 2016 and sent to YCU members shortly thereafter.

YCU Board Recommendation

The YCU board of directors (**YCU Board**) continue to unanimously consider that the Merger Proposal is in the best interests of YCU members and unanimously recommend that YCU members vote in favour of the Merger Proposal, in the absence of a superior proposal. Each YCU director intends to vote in favour of the Merger Proposal at the Scheme Meeting and the Demutualisation Meeting.



Independent Expert's conclusion

The Independent Expert appointed by YCU, Lonergan Edwards & Associates, has concluded that the Merger Proposal is fair and reasonable and is therefore in the best interests of YCU members as a whole, in the absence of a superior proposal. The Independent Expert's Report will be set out in the Scheme Booklet.

Information

For more information, please contact:

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For more information, please contact the YCU member information line on 07 3020 5423, or please visit <http://yourinterest.com.au/ycuAuswidemerger/> or <http://www.auswidebankltd.com.au/o/ycu/>.



About YCU – Your Credit Union

www.ycu.com.au

Based in Brisbane, YCU is a mutual financial institution that has been providing professional financial services since 1967. YCU is incorporated under the *Banking Act 1959* (Cth) and, as an Authorised Deposit-taking Institution its operations are overseen by the Australian Prudential Regulation Authority.

YCU currently operates one branch in Brisbane located at 100 Eagle Street. The credit union currently employs 11 staff.

YCU offers members a range of products and services including home loans, car loans, personal loans, transaction accounts, savings accounts and term deposits. YCU members have access to over 4,500 Rediteller® badged ATMs (operated by credit unions, NAB and Bank of Queensland), Westpac ATMs and St George ATMs.

About Auswide Bank Ltd

www.auswidebank.com.au

Auswide Bank became Australia's tenth and Queensland's third Australian owned bank, listed and trading on the ASX, on April 1, 2015 (ASX: ABA).

Headquartered in Bundaberg in Central Queensland, the company had operated as a building society since 1966 and was principally the amalgamation of building societies based in Bundaberg, Maryborough, Gympie & northern Sunshine Coast, Gladstone and Mackay.

Auswide Bank operates a network of 23 retail branches from Morayfield to Cairns and mortgage broker service centres in Brisbane and the Gold Coast.

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.

Auswide Bank offers Australians an extensive range of personal and business banking products & services issued directly or in partnership with leading service providers via an omni-channel distribution strategy which includes branches, strategic relationships and online & digital channels. Products include consumer and business finance; deposits and banking services; insurance and foreign exchange.