

2 May 2019

IMB Announces Off-Market Share Buyback

IMB's Board is pleased to announce details of an Off-Market Share Buyback under which it intends to buy back ordinary shares on issue through an off-market tender ("**Buyback**"). IMB has already completed five off-market buybacks and has bought back 14 million shares (approximately 35% of the ordinary shares initially on issue).

IMB is currently investing in important strategic initiatives, including the construction of a new head office building and the continued investment in our digital transformation, with the replacement of our loan origination platform currently in progress. The Board remains committed its capital strategy, however the timing of future buybacks will be considered having regard to the capital required to support the strategic and operational requirements of the business.

A summary of the details of the Buyback are outlined below. Full terms of the Buyback will be set out in a booklet which will be mailed to eligible participants by 14 May 2019.

Details of the Buyback

The Buyback is open to all eligible IMB shareholders. In general, shareholders who may participate are registered holders of IMB shares on 7 May 2019 and are resident in Australia or in countries in which IMB determines it is lawful for it to issue the invitation to participate.

Participation in the Buyback is voluntary. The tender process provides flexibility for shareholders because they can tailor their level of participation to suit their own circumstances.

Under the proposed tender process, eligible shareholders may tender some or all of their shares for sale at discounts of between 0% to 14% inclusive (at 2% intervals) to the Deemed Market Value (details of how this will be calculated will be set out in full in the booklet for the Buyback). Eligible IMB shareholders may also tender their shares as a final price tender, which is an election to receive the final Buyback Price as determined by IMB.

When the tender period closes, IMB will determine the final Buyback Price based on the largest discount (i.e the Buyback discount) that will enable IMB to purchase the amount of capital it decides to buy back. The maximum value that IMB is permitted to buy back is up to \$9 million worth of shares, however, it may buy back a smaller number of shares or no shares at all.

IMB may buy back shares tendered at a discount greater than, or equal to, the Buyback discount (or as a final price tender), subject to any scale back requirements. Eligible IMB shareholders will have a greater chance of having shares bought back if a tender is at a larger tender discount or as a final price tender. The scale back has been structured to ensure that eligible IMB shareholders with small holdings are not disadvantaged.

All eligible IMB shareholders whose tenders are successful will receive the same Buyback Price. No share trading administration fee will be payable by eligible IMB shareholders who choose to participate in the Buyback.

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Tax Considerations

For Australian tax purposes, the Buyback is expected to comprise:

- a capital component of \$1.18 per share; and
- a fully franked dividend component equal to the Buyback Price less the \$1.18 capital component.

For capital gains tax purposes, the Sale Consideration received by IMB's shareholders is expected to be the capital component of \$1.18 plus the difference between the Buyback Price and the Deemed Market Value (i.e. the Buyback discount).

For some of IMB's shareholders, depending on their individual circumstances, the after tax proceeds from participating in the Buyback may be greater than that from a sale of their shares on the IMB Market. The Buyback will have different tax consequences for different shareholders and shareholders should obtain their own tax advice to take account of their particular circumstances.

Buyback Timetable

2 May 2019	Announcement of Buyback
7 May 2019	Record date. Shares acquired after this date will not confer an entitlement to participate in the Buyback
14 May 2019	Completion of mail out of Buyback documents to eligible shareholders entitled to participate in the Buyback
14 May 2019	The tender period opens
14 June 2019	Closing date. Tenders must be received by IMB by no later than 5.00pm (Sydney time)
24 June 2019	Buyback date. Announcement of the Buyback Price, the number of shares being bought back and any scale back and entry into Buyback contracts
25 June 2019	Buyback proceeds despatched to successful participants by direct credit to their nominated account

While IMB does not expect any changes to these dates, it reserves the right to change them without prior notice.

Further Information

Further information about the Buyback can be found in the Buyback booklet which will be mailed to eligible shareholders and on IMB's website at www.imb.com.au.

If shareholders have any questions in relation to the Buyback, please call the Buyback information line on 1300 585 271 from within Australia or 61 2 4298 0190 from outside Australia between the hours of 9.00am to 5.00pm (Sydney time), Monday to Friday.