



IMB POSTS IMPROVED RESULTS IN 2014

IMB Building Society has reported a solid result for 2013/14, with operating profit after tax of \$29.1 million, a 2% improvement over the prior year.

Chief Executive, Robert Ryan said that despite the challenges from strong competition for retail funds and lending, the increase in net profit after tax demonstrates the resilience of the underlying business fundamentals, allowing IMB to continue to provide highly competitive products and services to members.

“The increase in profit was supported by an improvement in the net interest margin, continued disciplined approach to cost management and low bad debts expense,” he said.

“Loan approvals, at \$753 million, were 21% higher than the previous year despite a subdued start to the year and a highly competitive lending market. The balance sheet was maintained with total assets of \$4.8 billion while our liquidity position remains well above regulatory levels.”

“Our bad debts’ expense for the year was \$0.9 million, and reflects the exceptional quality of IMB’s loan book, with arrears also well below industry averages,” Mr Ryan said.

IMB’s Chairman, Michael Cole, said the Board was pleased, noting that a number of indicators either matched or exceeded expectations, particularly in light of the challenging business environment.

“In particular the maintenance of IMB’s capital base, at 16%, should be noted as a significant achievement, particularly given that IMB’s second share buyback was successfully completed during the year. The Board continues to ensure that IMB is well capitalised with regard to regulatory requirements and uncertain market conditions,” Mr Cole added.

Commenting on IMB’s products and services, Mr Ryan said: “Our aim is to maintain our position as a better value banking alternative to the banks. For the past four years, IMB’s standard variable loan interest rate has been lower than that of the major banks and earlier this year IMB was awarded more five star ratings from Canstar for our variable home loans than any other financial institution in Australia.”

Roy Morgan’s July Consumer Banking Satisfaction Report reaffirmed IMB leading customer satisfaction levels, rating it as having the highest customer satisfaction level of all financial institutions in Australia.

“This is a great endorsement from our members and we thank them for their ongoing support,” Mr Ryan said.

Reflecting IMB’s ethos of community support, IMB’s Community Foundation celebrated its 15th anniversary in 2014 by providing a further \$500,000 to community projects, taking the total funding pledged since inception to \$7.1 million, covering 450 projects in areas in which IMB operates.

Mr Ryan concluded, “As IMB enters its 135th year, it remains a strong and secure member based financial institution with continued investments in online technology, new branches

and small business banking to support future growth. We remain committed to mutuality and maintaining high satisfaction and service levels.”

The Board declared a final fully franked final dividend for 2013/14 of 15.0 cents per share, taking the full year dividend to 25.0 cents. The dividend will be paid on Thursday, 04 September 2014.

IMB's full results will be available on IMB's website today and IMB's Annual Report will be issued at the end of September.

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For more information, please contact:

Louise Di Francesco

Verve Communications

M: 0418 617 869

E: louised@vervecommunications.com.au