

21 August 2014

Heritage Bank confirms another solid profit result

The Board of Heritage Bank (**Heritage**) has today confirmed an audited before-tax profit of \$50.04 million for the year ended 30 June 2014.

This result represents a 5.5% decrease on the previous year.

The after tax profit for 2013/14 was \$35.76 million, down 3.5% on the previous year.

However the previous year's results included a gain on the sale of Visa shares. After excluding this item, the underling pre-tax profit in 2013/14 actually increased by 0.1%, while the underlying after-tax profit increased by 2.2%.

Heritage also grew its total consolidated assets marginally to \$8.519 billion, an increase of 0.1%. This confirms Heritage's standing as Australia's largest customer-owned bank.

Heritage increased its capital adequacy ratio to 13.33% and its liquidity ratio to 22.23% as at 30 June 2014, well above regulatory requirements.

After a slow start to the year, loan approvals had rebounded strongly to reach a total \$1.440 billion, an increase of 7.5% on the previous year.

Retail deposits also grew by \$337 million during the year to total \$4.706 billion.

Heritage's mortgage loan arrears greater than 30 days was 0.39% at 30 June 2014.

Audited financial statements and associated reports will be lodged with the ASX once they have been formally produced.

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For further Heritage information go to www.heritage.com.au