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Chair's and **CEO's Report**



CA Aston Chair

RJ Ryan Chief Executive

IMB's 31 December 2022 Interim Results are strong, reflecting the changing rate environment, continued execution on our strategy, and a disciplined approach to managing costs while investing in systems and technology that enable us to provide better services to our members and support IMB's future growth.

Financial performance

Net profit after tax of \$19.2m was up 33% against the previous interim result, together with good performance in the average interest margin at 2.49% against 2.11% for the corresponding prior half year result.

Total Deposits increased by 4.4% as we seek to maintain a competitive position on the pricing of IMB's deposit products while managing the increasing cost of funds as we move through the second half

Loan approvals reached \$744m against \$690m for the corresponding half year to December 2021, and Total Assets increased by 3.1% to \$7.3b in a competitive market for both new and refinancing lending activity.

IMB's loan portfolios are currently performing well, with arrears being well below national averages reflecting IMB's prudent underwriting policies, strong

borrower savings and low unemployment levels. However, we are closely monitoring our policy settings and the position of our borrowers given the significant movement in interest rates. The changing environment is expected to present challenges for some borrowers, and we are committed to providing a range of borrowing options and resources to help members to manage their financial commitments and plan ahead. In recognition of potential impacts that may flow from this uncertain outlook, loan provisions have been increased by \$1.1M.

Expenses are being closely managed with the cost to income ratio for the period being just below 70%, as we allow for strategic investment in the digitisation of key customer experiences, expansion of our business banking capabilities, and continued execution of our technology roadmap to ensure strong system resilience and cybersecurity.

Chair's and CEO's Report continued

At 31 December, regulatory liquidity was 18.4%. The Board and management are committed to ensuring IMB is well positioned for 1 January 2025 when IMB's ordinary shares will no longer be eligible for inclusion in regulatory capital calculations. Capital adequacy has been maintained at 15.3% and APRA's new capital framework which is effective from 1 January 2023 will result in a further increase to regulatory capital. In addition, following member approval of updates to IMB's Constitution at the 2022 AGM with respect to the terms for issuing preference shares, IMB now has more options for raising regulatory capital.

The improved interim financial performance is pleasing, and the Board has declared an interim dividend of nine (9) cents per share, fully franked. The dividend will be paid after the close of trading on 27 February 2023 to IMB Bank shareholders registered at that date

Strategy and operations

In July, IMB was recognised with an historic achievement, receiving both of Canstar's Most Satisfied Customers – Bank and Most Satisfied Customers – Customer Owned Bank awards. We take pride in providing excellent customer service, competitive products, and convenient and secure banking options, and we are very pleased to have received this independent recognition, which reflects the hard work and commitment of all IMB employees.



We are also committed to investing in the continuous improvement of our fraud prevention and cybersecurity capabilities, and it is our priority to help keep our members' accounts safe and secure.

We are encouraged by the growth in new to bank members over the first half through our multi-channel model. Through our digital channels, contact centre, branch network, mobile lenders, and business bankers, IMB is providing a complete and compelling experience enabling our customers to bank from any location and via the channel that best meets their needs.

We are continuing to deliver on our digitisation strategies and in the period to 31 December, completed upgrades to the mobile banking app which improved the user experience and delivered enhanced security features. We also expanded the range of loans available through our digital lending channels and are continuously simplifying and improving our loan application and fulfilment processes.

As one of the lenders that offers the Home Guarantee Scheme (HGS), we were pleased to add the Regional First Home Buyer Guarantee (RFHBG) to the First Home Guarantee and the Family Home Guarantee products already offered by IMB so that we can assist first home buvers living outside the capital cities to achieve their home ownership goals.

Having successfully digitised the mortgage lending process, we are currently developing an upgrade to our existing online personal lending application which will be available to new and existing members in the coming months. We are also committed to investing in the continuous improvement of our fraud prevention and cybersecurity capabilities, and it is our priority to help keep our members' accounts safe and secure.

We proudly announced the IMB Community Foundation's funding support of \$600,000 for 61 community-based organisations across NSW and the ACT that are making a significant difference to the lives of Australians. Disability programs, food and grocery services, employment initiatives and wellbeing support for men and women facing domestic violence, health challenges or homelessness are just some of the diverse and essential projects that have received funding this year.

In December, we welcomed non-executive director Christine Traquair, to the Board, following the retirement of Noel Cornish AM, who served as a director from 2010 and provided outstanding leadership to IMB as Chair of the Board. Christine has over 40 years' experience in the financial services industry, with deep risk management and credit expertise. We welcome the strong oversight she will bring to the organisation's risk management frameworks and strategic growth initiatives aimed at reaching more members through digital lending and business banking.

Outlook

IMB's loan portfolios are of high quality and the margin is being well managed, however it is likely

Chair's and CEO's Report continued

that some impacts will emerge as successive rate rises flow on to borrowers and competition for retail deposits leads to an increase in the cost of funding.

Global conditions including inflationary pressures and geopolitical unrest together with the unrealised effects of rate rises on the domestic economy mean that the outlook for future growth is uncertain. High inflation and interest rates leading to cost-of-living pressures, the weakening in housing market prices and strong competition from the major banks, will also make balance sheet growth more challenging over the second half.

Despite this, IMB is well positioned to deliver solid performance for FY23, and we are focused on improving the member experience and leveraging the investments we have made in our digital assets to enable us to grow and improve productivity across our operations.

CA Aston

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RJ Rvan

Chair

Chief Executive

Directors' Report

The directors have pleasure in presenting their report together with the consolidated interim financial report for the six months ended 31 December 2022 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the six months ended 31 December 2022 are:

Name	Period of directorship
Catherine Ann Aston, Chair	Since 2016, Appointed Chair Oct 2022
Noel Harold Cornish AM	Since 2010, Retired Oct 2022
Peter John Fitzgerald	Since 2017
Jann Angela Gardner	Since 2020
Jan Margaret Swinhoe	Since 2014
Christine Stewart Traquair	Since Dec 2022
Harry Walter Wendt	Since 2020
Christopher Michael Whitehead	Since 2021

Review of operations

Members are referred to the Chair's and CEO's Report on page 3.

Interim dividend

Members are referred to the Chair's and CEO's Report on page 3.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 24 and forms part of the directors' report for the six months ended 31 December 2022.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and in accordance with that Instrument. amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated

Dated at Wollongong this 31st day of January 2023.

Signed in accordance with a resolution of the directors:

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CA Aston

Chair

PJ Fitzgerald

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Director

Profit or Loss Statement

for the interim period ended 31 December 2022

Consolidated

	For the six months ended 31 Dec 2022 \$'000	For the six months ended 31 Dec 2021 \$'000
Interest revenue	127,293	86,837
Interest expense	(40,419)	(15,248)
Net interest income	86,874	71,589
Impairment (losses)/recoveries on financial instruments	(1,296)	54
Net interest income after impairment losses	85,578	71,643
Fee and commission income	4,919	4,764
Fee and commission expense	(140)	(124)
Net fee and commission income	4,779	4,640
Other income	918	597
Net operating income	91,275	76,880
Operating expenses	(63,829)	(56,577)
Profit before tax	27,446	20,303
Income tax expense	(8,250)	(5,861)
Profit for the period attributable to members of the Company	19,196	14,442

The condensed interim profit or loss statement is to be read in conjunction with the condensed notes set out on pages 14 to 20.

Statement of Comprehensive Income

for the interim period ended 31 December 2022

Consolidated

	For the six months ended 31 Dec 2022 \$'000	For the six months ended 31 Dec 2021 \$'000
Profit for the period	19,196	14,442
Other comprehensive income/(expense):		
Items that will never be reclassified to profit or loss:		
Net change in fair value of other financial assets at FVOCI	-	-
Total items that will never be reclassified to profit or loss	-	-
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of derivative liabilities	2,253	(1,965)
Net change in fair value of investment debt securities at FVOCI	4,178	(5,350)
Net change in fair value of investment debt securities at FVOCI transferred to profit and loss	(80)	65
Total items that may be reclassified subsequently to profit or loss	6,351	(7,250)
Total other comprehensive expense for the period, net of income tax	6,351	(7,250)
Total comprehensive income for the period	25,547	7,192

Amounts are stated net of tax.

The condensed interim statement of comprehensive income is to be read in conjunction with the condensed notes set out on pages 14 to 20.

Statement of Financial Position

as at 31 December 2022

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	31 Dec 2022	30 June 2022
	\$'000	\$'000
ASSETS		
Cash and cash equivalents	192,803	207,197
Investment debt securities	1,203,158	1,060,194
Deposits with other ADIs	60,930	100,254
Loans and advances to customers	5,695,055	5,567,812
Other financial assets	1,049	1,049
Property, plant and equipment	94,501	96,031
Intangible assets	9,312	10,092
Net deferred tax assets	12,169	15,671
Other assets	27,841	17,995
Total Assets	7,296,818	7,076,295
LIABILITIES		
Trade and other payables	48,100	45,472
Deposits	6,329,639	6,065,549
Securitised loans funding	85,901	101,899
Interest-bearing liabilities	354,542	405,707
Derivative liabilities	4,174	7,392
Current tax liabilities	660	152
Provisions	13,179	12,878
Total Liabilities	6,836,195	6,639,049
Net Assets	460,623	437,246
EQUITY		
Share capital	28,324	28,324
Reserves	52,702	46,957
Retained earnings	379,597	361,965
Total equity attributable to members of		
the Company	460,623	437,246

The condensed interim statement of financial position are to be read in conjunction with the condensed notes to the financial statements set out on pages 14 to 20.

Statement of Cash Flows

for the interim period ended 31 December 2022

		Co	onsolidated
		For the six months ended	For the six months ended
	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	Note		
Interest received		122,182	87,042
Other cash receipts in the course of operations		4,433	7,346
Interest paid on deposits		(26,347)	(17,950)
Net increase in deposits		250,010	227,006
Income taxes paid		(4,240)	(10,632)
Net loans (funded) to/repayments from members		(127,279)	16,549
Other cash payments in the course of operations		(61,769)	(56,144)
Net cash flows from operating activities		156,990	253,217
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES Net payments for investment debt securities			
and loans and advances to ADIs		(96,656)	(64,362)
Expenditure on property, plant and equipment, and intangibles Proceeds from sale of property, plant and		(5,601)	(9,407)
equipment		207	139
Net cash flows used in investing activities		(102,050)	(73,630)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Net repayments of securitised loans funding Net (payments for)/proceeds from interest		(51,165)	(58,956)
bearing liabilities		(15,999)	2,801
Dividends paid	5	(2,170)	(2,170)
Net cash flows used in financing activities		(69,334)	(58,325)
Net (decrease)/increase in cash and cash equivalents held		(14,394)	121,262
Cash and cash equivalents at 1 July		207,197	134,558
Cash and cash equivalents at 31 December	6	192,803	255,820

The condensed interim statement of cash flows are to be read in conjunction with the condensed notes to the financial statements set out on pages 14 to 20.

Statement of Changes in Equity

for the interim period ended 31 December 2022

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December 2021	28,324	(1,249)	(82)	6,774	25,255	37,560	347,969	444,551
Balance at 31			40.51					
members	-	-	-	-	-	-	(2,170)	(2,170)
Dividends to shareholder								
Transactions with ov	wners, rec	orded in e	equity					
profits		-	-	(710)	_	_	710	
Transfer to retained			. ,					
Total comprehensive income for the period	_	(5,285)	(1,965)	_	_	_	14,442	7,192
Total other comprehensive income	_	(5,285)	(1,965)	_	-	_	_	(7,250)
Investment debt securities at FVOCI reclassified to profit or loss	-	65	-	-	_	-	_	65
Net revaluation movement due to change in fair value	- -	(5,350)	(1,965)	-	_	-	-	(7,315)
Profit after tax Other comprehensiv	- ro incomo	-	-	-	-	-	14,442	14,442
Total comprehensive	income fo	or the per	iod					
Balance at 1 July 2021	28,324	4,036	1,883	7,484	25,255	37,560	334,987	439,529
AUD	capital	reserve	reserve	losses	reserve	reserve	earnings	equity
In thousands of	Share I	air value	hedge	for credit	General	business	Retained	Total
			Cash flow	reserve		of		
				General		Transfer		

Statement of Changes in Equity

for the interim period ended 31 December 2022

Consolidated

				General		Transfer		
			Cash flow	reserve		of		
In thousands of	Share	Fair value	hedge	for credit	General	business	Retained	Total
AUD	capital	reserve	reserve	losses	reserve	reserve	earnings	equity
Balance at 1 July								
2022	28,324	(16,235)	(5,174)	5,551	25,255	37,560	361,965	437,246
Total comprehensive	income f	or the per	iod					
Profit after tax	-	-	-	-	-	-	19,196	19,196
Other comprehensiv	e income	•						
Net revaluation								
movement due to								
change in fair value	-	4,178	2,253	-	-	-	-	6,431
Investment debt								
securities at FVOCI								
reclassified to profit								
or loss	-	(80)	-	-	-	-	-	(80)
Total other								
comprehensive								
income		4,098	2,253	_		-		6,351
Total comprehensive								
income for the								
period		4,098	2,253			-	19,196	25,547
Transfer to retained								
profits		-	-	(606)	-	-	606	
Transactions with ov	vners, rec	orded in e	equity					
Dividends to								
shareholder								
members	-	-	-	-	-	-	(2,170)	(2,170)
Balance at 31								
December 2022	28,324	(12,137)	(2,921)	4,945	25,255	37,560	379,597	460,623

Amounts are stated net of tax. The condensed interim statement of changes in equity is to be read in conjunction with the condensed notes set out on pages 14 to 20.

Condensed Notes to the

Consolidated Interim Financial Statements

for the interim period ended 31 December 2022

1 Reporting entity

IMB Ltd (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the "Group").

The Group is a for-profit entity primarily involved in the provision to members of banking and financial services, including lending, savings, insurance and investment products.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2022 is available upon request from the Company's registered office at 47 Burelli Street, Wollongong or at www.imb.com.au.

2 Statement of compliance

These consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 134 *Interim Financial Reporting*.

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2022.

This consolidated interim financial report was approved by the Board of Directors on 31st January 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the legislative instrument, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

3 Use of judgements and estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated interim financial statements, other than the matters discussed below, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Provision for impairment - expected credit losses

In recognition of the substantial increase in interest rates by the RBA in response to inflationary pressures which have yet to be fully passed on to loan borrowers in the form of higher loan repayments, a management overlay is being held to recognise those borrowers that are most susceptible to higher interest rates that are considered at risk of default in terms of their ability to repay in the short to medium term.

The management overlay, included in the provision for expected credit losses to reflect the lag effect of monetary policy on loan borrowers ability to meet future higher loan repayments, at 31 December 2022 was \$1,164,000 (30 June 2022: \$942,000).

Changes in significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2022.

Dividends 5

	For the six months ended Dec 2022 \$'000	For the six months ended Dec 2021 \$'000
Fully franked final dividend declared on 24 August 2021 - \$0.09 per share franked to 100% at a tax rate of 30% paid on 1 September 2021 on 24,110,261 shares	-	2,170
Fully franked final dividend declared on 30 August 2022 - \$0.09 per share franked to 100% at a tax rate of 30% paid on 5 September 2022 on 24,110,261 shares	2,170	-
	2,170	2,170

Subsequent events:

On 31 January 2023, the Board declared an interim dividend of 9 cents per share amounting to \$2,170,000 franked to 100% at a tax rate of 30%, in respect to the six months ended 31 December 2022. The dividend is payable on 27 February 2023. The financial effect of this interim dividend has not been brought to account in the Group's financial report for the six months ended 31 December 2022 and will be recognised in the subsequent financial report.

Condensed Notes to the

Consolidated Interim Financial Statements continued

6 Notes to the statement of cash flows

Reconciliation of cash

Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	For the six months ended Dec 2022 \$'000	For the six months ended Dec 2021 \$'000
Cash controlled by the Group	120,098	131,696
Cash controlled by SPEs	72,705	124,124
Total	192,803	255,820

7 Fair Value

Fair value

Fair value reflects the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If the market for a financial instrument is not active, fair values are estimated using present value cash flows or other valuation techniques.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Financial instruments carried at fair value

- Financial instruments classified as FVOCI are measured at fair value by reference
 to quoted market prices when available. If quoted market prices are not available,
 then fair values are estimated based on pricing models or other recognised valuation
 techniques.
- Derivative instruments used for the purpose of hedging interest rate risk, are carried at fair value. Fair value is measured by a method of forecasting future cash flows, with reference to relevant closing market prices and formula conventions at balance date.

Financial instruments carried at amortised cost

- The fair value of liquid assets and other assets maturing within 12 months approximates their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- The fair value of at call deposits with no specific maturity approximates their carrying amount as they are short term in nature or are payable on demand.
- The fair value of term deposits at amortised cost is estimated by reference to current market rates offered on similar deposits.
- The fair value of variable rate financial instruments, including loan assets and liabilities carried at amortised cost are approximated by their carrying value. In the case of loan assets held at amortised cost, changes in the fair value do not reflect changes in credit quality, as the impact of credit risk is largely recognised separately by deducting the amount of an allowance for credit losses.
- The fair value of fixed rate loans at amortised cost is estimated by reference to current market rates offered on similar loans.

Fair value hierarchy

The following tables show the carrying amount and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Condensed Notes to the Consolidated Interim Financial Statements continued

			Fair Value		
31 December 2022	Carrying Amount \$'000	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total consolidated \$'000
Financial assets m	neasured at				
Investment debt securities	1,203,158	-	1,203,158	-	1,203,158
Other financial assets	1,049	-	-	1,049	1,049
	1,204,207				
Financial assets mamortised cost	neasured at				
Cash and cash equivalents	192,803				
Deposits with other ADIs	60,930				
Loans and advances to customers	5,695,055	-	-	5,665,212	5,665,212
Trade and other receivables	27,841				
	5,976,629				
Financial liabilities at FVOCI	s measured				
Derivative financial liabilities	4,174	-	4,174	-	4,174
Financial liabilities					
Deposits	6,329,639	-	6,323,132	-	6,323,132
Securitised loan funding	85,901				
Interest bearing liabilities	354,542				
Trade and other payables	48,100				
	6,818,182				

30 June 2022	Carrying Amount \$'000	Level 1 \$000	Fair Value Level 2 \$000	Level 3 \$000	Total consolidated \$'000
Financial assets m FVOCI	easured at				
Investment debt securities	1,060,194	-	1,060,194	-	1,060,194
Equity Investments	1,049	-	-	1,049	1,049
	1,061,243				
Financial assets m amortised cost	easured at				
Cash and cash equivalents	207,197				
Deposits with other ADIs	100,254				
Loans and advances to customers	5,567,812	-	-	5,605,222	5,605,222
Other assets	17,995				
	5,893,258				
Financial liabilities at FVOCI	measured				
Derivative financial liabilities	7,392	-	7,392	-	7,392
Financial liabilities at amortised cost	measured				
Deposits	6,065,549	-	6,054,507	-	6,054,507
Securitised loan funding	101,899				
Interest bearing liabilities	405,707				
Trade and other payables	45,472				
	6,618,627				

Condensed Notes to the

Consolidated Interim Financial Statements continued

Valuation techniques

Financial instruments classified as investment debt securities are valued by a market comparison technique of like securities, using market interest rates and credit trading margins.

Deposits and loans are valued by means of a discounted cash flow model which considers the present value of future cash flows. The discount factors are derived from the term structure of interest rates corresponding to the term of the cash flows being present valued. A yield curve is constructed from benchmark market rates. Also, for fixed rate mortgages, cash flows are adjusted for the effect of principal prepayment.

Loans and advances to customers, measured at FVTPL due to the no negative equity guarantee component of these loans, are valued based on assumptions around mortality, property prices and interest rates at balance date and throughout the life of the loan.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on current market rates at the reporting date which incorporate an appropriate credit spread, and were as follows:

	Dec 2022	June 2022
Derivatives	3.47% - 4.25%	0.85% - 3.96%
Loans and borrowings	3.10% - 4.25%	3.12%- 3.96%

8 Related parties

Arrangements with current related parties continue to be in place. For details on these arrangements, refer to the 30 June 2022 annual financial report.

9 Events Subsequent to Reporting Date

Dividends

For dividends declared by IMB Ltd after 31 December 2022 refer to note 5.

Other

There were no other events subsequent to balance date.

10 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however the Group has not early adopted the new or amended standards in preparing these interim financial statements. None of these are expected to have a material impact on the Group's financial statements in the period of initial adoption.

Directors' **Declaration**

In the opinion of the directors of IMB Ltd ("the Company"):

- the condensed consolidated interim financial statements and notes set out on pages 8 to 20, are in accordance with the Corporations Act 2001, including:
- (a) giving a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance, for the six months ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Wollongong this 31st day of January 2023.

Signed in accordance with a resolution of the directors:

CA Aston

C Ston

Chair

Director



Independent Auditor's Review Report

To the members of IMB Ltd

Conclusion

We have reviewed the accompanying Interim Financial Report of IMB Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of IMB Ltd does not comply with the Corporations Act 2001, including:

- · giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the Interim Period ended on that date: and
- · complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Interim Financial Report comprises:

- Condensed statement of financial position as at 31 December 2022
- Condensed Interim statement of profit or loss, Condensed Interim statement of comprehensive income, Condensed Interim statement of changes in equity and Condensed Interim statement of cash flows for the Interim Period ended on that date
- · Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration

The Group comprises IMB Ltd (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The Interim Period is the 6 months ended on 31 December 2022.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement. whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Richard Drinnan

Partner

Wollongong

31 January 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of IMB Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of IMB Ltd for the interim period ended 31 December 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review. ii.

KANG KPMG Richard Drinnan Partner Wollongong 31 January 2023

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Directors' **Particulars**

Catherine Ann Aston

REC MCOMM SE FIN GAICD

Ms Aston has been a director of IMB Ltd since 2016 and was elected Chair in October 2022. Ms Aston is the Chair of the Capital & Securitisation Committee and is a member of the People and Culture Committee. As well as being a director of IMB Ltd, Ms Aston is also a director of all entities wholly owned by IMB Ltd.

Peter John Fitzgerald

BCOM FCA GAICD

Mr Fitzgerald has been a director of IMB Ltd since 2017. Mr Fitzgerald is the Chair of the Audit Committee and is a member of the People and Culture Committee, the Capital & Securitisation Committee and the IMB Community Foundation Committee. As well as being a director of IMB Ltd, Mr Fitzgerald is also a director of all entities wholly owned by IMB Ltd.

Jann Angela Gardner

BALLB MBA GAICD

Ms Gardner has been a director of IMB Ltd since May 2020. Ms Gardner is a member of the Audit Committee, the Capital & Securitisation Committee and the IMB Community Foundation Committee. As well as being a director of IMB Ltd, Ms Gardner is also a director of all entities wholly owned by IMB Ltd.

Jan Margaret Swinhoe

BSC (HONS) AIAA GAICD

Ms Swinhoe has been a director of IMB Ltd. since 2014. Ms Swinhoe is the Chair of the IMB Community Foundation Committee and is a member of the People and Culture Committee. As well as being a director of IMB Ltd. Ms Swinhoe is also a director of all entities wholly owned by IMB Ltd.

Christine Stewart Traquair

BSC MAF CIOBS PGDip SAD FGIA FINSIA GAICD

Ms Traquair was appointed as a director of IMB Ltd 15 December 2022. Ms Traquair is a member of the Risk Committee. As well as being a director of IMB Ltd, Ms Traquair is also a director of all entities wholly owned by IMB Ltd.

Harry Walter Wendt

BSC (COMPSC) MSC (Astronomy) PHD GAICD

Dr Wendt has been a director of IMB Ltd. since July 2020. Dr. Wendt is currently the Chair of the People and Culture Committee and is a member of the Risk Committee As well as being a director of IMB Ltd, Dr. Wendt is also a director of all entities wholly owned by IMB Ltd.

Christopher Michael Whitehead

BSC Chartered Banker SE FIN FAICD

Mr Whitehead has been a director of IMB Ltd since December 2021. Mr Whitehead is the Chair of the Risk Committee and a member of the Audit Committee. As well as being a director of IMB Ltd, Mr Whitehead is also a director of all entities wholly owned by IMB Ltd.

Statistical **Highlights**

		Consolid	ated
at 31 December		2022	2021
Net assets/total assets	%	6.3	6.2
Risk weighted capital adequacy	%	15.3	17.4
APRA high quality liquid assets	%	18.4	19.5
Non-interest expenses/operating income	%	69.9	73.6
for the interim period ended 31 December			
Annualised after tax return on			
- average total assets	%	0.5	0.4
- average net assets	%	8.5	6.6
Interim dividend per share*	cents	9.0	8.0

^{*} Interim dividend relating to the profit for the period was declared after the end of the reporting period but before the signing of this report.

