



concise report 2005

celebrate 125 years
of serving our members

celebrate building society of the year

IMB has been awarded Building Society of the Year. It is one of the major awards in the Money Magazine Consumer Finance Awards. IMB was also a finalist in the Personal Lender of the Year Category.

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The financial statements and other specific disclosures have been derived from IMB Ltd and its Controlled Entities ("consolidated entity") full financial report for the financial year. Other information included in the concise financial report is consistent with the consolidated entity's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

A copy of the consolidated entity's 2005 Annual Financial Report, including the independent audit report, is available to all members, and will be sent to members without charge upon request. The 2005 Annual Financial Report can be requested by calling 131IMB (133462) or by visiting our web site at www.imb.com.au.

Front Cover: As part of IMB's 125th celebrations IMB was gold sponsor of the New Year's Eve "fEVER in the Gong Event" where an estimated 15,000 people enjoyed family entertainment, amusement rides, stalls and fireworks on the City Beach foreshore.

celebrate 125 years

Our Profile

Founded in 1880, IMB is the oldest permanent mutual building society in New South Wales still in operation.

With more than \$3.7 billion in assets under management and 190,000 members IMB has grown to be one of Australia's largest building societies.

Regulated by the Australian Prudential Regulatory Authority, IMB offers full-service banking facilities including business banking, home and personal lending,

savings and transaction accounts and term deposits as well as a wide range of insurance products. IMB has 34 branches throughout the Illawarra, Sydney, South East NSW and the ACT as well as representation throughout Victoria, Brisbane and Adelaide via an alliance with Australian Unity Ltd.

Our Mission

IMB will continue as a profitable, independent, mutual building society providing excellent financial services and solutions to its members for the advancement and welfare of all its stakeholders.

Our Vision

IMB will be Australia's leading and most respected member based financial institution.

Our Values

IMB's values reflect the way we do things at IMB. They are the guiding principles by which we run the business and conduct ourselves in all interactions with our colleagues, our customers, our suppliers and all other stakeholders. They are:

Integrity – Maintaining and promoting social, ethical and

organisation standards in conducting internal and external business activities.

Community – Enhancing each others sense of belonging within the organisation and the IMB community as a whole.

Co-operation – Working co-operatively with others to accomplish IMB's goals.

Excellence – Demonstrating excellence and consistently showing initiative through actions and decisions.

Respect – Showing respect for the individual in all interactions and activities.

celebrate 125 years of serving our members

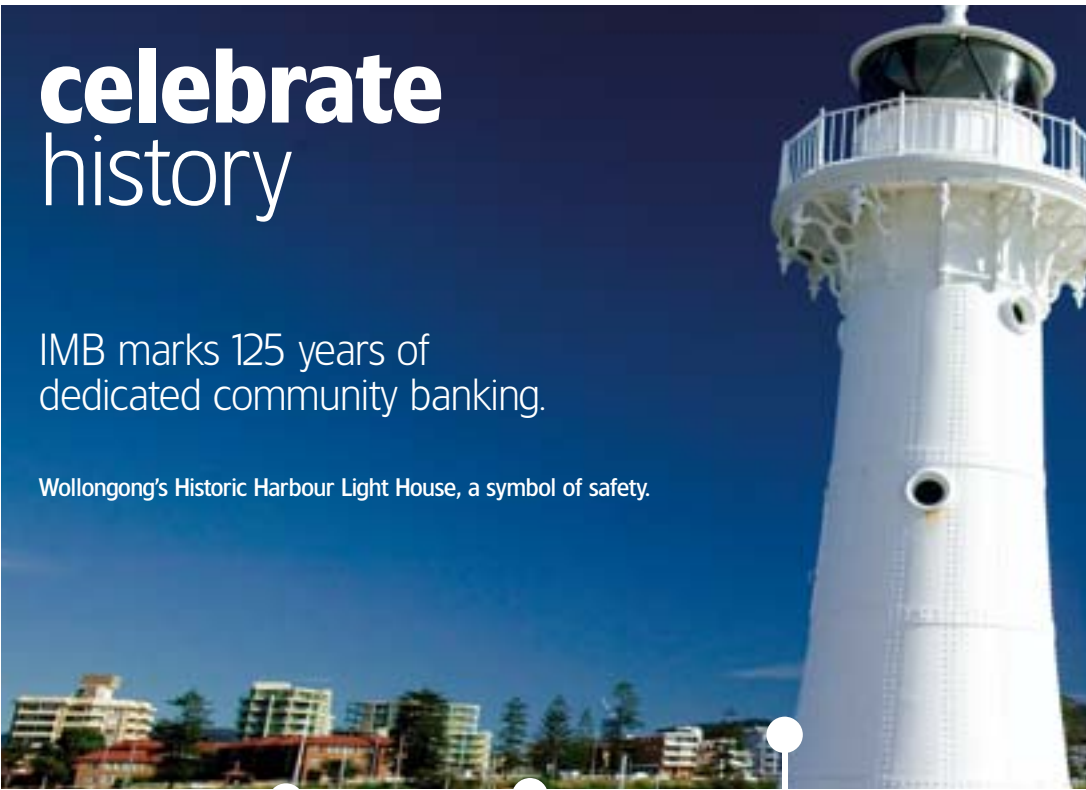
This year IMB celebrated 125 years of dedicated community banking and looking after the interests of our members. IMB is committed to remaining as a mutual building society and we intend to continue to deliver service and value to our members as a modern, mutual building society for many years to come.



celebrate history

IMB marks 125 years of
dedicated community banking.

Wollongong's Historic Harbour Light House, a symbol of safety.



£7,071

1893

Growth in assets under management

£47,602

1914

£52,344

1920

£207,180

1932

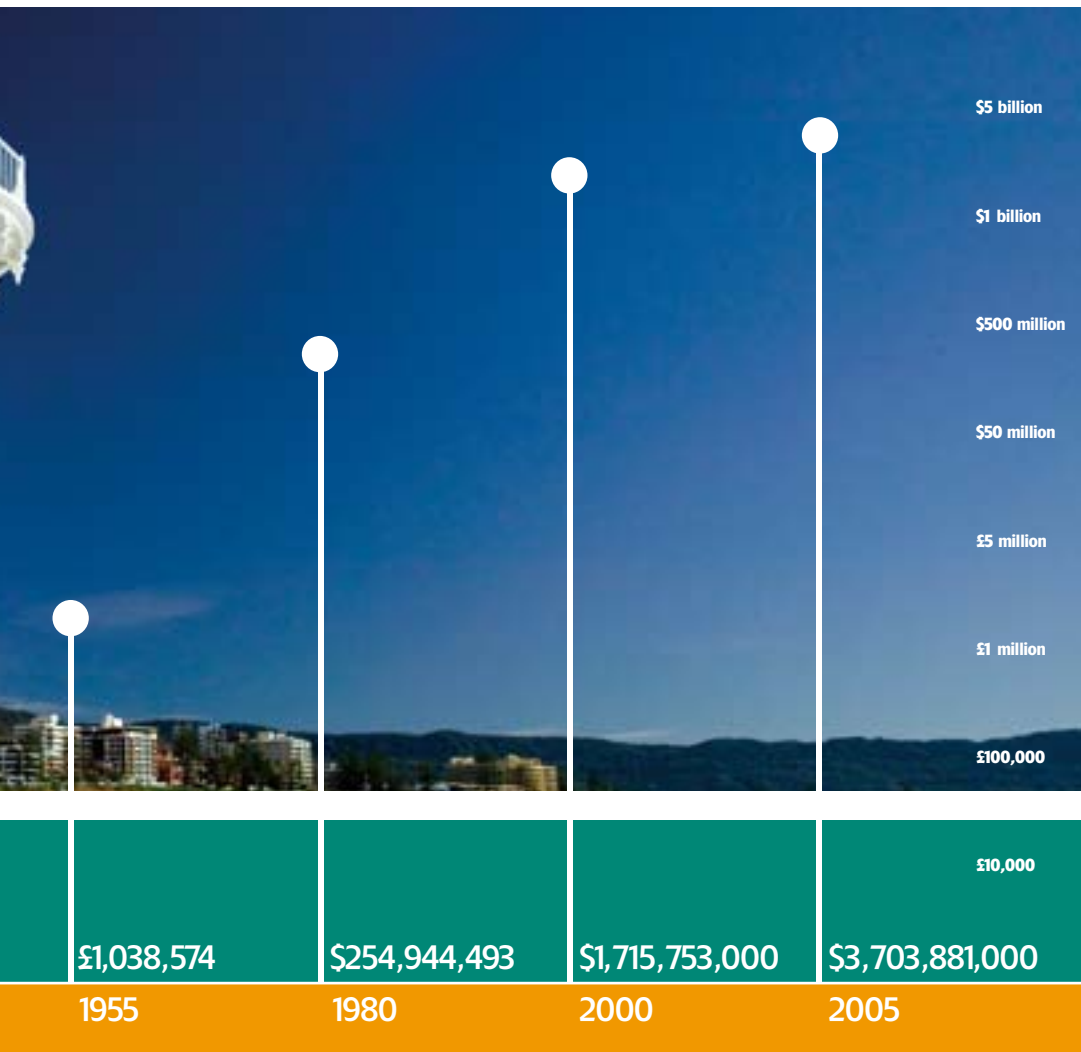
IMB's business had steadily improved from its establishment in 1880. Confidence in the IMB's stability saw it through this difficult year, when half the banks in Australia closed their doors, either permanently or temporarily.

Consistent growth of the IMB was interrupted by the First World War which inevitably slowed business.

The IMB flourished during the prosperous 1920's when lending records were consistently broken. In 1930 the IMB opened a new building in Crown St, Wollongong situated next to the Wesley church.

During the Great Depression the IMB again kept its doors open to members. Compassionate suspension of payments on loans was granted to borrowing members to allow them to retain their homes, and account activity was restricted. This sensible and cautious reaction ensured all members' money was safe.





The end of the Second World War brought a voracious demand for housing, which led to huge growth in assets. By 1958 assets had doubled to more than £2 million.

IMB went on to ride the boom of the 1960s. In the early 1970s it established many new branches, the first of which was Warrawong in 1971. A new head office was opened in 1972, and lending peaked in 1972/73. Growth was such that by the end of the 1970s a new head office was required, this was completed and opened in the IMB's centenary year, 1980. By 1980 IMB's branch network had grown to 32 branches.

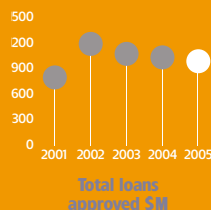
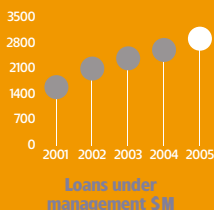
Having continued to meet the needs of its customers during the recession years of the early 1990s, the IMB successfully dealt with extraordinary swings in interest rates and demand without straining liquidity or resources. The introduction of a new computer system put into place a vital foundation for future growth.

International rating agency Standard and Poor¹ assigned a corporate credit rating to IMB making it the first building society or credit union in Australia to have been given a public investment grade rating. The rating reflects the confidence the market has in IMB's growth strategies and the way it conducts its business, making IMB a very real alternative to the regional banks.

celebrate this year



The Wollongong Symphony Orchestra's performance of Imagination - a tribute to the wonderful creativity of children's author, Hans Christian Andersen, was performed to celebrate IMB's 125th anniversary.



6.3%

increase in total
assets under
management

11.7%

increase in
loans under
management

4.4%

decrease in
total loans
approved

Financial

- Core operating profit before tax, excluding individually significant items, increased by \$0.8 million, or 4.2% compared to last year.
- Group operating profit after tax was \$15.1 million, down \$1.5 million or 8.8%.
- Total assets under management increased by \$219 million or 6.3% to \$3.7 billion.
- Return on average equity of 10.1%, down from 11.9%.
- Core non interest expense to operating income ratio, excluding individually significant items, increased from 74.6% to 74.8%.
- Lending approvals of \$991.1 million.
- The level of mortgage arrears continues to be well below the national averages in all categories, according to a recent survey by PMI mortgage insurance.

- Deposits grew by 2.1% to over \$2.5 billion.
- A further \$500,000 was allocated to the IMB Community Foundation. This brings to \$3.0 million the amount of funds granted through the Foundation to the community.

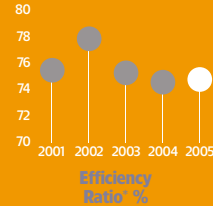
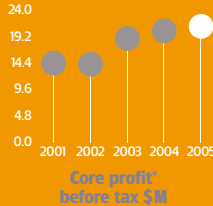
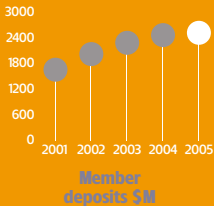
Products and Services

- Several IMB loan products were awarded the maximum five-star rating from leading independent reviewer CANNEX.
- Opened a new full service branch on City Walk in Canberra City.
- Launched new fee-free youth accounts for under 18s – IMB Zoo a passbook account for children under 12 and the and IMB Balance + account a cash card account for 13 to 17 year olds.
- Introduced the IMB Budget Blue Home Loan which has a discounted rate and no ongoing account keeping fees.

- New state-of-the-art \$1.9 million call centre was officially opened to handle the more than 2,000 calls a day.
- Accepted to the lender panel of Australia's leading mortgage broker, Mortgage Choice.
- Implemented online connectivity to major mortgage broker aggregators.

Corporate

- Awarded "Building Society of the Year" in the Money Magazine Consumer Finance Awards.
- Launched a further \$495 million Residential Mortgage Backed Securities offer in the Australian bond market to both domestic and overseas investors.



2.1%

increase in members' deposits

4.2%

increase in core* operating profit before tax

*excludes individually significant items

0.2%

increase in core* efficiency ratio

*excludes individually significant items

celebrate our members & their communities

IMB TV advertisement



Member Value

IMB is committed to providing tangible "member value". Annual Member Value, a calculation made by independent analyst CANNEX Financial Services of the dollar benefits to IMB's members from low or no fees, higher deposit rates and lower lending rates compared to the major banks, grew by 32% to \$15.7M this year. This is equivalent to \$84 per member.

This additional member value highlights an important difference between IMB and a number of its competitors.

IMB Community Foundation

In 1999 the IMB Community Foundation was established as a way for the IMB, as a mutual, to offer funding support back to the community.

The foundation aims to provide the economic opportunities for social, cultural, environmental, tourism, and educational organisations within communities in Wollongong, the Shoalhaven, the far south coast and inland to Canberra, Goulburn and north to Macarthur.

This year the IMB Community Foundation granted another \$500,000 for community projects bringing the total amount of funds granted through the foundation to \$3M.

Details of projects funded by the IMB Community Foundation in 2005 are listed on page 41.



IMB member Ms Sharon Dietz. By moving her loan to the IMB and rolling a personal loan and other debts to one new mortgage, Ms Dietz was able to cut her total monthly repayments by an astonishing \$1000.

'IMB's for me'

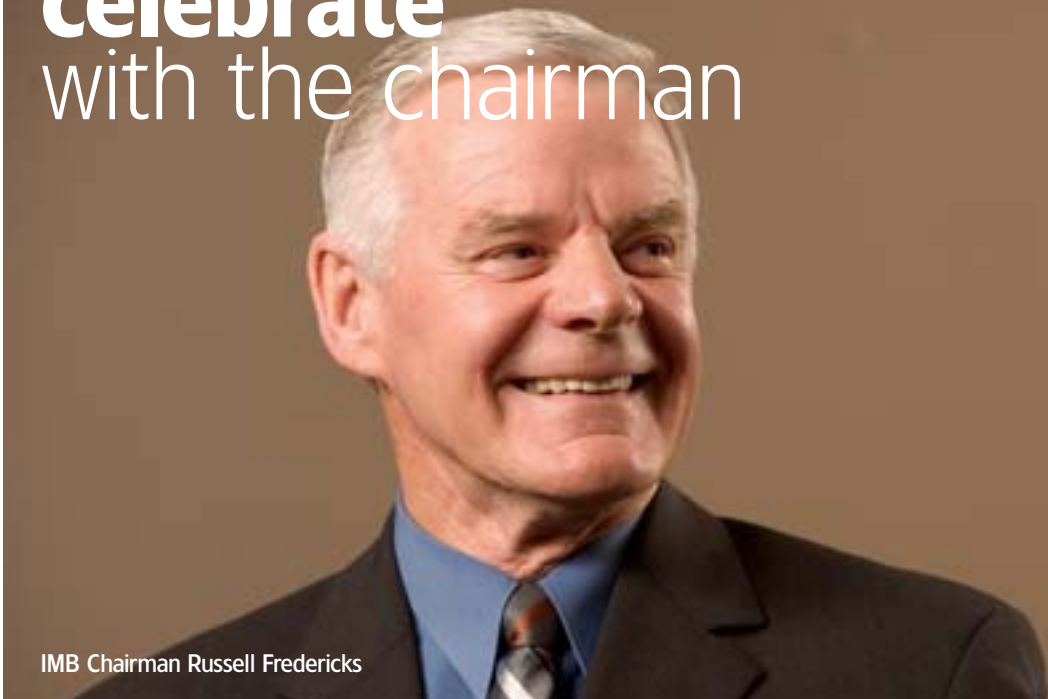
As a mutual member based building society, IMB will continue to focus on ensuring all members are rewarded from their relationship with IMB.

That's why IMB's for me

Other Community Support

- The Tsunami Appeal saw five of Illawarra's financial institutions join together to collect funds for CARE Australia. A total of \$230,000 was raised by IMB and its members with the money being put towards a project involving the rebuilding of all homes on the Simelulue Island and the provision of food, water and shelter to over 18,000 people.
- IMB was recognised by the Red Cross for 10 years involvement in the Telecross Program which checks on the welfare of elderly people who are medically at risk and who live alone.
- Support of the Dare 2 Dream Program which is designed to educate secondary school students about the dangers of risk-taking behaviour.
- To mark its 125th anniversary IMB presented 30 marquees to the community to be used by the region's sporting clubs, schools, charities and other community groups.
- IMB, as principal sponsor, enabled the Wollongong Conservatorium of Music to launch the new Wollongong Symphony Orchestra.
- IMB also supported a variety of other community and sporting organisations including the Salvation Army Red Shield Appeal, the Wollongong IMB Hawks Basketball team, the Wollongong Lions AFL team and Wollongong based motor racers Damien White and James Harrigan.

celebrate with the chairman



IMB Chairman Russell Fredericks

IMB Ltd's solid results for 2005, our 125th year, were achieved in an environment of increased competition, a declining housing market and negative pressures on interest margins.

Group operating profit after tax was \$15.1 million, a reduction of \$1.5 million compared to 2004's \$16.6 million. Significant other items affecting these figures are detailed elsewhere in the Notes to the Accounts. Taking these items into account core profit before tax for 2005 improved by \$0.8 million compared to 2004.

Total loans approved reached \$991.1 million, just \$45.3 million or 4.4 percent short of last year's total. Taking into account the nationwide decline in housing industry activity – both in volume and value – these results are considered sound.

In addressing the final dividend, the Board took into consideration the heavy demands on capital expenditure in the coming year. Consequently the Board has fixed the fully franked final dividend at 11.5 cents per share, bringing the dividend payable for the year's trading to 18.5 cents per share (2004: 18.5 cents plus a 2 cents special dividend directly resulting from the sale of shares in Cashcard Australia Ltd). Based on the closing share price at June 30, 2005 the payment represents a direct yield of 6.0 percent, or 8.5 percent after adjusting for the franking credit.

From the slightly reduced profit after tax, the Board firstly set aside funds to properly satisfy the Company's capital and growth requirements and to ensure that "member value" in the Company is properly recognised, strengthened and rewarded. The interests of all 190,000 members are taken into account, including due reward to those members who also hold ordinary shares for their investment in the Company and ensuring that overall, a firm platform for future growth and highest quality service delivery is maintained and enhanced.

The Board has, for the 6th year in succession, transferred \$500,000 to the IMB Community Foundation. The Foundation is a highly visible and very effective medium for passing benefits on to our members by financially supporting a range of diverse projects throughout the communities in which they live and/or work. The Foundation's activities complement IMB's high standard of corporate citizenship.

At a strategic planning meeting earlier this year, directors and executive officers reinforced their "IMB Commitment" to continue as a mutual building society, a commitment that has not waned in IMB's 125 years of operations. It is our primary strategic objective to continue to utilise members' deposit funds, to their maximum advantage, by delivering residential and commercial lending and other banking-related financial products and services from a foundation of outstanding personal service.

Thus it is with considerable satisfaction that I report recognition of IMB as "Building Society of the Year" for 2005, a status officially recognised by the well-respected "Money Magazine". In addition, we received CANNEX "Gold Star" awards for a number of our lending products.

Your directors, executive and many staff members have, for some time, been giving maximum time and energy to four major initiatives being introduced into the Australian corporate world, all with particular relevance to Authorised Deposit-taking Institutions.

Implementation of the Australian equivalents to International Financial Reporting Standards has been a time-consuming and costly project. We have worked hard at all levels to ensure that full compliance is in place and timelines have been met. Extensive explanatory notes can be found within the annual accounts, and the 2006 financial year will be our initial year for reporting under the requirements of the standards.

Secondly, IMB has adopted enterprise wide risk management and, via an intensive program of education, training, and workshops facilitated by external expertise, all directors, management and staff have been well prepared for the current implementation of this new integrated approach to assessing and controlling business risks. The major change is from the traditional 'detection' function of system controls to a more positive 'prevention' function, which

ensures early identification of and thus more effective management of the risks that may affect IMB's achievement of its strategic and operational objectives.

Internal work on the draft prudential standards released under the new Basel Capital Accord (Basel II) is continuing and we expect to have established a standardised model relative to this more risk-sensitive approach to capital adequacy regulation by January 2007.

Our corporate governance practices are very much driven by IMB values. Considerable work has been done on much of the administrative side of corporate governance over the past two years in particular. A Corporate Governance Manual has previously been drafted by directors and management and is now undergoing a full review, taking into account APRA's recently released drafts of prudential standards of governance and guidelines for "Fit and Proper Persons".

Directors appreciate the increasing intensity placed on their respective duties and responsibilities, but continue to believe the closer scrutiny of the corporate world generally, coupled with the strengthening of our own governance practices will continue to work to the advantage and benefit of IMB and its members.

Our strategic planning processes are constantly monitored and continually reviewed. A major component of our growth strategy, expansion in the Sydney metropolitan area, is advancing on schedule. Within the next 2 years, we expect to have at least 8 new IMB branches opened across the southern and western regions of Sydney. Our next new branch is scheduled to open at Liverpool in October. Last December we opened our third ACT branch in the Canberra City Centre and at least one additional branch is on the "drawing board" for ACT.

A securitisation program forms a material part of our capital management plan and the quality of our loan book has ensured continuing favourable rates are achieved in this regard. As reported last year, the Dividend Reinvestment Plan has been halted and an issue of Preference Shares is pending. The latter is currently timed for implementation towards the end of this calendar year. IMB's investment grade rating, reviewed annually by Standard and Poors, has contributed to the improved pricing we are attracting on our securitisation tranches, as well as strengthening the pricing potential of the Preference Share issue.

New internal processing software, with resultant efficiencies, has given IMB a competitive advantage in loans processing and approval times, as well as a more effective linkage with the expanding third party originator market.

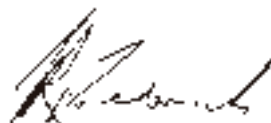
We are aware that as a Company dedicated to the principles of mutuality, generating surpluses only comes from continuing our 125-year practice of supporting, assisting and caring for our members. We need to do this in a way that not only ensures we remain their preferred provider of financial services, but also in a way that attracts others who have not yet experienced the IMB advantages. We have always been committed to face-to-face relationships with members through branch networks, while at the same time promoting and increasing the electronic delivery of products and services.

Independent analyst CANNEX Financial Services has assessed annual member benefits accruing from lower or no fees and from other financial services at an average of \$84 per member, or \$15.5 million in total. Only 23 percent of members are charged transaction fees and no member is charged account-keeping fees for their deposit account.

My predecessor, Professor Ken McKinnon, retired from the Board on December 1, 2004. Professor McKinnon, during his 11 years as a director including 4 years as Chairman, proved a most influential and innovative participant and leader and IMB is the stronger for his all-round input. We are very pleased to report that Mr Lynton Nicholas has been appointed to fill the casual vacancy. Mr Nicholas, a Wollongong citizen, brings to the Board a high level of expertise and knowledge in corporate financial matters following an extensive career with BHP Ltd and its related organisations.

Our executive management and our staff have again contributed with commitment and enthusiasm and with a strong affiliation with IMB values and traditions. We thank them sincerely.

I and my directors believe IMB is well-positioned to move forward in pursuit of its strategic objectives and vision, for the benefit of all members and stakeholders.



LR Fredericks
Chairman

ceo's review of operations



In a period of nationwide decline in housing industry activity IMB maintained its loan growth whilst increasing core profit.

Overview

As noted in the Chairman's letter the 2005 result (being our 125th year) is not just another solid set of financial numbers, it is also a reflection of the successful ongoing strategic development of IMB, culminating in a number of innovative and unique announcements throughout the year. In a period of a nationwide decline in housing industry activity IMB maintained its loan growth at a similar level to the previous year, whilst increasing core profit despite continuing strains on margin due to increased competition.

The issue last year by the international rating agency, Standard and Poors, of an investment grade rating, highlights the development of IMB over the past few years and stands IMB above its peer group, being the first Building Society or Credit Union in Australia to achieve such a rating.

Two years ago IMB launched its own securitisation trust. This year the assets under management in the trust continue to grow. This trust has successfully issued overseas and the quality of the underlying assets, reflecting IMB's credit quality has ensured it is well accepted in the

market. In addition, IMB last year launched a commercial loans securitisation trust, again a very innovative transaction in the Australian financial marketplace.

These initiatives, combined with others to be implemented in the coming year, give IMB a strength of balance sheet not previously experienced. As a company committed to mutuality, a strong balance sheet, with access to future capital sources is unique when compared to other mutual financial institutions. The capital adequacy ratio of 10.57 percent over the past year when compared to the statutory level of 8.0 percent reflects the improved performance of



©Photo courtesy of the Illawarra Mercury.

IMB's gift to the community

To mark IMB's 125th anniversary 30 marquees were presented to the community to be used by the region's sporting clubs, schools, charities and other community groups.

IMB and the focus on balance sheet management strategies. IMB has worked to strengthen its distribution channels and alliance opportunities throughout Australia. An ongoing commitment to face to face member service is evident in the fact that a new branch in Canberra City was opened during the year and a new branch will be opened at Liverpool in October. This is part of IMB's growth strategy in the Sydney marketplace with up to 8 new branches to be opened in Sydney over the next 2 years. IMB is proud of the service standards that complement our products, their features and prices. This is equally true for loans sourced via our direct channels of branches, call centre and mobile lenders

as well as the intermediary market (responsible for over 50 percent of loans written in 2005) with significant capital invested in on-line connectivity to the major aggregator groups as well as an on-line solution to the smaller broker groups.

As a mutual company we also continue to focus on ensuring all stakeholders are rewarded from their relationship with IMB. During the year IMB again engaged Cannex Financial Services Research Group to undertake a review of the value to members of belonging to IMB. This independent research house reviewed the value of IMB products and services compared to the value

proposition of the major banking groups. Its findings highlighted that \$15.5 million per annum is generated in member value. In addition community support initiatives such as the IMB Community Foundation reflect the desire of IMB to ensure all stakeholders receive value from their relationship with IMB.

It should be noted that only 23 percent of our members pay any transaction fees each month, a reduction of 2 percent compared to the previous year. This reflects IMB's commitment to providing tangible "member value" and it highlights an important difference from a number of our competitors.

ceo's review of operations cont'd

IMB awarded five stars in CANNEX mortgage star rating:

- IMB Budget Blue Home Loan
- IMB 2,3 and 5 Year Fixed Rate Home Loans
- IMB Budget Investment Home Loan
- IMB 2,3 and 5 Year Fixed Rate Investment Home Loans



Profit

Group operating profit after tax at \$15.1 million was a decline of \$1.5 million or 8.8 percent over the previous year. As commented on in the Chairman's letter, this result is an improvement in core performance compared to 2004. When comparing like with like the group operating profit before tax attributable to the core business increased by \$0.8 million or 4.2 percent compared to the previous year.

At the end of the year, the board declared a fully franked regular final dividend of 11.5 cents per share. This brings the total dividends for the year to 18.5 cents per share, the same as last years level excluding the 2004 special dividend. The return on average equity, at 10.1 percent, is a reduction on the 11.9 percent level of the previous year in line with the non core revenues brought to account in 2004 and the improved core performance in 2005 discussed elsewhere throughout this report.

Net earning assets income

Net earning assets income for the year was \$53.9 million, up \$1.2 million on the previous year. This is an extremely pleasing result, especially when viewed in the context of the securitisation program extended throughout the year, the results of which are reflected in non interest income discussed below. The improvement reflects the strategies implemented to counter intense competition in the housing finance market and the market for retail deposits in an extremely



Trainees Natasha Whippy, Nicole Efield, and Kimberly Robertson

IMB's focus on the future

As part of IMB's Traineeship program 16 local young people from the Illawarra region commenced their new traineeship program during the year. The IMB Traineeship Program continues IMB's focus on the future.

low interest rate environment. Nevertheless an increasingly competitive marketplace will dictate that tightening net interest margins, albeit at a slower rate of contraction than over the last five years, will continue.

Non interest income

Non interest income increased by \$1.2 million, or approximately 4.2 percent on the previous year. After deducting individually significant revenues, core non interest income increased by \$2.9 million or 12.2 percent. Increased revenue from securitisation contributed \$3.6 million of this increase.

New initiatives relating to key alliances and joint ventures will see significant and ongoing improvement in non interest income in the coming years.

Bad and doubtful debts expense

Bad and doubtful debts expense was \$0.9 million, the same as the previous year. This is an excellent result, in light of the continuing growth in loan balances and the contracting property market experienced in the second half of the year. Part of this

expense was the raising of a further general provision of \$0.1 million against the existing commercial and residential mortgage loan book. Overall, IMB's level of mortgage arrears continues to be well below the national averages in all categories. The residential book is one of the best in the country, a view substantiated by the current quarterly review by the mortgage insurance company, PMI Mortgage Insurance Ltd.

ceo's review of operations cont'd



Community Donation

The Wollongong Science Centre was allocated a grant from the IMB Community Foundation for the Startrails Outreach program. A part-time co-ordinator and student presenter was employed to provide science outreach programs to schools and communities in south-east NSW.

Non interest expense

Non interest expense increased to \$61.1 million, from \$57.8 million in 2004, an increase of \$3.3 million or 5.7 percent. After deducting the expenses attributable to the land development joint venture, non interest expense increased to \$60.4 million, from \$57.7 million in 2004, an increase of \$2.7 million or 4.7 percent. Most of the increase is attributable to initiatives viewed as strategic investments in the future of IMB. This 5.7 percent increase in expenses compares favourably to the 11.7 percent increase in assets under management.

The ratio of non interest expense to operating income for the group increased from 71.6 percent in 2004 to 73.5 percent in 2005. After adjusting for individually significant revenues and expenses, the core ratio of non interest expense to operating income for the group increased from 74.6 percent in 2004 to 74.8 percent in 2005. Non interest expense, as a proportion of average total assets for the group, also increased from 2.2 percent last year to 2.3 percent.

Balance sheet

IMB has achieved solid loan approval levels for the year in an extremely difficult housing market, just falling short of exceeding the \$1 billion milestone for the fourth year in a row. IMB now has the strength both on and off balance sheet to cope with a planned significant expansion in the year ahead.

On balance sheet loans outstanding increased to \$2.0 billion. Total loans under management, including securitised loans increased by \$0.3 billion or 11.7 percent compared to last year. This contributed to assets under management of above \$3.7 billion being achieved during the year.



Business strategies

IMB will continue to look for acquisition opportunities to profitably grow the business. We have focussed on strengthening our balance sheet to ensure we can avail ourselves of opportunities as and when they arise. Our philosophy of being able to offer banking and financial services is reflected in our growth strategy throughout the year. Future acquisitions will continue to be sought. Similarly IMB will continue to source alliance partners to widen the products and services available.

We have also invested significantly in technology in the current year. Much of this investment will continue into the

new year. A complete replacement of the front end of our loans processing system has been implemented, with the resultant improvement in efficiency and member service enabling IMB to provide a guaranteed loan approval service standard that is the envy of our competitors. This has now enabled IMB to have direct on line loan processing capability with its major intermediary partners.

Ongoing reviews of products and services have resulted in the launch of a number of new or improved deposit and lending products, along with a number of improved insurance products. By continually reviewing our

product offerings and those of our alliance partners, IMB is able to ensure all products offered by IMB, whether our products or on behalf of another institution, are not just competitive but also supportable.

The growth of IMB to be a provider of banking and financial services with a national profile is a key strategy for the future. Implementation of the strategy is on track which is providing demonstrable results and the investment in current and future initiatives will provide a significantly stronger IMB for the benefit of all stakeholders.

ceo's review of operations cont'd



Damien White's Team IMB was winner of the 2004 V8 Brute Championship

A mutual interest in the community

The Chairman has referred to the allocation of \$500,000 to the IMB Community Foundation. This is but one of many examples of IMB supporting the community which it serves. This takes to \$3.0 million the amount granted to the Foundation in six years and is supporting a total of 104 projects throughout south eastern NSW and the ACT.

This is in addition to the wide ranging sponsorship support for a number of community and sporting bodies. Each of these sponsorships is strategic and successfully improves IMB's presence and profile both from a geographic and also demographic perspective. A number of these support programs are expanded elsewhere in this report.

Management and Staff

During the year under review, there has been ongoing strengthening of the senior management ranks. The skilled and experienced senior staff joining IMB has and will complement the existing staff to ensure the strategic initiatives contemplated will continue to be successfully implemented.



Executives from left to right: Robert Ryan, Wayne Morris (Chief Executive), Mark Anderson

Management and staff have now agreed on the implementation of either enterprise agreements or Australian Workplace Agreements throughout all of IMB.

As I do regularly on a personal basis, I publicly thank our staff most sincerely for their strenuous and successful efforts as well as personal support during the year under review. Once again they have responded in excellent fashion to overcome the many different challenges put before them. In a continuing environment of change and ever-increasing demands, service levels continue to be not only maintained, but also improved.

Outlook

The improved performance and efficiencies achieved over the last few years, in a sometimes difficult economic climate, as well as the significant investment in the development of our staff and systems, constitute the strategic platform for future growth. We will continue to focus strongly on the key drivers to maximise performance and strengthen the IMB to the benefit of all its stakeholders.

A handwritten signature in black ink, appearing to read 'PW Morris'.

PW Morris
Chief Executive

directors' report

for the year ended 30 June 2005



Board of Directors from left to right: Vivien Twyford, Michael Cole, Russell Fredericks (Chairman), Lynette Gearing, George Edgar, Harold Hanson, Lynton Nicholas

The directors have pleasure in presenting their report, together with the financial report of IMB Ltd, ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2005 and the auditor's report thereon.

Directors

The directors of the Company during or since the end of the financial year are:

Lindsay Russell Fredericks, Chairman

Michael John Cole

George Anthony Edgar

Lynette Therese Gearing

Harold Hanson AM

Lynton Patrick Nicholas,

(appointed 1 December 2004)

Vivien Jennifer Twyford

Kenneth Richard McKinnon AO,

(retired 1 December 2004)

All of the directors are independent directors.

At the Annual General Meeting of the Company on 27 September 2005, one director, Mr LP Nicholas, will retire in accordance with the constitution of the Company and, being eligible, offers himself for re-election.



Directors Qualifications

Lindsay Russell Fredericks

FPNA FAICD FAIM

Mr Fredericks, whose area of expertise is business management and management accounting, has been a non executive director since 1990 and was elected Chairman on 1 December 2004. He is Chairman of the nominations and governance committee and the remuneration and CEO evaluation committee. He attends "ex officio" the audit and risk management and IMB Community Foundation committees. Mr Fredericks is a business consultant specialising in management and accounting services and financial projects for small business. Other former positions include: General Manager of Shoalhaven Dairy Co Ltd, director of the Co-operative Federation of NSW, Chairman of NSW Dairy and Food Industry Training Committee and general manager of Miltonbrook Pty Ltd. Mr Fredericks is a 29 year member of the Lions Service Organisation. As well as being Chairman of IMB Ltd, Mr Fredericks is also Chairman of all entities wholly owned by IMB Ltd, with the exception of IMB Land Pty Ltd.

Michael John Cole

BEC (Syd) MEc (Syd) ASIA

Mr Cole, whose expertise is funds management, has been a non executive director since 2003. He is Chairman of the audit and risk management committee and a member of the remuneration and CEO evaluation committee. He held many senior executive and board positions during his 17 years with Bankers Trust Australia Limited, and is now an independent consultant. Mr Cole is currently a director of NSW Treasury Corporation and Winchester Property Services Limited, and Chairman of SAS Trustee Corporation and Ironbark Capital Limited. As well as being a director of IMB Ltd, Mr Cole is also a director of all entities wholly owned by IMB Ltd.

George Anthony Edgar

Bsc (Tech.Met.)

Mr Edgar, whose expertise is business management, has been a non executive director since 2000. He is a member of the remuneration and CEO evaluation committee and the nomination and governance committee. Mr Edgar is the former President of BHP Flat Products

and former Chief Executive Officer of BHP Integrated Steel. He is also deputy chancellor, University of Wollongong, director of Shin Investments Pty Ltd and past Chairman of Mainteck Services Australia. As well as being a director of IMB Ltd, Mr Edgar is also a director of all entities wholly owned by IMB Ltd.

Lynette Therese Gearing

B.Comm Dip Valuations Cert
Bus.Studies (Real Estate) FASFA FAICD

Ms Gearing has been a non executive director since 2003. She is a member of the IMB audit and risk management committee, the nomination and governance committee and the land development committee.

Ms Gearing has business experience in superannuation, funds management, corporate finance and management consulting. Ms Gearing is currently a director of Guild Insurance and Financial Services Limited and Hancock Natural Resource Group Australia Pty Limited. As well as being a director of IMB Ltd, Ms Gearing is also a director of all entities wholly owned by IMB Ltd, and is Chairperson of IMB Land Pty Ltd.

IMB Ltd and its controlled entities 19

directors' report cont'd

for the year ended 30 June 2005

Harold Hanson AM

Dip.Law (Sydney)

Mr Hanson, whose area of expertise is the legal field, has been a non executive director since 1990. He is a member of the audit and risk management committee, the nomination and governance committee, the IMB Community Foundation committee and the land development committee. He has practised as a solicitor in private practice in Wollongong since 1960 and is now a private legal consultant. He is a former Chairman and a life member of Tourism Wollongong, and was a commissioner and board member of the NSW Tourism Commission and Tourism NSW from 1988 to 1997. Mr Hanson is a life member of Apex, a board member of the Australian and New Zealand College for Seniors, fellow of the University of Wollongong and former Chairman of the Wollongong University Foundation.

He is also a former member of the Salvation Army Community Advisory Board for the Illawarra, a former alderman of Wollongong City Council, and former Deputy Chairman of Illawarra Electricity. He was the 1987 New South Wales Lawyer of the Year and the 1998 winner of the NSW award for excellence in regional tourism. As well as being a director of IMB Ltd, Mr Hanson is also a director of all entities wholly owned by IMB Ltd.

Lynton Patrick Nicholas

F CPA FCIS

Mr Nicholas, whose expertise is business management, was appointed to fill a casual vacancy as a non executive director in 2004. He is a member of the audit and risk management committee and the IMB Community Foundation committee. Mr Nicholas is a former General Manager Supply of BHP Steel, and a former Chief Financial Officer of a number of BHP Steel divisions. He is

a business consultant to a number of major Australian companies. Mr Nicholas is also Chairman of the Flagstaff Group Limited, President of the Port Kembla Golf Club Limited and Chairman of the Catholic Diocese of Wollongong Council for the Aged. As well as being a director of IMB Ltd, Mr Nicholas is also a director of all entities wholly owned by IMB Ltd.

Vivien Jennifer Twyford

BA Grad Dip Com (Mgmt) FAICD

Ms Twyford, whose area of expertise is business consulting, has been a non executive director since 1990. She is Chairperson of the IMB Community Foundation committee and a member of the remuneration and CEO evaluation committee. Ms Twyford is managing director of Twyford Consulting and has been a consultant in the area of business improvement, people and strategy for 23 years, now specialising in community consultation. In 2002, the University of Wollongong awarded her a fellowship. She was president of the International Association of Public Participation (IAP2) in 2004.

Ms Twyford is an accredited mediator with the Australian Commercial Disputes Centre. She is a member of the Illawarra Advisory Board of the Salvation Army. As well as being a director of IMB Ltd, Ms Twyford is also a director of all entities wholly owned by IMB Ltd.

Kenneth Richard McKinnon, AO

AUA (Adel) BA BEd (Qld) EdD (Harv) DLitt (Hon) Deakin DLitt (Hon) Wgong DLitt (Hon) UNSW DUniv (Hon) James Cook FACE

Professor McKinnon was a director of all entities wholly owned by IMB Ltd. He retired from the board on 1 December 2004.

Company Secretary

Robert James Ryan

BEc MCommLaw FCIS FCIM ACA FTIA

Mr Ryan is the Deputy CEO, Chief Financial Officer/Company Secretary and joined the Company in 1999. He is responsible for the overall management of the Company's finance, treasury, compliance, strategic projects and corporate services, and is director of IMB Financial Planning Limited. Prior to joining IMB, Mr Ryan held the positions of Managing Director, Chief Financial Officer and Company Secretary at Australian Resources Limited.

Principal Activities

The principal activities of the consolidated entity during the financial year were the provision to members of banking and financial services, including lending, savings, insurance and investment products.

There has been no significant change in the nature of these activities during the year ended 30 June 2005.

Operating and Financial Review

Consolidated profit after tax from ordinary activities attributable to members was \$15,098,000 (2004: \$16,559,000), a decrease of \$1,461,000 or 8.8% over 2004.

Net loan approvals were down \$45,314,000 to \$991,100,000 (2004: \$1,036,414,000). This was due to a lower level of residential lending approvals which were down \$109,014,000 from 2004 levels, offset by a net increase in other lending of \$63,700,000.

Net interest income increased to \$54,808,000 representing an improvement of \$253,000 which resulted from the growth in average earning assets. This was mainly through average loans and investments increasing by 4.9% or \$123,823,000 to \$2,652,412,000, offset by an increase in average interest bearing liabilities of 4.0% or \$96,609,000 to \$2,537,698,000 and a 3 basis points decrease in earning asset margin to 1.99%.

Bad and doubtful debts expense decreased by \$23,000 to \$902,000 (2004: \$925,000). The bad and doubtful debts expense for 2005 includes an increase in the additional general provision of \$108,000 against the existing loan portfolio, in line with the Company's provisioning policy. The bad debts expense for 2005 is 0.05% of total average loans.

Non interest income increased by \$1,167,000 or 4.2% to \$29,188,000. This increase was primarily due to an increase in securitisation income and the sale of a portion of land from the residential land development joint venture at Albion Park.

The increase in non interest expense of \$3,307,000 to \$61,070,000 resulted primarily from an increase in expenses relating to consultancy, personnel, loan origination, and computer equipment.

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

- a final dividend of \$0.115 per share amounting to \$4,500,000 franked to 100% at a tax rate of 30%, declared on 30 July 2004, in respect of the year ended 30 June 2004, payable on 30 August 2004;
- a special dividend of \$0.02 per share amounting to \$783,000 franked to 100% at a tax rate of 30%, declared on 30 July 2004, in respect of the year ended 30 June 2004, payable on 30 August 2004;

- an interim dividend of \$0.07 per share amounting to \$2,793,000 franked to 100% at a tax rate of 30%, in respect of the year ended 30 June 2005, paid on 27 February 2005; and
- a final dividend of \$0.115 per share amounting to \$4,590,000 franked to 100% at a tax rate of 30%, declared on 2 August 2005, in respect of the year ended 30 June 2005, payable on 30 August 2005.

Total dividends paid or declared in respect of the year ended 30 June 2005 were \$0.185 per share (2004: ordinary dividend of \$0.185, plus a special dividend of \$0.02) amounting to \$7,383,000 (2004: \$7,995,000).

Events Subsequent to Reporting Date

For reporting periods starting on or after 1 July 2005, the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards ("AIFRS") as issued by the Australian Accounting Standards Board ("AASB"). The process and the impact of the transition to AIFRS is discussed in Note 8.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Likely Developments

Details of the likely developments in the operations of the consolidated entity in subsequent financial years are disclosed in the Chairman's letter and Chief Executive's Review of Operations on pages 8 to 17 of the financial report.

State Of Affairs

Details of any significant changes in the state of affairs of the consolidated entity are disclosed in the Chairman's letter and Chief Executive's Review of Operations on pages 8 to 17 of the financial report.

Directors' Interests

The relevant interests of each director in the share capital of the Company are:

Director	Holding at 2 August 2005
Mr LR Fredericks	4,693
– associates	4,554
Mr MJ Cole	2,131
Mr GA Edgar	48,976
Ms LT Gearing	2,000
Mr H Hanson	16,273
Mr LP Nicholas	2,000
– associates	43,890
Ms VJ Twyford	5,704

Directors' and Officers' Indemnification and Insurance

Indemnification

Every director and executive officer of the Company and its controlled entities is indemnified out of the property of the Company against any liability which the director or executive officer may incur while acting as a director or executive officer.

Insurance

During the year, the Company paid a premium in respect of a contract insuring the current and former directors and executive officers of the Company and its controlled entities against certain liabilities that may be incurred in discharging their duties as directors and executive officers. The contract of insurance prohibits the disclosure of the nature of the liabilities insured and premium payable.

Environmental Regulations

The consolidated entity's interest in a joint venture land development is subject to environmental regulations. The board believes that the joint venture has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the joint venture land development.

directors' report cont'd

for the year ended 30 June 2005

Meetings of Directors

The following table sets out the number of meetings of the Company's directors (including meetings of committees of directors) held during the year ended 30 June 2005 and the number of meetings attended by each director.

	Directors' Meetings	Audit and Risk Management	Land Development	Remuneration & CEO Evaluation	Nominations & Governance	IMB Community Foundation
Number of meetings held	12	4	1	3	1	3
Number of meetings attended						
Mr LR Fredericks	12	4	-	3	1	2
Mr MJ Cole	12	4	-	3	-	-
Mr GA Edgar ^(f)	12	1	-	3	1	-
Ms LT Gearing ^(a)	12	4	1	-	1	-
Mr H Hanson ^(b,c)	11	1	1	-	1	3
Prof KR McKinnon (retired 1/12/04) ^(d)	5	2	-	-	-	-
Mr LP Nicholas (appointed 1/12/04) ^(e)	7	2	-	-	-	3
Ms VJ Twyford ^(f)	11	1	-	3	-	3

(a) LT Gearing was appointed to the Land Development Committee on 24 May 2005.

(b) H Hanson was appointed to the Audit and Risk Management Committee on 22 February 2005. He was eligible to attend 1 meeting.

(c) H Hanson was appointed to the Land Development Committee on 21 December 2004.

(d) KR McKinnon retired on 1 December 2004. He was eligible to attend 5 board meetings, and 2 meetings of the Audit and Risk Management Committee in an ex officio capacity.

(e) LP Nicholas was appointed to the Audit and Risk Management Committee on 21 December 2004. He was eligible to attend 7 board and 2 Audit and Risk Management Committee meetings.

(f) GA Edgar and VJ Twyford attended the Audit and Risk Management Committee meeting held on 29 July 2004, to consider the 2004 annual accounts.

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

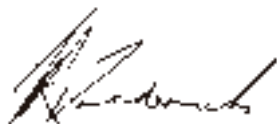
The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the financial year ended 30 June 2005.

Rounding Of Amounts

The Company is of a kind referred to in the ASIC Class order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Wollongong this 2nd day of August 2005

Signed in accordance with a resolution of the directors:



LR Fredericks
Chairman



MJ Cole
Director

auditor's independence declaration

To: the directors of IMB Ltd

As lead auditor for the audit of IMB Ltd for the year ended 30 June 2005, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of IMB Ltd and the entities it controlled during the period.



KPMG

A handwritten signature in black ink, appearing to read 'CP Hollis'.

CP Hollis
Partner

Dated at Wollongong this 2nd day of August 2005

statement of financial performance

for the year ended 30 June 2005

	Note	Consolidated	
		2005 \$000	2004 \$000
Interest revenue		168,909	156,371
Interest expense		(114,101)	(101,816)
Net interest income		54,808	54,555
Bad and doubtful debts expense		(902)	(925)
Net interest income after bad and doubtful debts		53,906	53,630
Income from equity investments		–	(947)
Net earning asset income		53,906	52,683
Revenue from land development		1,850	50
Other revenue from ordinary activities		27,338	27,971
Net income from ordinary activities		83,094	80,704
Cost of property sold		(674)	(22)
Other expenses from ordinary activities		(60,372)	(57,707)
Share of losses of associates and joint ventures accounted for using the equity method		(24)	(34)
Profit from ordinary activities before related income tax expense		22,024	22,941
Income tax expense relating to ordinary activities		(6,926)	(6,382)
Net profit attributable to members of the parent entity	4	15,098	16,559
		\$	\$
Basic earnings per share		0.38	0.43

The statement of financial performance is to be read in conjunction with the discussion and analysis on page 25 and the notes to the financial statements set out on pages 30 to 37.

discussion and analysis of the statement of financial performance

for the year ended 30 June 2005

Net interest income for the consolidated entity increased by \$253,000 to \$54,808,000. This increase resulted mainly from the growth in average earning assets, which increased by 4.9% or \$123,823,000 to \$2,652,412,000 offset by an increase in average interest bearing liabilities of 4.0% or \$96,609,000 to \$2,537,698,000, and a reduction in earning asset margin by 3 basis points to 1.99%.

Bad and doubtful debts expense was \$902,000, a slight decrease of \$23,000 from the previous year.

Non interest income for the consolidated entity increased by \$1,167,000 to \$29,188,000. This was primarily due to an increase in securitisation income and the sale of a portion of land from the residential land development joint venture at Albion Park.

Non interest expense for the consolidated entity increased by \$3,307,000 to \$61,070,000. This was largely due to an increase in expenses related to consultancy, personnel, loan origination, and IT expenses.

Individually significant items included a capital gain on the sale of shares of \$501,000, revenue from the sale of land of \$1,850,000 and expenses relating to the land sale of \$674,000.

Non interest expenses to operating income increased from 71.6% in 2004 to 73.5%.

Return on average net assets (after tax) decreased from 11.90% in 2004 to 10.05%.

After tax return on average total assets decreased from 0.64% in 2004 to 0.58%.

Non interest expense to average total assets increased from 2.2% in 2004 to 2.3%.

statement of financial position

as at 30 June 2005

	Note	Consolidated	
		2005 \$000	2004 \$000
ASSETS			
Cash assets		10,872	11,466
Due from other financial institutions		1,517	3,342
Trading securities		131,741	49,912
Receivables		6,801	3,372
Investment securities		579,498	759,104
Loans		1,954,077	1,794,810
Equity accounted investments		1,112	1,136
Other financial assets		10,074	565
Inventories		258	642
Property, plant and equipment		21,871	22,389
Deferred tax assets		1,795	1,896
Other assets		9,193	7,782
Total Assets		2,728,809	2,656,416
LIABILITIES			
Due to other financial institutions		510	465
Payables		19,249	7,671
Current tax liabilities		2,271	3,696
Deposits		2,534,727	2,483,154
Loan capital		10,000	10,000
Deferred tax liabilities		2,606	1,526
Provisions		4,527	4,517
Total Liabilities		2,573,890	2,511,029
Net Assets		154,919	145,387
EQUITY			
Contributed equity		46,936	44,426
Reserves		30,880	30,880
Retained profits	4	77,103	70,081
Total Equity	5	154,919	145,387

The statement of financial position is to be read in conjunction with the discussion and analysis on page 27 and the notes to the financial statements set out on pages 30 to 37.

discussion and analysis of the statement of financial position

as at 30 June 2005

The total assets of the consolidated entity increased by \$72,393,000 or 2.7% to \$2,728,809,000 (2004: \$2,656,416,000). The increase in total assets was mainly attributable to an increase in lending, with loan approvals for the year of \$991,100,000 (2004: \$1,036,414,000). Total loans under management increased by \$305,639,000 or 11.7% to \$2,929,149,000 (2004: \$2,623,510,000) which includes securitised loans of \$975,072,000 (2004: \$828,700,000).

The total liabilities of the consolidated entity increased by \$62,861,000 to \$2,573,890,000 (2004: \$2,511,029,000). The movement in total liabilities was mainly due to an increase in members' deposits of \$51,573,000 to \$2,534,727,000 (2004: \$2,483,154,000).

Members' equity for the consolidated entity increased by \$9,532,000 or 6.6%, to \$154,919,000 (2004: \$145,387,000). The increase in members' equity is attributable to the growth in retained profits, which increased by \$7,022,000 to \$77,103,000 (2004: \$70,081,000) and also contributed equity, which increased by \$2,510,000 to \$46,936,000 (2004: \$44,426,000) resulting from the issue of additional shares through the discount dividend re-investment scheme.

The ratio of net assets to total assets has increased slightly from 5.47% in 2004 to 5.68%.

statement of cash flows

for the year ended 30 June 2005

	Consolidated	
	2005 \$000	2004 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	169,244	153,333
Loss on equity investments	–	(947)
Dividends received	10	24
Other cash receipts in the course of operations	27,029	30,428
Interest paid		
– deposits	(113,851)	(98,955)
– borrowings	(5)	(2)
Income taxes paid	(7,178)	(5,670)
Other cash payments in the course of operations	(45,399)	(60,102)
Net cash provided by operating activities	29,850	18,109
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in loans	(584,596)	(232,573)
Net decrease/(increase) in investments	87,958	(234,488)
Proceeds from disposal of shares	501	4,391
Expenditure on property, plant and equipment	(4,976)	(6,317)
Proceeds from sale of property, plant and equipment	488	120
Net cash used in investing activities	(500,625)	(468,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	51,323	179,514
Net proceeds from securitised loans	424,426	268,739
Dividends paid	(5,568)	(3,878)
Net cash provided by financing activities	470,181	444,375
Net decrease in cash held	(594)	(6,383)
Cash at the beginning of the financial year	11,466	17,849
Cash at the end of the financial year	10,872	11,466

The statement of cash flows is to be read in conjunction with the discussion and analysis on page 29 and the notes to the financial statements set out on pages 30 to 37.

discussion and analysis of the statement of cash flows

for the year ended 30 June 2005

Operating Activities

Cash flows from operating activities in relation to the consolidated entity increased by \$11,741,000 to \$29,850,000 (2004: \$18,109,000). This was mainly due to an increase in interest income of \$15,911,000 that has resulted from an increase in average earning loans.

Investing Activities

Cash outflows from investing activities increased by \$31,758,000 to \$500,625,000 (2004: \$468,867,000). This was mainly due to the funding of loans retained on the statement of financial position.

Financing Activities

Cash flows from financing activities increased by \$25,806,000 to \$470,181,000 (2004: \$444,375,000). The cash flows from financing activities was largely due to deposit growth and the proceeds from the sale of securitised loans.

notes to the financial statements

for the year ended 30 June 2005

1 Basis of Preparation of Concise Financial Report

The concise financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1039 Concise Financial Reports and applicable Urgent Issues Group Consensus Views. The financial statements and specific disclosures required by AASB 1039 have been derived from the consolidated entity's full financial report for the financial year. Other information included in the concise financial report is consistent with the consolidated entity's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year.

A full description of the accounting policies adopted by the consolidated entity may be found in the consolidated entity's full financial report.

	Consolidated	
	2005	2004
	\$000	\$000

2 Individually Significant Items

Individually significant revenues and expenses included in profit from ordinary activities before income tax expense

Capital gain on sale of Cashcard shares	501	4,055
Capital loss on sale of controlled entity	-	(575)
Revenue from sale of land	1,850	-
Cost of property sold	(674)	-
Profit before tax from individually significant items	1,677	3,480

	Cents per share	Total amount \$000	% Franked	Date of Payment
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3 Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

2005

2005 interim dividend	7.0	2,793	100%	27 Feb 2005
2004 special dividend	2.0	783	100%	30 Aug 2004
2004 final dividend	11.5	4,500	100%	30 Aug 2004
		8,076		

2004

2004 interim dividend	7.0	2,712	100%	28 Feb 2004
2003 final dividend	11.5	4,383	100%	30 Aug 2003
		7,095		

Franked dividends paid were franked at the tax rate of 30%.

3 Dividends (continued)

Subsequent Events

On 2 August 2005 the Board declared a final dividend of 11.5 cents per share amounting to \$4,590,000 franked to 100% at a tax rate of 30%, in respect of the year ended 30 June 2005. The dividend is payable on 30 August 2005. The financial effect of these dividends has not been brought to account in the financial statements for the year ended 30 June 2005 and will be recognised in subsequent financial reports.

	Note	Consolidated 2005 \$000	2004 \$000
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4 Retained Profits

Retained profits at the beginning of the year		70,081	60,617
Net profit attributable to members of the parent entity		15,098	16,559
Dividends recognised during the year	3	(8,076)	(7,095)
Retained profits at the end of the year		77,103	70,081

5 Total Equity Reconciliation

Total equity at the beginning of the year		145,387	132,915
Total changes in parent entity interest in equity recognised in statement of financial performance		15,098	16,559
Transactions with owners as owners:			
Shares purchased through dividend re-investment plan		2,510	3,217
Dividends	3	(8,076)	(7,095)
Total changes in outside equity interest		-	(209)
Total equity at the end of the year		154,919	145,387

6 Contingent Liabilities

Contingent liabilities considered remote

Guarantees given by IMB Ltd

Real Estate Development

Indemnity of \$50,000 (2004: \$50,000) in favour of the Commonwealth Bank of Australia covering guarantees by the bank as part of conditions relating to the purchase of land in association with real estate development activities undertaken by a controlled entity, IMB Land Pty Ltd and that entity's joint venturer.

The Company has an agreement with its joint venturer to share equally in losses and liabilities.

Australian Taxation Office – Research and Development Syndicates

Over recent years, the Australian Taxation Office ("ATO") has conducted an extensive program of reviewing research and development syndicates ("R&D"). The IMB group was involved in four R&D syndicates, three of which have been settled in full with the ATO in prior years.

The latest action by the ATO has been the issuance of letters to all participants in R&D syndicates over a certain size, offering settlement terms in relation to certain deductions claimed. In November 2004, the Company received such an offer letter from the ATO in relation to the involvement of Sonoridad Pty Ltd in an R&D syndicate.

However, at the date of this report, no taxation audit has taken place, and no position papers or assessment notices have been received in relation to this syndicate.

The terms of the ATO offer relating to Sonoridad are such that the total cost to IMB should not exceed \$1,383,000 after tax. The board has sought independent expert advice regarding the valuation of core technology in relation to this syndicate. Based on this advice the board is of the opinion that the original valuations obtained and income tax deductions claimed were appropriate, and the Company will vigorously defend its position with the ATO.

notes to the financial statements

for the year ended 30 June 2005

7 Segment Reporting

The consolidated entity operates predominantly in the banking and financial services industry in Australia.

8 Impact of adopting Australian equivalents to International Financial Reporting Standards

The Company and consolidated entity will be required to prepare financial statements using Australian Standards that are equivalent to International Financial Reporting Standards and their related pronouncements ("AIFRS") from 1 July 2005. The first financial statements that the Company and consolidated entity will prepare in accordance with AIFRS will be for the half year ending 31 December 2005 and the financial year ending 30 June 2006.

In accordance with AIFRS, the comparative financial statements for each of these periods will be restated using the new accounting standards from 1 July 2004, with the exception of AASB132: Financial Instruments: Disclosure and Presentation ("AASB 132") and AASB 139: Financial Instruments: Recognition and Measurement ("AASB 139"). As permitted by the transitional provisions of AIFRS, management has elected to defer the application of AASB 132 and AASB 139 for 12 months. Comparative information for financial instruments will be prepared on the basis of the Company and consolidated entity's current accounting policies under Australian Generally Accepted Accounting Principles ("AGAAP"). Adjustments required on transition to AIFRS will be made retrospectively, mostly against opening retained earnings, at the respective dates.

The tables opposite group these changes by the date from which they will be applicable. Restated comparatives will not be reported in financial statements until 31 December 2005, being the first half year reported in accordance with AIFRS.

AIFRS is not expected to change the economics of the business, or the risks being carried.

Key accounting issues

The key potential implications of the transition to AIFRS on the Company's and consolidated entity's accounting policies are detailed below.

Transition Management

A formal AIFRS conversion project has been established, with the project team being responsible for assessing the impact that AIFRS will have on the accounting and reporting of the Company and consolidated entity, and managing the transition to AIFRS. The project team is also responsible for keeping abreast of developments in AIFRS. The project team regularly reports to the Chief Financial Officer, Executive Committee and Board Audit and Risk Management Committee.

The project is divided into three distinct phases: the assessment and planning phase, the design phase and the implementation phase. Management have been working with external AIFRS specialists to assist with the interpretation of the standards and their application to the Company and consolidated entity. The consolidated entity considers the first phase of the project to be complete, and the design phase to be virtually complete. The implementation phase is substantially complete, with finalisation largely dependent on the resolution of interpretive issues.

Changes applicable in comparative period commencing 1 July 2004

The following tables summarise the nature of the more significant changes in accounting policies and adjustments expected to be made to the consolidated entity's statement of financial position as at 1 July 2004 (excluding the effect of tax) and reported in the half year results to 31 December 2005. This includes all material AIFRS changes excluding those arising from AASB 132 and AASB 139. The amount of the adjustments arising on transition to AIFRS have been reliably estimated. As some policy decisions have not been finalised, and interpretations on some issues are still evolving, estimates are indicative only (i.e. their purpose is to convey the direction and approximate scale of impact) and actual adjustments may vary.

Description	Expected Impact	Estimated adjustment (excluding the effect of tax)
Securitisation of assets		
<p>Under AGAAP, securitisation Special Purpose Entities ("SPEs") are not consolidated. Under AIFRS, a different interpretation of the consolidation rules applicable to SPEs require a reassessment of the accounting for existing SPEs. The SPEs will now be consolidated by the consolidated entity, because the consolidated entity is exposed to the majority of the residual income and/or residual risk associated with the SPE.</p>	<p>The underlying mortgage loans and liabilities to noteholders held by the SPEs will be reported on the consolidated entity's balance sheet.</p> <p>The income statement will no longer report securitisation income earned from the SPEs. Instead, the income statement will report interest income earned on mortgage loans and interest expense accrued to noteholders.</p>	<p>This is expected to increase loan receivables and liabilities to noteholders by \$829 million on transition, at 1 July 2004, and an additional \$146 million at 30 June 2005.</p> <p>For the financial year ended 30 June 2005 the reclassification of securitisation income is expected to increase interest income by \$67 million, increase interest expense by \$56 million, and decrease securitisation income by \$11 million with no impact on net profit of the consolidated entity.</p>
Taxation		
<p>A "balance sheet" approach will be adopted, replacing the "statement of financial performance" approach currently applied. The new method will recognise deferred tax balances where there is a difference between the carrying value of an asset or liability and its tax base.</p> <p>The UIG is currently deliberating the recognition of tax amounts under the tax consolidation regime in the AIFRS framework. It is currently proposed that wholly owned subsidiaries in the tax consolidated group will be required to recognise their own tax balances directly, and the current tax liability or asset will be assumed by the head entity via an equity contribution or distribution.</p>	<p>It is expected that there will be some increases in the levels of deferred tax assets and liabilities. For example, additional deferred tax balances will be created from: carrying investments in associates and joint venture entities using the equity method of accounting and, as a consequence of applying AASB 139 at 1 July 2005, from:</p> <ul style="list-style-type: none"> - unrealised movements in the fair value of available for sale assets; and - using cash flow hedge accounting. <p>As the interpretation regarding the tax consolidation regime is yet to be issued the impact of any change has not been quantified.</p>	<p>While there will be some changes to the balances of deferred tax assets or liabilities, profit or loss, retained earnings, and other reserves, the changes will not be material.</p>
Property, Plant & Equipment		
<p>Property, plant and equipment will be measured at cost under AIFRS. However, as permitted by the election available under AASB 1, at transition date certain items of property, plant and equipment are expected to be recognised at deemed cost, being a revalued amount prior to transition date that approximates fair value as at the date of transition.</p>	<p>Any asset revaluation reserve balance relating to these assets will be transferred to retained earnings at transition date.</p> <p>Under AIFRS the gain or loss on the disposal of property, plant and equipment will be recognised on a net basis as a gain or loss rather than separately recognising the consideration received as revenue.</p>	<p>At date of transition, 1 July 2004, an amount of \$5,625,000 is expected to be reclassified from asset revaluation reserve to retained earnings.</p> <p>As carrying amounts, depreciation rates and useful economic lives are not expected to change there is no effect on the income statement for the year ended 30 June 2005.</p>

notes to the financial statements

for the year ended 30 June 2005

8 Impact of adopting Australian equivalents to International Financial Reporting Standards continued

Description	Expected Impact	Estimated adjustment (excluding the effect of tax)
Make Good Provisions		
<p>AGAAP does not require the recognition of liabilities arising from obligations under operating leases to remove all leasehold improvements and to bring the leasehold objects to their original condition ("make good" provisions).</p> <p>Under AIFRS the consolidated entity is required to recognise a provision for its make good obligations under lease contracts. The liability is measured on a 'best estimate' of the expenditure required to settle the obligation.</p>	<p>At initial recognition the present value of the provision amount will be added to the cost of the leasehold improvements and depreciated over the expected useful life of leasehold improvements.</p> <p>Subsequent changes in the amount of the provision that result from changes in the estimated timing or the costs required to settle the obligation, or a change in the discount rate shall be added to or deducted from the cost of the related asset. The periodic unwinding of the discount will be recognised in the income statement as a finance cost as it occurs.</p>	<p>At the date of transition, 1 July 2004, an amount of \$301,000 is expected to be recognised as a liability of the consolidated entity with a consequential increase in the value of leasehold improvements.</p> <p>The provision is expected to increase by \$48,000 during the 30 June 2005 financial year. This increase will be charged to interest expense.</p>
Defined Benefit Plan		
<p>Under AGAAP, defined benefit plans are accounted for on a cash basis, with no defined benefit obligation or plan assets recognised in the balance sheet.</p> <p>Under AIFRS, the consolidated entity's net obligation in respect of defined benefit superannuation plans will be calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit will be discounted to determine its present value, and the fair value of any plan assets will be deducted.</p> <p>The actuarial valuation performed to determine the consolidated entity's obligation in respect of the defined benefit plan under AIFRS applies a discount rate equal to a risk free rate being the government bond rate with a duration closest to the average future service of the members of the plan. This differs to the assumed discount rate applied in the triennial valuation performed to determine the level of employer contributions which uses expected return on assets in accordance with Australian actuarial professional standards.</p>	<p>Under AIFRS all actuarial gains and losses at the date of transition will be recognised in the balance sheet. In respect of actuarial gains or losses that arise subsequent to 1 July 2004, the consolidated entity intends to apply the corridor approach as an election in AASB 1.</p> <p>Under this approach, in calculating the consolidated entity's obligation in respect to the plan, to the extent that any cumulative unrecognised actuarial gains or losses exceed ten per cent of the greater of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of employees participating in the plan.</p>	<p>At the date of transition, 1 July 2004, an amount of \$177,000 is expected to be recognised as a liability of the consolidated entity with a consequential decrease in retained earnings.</p> <p>For the financial year ended 30 June 2005 the adjustment in the consolidated entity to recognise the increase in pension liability is expected to be \$134,000 with an additional employee cost of \$128,000 and actuarial losses of \$6,000 expected to be recognised in the income statement.</p>

All of the above changes expected to be made to the consolidated entity's income statement as at 1 July 2004 are also expected to be made to the Company's income statement as at 1 July 2004 with the exception of:

- securitised loans - at 1 July 2004 for the Company there is no change to the current AGAAP treatment of securitised loans.

Changes applicable from 1 July 2005

The table below summarises the nature of the more significant changes in accounting policies and adjustments expected to be made to the consolidated entity's balance sheet as at 1 July 2005 (excluding the effect of tax) and reported in the half year results to 31 December 2005, in addition to the table above. This includes all material AIFRS changes arising from AASB 132 and AASB 139. The amounts of the adjustments arising on transition to AIFRS have been reliably estimated. As some policy decisions have not been finalised and interpretation on some issues is still evolving, estimates are indicative only (i.e. their purpose is to convey the direction and approximate scale of impact) and actual adjustments may vary.

Description	Expected Impact	Estimated adjustment (excluding the effect of tax)
Provisions for loan impairment		
<p>AIFRS requires an incurred loss model for loan provisioning. Provisions are to be recognised only in respect of those losses for which there is "objective evidence" of impairment at each balance date and must be calculated based on the discounted values of expected future cash flows.</p>	<p>Specific provisions will continue to be recognised under AIFRS, and where individual loans are found not to be impaired, they will be placed into pools of assets with similar risk profiles to be collectively assessed for losses that have been incurred but not yet identified.</p>	<p>The methodology to calculate this incurred loss provision is being developed. The application of current models would result in a reduction in the provision at 1 July 2005. However, Australian industry practice is still developing in this area, and the final opening adjustment cannot yet be reliability estimated.</p>
Available for sale financial instruments		
<p>Certain equity investments and debt investment securities currently carried at historical cost/amortised cost will be reclassified to available for sale financial instruments under AIFRS.</p> <p>This classification means that the instruments have been acquired with the intention to hold them to maturity, but they are available to be sold if required for business needs, or to take advantage of any profit opportunity that may arise.</p>	<p>Interest income on debt investment securities that fall within this classification will be recognised in earnings according to the effective interest method.</p> <p>Following adoption, available for sale financial instruments will be carried at fair value with changes in fair value recognised in an equity reserve, and transferred to earnings when the financial instruments are sold. This may result in volatility in the equity reserve, depending on future movements in fair values.</p>	<p>On adoption at 1 July 2005, the carrying amount of those financial instruments designated as available for sale will increase by approximately \$427,000 with an equity reserve being created for an equivalent amount.</p>

notes to the financial statements

for the year ended 30 June 2005

8 Impact of adopting Australian equivalents to International Financial Reporting Standards continued

Description	Expected Impact	Estimated adjustment (excluding the effect of tax)
Derivatives		
<p>Under AGAAP, non-trading derivatives are measured on an accruals basis. Non-trading derivatives include those for which hedge accounting is applied.</p> <p>Under AIFRS, all derivatives, including those used for balance sheet hedging purposes, are required to be recognised on balance sheet and carried at fair value. Movements in the carrying amounts of derivatives are recognised in earnings, unless the criteria for hedge accounting is met.</p>	<p>All derivatives are designated as hedging a cash flow exposure arising from deposit liabilities. The gain or loss on the derivatives associated with the effective portion of the hedge are initially recognised in equity and subsequently released to the income statement when the hedged items affect the income statement. Any ineffective portion is reported in the income statement as it arises.</p>	<p>On adoption at 1 July 2005, it is expected that the cash flow hedges will be highly effective. Any ineffectiveness is not expected to be material.</p> <p>On adoption at 1 July 2005, the effect on the consolidated entity is to increase the liability for fair value derivatives and the hedging reserve by \$365,000.</p>
Interest revenue and expense recognition (effective interest rate method)		
<p>Loan origination fees and transaction costs</p> <p>Under AGAAP, certain upfront fees and associated transaction costs are recognised immediately on origination of the loans.</p> <p>Under AIFRS, these fees and associated transaction costs must be capitalised and included in the loan's effective interest rate and recognised over the expected life of the loan.</p>	<p>Loan origination fees and transaction costs will no longer be recognised upfront as revenue or expense, but will be amortised over the life of the loan through the yield.</p>	<p>On adoption at 1 July 2005, this is expected to result in a decrease in deferred expenses of \$4,416,000 an increase in loan receivables of \$3,643,000 and a decrease in retained earnings of \$773,000. The deferred expenses and unearned income figures will be shown as an adjustment to the carrying value of loans and receivables.</p> <p>Some reclassifications between fee income and interest income in the income statement will occur.</p>
<p>Securitisation set up costs</p> <p>Under AGAAP various costs incurred in establishing the securitisation facilities have been deferred and are amortised on a straight line basis. Under AIFRS, these costs must be amortised on a yield basis over the life of the relevant liabilities to noteholders.</p>	<p>Securitisation set up costs will no longer be deferred and amortised on a straight line basis, but will be amortised over the life of the liabilities to noteholders through the yield.</p>	<p>On adoption at 1 July 2005, this is expected to result in a reduction in liabilities of \$3,458,000 a reduction in deferred expenses of \$4,210,000 and a reduction in retained profits of \$752,000.</p> <p>Some reclassifications between securitisation expenses and interest expense in the income statement will occur.</p>

All of the above changes expected to be made in the consolidated balance sheet as at 1 July 2005, are also expected to be made to the Company's balance sheet as at 1 July 2005.

Additionally, at 1 July 2005, the Company will be required to rerecognise the securitised loans on balance sheet, and recognise an imputed loan to the securitisation SPEs. This will result in an increase in loan receivables of \$975 million with a corresponding increase in liabilities.

Regulatory capital

Many of the above changes will have an impact on the Company's and consolidated entity's assets and equity items which are included in the calculation of regulatory capital. The Australian Prudential Regulation Authority ("APRA") has advised that it will not make any AIFRS-related changes to the existing prudential framework until it has completed relevant consultations.

In late February, APRA issued its first AIFRS consultation paper dealing with fair value measurement, loan impairment, hedging and certain other issues. These proposals are intended to apply from 1 January 2006. Some of APRA's proposals either require further clarification or require consideration of additional aspects before becoming final. An initial review indicates most recommendations will not have a significant impact on the consolidated entity's regulatory capital.

Reconciliation of net profit under AGAAP to that expected under AIFRS

The table below sets out the expected adjustments to net profit after tax attributable to Members for the year ended 30 June 2005:

	Consolidated 30 June 2005 \$000	Company 30 June 2005 \$000
Net profit attributable to Members of the parent entity under AGAAP	15,098	14,768
- unwinding of discount on make good obligations – interest expense	(34)	(34)
- defined benefit plan		
- additional employee cost	(94)	(94)
- actuarial losses under corridor approach	(4)	(4)
Net profit attributable to Members of the parent entity under AIFRS	14,966	14,636

Reconciliation of equity as presented under AGAAP to that expected under AIFRS

The impact of the transition to AIFRS on equity is summarised below:

	Consolidated 30 June 2005 \$000	Consolidated 1 July 2004 \$000	Company 30 June 2005 \$000	Company 1 July 2004 \$000
Retained earnings under AGAAP	77,103	70,081	75,767	69,075
- transfer from asset revaluation reserve	5,625	5,625	5,625	5,625
- defined benefit plan accumulated actuarial losses	(218)	(124)	(218)	(124)
Retained earnings under AIFRS	82,510	75,582	81,174	74,576
Reserves under AGAAP	30,880	30,880	30,880	30,880
- transfer from asset revaluation reserve	(5,625)	(5,625)	(5,625)	(5,625)
Reserves under AIFRS	25,255	25,255	25,255	25,255

9 Events Subsequent to Reporting Date

Dividends

For dividends declared after 30 June 2005 see Note 3.

Australian equivalents to International Financial Reporting Standards

For reporting periods commencing on or after 1 January 2005 the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards ("AIFRS") as issued by the Australian Accounting Standards Board. The implementation plan and potential impact of adopting AIFRS are detailed in Note 8 to the financial statements. The first accounts will be produced under AIFRS for the half year ended 31 December 2005.

directors' declaration

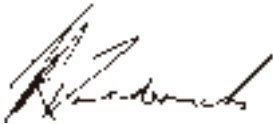
for the year ended 30 June 2005

In the opinion of the directors of IMB Ltd (the "Company"), the accompanying concise financial report of the consolidated entity, comprising IMB Ltd and its controlled entities for the year ended 30 June 2005, set out on pages 24 to 37:

- (a) has been derived from or is consistent with the full financial report for the financial year; and
- (b) complies with Australian Accounting Standard AASB 1039 "Concise Financial Reports".

Dated at Wollongong this 2nd day of August 2005.

Signed in accordance with a resolution of the directors:



LR Fredericks
Chairman



MJ Cole
Director

independent audit report

on concise financial report to the members of IMB Ltd

Scope

The financial report and directors' responsibility

The concise financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying Notes 1 to 9 and the accompanying discussion and analysis on the statement of financial performance, statement of financial position, and statement of cash flows, for IMB Ltd (the "Company") and its controlled entities (the "Consolidated Entity") for the year ended 30 June 2005.

The directors of the Company are responsible for the preparation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 "Concise Financial Reports". This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit approach

We conducted an independent audit in order to express an opinion to members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by

factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected. We have also performed an independent audit of the full financial report of the Company and its controlled entities for the year ended 30 June 2005. Our audit report on the full financial report was signed on 2 August 2005, and was not subject to any qualification.

We performed procedures in respect of the audit of the concise financial report to assess whether, in all material respects, the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039 "Concise Financial Reports".

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report; and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures, which were not directly derived from the full financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the concise financial report of IMB Ltd and its controlled entities for the year ended 30 June 2005 complies with Australian Accounting Standard AASB 1039 "Concise Financial Reports".



KPMG



CP Hollis
Partner

Dated at Wollongong this
2nd day of August 2005

Locations

IMB Branches

New South Wales

Albion Park	147 Tongarra Road Albion Park 2527
Batemans Bay	21 Orient Street Batemans Bay 2536
Bega	193-195 Carp Street Bega 2550
Bowral	Shops 9 & 10, Oxley Mall Wingecarribee Street Bowral 2576
Camden	Shop 26, 180-186 Argyle Street Camden 2570
Corrimal	Shops 2-4, Corrimal Court Princes Highway Corrimal 2518
Dapto	2-4 Bong Bong Road Dapto 2530
Eden	199 Imlay Street Eden 2551
Fairy Meadow	84B Princes Highway Fairy Meadow 2519
Figtree	Shop 32 & 33, Westfield Shopping Town Princes Highway Figtree 2525
Goulburn	Shop 27, Argyle Mall Goulburn 2580
Kiama	86 Terralong Street Kiama 2533
Macarthur Square	Shop L10, L11 Level 2 Macarthur Square Shopping Centre Ambarvale 2560
Merimbula	Cnr Merimbula Drive & Market Street Merimbula 2548
Miranda	Shop G, 105 Westfield's Shoppingtown Miranda 2228
Moruya	55 Vulcan Street Moruya 2537
Narooma	127 Wagonga Street Narooma 2546
Nowra	86 Kinghorn Street Nowra 2541
Parramatta	207 Church Street Parramatta 2150
Picton	Shop 1A 148 Argyle Street Picton 2571
Queanbeyan	Shop 7 Riverside Plaza Queanbeyan 2620
Shellharbour	Shop 46, Shellharbour Stockland Shopping Centre Stockland Shellharbour 2529
Thirroul	Shop 5, Thirroul Plaza Lawrence Hargrave Drive Thirroul 2515
Ulladulla	89 Princes Highway Ulladulla 2539
Unanderra	102 Princes Highway Unanderra 2526
Vincentia	Shop 17, Burton Street Mall Vincentia 2540
Warilla	6 George Street Warilla 2528
Warrawong	Shop 114 Westfield Shopping Centre Warrawong 2502
Wollongong	205 Crown Street Wollongong 2500
Woonona	367-369 Princes Highway Woonona 2517
Wynyard	312 George Street Sydney 2000

IMB Branches

ACT

Belconnen	Level 3, Westfield Shopping Town Belconnen 2617
Canberra City	Shop CG 04, City Walk, Canberra City 2600
Woden	Shop 1, Plaza Level Woden Churches Centre Woden 2606

Agencies*

Victoria

Box Hill	973 Whitehorse Road Box Hill 3128
Camberwell	499 Riversdale Road Camberwell 3184
Chadstone	Shop B93 Lower Mall Chadstone Shopping Centre Chadstone 3418
Eastland	Shop G103 171-175 Maroondah Hwy Ringwood 3134
Elizabeth St	119 Elizabeth Street Melbourne 3000
Frankston	100 Young Street Frankston 3199
Geelong	78 Moorabool Street Geelong 3220
Glen Waverley	55 Railway Pde North Glen Waverley 3150
South Melbourne	Ground Floor 114 Albert Road South Melbourne 3205
Southland	Shop 2078 Level 2 Southland Shopping Centre Cheltenham 3192
Bairnsdale	167 Main Street Bairnsdale 3875
Ballarat	1 Sturt Street Ballarat 3350
Horsham	57A Arquhart Street Horsham 3400
Leongatha	31 McCartin Street Leongatha 3953
Sale	201 York Street Sale 3850
Shepparton	213 Wyndham Street Shepparton 3630
Swan Hill	Shop 2/21 Rutherford Road Swan Hill 3585
Wangaratta	49 Murphy Street Wangaratta 3677
Warragul	39 Victoria Street Warragul 3820
Warrnambool	162 Liebig Street Warrnambool 3280
Wodonga	Shop 7/1 Stanley Street Wodonga 3690

Adelaide

82-88 King William Street Adelaide 5000

Brisbane

Ground Floor 307 Queen Street (Cnr Queen & Creek Sts) Brisbane 4000

Financial Planning

IMB Financial Planning	Level 1, 2-4 Bong Bong Road Dapto NSW 2530
King Financial Services	Level 1, Engineering House, 11 National Circuit Barton ACT 2600

* Australian Unity Outlets

corporate directory

Shareholders' Diary and other information

Announcement of full year results and final dividend
August 2004

Annual general meeting 27 September 2005 at 10:00am.

Notice of Annual General Meeting

The annual general meeting of members of IMB Ltd will be held at the Hoskins Room, Novotel Northbeach, 2-14 Cliff Rd, Wollongong on 27 September 2005 at 10:00am.

Company Secretary

Robert James Ryan BEc MCommLaw FCIS FCIM ACA FTIA

Registered Office

253-259 Crown Street
Wollongong NSW 2500

Share Registry

IMB Ltd is not listed on the Australian Stock Exchange. Shares are traded under an Australian market license held by the Company.

The share register is available for inspection at:
Level 6 Executive Services
253-259 Crown Street
Wollongong NSW 2500

Advisors

Solicitors

Watson Mangioni
Level 13
50 Carrington St
Sydney NSW 2000

Auditors

KPMG
Level 3
63 Market St
Wollongong NSW 2500

projects funded by the IMB Community Foundation in 2005

The following projects are being supported in 2005 through the IMB Community Foundation:

- Burragaddi Rural Fire Service Community Table Construction Project
- The Flagstaff Group Shoalhaven Ozone Laundry
- Heart Support - Australia Self Help Information Kit
- Highlands Community Centres Inc No Interest Loans Scheme (NILS[®])
- Illawarra Skills Shortage Taskforce Career Surfing in the Illawarra
- Kangaroo Valley Pioneer Museum Park Trust "History Alive" Project
- Kiama Show Society Kiama Wine Show 2005
- Lady Denman Heritage Complex Huskisson Sound, Vision and Heritage: the Lady Denman Experience
- Lifeline South Coast "The Good Mood Guide" on Email
- Migration Heritage Project Animating Heritage - Pilot Project
- NAPCAN ACT The Child-Friendly Communities Project
- Pambula Wetlands and Heritage Project Walking/Cycling Track Completion
- Rondanihan Inc Rondalla Music in CD
- Sapphire Coast Producers Association Printing of the Rural Land Buyers Guide
- Science Centre and Planetarium "Science Explorations" Project
- Society of St Vincent de Paul Claymore Stories
- The Australasian Institute of Mining and Metallurgy Database of Historical Coal Mining Records
- The Crossing Land Education Centre Fire Safety and Main Hall Readiness Project
- Mt Kembla Pathway Group Mt Kembla Mine Memorial Footpath
- Volunteering Wingecarribee Southern Highlands Volunteer Treasurers Network
- Wingecarribee Health Association for Men "Saved by the Mill" - Timber Recycling
- Wollongong Music Round Table Inc Wollongong Music Week 2005

