



Better Value Banking

IMB Ltd ABN 92 087 651 974



Interim Financial Report
31 December 2009



IMB strives to provide the best banking solutions for its members – which is why we were proud to be named *Money* magazine's Building Society of the Year 2009.



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01 Chairman's Review

Performance

The IMB Group recorded a 37% increase in net profit after tax to \$13.41 million for the half year to 31st December.

The strong profit performance was assisted by lower interest rates and the first home buyers grant. This resulted in a strong demand for home loans as consumer confidence lifted with the waning of the GFC's negative influence and strong domestic fiscal stimulus.

IMB's highly competitive loan product pricing enabled it to achieve loan approvals of \$383.2 million, an increase of 50% above the previous corresponding period.

IMB commenced the period with a very high level of liquidity of over 28% and was well placed to fund strong loan growth largely from running down liquidity to 25%. This is still a very prudent liquidity level and meant IMB was able to limit its need to compete aggressively in the highly competitive retail and middle market deposit market. As a result deposit growth was limited to \$4.2 million, lifting total deposits to \$3.16 billion, an increase of 0.1%.

The effective management of IMB's funding base was a significant component of the improvement in the average interest margin to 2.20%. This is a marked enhancement on the 1.67% figure recorded in the previous corresponding period. The lending margin lift was an important contributor to profit improvement recorded.

Non interest expenses were well contained to record an increase of 3.1% to \$32.021 million.

The limited expense growth together with record income growth combined to deliver a significant reduction in the expense to income ratio to 63.8% from 69.0% in the previous corresponding period.

IMB's credit experience in the residential loan portfolio continues to be excellent. However we anticipate an outcome of the GFC will be that the Regulators require a larger buffer for future loan default contingencies. Accordingly IMB has taken a conservative approach in relation to its provisioning and valuing land development assets. We also anticipate the Regulators may lift prescribed capital ratios to reduce gearing. IMB's current total capital adequacy is 12.0% compared to 11.4% at close of previous corresponding period.

Strategic

It has previously been advised that merger negotiations with Community Alliance Credit Union have ceased and costs were fully expensed against profit in the half year result. IMB's inability to conclude a merger transaction which had the potential for a strong economic value outcome for both organisations is extremely disappointing. However we have reviewed the issues that negatively impacted the merger's finalisation and we remain convinced there are opportunities for mergers in the mutual sector to complement IMB's organic growth strategy.

Dividend

The Directors have considered a broad range of factors previously detailed before determining the level of the interim dividend. For IMB, capital remains a limited resource at a time when the Regulators have indicated that prescribed capital ratios will increase. We believe a cautious approach to lifting the dividend is warranted. The Board have declared an interim dividend of 10 cents per share fully franked, a 2 cent increase on the previous corresponding period. The dividend will be paid on 27th February, 2010.

Outlook

The outlook for IMB for the current half year remains positive. Housing lending growth continues to be strong but at a more subdued rate following the reduction in the first home buyers grant and consumer caution associated with the now established trend to increasing interest rates as the economic recovery gathers pace. It is expected that interest margins will be lower than the first half as the strong competition for retail and middle market deposits becomes more intense. Expense growth will continue to be well contained. Accordingly IMB anticipates a net profit increase for the financial year ending 30th June 2010 but at a significantly lower growth rate than recorded in the interim result.



MJ Cole
Chairman

02 Directors' Report

As at 31 December 2009

The directors have pleasure in presenting their report together with the consolidated interim financial report for the six months ended 31 December 2009 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the six months ended 31 December 2009 are:

| Name | Period of directorship |
|-----------------------------|--|
| Michael John Cole, Chairman | Director since 2003, appointed Chairman October 2007 |
| Kieran Robert Biddle | Director since 2007 |
| George Anthony Edgar | Director since 2000 |
| Robert Hillis Page Elvy | Director since 2008 |
| Lynette Therese Gearing | Director since 2003 |
| Steven George McKerihan | Director since January 2009 |
| Lynton Patrick Nicholas | Director since 2004 |

Review of operations

Members are referred to the Chairman's Review.

Interim dividend

Members are referred to the Chairman's Review.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 11 and forms part of the directors' report for the six months ended 31 December 2009.

Rounding off

The Group is of a kind referred to in 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 twenty eighth day of January 2010.

Signed in accordance with a resolution of the directors:



MJ Cole
Chairman



LP Nicholas
Director

03 Interim Income Statement

For the six months ended 31 December 2009

| | Note | Consolidated | |
|---|------|----------------------|----------------------|
| | | 31 Dec 2009 \$000 | 31 Dec 2008 \$000 |
| Interest revenue | | 123,452 | 177,389 |
| Interest expense | | (76,042) | (140,135) |
| Net interest income | | 47,410 | 37,254 |
| Bad and doubtful debts expense | | (1,729) | (904) |
| Net interest income after bad and doubtful debts | | 45,681 | 36,350 |
| Revenue from land development | | - | 100 |
| Share of profits of joint venture entity | | 95 | 14 |
| Fee and commission income | | 6,755 | 8,202 |
| Other income | | 373 | 452 |
| Net operating income | | 52,904 | 45,118 |
| Land development expense | 10 | (1,709) | (68) |
| Other operating expenses | | (32,021) | (31,063) |
| Profit before tax | | 19,174 | 13,987 |
| Income tax expense | | (5,764) | (4,232) |
| Profit for the period attributable to members of the Company | | 13,410 | 9,755 |

The interim income statement is to be read in conjunction with the condensed notes set out on pages 7 to 8.

Interim Statement of Comprehensive Income

For the six months ended 31 December 2009

| | Note | Consolidated | |
|---|------|----------------------|----------------------|
| | | 31 Dec 2009 \$000 | 31 Dec 2008 \$000 |
| Profit for the period | | 13,410 | 9,755 |
| Other comprehensive income/(expense): | | | |
| Net change in fair value of available for sale investments | | (461) | 2,699 |
| Net change in fair value of cash flow hedges | 8 | 1,917 | (8,657) |
| Net change in fair value of equity investments | | 333 | (56) |
| Net change in fair value of available for sale investments transferred to profit and loss | | (24) | (305) |
| Total other comprehensive income/(expense) for the period, net of income tax | | 1,765 | (6,319) |
| Total comprehensive income for the period | | 15,175 | 3,436 |
| Amounts are stated net of tax | | | |

The interim statement of comprehensive income is to be read in conjunction with the condensed notes set out on pages 7 to 8.

04 Interim Balance Sheet

As at 31 December 2009

| | Note | Consolidated | |
|--|------|----------------------|-----------------------|
| | | 31 Dec 2009 \$000 | 30 June 2009 \$000 |
| ASSETS | | | |
| Cash and cash equivalents | | 40,415 | 48,753 |
| Available for sale investments | | 442,449 | 448,506 |
| Loans and receivables to ADI's | | 349,754 | 440,273 |
| Loans and receivables to members | | 3,495,545 | 3,476,040 |
| Equity accounted investments | | 1,852 | 1,853 |
| Other financial assets | | 505 | 505 |
| Inventories | 10 | 5,864 | 7,418 |
| Property, plant and equipment | | 13,558 | 14,769 |
| Intangible assets | | 470 | 629 |
| Net deferred tax assets | | 4,105 | 2,994 |
| Other assets | | 3,782 | 2,443 |
| Total Assets | | 4,358,299 | 4,444,183 |
| LIABILITIES | | | |
| Trade and other payables | | 26,563 | 35,272 |
| Deposits | | 3,162,543 | 3,158,283 |
| Securitised loans funding | | 937,902 | 1,025,682 |
| Interest bearing liabilities | | 10,000 | 10,000 |
| Derivative liabilities | 8 | 2,294 | 5,033 |
| Current tax liabilities | | 4,204 | 4,525 |
| Provisions | | 6,644 | 6,227 |
| Total Liabilities | | 4,150,150 | 4,245,022 |
| Net Assets | | 208,149 | 199,161 |
| EQUITY | | | |
| Share capital | | 46,936 | 46,936 |
| Reserves | 8 | 26,566 | 24,801 |
| Retained earnings | | 134,647 | 127,424 |
| Total equity attributable to members of the Company | | 208,149 | 199,161 |

The interim balance sheet is to be read in conjunction with the condensed notes set out on pages 7 to 8.

05 Interim Statement of Cash Flows

For the six months ended 31 December 2009

| | Note | Consolidated | |
|--|------|----------------------|----------------------|
| | | 31 Dec 2009 \$000 | 31 Dec 2008 \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Interest received | | 131,366 | 177,965 |
| Dividends received | | 5 | 3 |
| Other cash receipts in the course of operations | | 5,480 | 7,909 |
| Interest paid on deposits | | (83,200) | (136,481) |
| Net increase in deposits | | 11,418 | 94,199 |
| Income taxes paid | | (7,194) | (8,308) |
| Net loans (funded)/repaid | | (21,234) | 95,890 |
| Other cash payments in the course of operations | | (43,935) | (31,509) |
| Net cash flows from operating activities | | (7,294) | 199,668 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Redemption of/(payments for) available for sale investments | | 93,080 | (38,269) |
| Expenditure on property, plant and equipment, and intangibles | | (245) | (1,342) |
| Proceeds from sale of property, plant and equipment | | 88 | 64 |
| Net cash flows from investing activities | | 92,923 | (39,547) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net payments from securitised loans funding | | (87,780) | (144,129) |
| Dividends paid | 5 | (6,187) | (6,187) |
| Net cash flows from financing activities | | (93,967) | (150,316) |
| Net (decrease)/increase in cash and cash equivalents held | | (8,338) | 9,805 |
| Cash and cash equivalents at 1 July | | 48,753 | 47,605 |
| Cash and cash equivalents at 31 December | 7 | 40,415 | 57,410 |

The interim statement of cash flows is to be read in conjunction with the condensed notes set out on pages 7 to 8.

06 Interim Statement of Changes in Equity

For the six months ended 31 December 2009

| In thousands of AUD | Consolidated | | | | | | | |
|---|---------------|--|-------------------------|--|-----------------------------------|-----------------|-------------------|----------------|
| | Share capital | Available for sale debt securities revaluation reserve | Cash flow hedge reserve | Available for sale equity securities revaluation reserve | General reserve for credit losses | General reserve | Retained earnings | Total equity |
| Balance at 1 July 2008 | 46,936 | (425) | 2,764 | 445 | 1,387 | 25,255 | 114,394 | 190,756 |
| Total Comprehensive Income for the period | | | | | | | | |
| Profit after tax | - | - | - | - | - | - | 9,755 | 9,755 |
| Other comprehensive income | | | | | | | | |
| Net revaluation movement due to change in fair value | - | 2,699 | (8,657) | (56) | - | - | - | (6,014) |
| Net change in fair value transferred to profit and loss | - | (305) | - | - | - | - | - | (305) |
| Total other comprehensive income | - | 2,394 | (8,657) | (56) | - | - | - | (6,319) |
| Total Comprehensive Income for the period | - | 2,394 | (8,657) | (56) | - | - | 9,755 | 3,436 |
| Dividends to shareholder members | - | - | - | - | - | - | (6,187) | (6,187) |
| Transfer from retained profits | - | - | - | - | 172 | - | (172) | - |
| Balance at 31 December 2008 | 46,936 | 1,969 | (5,893) | 389 | 1,559 | 25,255 | 117,790 | 188,005 |
| Balance at 1 July 2009 | 46,936 | 792 | (3,522) | 449 | 1,827 | 25,255 | 127,424 | 199,161 |
| Total Comprehensive Income for the period | | | | | | | | |
| Profit after tax | - | - | - | - | - | - | 13,410 | 13,410 |
| Other comprehensive income | | | | | | | | |
| Net revaluation movement due to change in fair value | - | (461) | 1,917 | 333 | - | - | - | 1,789 |
| Net change in fair value transferred to profit and loss | - | (24) | - | - | - | - | - | (24) |
| Total other comprehensive income | - | (485) | 1,917 | 333 | - | - | - | 1,765 |
| Total Comprehensive Income for the period | - | (485) | 1,917 | 333 | - | - | 13,410 | 15,175 |
| Dividends to shareholder members | - | - | - | - | - | - | (6,187) | (6,187) |
| Transfer from retained profits | - | - | - | - | - | - | - | - |
| Balance at 31 December 2009 | 46,936 | 307 | (1,605) | 782 | 1,827 | 25,255 | 134,647 | 208,149 |

Amounts are stated net of tax

The interim statement of changes in equity is to be read in conjunction with the condensed notes set out on pages 7 to 8.

07 Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2009

1 Reporting entity

IMB Ltd (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2009 is available upon request from the Company's registered office at 253-259 Crown Street, Wollongong or at www.imb.com.au.

2 Statement of compliance

The consolidated interim financial report has been prepared in accordance with AASB 134 Interim Financial Reporting. The consolidated interim financial report complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2009.

This consolidated interim financial report was approved by the Board of Directors on 27 January 2010.

5 Dividends

Fully franked final dividend declared on 12 August 2008 – \$0.15 per share franked to 100% at a tax rate of 30% paid on 30 August 2008 on 39,911,640 shares

Fully franked special dividend declared on 12 August 2008 – \$0.005 per share franked to 100% at a tax rate of 30% paid on 30 August 2008 on 39,911,640 shares

Fully franked final dividend declared on 14 August 2009 – \$0.155 per share franked to 100% at a tax rate of 30% paid on 30 August 2009 on 39,911,640 shares

| | Dec 2009 \$000 | Dec 2008 \$000 |
|--|-------------------|-------------------|
| | – | 5,987 |
| | – | 200 |
| | 6,187 | – |
| | 6,187 | 6,187 |

Subsequent events:

On 27 January 2010, the Board declared an interim dividend of 10 cents per share amounting to \$3,991,000 franked to 100% at a tax rate of 30%, in respect to the six months ended 31 December 2009. The dividend is payable on 27 February 2010. The financial effect of this interim dividend has not been brought to account in the Group's financial report for the six months ended 31 December 2009 and will be recognised in the subsequent financial report.

3 Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2009.

The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of comprehensive income all movements in equity other than the dividend paid to external shareholders. The dividend movement is shown in the consolidated statement of changes in equity. This presentation had been applied in these condensed interim financial statements as of and for the six months ended 31 December 2009.

4 Estimates

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

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as at and for the year ended 30 June 2009.

08 Condensed Notes to the Consolidated Interim Financial Report (continued)

6 Change in the composition of the consolidated entity

On 3 July 2009 a subsidiary Company, IMB Securitisation Services Pty Ltd, established the Illawarra Warehouse Trust No 2 and paid an amount of \$200 to constitute the trust. The purpose of establishing this entity was to allow the securitisation of residential mortgage loans. In July 2009 the entity issued \$105,300,000 in notes under its Warehouse Subscription Agreement.

7 Notes to the statement of cash flows

Reconciliation of cash

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

| | Dec 2009 \$000 | Dec 2008 \$000 |
|------------------------|-------------------|-------------------|
| Cash assets | 40,415 | 57,465 |
| Secured bank overdraft | - | (55) |
| | 40,415 | 57,410 |

8 Derivative financial instruments

The Group uses interest rate swaps to hedge its exposure to interest rate risk. In accordance with Australian Accounting Standard AASB139 *Financial Instruments: Recognition and Measurement*, the interest rate swaps are designated as cash flow hedges and the movements in fair value of the cash flow hedges are recognised in equity in the cash flow hedge reserve. The movement during the interim period is a reflection of the increase in market rates over the period. Under AASB139 movements in the fair value of the Group's fixed rate loan portfolio, the main contributor to interest rate risk, is not recorded in the financial statements as these are carried at amortised cost.

9 Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial report.

10 Write-down of Inventory

During the six months ended 31 December 2009 the Group recognised a write-down of inventory of \$1,704,000 related to land held by IMB Land Pty Ltd. The write down is included in the Income Statement. There were no inventory write-downs recognised during the six months ended 31 December 2008.

11 Events Subsequent to Reporting Date

Dividends

For dividends declared by IMB Ltd after 31 December 2009 refer to note 5.

Other

There were no other events subsequent to balance date.

09 Directors' Declaration

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

1. the financial statements and notes set out on pages 3 to 8, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Group as at 31 December 2009 and of its performance, for the six months ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Wollongong this twenty eighth day of January 2010.

Signed in accordance with a resolution of the directors:



MJ Cole
Chairman



LP Nicholas
Director

10 Independent Auditor's Review Report to the Members of IMB Ltd



Report on the financial report

We have reviewed the accompanying interim financial report of IMB Ltd, which comprises the consolidated interim balance sheet as at 31 December 2009, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the interim period ended on that date, a description of accounting policies, other explanatory notes 1 to 11 and the directors' declaration set out on pages 3 to 9 of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As auditor of IMB Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the interim financial report of IMB Ltd is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

Richard Drinnan
Partner

Dated at Wollongong this 28th day of January 2010

11 Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of IMB Ltd



I declare that, to the best of my knowledge and belief, in relation to the review for the financial period ended 31 December 2009 there have been:

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

A handwritten signature in black ink, appearing to read 'Richard Drinnan'.

KPMG

A handwritten signature in black ink, appearing to read 'Richard Drinnan'.

Richard Drinnan

Partner

Dated at Wollongong this 28th day of January 2010

12 Directors' Particulars

Michael John Cole

BEC (SYD) MEC (SYD) F.FIN

Mr Cole has been a director since 2003, and was elected Chairman in 2007. He is Chairman of the Remuneration and CEO Evaluation Committee, and an ex-officio member of the Audit and Risk Management Committee, the Nominations and Governance Committee and the IMB Community Foundation Committee. As well as being Chairman of IMB Ltd, Mr Cole is also Chairman of all entities wholly owned by IMB Ltd, except for IMB Land Pty Ltd and IMB Land 2 Pty Ltd of which Mr Cole is a director.

Kieran Robert Biddle

DIP.LAW SAB SPEC – ACC BUS GAICD

Mr Biddle has been a director since 2007. He is a member of the Audit and Risk Management Committee, the Remuneration and CEO Evaluation Committee, and the Land Development Committee. As well as being a director of IMB Ltd, Mr Biddle is also a director of all entities wholly owned by IMB Ltd.

George Anthony Edgar

BSC (TECH MET)

Mr Edgar has been a director since 2000. He is Chairman of the Nominations and Governance Committee, and a member of the Remuneration and CEO Evaluation Committee, the IMB Community Foundation Committee, the Centenary/One Tree Bay Joint Venture Committee and the Land Development Committee. As well as being a director of IMB Ltd, Mr Edgar is also a director of all entities wholly owned by IMB Ltd.

Robert Hillis Page Elvy

B SC(ENG) B COM(ACCY) FIEAUST FCPA FCIS FAICD

Mr Elvy has been a director since 2008. He is a member of the Audit and Risk Management Committee. As well as being a director of IMB Ltd, Mr Elvy is also a director of all entities wholly owned by IMB Ltd.

Lynette Therese Gearing

B.COMM DIP VALUATIONS CERT BUS.STUDIES (REAL ESTATE) FAICD

Ms Gearing has been a director since 2003. She is Chairperson of the Centenary/One Tree Bay Joint Venture Committee and Land Development Committee, and a member of the Nominations and Governance Committee. As well as being a director of IMB Ltd, Ms Gearing is also a director of all entities wholly owned by IMB Ltd, an alternate director of King Financial Services Limited and is Chairperson of IMB Land Pty Ltd, IMB Land No 2 Pty Ltd and IMB Financial Planning Ltd.

Steven George McKerihan

B.COMM (HONS) MBA CPA

Mr McKerihan has been a director since January 2009. He is a member of the Audit and Risk Management Committee. As well as being a director of IMB Ltd, Mr McKerihan is also a director of all entities wholly owned by IMB Ltd.

Lynton Patrick Nicholas

FCPA FCIS

Mr Nicholas has been a director since 2004, and was elected Deputy Chairman in 2007. He is Chairman of the Audit and Risk Management Committee, the IMB Community Foundation Committee, and a member of the Nominations and Governance Committee. As well as being Deputy Chairman of IMB Ltd, Mr Nicholas is also Deputy Chairman of all entities wholly owned by IMB Ltd.

13 Statistical Highlights

| At 31 December | | Consolidated | |
|--|-------|---------------------|-------------|
| | | 2009 | 2008 |
| Net assets/total assets | % | 4.8 | 4.2 |
| Risk weighted capital adequacy | % | 12.0 | 11.4 |
| Liquid assets/total adjusted liabilities | % | 25.1 | 28.7 |
| Non interest expenses/operating income | % | 63.8 | 69.0 |
| Shares on issue | 000 | 39,912 | 39,912 |
| For the half year ended 31 December | | | |
| Total loans approved | \$m | 383 | 255 |
| – of which residential | \$m | 306 | 195 |
| Annualised after tax return on | | | |
| – average total assets | % | 0.6 | 0.4 |
| – average net assets | % | 13.2 | 10.3 |
| Interim dividend per share* | cents | 10.0 | 8.0 |
| Highest share price | \$ | 3.18 | 3.16 |
| Lowest share price | \$ | 2.74 | 2.60 |
| Average share price | \$ | 3.01 | 2.94 |
| Last sale price | \$ | 3.15 | 2.80 |
| Shares traded | 000 | 990.9 | 652.6 |
| Turnover | % | 2.5 | 1.6 |

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



Better Value Banking

IMB Ltd ABN 92 087 651 974

Interim Financial Report

31 December 2009

www.imb.com.au