



INTERIM FINANCIAL REPORT

31 DECEMBER 2015





ATM

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IMB LTD AND ITS CONTROLLED ENTITIES

CHAIRMAN'S REVIEW

Performance

The IMB Bank group recorded a net profit after tax (NPAT) of \$13.9 million for the half year to 31 December 2015, a 4.2% decrease on the previous corresponding period. The NPAT was in line with expectations and the Directors consider this to be a good result in a challenging period.

Adjusting the NPAT for the profit on the sale of the head office building in the prior year, it is expected that the full year FY2016 result will be in line with the previous corresponding period.

The continued effective management of IMB's funding base and asset book resulted in an average interest margin of 2.02%, a 5 basis point decrease on the average margin of last financial year. This largely reflects the adverse impact on average margin from the series of official interest rate reductions in the first half of the calendar year.

Operating expenses continued to be well controlled and the cost to income ratio remained stable around 65%.

IMB recorded strong support from its member base for its core business activity of home lending. Total loans lifted by \$70 million, a 1.9% increase on FY2015. The total assets of the group exceeded \$5 billion for the first time.

Since the close of the FY2015 net deposit growth was over \$200 million, a 5.1% lift. The strong deposit growth contributed to a lift in the liquidity ratio above 30%. The liquidity level continues to be well in excess of minimum prudential requirements and places IMB in a strong position in an environment of continued competition for retail deposits.

On a further positive note, IMB's credit experience in the loan portfolios continues to be very strong and well ahead of industry standards.

The capital adequacy ratio at calendar year end was 15.6%, comfortably above IMB's stated goal of 15% and well in excess of prudential requirements.

Dividend

The Board has declared an interim dividend of 10 cents per share fully franked, which is in line with the interim dividend of the previous corresponding period. The dividend will be paid on 28th February, 2016.

As outlined at the most recent AGM, the future IMB dividend policy remains under review by the Board. The strong growth in new housing lending, the long term commitment to the share buy back and the likelihood of capital adequacy ratios being adjusted higher by APRA, is keeping the Board's focus on the most appropriate level of dividend payout to shareholders. Following receipt of additional relevant information, the revised dividend policy will be finalised and an announcement made to shareholder members.

Outlook

A further interest rate reduction is possible in the remainder of the financial year and reflects the current cautious economic outlook. Competitive financial market conditions are expected to provide a challenging operating environment for IMB. Housing lending growth remains strong but highly competitive. It is expected that there will be continued pressure on the average interest margin but it should lift in the current half as the adverse impact of recent official interest rate reductions work through the system. The competition for both retail deposits and loans remains intense. To assist in countering any adverse effects at the operating level, IMB will continue to focus on costs and management of the asset and liability books.

Finally, IMB's strategy has been to position itself as the preferred partner in the inevitable rationalisation of the mutual Authorised Deposit Taking Institution sector that is anticipated to occur. Mergers between mutual ADIs based upon the transfer of business methodology avoid the usual premium associated with such transactions, providing a good platform to create a stronger combined entity for the benefit of all IMB stakeholders. A key part of our readiness to participate in mergers has been to optimise the efficiency of our business model and to refine our mutual structure. Both these actions have been priorities over the recent period. It is pleasing to report that IMB Bank has been chosen as the preferred merger partner with Sutherland Credit Union. This is a wonderful opportunity to double our footprint in the Sutherland Shire where IMB already has three branches. The merger will be effected by a transfer of business and will add an additional \$200m in assets and bring 10,000 members to IMB that will benefit from IMB's broader and competitively priced range of products and services. It is anticipated the merger will be completed around the close of FY2016.

IMB recorded strong support from its member base for its core business activity of home lending. Total loans lifted by \$70 million, a 1.9% increase on FY2015.



MJ Cole, Chairman

IMB LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

AS AT 31 DECEMBER 2015

The directors have pleasure in presenting their report together with the consolidated interim financial report for the six months ended 31 December 2015 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 2015 are:

Name	Period of directorship
Michael John Cole, Chairman	Director since 2003, appointed Chairman Oct 2007
Noel Harold Cornish, Deputy Chairman	Director since 2010, appointed Deputy Chairman Oct 2015
Kieran Robert Biddle	Director since 2007, Deputy Chairman Oct 2014 – Oct 2015
James Randolph Coleman	Director since 2012
Robert Hillis Page Elvy	Director since 2008
Jan Margaret Swinhoe	Director since 2014
Margaret Elizabeth Towers	Director since 2011

REVIEW OF OPERATIONS

Members are referred to the Chairman's Review.

INTERIM DIVIDEND

Members are referred to the Chairman's Review.

LIKELY DEVELOPMENTS

On 1 December 2015 the Company announced plans to merge with Sutherland Credit Union Limited (The Shire...Local Banking). The merger is to be undertaken by way of a voluntary transfer of the business of The Shire...Local Banking to the Company in accordance with legislation administered by APRA. Under the merger, all members of The Shire...Local Banking on the date of the transfer will become members of the Company.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 15 and forms part of the directors' report for the six months ended 31 December 2015.

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 2016.

Signed in accordance with a resolution of the directors:



MJ Cole, Chairman



RHP Elvy, Director

IMB LTD AND ITS CONTROLLED ENTITIES

CONDENSED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Consolidated	
	31 Dec 2015 \$000	31 Dec 2014 \$000
Interest revenue	111,072	118,920
Interest expense	(60,135)	(69,350)
Net interest income	50,937	49,570
Impairment recoveries/(losses)	62	(185)
Net interest income after impairment losses	50,999	49,385
Revenue from land development	-	3,560
Fee and commission income	6,738	6,661
Other income	409	382
Net operating income	58,146	59,988
Land development expense	-	(3,561)
Operating expenses	(38,182)	(35,582)
Profit before tax	19,964	20,845
Income tax expense	(6,024)	(6,299)
Profit for the period attributable to members of the Company	13,940	14,546

The condensed interim income statement is to be read in conjunction with the condensed notes set out on pages 9 to 12.

IMB LTD AND ITS CONTROLLED ENTITIES

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Consolidated	
	31 Dec 2015 \$000	31 Dec 2014 \$000
Profit for the period	13,940	14,546
Other comprehensive income/(expense):		
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of available for sale investments	(2,101)	(28)
Net change in fair value of cash flow hedges	(8)	-
Net change in fair value of available for sale investments transferred to profit and loss	(665)	(502)
Total other comprehensive income for the period, net of income tax	(2,774)	(530)
Total comprehensive income for the period	11,166	14,016

Amounts are stated net of tax.

The condensed interim statement of comprehensive income is to be read in conjunction with the condensed notes set out on pages 9 to 12.

IMB LTD AND ITS CONTROLLED ENTITIES

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Consolidated	
	31 Dec 2015 \$000	30 June 2015 \$000
ASSETS		
Cash and cash equivalents	58,913	44,398
Available for sale investments	994,166	882,351
Loans and receivables to ADIs	335,086	280,759
Loans and receivables to members	3,816,978	3,746,949
Other financial assets	505	505
Property, plant and equipment	8,418	8,545
Intangible assets	1,252	1,216
Net deferred tax assets	3,783	3,079
Other assets	7,845	7,361
Total assets	5,226,946	4,975,163
LIABILITIES		
Trade and other payables	23,069	28,297
Deposits	4,243,095	4,038,803
Securitised loans funding	608,720	562,680
Interest bearing liabilities	44,916	44,971
Derivative liabilities	54	42
Current tax liabilities	1,286	1,487
Provisions	8,039	7,501
Total liabilities	4,929,179	4,683,781
Net assets	297,767	291,382
EQUITY		
Share capital	37,460	37,460
Reserves	29,460	31,991
Retained earnings	230,847	221,931
Total equity attributable to members of the Company	297,767	291,382

The condensed interim statement of financial position is to be read in conjunction with the condensed notes set out on pages 9 to 12.

IMB LTD AND ITS CONTROLLED ENTITIES

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Note	Consolidated	
		31 Dec 2015 \$000	31 Dec 2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		108,987	118,432
Other cash receipts in the course of operations		11,305	6,322
Interest paid on deposits		(63,426)	(70,685)
Net increase in deposits		207,580	182,152
Income taxes paid		(6,929)	(7,199)
Net loans funded		(69,967)	(18,900)
Other cash payments in the course of operations		(46,443)	(35,594)
Net cash flows from operating activities		141,107	174,528
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for available for sale investments		(166,821)	(61,340)
Expenditure on property, plant and equipment, and intangibles		(987)	(1,745)
Proceeds from sale of property, plant and equipment		12	67
Net cash flows from investing activities		(167,796)	(63,018)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds/(repayments) from securitised loans funding		46,040	(104,802)
Net (payments for)/proceeds from interest bearing liabilities		(55)	25
Own shares acquired		-	(53)
Dividends paid	5	(4,781)	(5,230)
Net cash flows from financing activities		41,204	(110,060)
Net increase in cash and cash equivalents held		14,515	1,450
Cash and cash equivalents at 1 July		44,398	50,466
Cash and cash equivalents at 31 December	6	58,913	51,916

The condensed interim statement of cash flows is to be read in conjunction with the condensed notes set out on pages 9 to 12.

IMB LTD AND ITS CONTROLLED ENTITIES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Consolidated						
<i>In thousands of AUD</i>	Share capital	Available for sale investments revaluation reserve	Cash flow hedge reserve	General reserve for credit losses	General reserve	Retained earnings	Total equity
Balance at 1 July 2014	40,989	5,062	-	2,834	25,255	210,562	284,702
Total comprehensive income for the period							
Profit after tax	-	-	-	-	-	14,546	14,546
Other comprehensive income							
Net revaluation movement due to change in fair value	-	(28)	-	-	-	-	(28)
Net change in fair value transferred to profit and loss	-	(502)	-	-	-	-	(502)
Total other comprehensive income	-	(530)	-	-	-	-	(530)
Total comprehensive income for the period	-	(530)	-	-	-	14,546	14,016
Transfer from retained profits	-	-	-	45	-	(45)	-
Transactions with owners, recorded in equity							
Own shares acquired	-	-	-	-	-	(53)	(53)
Dividends to shareholder members	-	-	-	-	-	(5,230)	(5,230)
Balance at 31 December 2014	40,989	4,532	-	2,879	25,255	219,780	293,435
Balance at 1 July 2015	37,460	3,566	(30)	3,200	25,255	221,931	291,382
Total comprehensive income for the period							
Profit after tax	-	-	-	-	-	13,940	13,940
Other comprehensive income							
Net revaluation movement due to change in fair value	-	(2,101)	(8)	-	-	-	(2,109)
Net change in fair value transferred to profit and loss	-	(665)	-	-	-	-	(665)
Total other comprehensive income	-	(2,766)	(8)	-	-	-	(2,774)
Total comprehensive income for the period	-	(2,766)	(8)	-	-	13,940	11,166
Transfer from retained profits	-	-	-	243	-	(243)	-
Transactions with owners, recorded in equity							
Own shares acquired	-	-	-	-	-	-	-
Dividends to shareholder members	-	-	-	-	-	(4,781)	(4,781)
Balance at 31 December 2015	37,460	800	(38)	3,443	25,255	230,847	297,767

Amounts are stated net of tax. The condensed interim statement of changes in equity is to be read in conjunction with the condensed notes set out on pages 9 to 12.

IMB LTD AND ITS CONTROLLED ENTITIES

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

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 2015 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 2015 is available upon request from the Company's registered office at 253-259 Crown Street, Wollongong or at 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 2015.

This consolidated interim financial report was approved by the Board of Directors on 28 January 2016.

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 2015.

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 2015.

5 DIVIDENDS

	Dec 2015 \$000	Dec 2014 \$000
Fully franked final dividend declared on 26 August 2014 - \$0.15 per share franked to 100% at a tax rate of 30% paid on 4 September 2014 on 34,863,795 shares	-	5,230
Fully franked final dividend declared on 26 August 2015 - \$0.15 per share franked to 100% at a tax rate of 30% paid on 3 September 2015 on 31,873,148 shares	4,781	-
	4,781	5,230

5 DIVIDENDS (CONTINUED)

Subsequent events:

On 28 January 2016, the Board declared an interim dividend of 10 cents per share amounting to \$3,187,000 franked to 100% at a tax rate of 30%, in respect to the six months ended 31 December 2015. The dividend is payable on 28 February 2016. 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 2015 and will be recognised in the subsequent financial report.

6 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash

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

	Dec 2015 \$000	Dec 2014 \$000
Cash controlled by the Group	25,471	16,694
Cash controlled by SPEs	33,442	35,222
Total	58,913	51,916

7 FAIR VALUE

Fair value

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

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

Financial instruments carried at fair value

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

Financial instruments carried at amortised cost

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

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Fair value hierarchy

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

31 DECEMBER 2015	Carrying Amount \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total consolidated \$000
Financial assets measured at fair value					
Available for sale financial assets	994,166	-	994,166	-	994,166
	994,166				
Financial assets not measured at fair value					
Cash and cash equivalents	58,913				
Loans to other ADIs	335,086				
Loans and receivables to members	3,816,978	-	3,824,275	-	3,824,275
Equity investments held at cost	505				
Trade and other receivables	7,845				
	4,219,327				
Financial liabilities measured at fair value					
Derivative financial liabilities held for risk management	54	-	54	-	54
	54				
Financial liabilities not measured at fair value					
Deposits	4,243,095	-	4,248,148	-	4,248,148
Securitised loan funding	608,720				
Loan capital	44,916				
Trade and other payables	23,069				
	4,919,800				

31 DECEMBER 2014	Carrying Amount \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total consolidated \$000
Financial assets measured at fair value					
Available for sale financial assets	797,021	-	797,021	-	797,021
	797,021				
Financial assets not measured at fair value					
Cash and cash equivalents	51,916				
Loans to other ADIs	318,531				
Loans and receivables to members	3,717,423	-	3,729,454	-	3,729,454
Equity investments held at cost	505				
Trade and other receivables	6,701				
	4,095,076				

7 FAIR VALUE (CONTINUED)

Financial liabilities measured at fair value					
Derivative financial liabilities held for risk management	-	-	-	-	-
Financial liabilities not measured at fair value					
Deposits	3,936,834	-	3,945,122	-	3,945,122
Securitised loan funding	595,841				
Loan capital	44,945				
Trade and other payables	26,835				
	4,604,455				

Valuation techniques

Financial instruments classified as available for sale are valued by a market comparison technique of like securities, using market interest rates and credit trading margins. Deposits and loans are valued by means of a discounted cash flow model which considers the present value of future cash flow, the discount factors are derived from the term structure of interest rates corresponding to the term of the cash flow being present valued. A yield curve is constructed from benchmark market rates. Also, for fixed rate mortgages, cash flows are adjusted for the effect of principal prepayment.

Interest rates used for determining fair value

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

	2015	2014
Derivatives	2.21% - 2.46%	n/a
Loans and borrowings	2.00% - 2.46%	2.50% - 3.14%

8 RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2015 annual financial report.

9 EVENTS SUBSEQUENT TO REPORTING DATE**Dividends**

For dividends declared by IMB Ltd after 31 December 2015 refer to note 5.

Other

There were no other events subsequent to balance date.

IMB LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

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

1. the financial statements and notes set out on pages 4 to 12, 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 2015 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 2016.

Signed in accordance with a resolution of the directors:



MJ Cole, Chairman



RHP Elvy, Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMB LTD



We have reviewed the accompanying interim financial report of IMB Ltd, which comprises the condensed interim statement of financial position as at 31 December 2015, condensed interim statement of comprehensive income, condensed interim income statement and condensed interim statement of changes in equity and condensed interim statement of cash flows for the interim period ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the interim period 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 of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditors' 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 a Financial Report 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 2015 and its performance for the

IMB INTERIM REPORT 2015

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 2015 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

Warwick Shanks
Partner

Dated at Wollongong this 28th day of January 2016

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 interim period ended 31 December 2015 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 'KPMG' with a horizontal line underneath.

KPMG

A handwritten signature in black ink, appearing to read 'Warwick Shanks'.

Warwick Shanks
Partner

Dated at Wollongong this 28th day of January 2016.

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 the Chairperson of the Corporate Governance and Remuneration Committee and the Capital and Securitisation Committee. Mr Cole is a member of the IMB Financial Planning Committee and an ex-officio member of the Audit Committee, Risk 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.

Noel Harold Cornish

BSC (MET) M ENGSC

Mr Cornish has been a director since 2010 and was elected Deputy Chairman in October 2015. Mr Cornish is a member of the Corporate Governance and Remuneration Committee, Capital and Securitisation Committee and Land Development Committee. As well as being Deputy Chairman of IMB Ltd, Mr Cornish is also Deputy Chairman of all entities wholly owned by IMB Ltd.

Kieran Robert Biddle

DIP.LAW SAB SPEC – ACC BUS GAICD

Mr Biddle has been a director since 2007 and held the position of Deputy Chairman from October 2014 until October 2015. Mr Biddle is the Chairperson of the Land Development Committee and IMB Community Foundation Committee and is a member of the Corporate Governance and Remuneration Committee and the Capital and Securitisation Committee. As well as being a director of IMB Ltd, Mr Biddle is also director of all entities wholly owned by IMB Ltd.

James Randolph Coleman

BA MBA GAICD

Mr Coleman has been a director since 2012. Mr Coleman is a member of the Risk Committee, the Land Development Committee and the Audit Committee. As well as being a director of IMB Ltd, Mr Coleman 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. Mr Elvy is the Chairperson of the Audit Committee and is a member of the Risk Committee and the Land Development Committee. As well as being a director of IMB Ltd, Mr Elvy is also a director of all entities wholly owned by IMB Ltd.

Jan Margaret Swinhoe

BSC (HONS) AIAA GAICD

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

Margaret Elizabeth Towers

CA GAICD

Ms Towers has been a director since 2011. Ms Towers is the Chairperson of the Risk Committee and the IMB Financial Planning Committee and a member of the Audit Committee and the IMB Community Foundation Committee. As well as being a director of IMB Ltd, Ms Towers is also a director of all entities wholly owned by IMB Ltd.

STATISTICAL HIGHLIGHTS

AS AT 31 DECEMBER 2015

		Consolidated	
		2015	2014
Net assets/total assets	%	5.7	6.0
Risk weighted capital adequacy	%	15.6	16.2
APRA high quality liquid assets	%	24.5	20.7
Total liquidity	%	30.3	26.8
Non interest expenses/operating income	%	65.7	65.3
for the half year ended 31 December			
Annualised after tax return on			
- average total assets	%	0.5	0.6
- average net assets	%	9.4	9.9
Interim dividend per share*	cents	10.0	10.0

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

INTERIM FINANCIAL REPORT

31 DECEMBER 2015



IMB Ltd trading as IMB Bank ABN 92 087 651 974