

IMB Ltd Annual General Meeting 2011

Chairman's Address

Michael Cole

Solid Performance

- ❑ Volatility in financial markets to be lowered by de-risking activities of ADIs
- ❑ Potential return for shareholders investing in banks has changed post GFC
- ❑ Banking regulation likely to increase
- ❑ Target capital ratio of 15%
- ❑ Dividends
- ❑ Capital Structure Review
- ❑ Director renewal

Strong Foundations.

Strong Future.

Chief Executive's Address

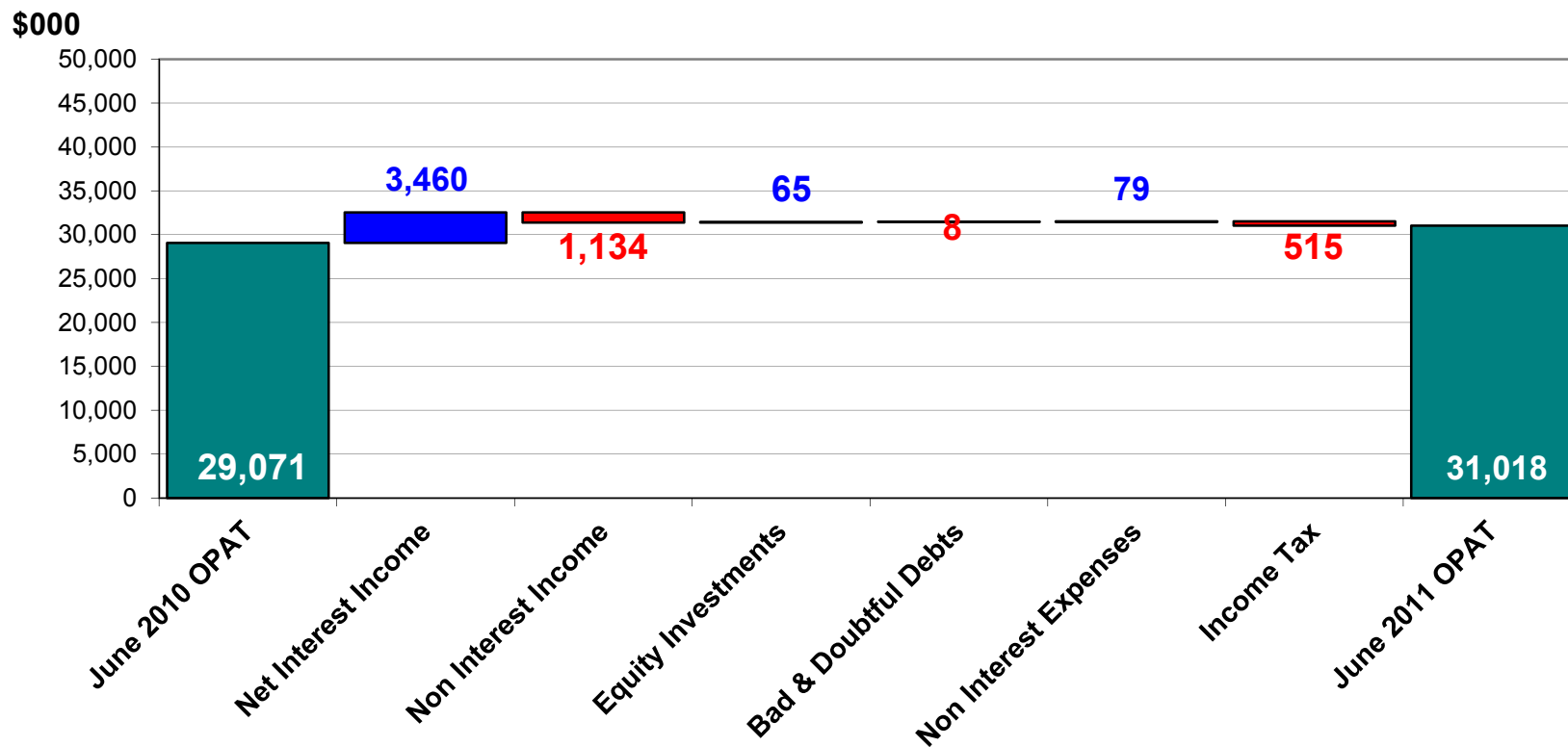
Robert Ryan

Performance Summary

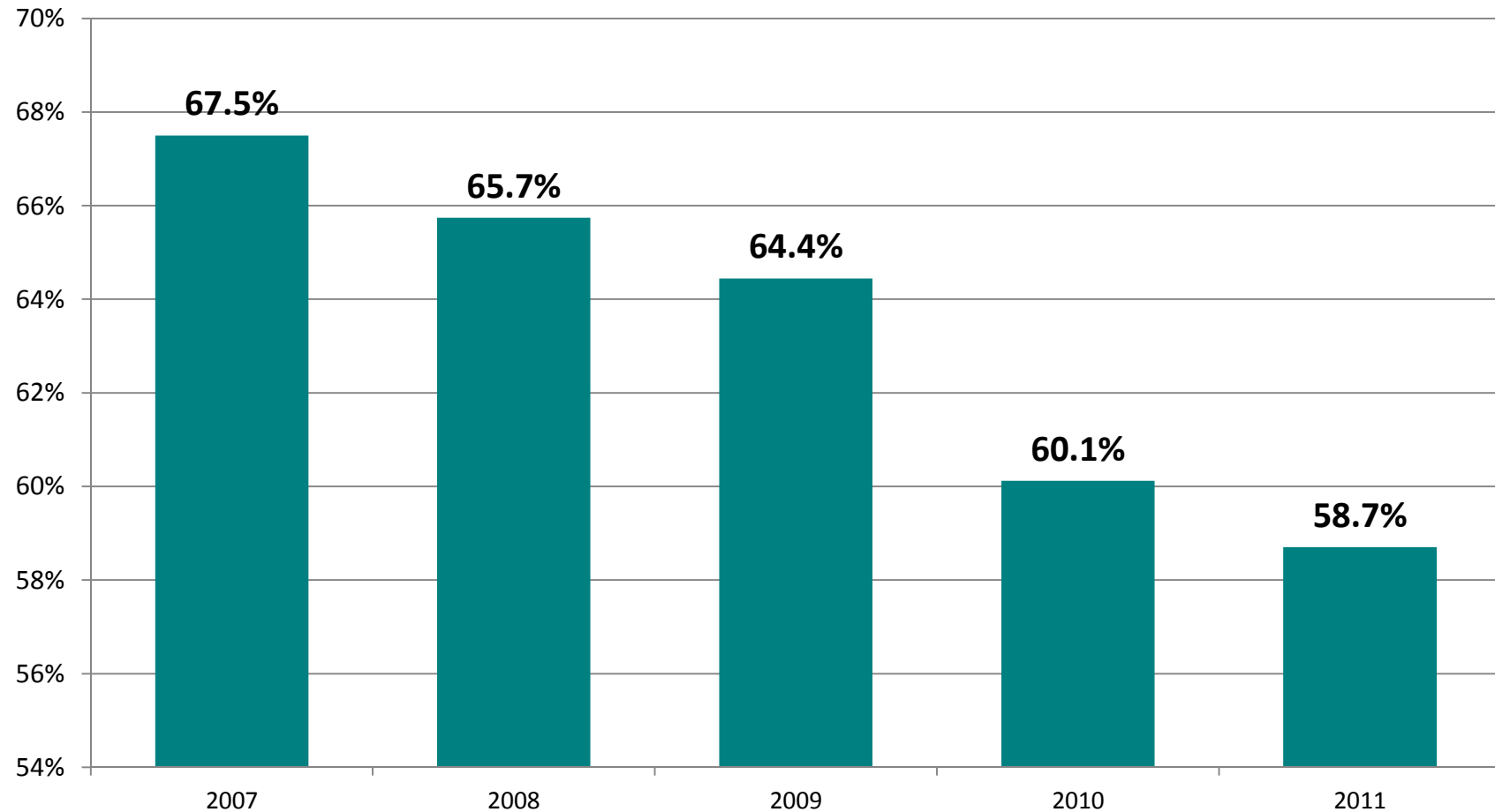
Profit: \$31.0 million after tax	✓ Up \$1.9M or 6.7%
Total assets: \$4.8 billion	✓ Increase of \$116M or 2.5%
Deposits: \$3.5 billion	✓ Grew by \$164M or 4.9%
Loan approvals: \$826 million	✓ Up \$101M or 14.0%
Efficiency Ratio: 58.7%	✓ Improved from 60.1 %
Return on Equity	✓ 13.5%
Capital and liquidity	✓ Maintained
Members	✓ 12,000 new members joined IMB
Member Satisfaction	✓ 96%



Profitability

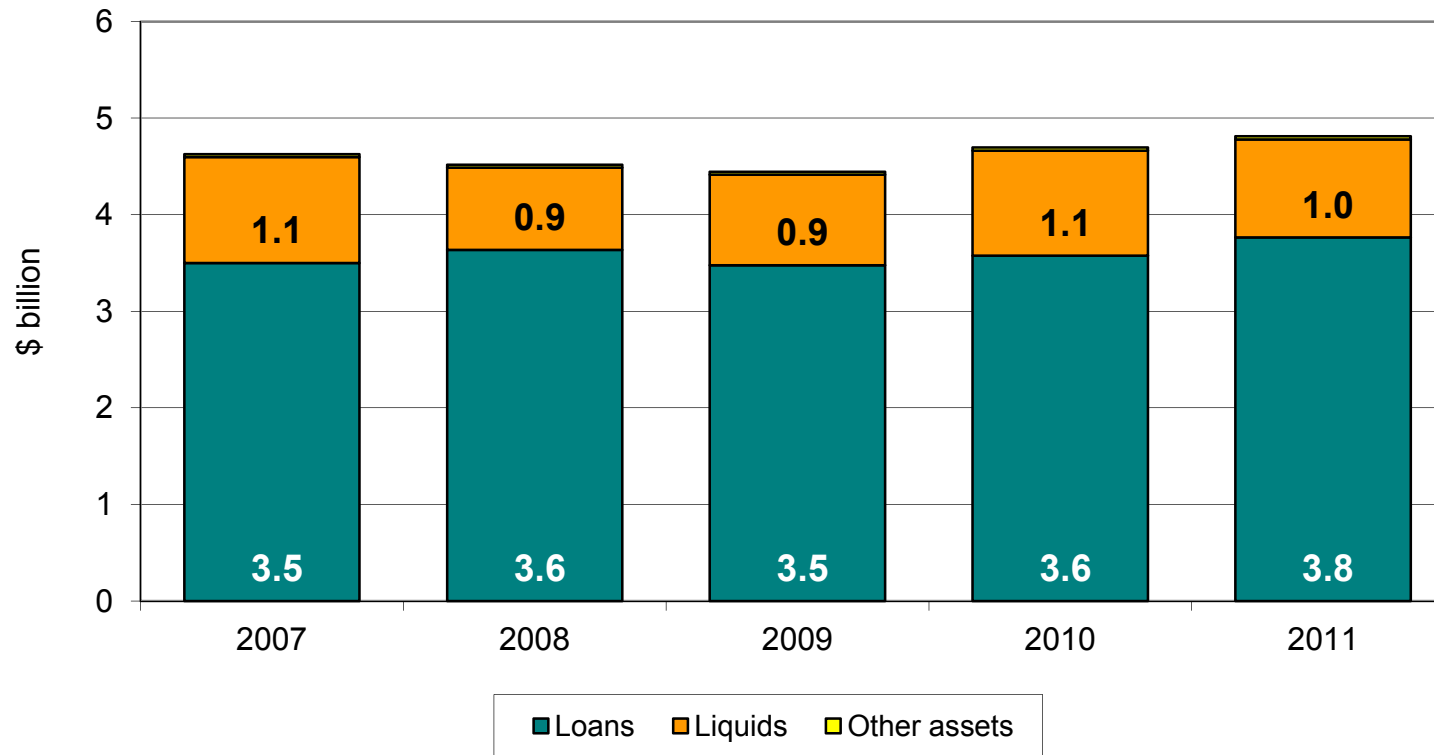


Improved Efficiency Ratio



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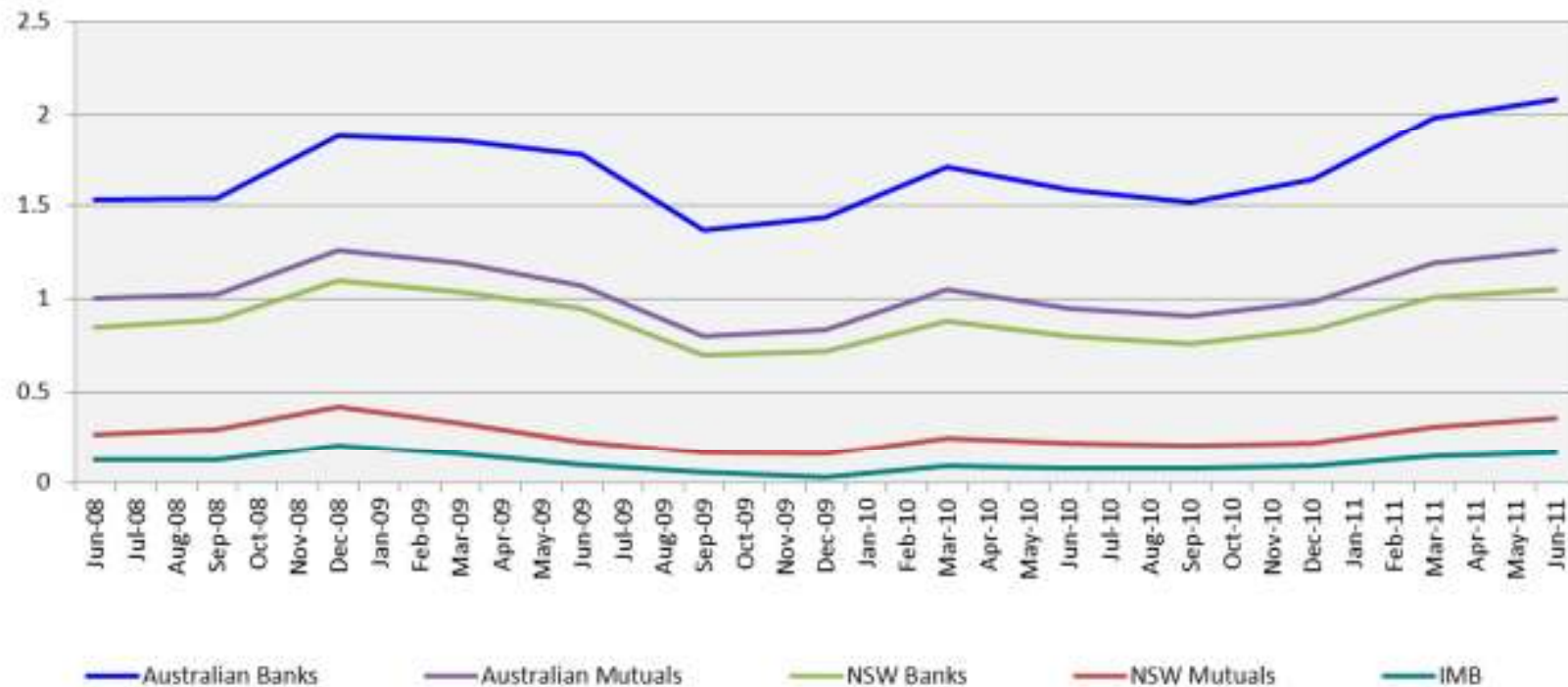
Assets



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Asset quality remains strong

QBE LMI Quarterly Arrears Survey - June 2011
 IMB Compared to All Mutuals & Banks in NSW & Australia
 % of loans greater than 2 months in arrears

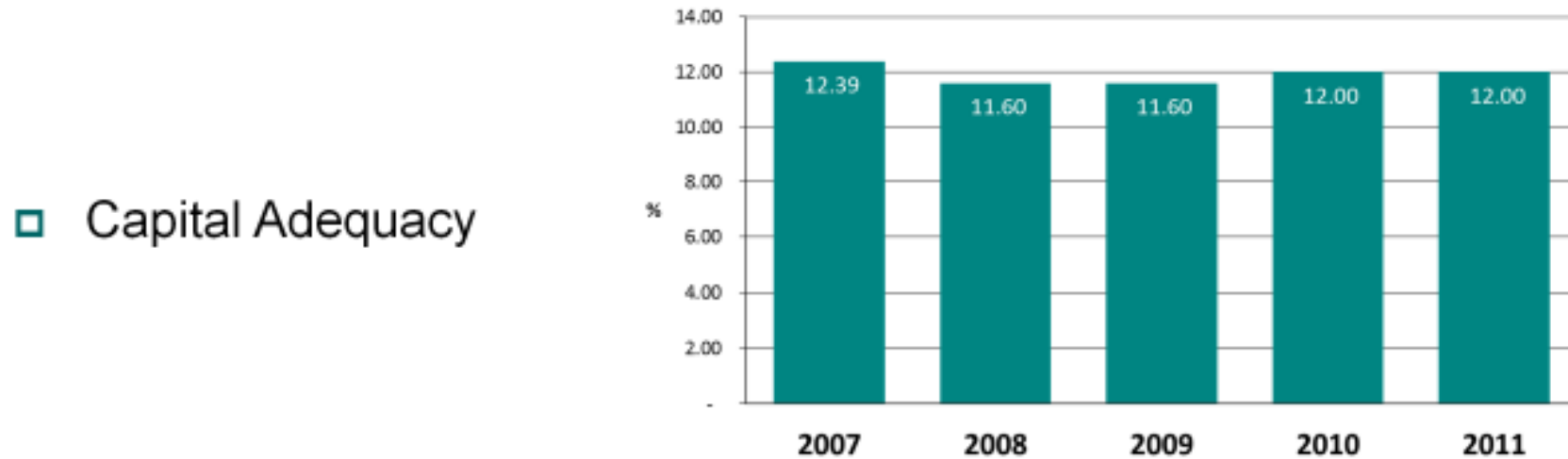
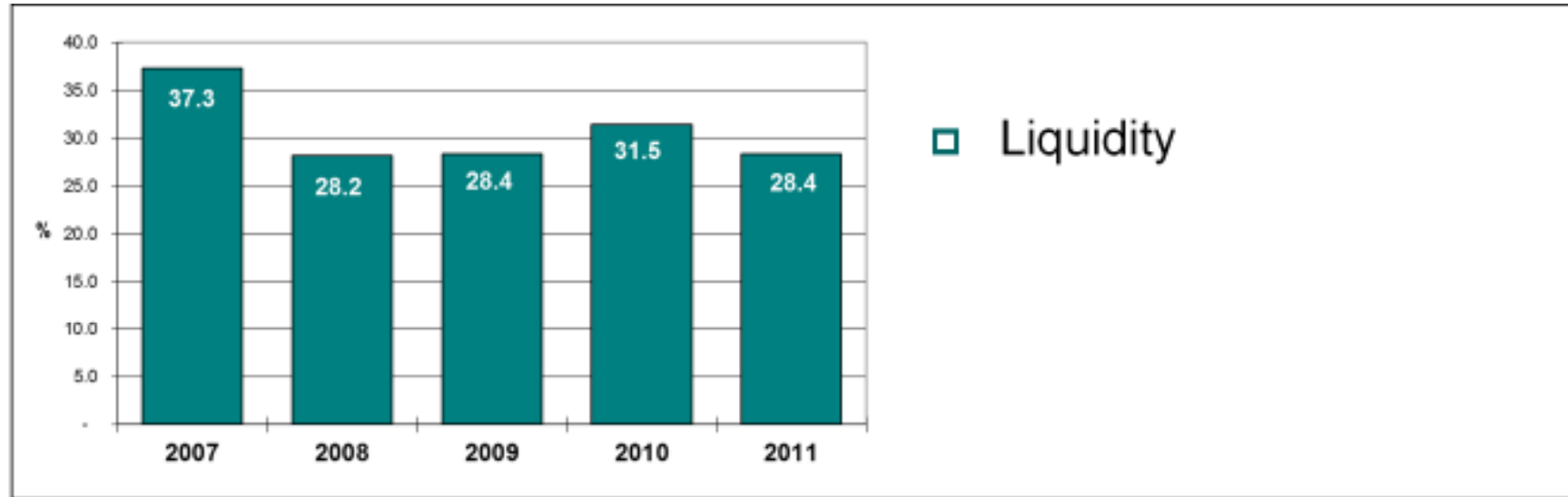


The QBE LMI Arrears Survey is derived from data received quarterly. 6 Banks and 20 Credit Unions/Building Societies have supplied data for the June 2011 Survey.



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Liquidity and Capital



First choice alternative to the banks

- ❑ Refreshed strategy
- ❑ IMB will remain a profitable, independent, member owned financial institution that will focus on identifying and fulfilling the needs of its members.
- ❑ Key to IMB's strategy:
 - Growing members
 - Maintaining profitability
 - Maintaining high satisfaction levels
 - Delivering value to all stakeholders



Delivering Strategy

- ❑ New branches at University of Wollongong and Gungahlin
- ❑ Enhanced customer relationship management software
- ❑ Visa chip cards
- ❑ Verified by Visa and increased fraud protection
- ❑ Upgraded Internet Banking and mobile banking application



Strategy 2012-14

- ❑ Continued expansion of branch network
 - ACT
 - Sutherland Shire
- ❑ Review structure of IMB Direct
- ❑ Online
 - SMS alerts
 - Online identity verification
- ❑ Business Banking a key opportunity
- ❑ Invest in our people
- ❑ Invest in IT
- ❑ Mutual Bank



IMB remains cautiously optimistic

- ❑ Strong core banking operation will underpin performance
 - ✓ Stable net interest margin
 - ✓ Sound credit conditions
 - ✓ Disciplined approach to cost containment

- ❑ IMB remains a strong and secure mutual financial institution providing our members with a competitive alternative to the banks



