

A young couple is shown outdoors, smiling and looking at a smartphone held by the man. The woman has her hair in a bun and is wearing a white polka-dot shirt. The man is wearing a dark blue t-shirt and a watch. The background is a blurred outdoor setting with trees and a yellow car.

# 2025 INTERIM FINANCIAL REPORT

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## **Acknowledgement of Country**

IMB Bank acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past and present, and emerging cultural knowledge holders.

# A message from our CHAIR AND CHIEF EXECUTIVE

**Catherine Aston** Chair | **Robert Ryan** Chief Executive



We are pleased to present IMB Bank's interim financial results for the half year ended 31 December 2025. Throughout this period, Australia's economy has remained resilient despite ongoing global challenges, and IMB has demonstrated another period of sustained positive performance.

## Financial performance

Net profit after tax for the first half was \$19.2 million, representing a 7% increase compared to the same period in the previous year, and the balance sheet continues to grow with total assets now reaching \$9bn, also up 7% on the result for FY25.

The broader results to 31 December 2025 reflect IMB Bank's ongoing commitment to operational efficiency by ensuring fair returns for depositors, offering attractive rates to borrowers, upholding prudent lending standards, and managing costs effectively, all while investing in initiatives that improve members' banking experience.

Since 30 June 2025, the loan portfolio grew by 6%, driven primarily by IMB Bank's direct

channels and outperforming system growth levels. Pleasingly, loan quality continues to be excellent, and arrears are well below industry averages indicating a favourable environment for our borrowers.

The average interest margin of 2.3% remains strong and in line with the FY25 result reported at 30 June 2025.

Operating expenses were well managed, keeping the cost-to-income ratio in line with the previous corresponding period. We have continued to strategically invest in technology and process improvements to enhance operational efficiency, improve member experience, and support sustainable growth, so that IMB Bank remains resilient, ready for new opportunities, and able to deliver lasting value to members and communities.

IMB's liquidity and capital positions are strong, with high quality liquid assets at approximately 17.2% and a total capital adequacy ratio of 15.6%, both comfortably exceeding regulatory requirements and

## A message from our CHAIR AND CHIEF EXECUTIVE continued

providing a solid foundation for the remainder of the financial year.

During the period, we progressed important capital management initiatives, including the successful completion of a \$7.5 million off market share buyback in October 2025. IMB's seventh off market share buyback had strong demand and was oversubscribed. As a result, IMB bought back 2.74 million shares (11.35%) of the shares on issue. With this most recent transaction, IMB has bought back 18.54 million shares since the inception of the program, representing nearly 50% of the issued capital at that time. We will continue to explore further share buybacks where capital levels allow for it.

To boost capital and strengthen our funding base that supports ongoing lending growth IMB subsequently completed a \$500m residential Mortgage-Backed Securities (RMBS) term issue in late 2025.

### Strategy and Operations

We made pleasing progress in both strategic and operational areas,

 We remain committed to generating positive outcomes for our members and their communities, all while striving to reduce IMB Bank's environmental impact by setting meaningful targets to lower emissions.

demonstrating our ongoing commitment to providing good value products, excellent service and security.

Our focus on safeguarding members extends to active participation in industry-wide reforms and initiatives, including the Scam-Safe Accord and the Scam Prevention Framework through which we are strengthening our defences against scams and fraudulent activities. This commitment requires an increased investment in advanced anti-scam and fraud controls, so that we can be proactive in addressing emerging threats and are better equipped to provide timely assistance and guidance to members affected by scams or fraud.

Among the standout initiatives completed during FY26 H1 was the rollout of payee name confirmation technology within digital banking, which is an important step forward to protect members from payment fraud and scam-related threats. We also launched biometric identity verification for online deposit accounts, which enhances security and makes processes more convenient for our new members and helps to combat identity theft and related fraud.

We broadened our selection of transaction fee-free deposit accounts to provide members with enhanced access to low-cost everyday banking. Our deposit rates have remained competitive,



consistently matching or exceeding those offered by major banks, ensuring our members benefit from fair returns and good value banking solutions.

IMB Bank is exploring ways to use artificial intelligence (AI) to support efficiency, convenience and overall performance. Our aim is to develop solutions to help our customer service staff serve our members more

efficiently and to offer banking services that are more personalised to their unique needs.

We remain committed to generating positive outcomes for our members and their communities, all while striving to reduce IMB Bank's environmental impact by setting meaningful targets to lower emissions. We have retained our Climate Active

carbon-neutral certification and are developing a Climate Transition Plan. This is a significant program of work which is progressing well as we prepare to release our first mandatory climate-related reporting requirements alongside our FY26 full-year results.

Through the IMB Bank Community Foundation we continued to support initiatives that promote

**A message from our**  
CHAIR AND CHIEF EXECUTIVE *continued*



community safety, wellbeing and opportunity, with a further 58 not-for-profit organisations sharing in over \$700,000 in Community Foundation grants. Over the past 26 years, the IMB Bank Community Foundation has awarded almost \$13 million in grants to fund 1,100 projects, helping to establish important social initiatives and lasting benefits in communities across NSW, the ACT, and Melbourne.

**Outlook**

Looking ahead, IMB Bank maintains an optimistic outlook regarding Australia's economic resilience. While inflation and global uncertainties may lead the Reserve Bank to keep interest rates steady or increase them in 2026, IMB Bank is well positioned to respond to these conditions. We will continue to invest in the bank's digital transformation and operational effectiveness to ensure we deliver exceptional service and value to our members. With strong capital and liquidity positions, and prudent risk management, we remain committed to supporting our members to thrive in the year ahead.

**CA Aston**

Chair

**RJ Ryan**

Chief Executive

# Directors' REPORT

AS AT 31 DECEMBER 2025

The directors have pleasure in presenting their report together with the consolidated interim financial report for the six months ended 31 December 2025 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 2025 are:

| Name                          | Period of directorship |
|-------------------------------|------------------------|
| Catherine Ann Aston, Chair    | Since 2016             |
| Brian Vincent Bissaker        | Since 2023             |
| Peter John Fitzgerald         | Since 2017             |
| Jann Angela Gardner           | Since 2020             |
| Christine Stewart Traquair    | Since 2022             |
| Harry Walter Wendt            | Since 2020             |
| Christopher Michael Whitehead | Since 2021             |

## Review of operations

Members are referred to the Chair's and CEO's Report on page 1.

## Interim dividend

Members are referred to Note 5 to the financial statements.

## Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 22 and forms part of the directors' report for the six months ended 31 December 2025.

## Rounding of amounts

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

Dated at Wollongong this 4th day of February 2026.

Signed in accordance with a resolution of the directors:



**CA Aston**  
Chair



**PJ Fitzgerald**  
Director

# Consolidated Interim PROFIT OR LOSS STATEMENT

for the interim period ended 31 December 2025

|   | Consolidated  |   |
|---|---|---|
|   | For the six<br>months ended<br>31 Dec 2025<br>\$000 | For the six<br>months ended<br>31 Dec 2024<br>\$000 |
| Interest revenue  | 228,591   | 230,208   |
| Interest expense  | (130,807)   | (138,626)   |
| Net interest income   | 97,784  | 91,582  |
| Fee and commission income   | 4,857   | 4,645   |
| Fee and commission expense  | (206)   | (201)   |
| Net fee and commission income   | 4,651   | 4,444   |
| Other income  | 651   | 813   |
| Net operating income  | 103,086   | 96,839  |
| Impairment (losses)/recoveries on financial<br>instruments              | (927)   | (527)   |
| Operating expenses  | (74,658)  | (70,646)  |
| <b>Profit before tax</b>  | <b>27,501</b>                                       | <b>25,666</b>                                       |
| Income tax expense  | (8,282)   | (7,727)   |
| <b>Profit for the period attributable to members<br/>of the Company</b> | <b>19,219</b>                                       | <b>17,939</b>                                       |

The consolidated interim profit or loss statement is to be read in conjunction with the condensed notes set out on pages 12 to 18.

# Consolidated Interim STATEMENT OF COMPREHENSIVE INCOME

for the interim period ended 31 December 2025

|  | Consolidated  |   |
|--|---|---|
|  | For the six<br>months ended<br>31 Dec 2025<br>\$000 | For the six<br>months ended<br>31 Dec 2024<br>\$000 |
| <b>Profit for the period</b>   | <b>19,219</b>                                       | 17,939  |
| <b>Other comprehensive income/(expense):</b>   |   |   |
| <b>Items that will never be reclassified to profit or loss:</b>                                |   |   |
| Net change in fair value of other investments at FVOCI   | <b>457</b>  | 155   |
| <i>Total items that will never be reclassified to profit or loss</i>                           | <b>457</b>  | 155   |
| <b>Items that are or may be reclassified subsequently to profit or loss:</b>                   |   |   |
| Net change in fair value of derivative liabilities   | <b>(2,243)</b>                                      | 1,262   |
| Net change in fair value of investment debt securities at FVOCI                                | <b>106</b>  | 4,470   |
| Net change in fair value of investment debt securities at FVOCI transferred to profit and loss | <b>(24)</b>   | 22  |
| <i>Total items that may be reclassified subsequently to profit or loss</i>                     | <b>(2,161)</b>                                      | 5,754   |
| <b>Total other comprehensive income for the period, net of income tax</b>                      | <b>(1,704)</b>                                      | 5,909   |
| <b>Total comprehensive income for the period</b>   | <b>17,515</b>                                       | 23,848  |

Amounts are stated net of tax.

The consolidated interim statement of comprehensive income is to be read in conjunction with the condensed notes set out on pages 12 to 18.

# Consolidated Interim STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

|  | Consolidated         |                      |
|--|----------------------|----------------------|
|  | 31 Dec 2025<br>\$000 | 30 Jun 2025<br>\$000 |
| <b>ASSETS</b>  |                      |                      |
| Cash and cash equivalents                                  | 254,102              | 123,997              |
| Investment in debt securities                              | 1,236,662            | 1,238,906            |
| Deposits with other ADIs                                   | 43,791               | 65,479               |
| Loans and advances to customers                            | 7,362,936            | 6,919,330            |
| Other investments  | -                    | 1,069                |
| Other assets   | 26,997               | 18,842               |
| Derivative assets  | -                    | 718                  |
| Property, plant and equipment                              | 82,451               | 86,719               |
| Net deferred tax assets                                    | 6,954                | 6,181                |
| Intangible assets  | 6,208                | 6,846                |
| <b>Total Assets</b>  | <b>9,020,101</b>     | <b>8,468,087</b>     |
| <b>LIABILITIES</b>   |                      |                      |
| Trade and other payables                                   | 60,412               | 48,168               |
| Deposits   | 7,394,829            | 7,127,065            |
| Securitised loans funding                                  | 894,387              | 551,130              |
| Interest-bearing liabilities                               | 83,071               | 161,407              |
| Derivative liabilities                                     | 2,486                | -                    |
| Current tax liabilities                                    | 4,830                | 9,354                |
| Provisions   | 17,092               | 15,132               |
| <b>Total Liabilities</b>                                   | <b>8,457,107</b>     | <b>7,912,256</b>     |
| <b>Net Assets</b>  | <b>562,994</b>       | <b>555,831</b>       |
| <b>EQUITY</b>  |                      |                      |
| Share capital  | 25,121               | 28,324               |
| Reserves   | 76,424               | 77,823               |
| Retained earnings  | 461,449              | 449,684              |
| <b>Total equity attributable to members of the Company</b> | <b>562,994</b>       | <b>555,831</b>       |

The consolidated interim statement of financial position is to be read in conjunction with the condensed notes set out on pages 12 to 18.

# Consolidated Interim STATEMENT OF CASH FLOWS

for the interim period ended 31 December 2025

|   | Note | Consolidated                                      |   |
|---|------|---|---|
|   |      | For the six months ended<br>31 Dec 2025<br>\$'000 | For the six months ended<br>31 Dec 2024<br>\$'000 |
| <b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>   |      |   |   |
| Interest received   |      | 230,275   | 228,845   |
| Other cash receipts in the course of operations   |      | (2,266)   | 2,335   |
| Interest paid on deposits   |      | (144,959)   | (148,308)   |
| Net increase in deposits  |      | 282,154   | 106,370   |
| Income taxes paid   |      | (13,578)  | (3,223)   |
| Net loans funded to members   |      | (444,555)   | (10,246)  |
| Other cash payments in the course of operations   |      | (53,754)  | (70,873)  |
| <b>Net cash flows (used in)/from operating activities</b>   |      | <b>(146,683)</b>                                  | 104,900   |
| <b>CASH FLOWS FROM/(USED) IN INVESTING ACTIVITIES</b>   |      |   |   |
| Net redemptions of/(payments for) investment debt securities and loans and deposits with other ADIs |      | 24,836  | (169,833)   |
| Payments for property, plant and equipment, and intangibles   |      | (2,619)   | (2,064)   |
| Proceeds from sale of property, plant and equipment   |      | 248   | 1,487   |
| <b>Net cash flows from/(used in) investing activities</b>   |      | <b>22,465</b>                                     | (170,410)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |      |   |   |
| Repayments of securitised loans   |      | (336,607)   | (327,688)   |
| Proceeds from securitised loans funding   |      | 679,864   | 411,583   |
| Repayments of interest-bearing liabilities  |      | (314,038)   | (199,894)   |
| Proceeds from interest-bearing liabilities  |      | 238,862   | 200,011   |
| Repayments of lease liabilities   |      | (3,406)   | (3,486)   |
| Own shares acquired   | 6    | (7,579)   | (24)  |
| Dividends paid  | 5    | (2,773)   | (2,290)   |
| <b>Net cash flows from financing activities</b>   |      | <b>254,323</b>                                    | 78,212  |
| Net increase in cash and cash equivalents held  |      | 130,105   | 12,702  |
| Cash and cash equivalents at 1 July   |      | 123,997   | 179,571   |
| <b>Cash and cash equivalents at 31 December</b>   | 8    | <b>254,102</b>                                    | 192,273   |

The consolidated interim statement of cash flows is to be read in conjunction with the condensed notes set out on pages 12 to 18.

# Consolidated Interim STATEMENT OF CHANGES IN EQUITY

for the interim period ended 31 December 2025

| \$'000   | Consolidated  |                    |                         |                                   |                 |                              |                   |                |
|--|---------------|--------------------|-------------------------|-----------------------------------|-----------------|------------------------------|-------------------|----------------|
|  | Share capital | Fair value reserve | Cash flow hedge reserve | General reserve for credit losses | General reserve | Transfer of business reserve | Retained earnings | Total equity   |
| <b>Balance at 1 July 2024</b>                                      | <b>28,324</b> | <b>(708)</b>       | <b>(1,760)</b>          | <b>8,014</b>                      | <b>25,255</b>   | <b>37,560</b>                | <b>416,922</b>    | <b>513,607</b> |
| <b>Total comprehensive income for the period</b>                   |               |                    |                         |                                   |                 |                              |                   |                |
| Profit after tax   | -             | -                  | -                       | -                                 | -               | -                            | 17,939            | 17,939         |
| <b>Other comprehensive income</b>                                  |               |                    |                         |                                   |                 |                              |                   |                |
| Net revaluation movement due to change in fair value               | -             | 4,625              | 1,262                   | -                                 | -               | -                            | -                 | 5,887          |
| Investment debt securities at FVOCI reclassified to profit or loss | -             | 22                 | -                       | -                                 | -               | -                            | -                 | 22             |
| Total other comprehensive income                                   | -             | 4,647              | 1,262                   | -                                 | -               | -                            | -                 | 5,909          |
| Total comprehensive income for the period                          | -             | 4,647              | 1,262                   | -                                 | -               | -                            | 17,939            | 23,848         |
| Transfer from retained earnings                                    | -             | -                  | -                       | 244                               | -               | -                            | (244)             | -              |
| <b>Transactions with owners, recorded in equity</b>                |               |                    |                         |                                   |                 |                              |                   |                |
| Dividends to shareholder members                                   | -             | -                  | -                       | -                                 | -               | -                            | (2,290)           | (2,290)        |
| Own shares acquired  | -             | -                  | -                       | -                                 | -               | -                            | (24)              | (24)           |
| <b>Balance at 31 December 2024</b>                                 | <b>28,324</b> | <b>3,939</b>       | <b>(498)</b>            | <b>8,258</b>                      | <b>25,255</b>   | <b>37,560</b>                | <b>432,303</b>    | <b>535,141</b> |

# Consolidated Interim STATEMENT OF CHANGES IN EQUITY

for the interim period ended 31 December 2025

| \$'000   | Consolidated  |                    |                         |                                   |                 |                              |                   |                |
|--|---------------|--------------------|-------------------------|-----------------------------------|-----------------|------------------------------|-------------------|----------------|
|  | Share capital | Fair value reserve | Cash flow hedge reserve | General reserve for credit losses | General reserve | Transfer of business reserve | Retained earnings | Total equity   |
| <b>Balance at 1 July 2025</b>                                      | <b>28,324</b> | <b>5,483</b>       | <b>503</b>              | <b>9,022</b>                      | <b>25,255</b>   | <b>37,560</b>                | <b>449,684</b>    | <b>555,831</b> |
| <b>Total comprehensive income for the period</b>                   |               |                    |                         |                                   |                 |                              |                   |                |
| Profit after tax   | -             | -                  | -                       | -                                 | -               | -                            | 19,219            | 19,219         |
| <b>Other comprehensive income</b>                                  |               |                    |                         |                                   |                 |                              |                   |                |
| Net revaluation movement due to change in fair value               | -             | 563                | (2,243)                 | -                                 | -               | -                            | -                 | (1,680)        |
| Investment debt securities at FVOCI reclassified to profit or loss | -             | (24)               | -                       | -                                 | -               | -                            | -                 | (24)           |
| Total other comprehensive income                                   | -             | 539                | (2,243)                 | -                                 | -               | -                            | -                 | (1,704)        |
| Total comprehensive income for the period                          | -             | 539                | (2,243)                 | -                                 | -               | -                            | 19,219            | 17,515         |
| Transfer to/(from) retained earnings                               | -             | (852)              | -                       | 1,157                             | -               | -                            | (305)             | -              |
| <b>Transactions with owners, recorded in equity</b>                |               |                    |                         |                                   |                 |                              |                   |                |
| Dividends to shareholder members                                   | -             | -                  | -                       | -                                 | -               | -                            | (2,773)           | (2,773)        |
| Own shares acquired  | (3,203)       | -                  | -                       | -                                 | -               | -                            | (4,376)           | (7,579)        |
| <b>Balance at 31 December 2025</b>                                 | <b>25,121</b> | <b>5,170</b>       | <b>(1,740)</b>          | <b>10,179</b>                     | <b>25,255</b>   | <b>37,560</b>                | <b>461,449</b>    | <b>562,994</b> |

Amounts are stated net of tax. The consolidated interim statement of changes in equity is to be read in conjunction with the condensed notes set out on pages 12 to 18.

# Condensed Notes to the CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the interim period ended 31 December 2025

## 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 2025 comprises the Company and its subsidiaries (together referred to as the “Group”).

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

The consolidated annual financial report of the Group as at and for the year ended 30 June 2025 is available upon request from the Company’s registered office at 47 Burelli Street, Wollongong or at [www.imb.com.au](http://www.imb.com.au).

## 2 Statement of compliance

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

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2025.

This consolidated interim financial report was approved by the Board of Directors on 4th February 2026.

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

## 3 Use of judgements and estimates

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

In preparing the consolidated interim financial statements, other than the matters discussed below, the significant judgements made by management in applying the Group’s material accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2025.

### Provision for impairment – expected credit losses

While modest rate cuts began in 2025, recent inflation data shows price pressures remain stubborn, slowing the pace of disinflation. Inflation is still above the 2–3% target range, driven by persistent wage and cost pressures. The Reserve Bank of Australia is now less confident that the current interest rate setting is sufficiently restrictive to restrain inflation. With market expectations that the official cash rate may need to be increased in response, the management overlay at 31 December 2025 was increased to \$722,000 (30 June 2025: \$424,000).

## 4 Changes in material accounting policies

The material 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 2025.

## 5 Dividends

|   | For the six<br>months ended<br>Dec 2025<br>\$000 | For the six<br>months ended<br>Dec 2024<br>\$000 |
|---|--|--|
| Fully franked final dividend declared on 28 August 2024<br>- \$0.095 per share franked to 100% at a tax rate of 30% paid on 4 September 2024 on 24,110,261 shares | -  | 2,290  |
| Fully franked final dividend declared on 27 August 2025<br>- \$0.115 per share franked to 100% at a tax rate of 30% paid on 3 September 2025 on 24,110,261 shares | 2,773  | -  |
|   | 2,773  | 2,290  |

### Subsequent events

On 4 February 2026, the Board declared an interim dividend of 9.5 cents per share amounting to \$2,030,000 franked to 100% at a tax rate of 30%, in respect to the six months ended 31 December 2025. The dividend is payable on 11 February 2026. 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 2025 and will be recognised in the subsequent financial report.

## 6 Share buyback

During the half-year ended 31 December 2025, IMB completed a voluntary off-market share buyback of ordinary shares in accordance with its capital management strategy. The buyback was announced on 27 August 2025, opened on 16 September 2025, and closed on 17 October 2025, with settlement completed in late October.

- Number of shares bought back: 2,737,222
- Total consideration: \$7,499,994
- Buyback price: \$2.74 Calculated as the deemed market value adjusted for the tender discount (0%), consistent with ATO Class Ruling methodology (VWAP over 10 trading days prior to announcement, adjusted for S&P/ASX 200 movements).
- Capital and dividend components: The buyback price comprised a capital component (\$1.17) and a fully franked dividend component (\$1.57).
- Impact on equity: The total buyback consideration has been debited against retained earnings in accordance with AASB 132. Transaction costs associated with the buyback have also been recognised in equity.

The buyback does not affect IMB's regulatory capital adequacy, as ordinary shares ceased to be recognised as regulatory capital from 1 January 2025 under APRA APS 110.

## 7 ASL Share sale

On 1 August 2025, IMB completed the sale of its entire shareholding in Australian Settlements Limited (ASL) to Banking Circle S.A., following receipt of formal regulatory approval on 23 July 2025. The sale was executed under the Share Sale Agreement signed on 20 December 2024.

The carrying value at 30 June 2025 was \$1.069 million (classified as "Other Investments – held for sale" and measured at fair value through Other Comprehensive Income (FVOCI) under AASB 132). Sale proceeds received were \$1.721 million with the cumulative gain on sale of \$852,000, transferred from FVOCI to retained earnings upon completion (no impact on profit or loss).

## 8 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:

|                              |                |         |
|------------------------------|----------------|---------|
| Cash controlled by the Group | <b>168,810</b> | 123,533 |
| Cash controlled by SPEs      | <b>85,292</b>  | 68,740  |
| <b>Total</b>                 | <b>254,102</b> | 192,273 |

## 9 Fair Value

### Fair value

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

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

#### ***Financial instruments carried at fair value***

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

#### ***Financial instruments carried at amortised cost***

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

## Condensed Notes to the

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

### Fair value hierarchy

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

| 31 December 2025  | Carrying Amount<br>\$000 | Fair Value       |                  |                  | Total consolidated<br>\$000 |
|---|--------------------------|------------------|------------------|------------------|-----------------------------|
|   |                          | Level 1<br>\$000 | Level 2<br>\$000 | Level 3<br>\$000 |                             |
| <b>Financial assets measured at FVOCI</b>                 |                          |                  |                  |                  |                             |
| Investment in debt securities                             | 1,236,662                | -                | 1,236,662        | -                | 1,236,662                   |
| <b>Financial assets measured at amortised cost</b>        |                          |                  |                  |                  |                             |
| Cash and cash equivalents                                 | 254,102                  | 254,102          | -                | -                | 254,102                     |
| Deposits with other ADIs                                  | 43,791                   | -                | 43,791           | -                | 43,791                      |
| Loans and advances to customers                           | 7,362,936                | -                | -                | 7,383,821        | 7,383,821                   |
| <b>Financial liabilities measured at FVOCI</b>            |                          |                  |                  |                  |                             |
| Derivative financial liabilities held for risk management | 2,486                    | -                | 2,486            | -                | 2,486                       |
| <b>Financial liabilities measured at amortised cost</b>   |                          |                  |                  |                  |                             |
| Deposits  | 7,394,829                | -                | 7,395,718        | -                | 7,395,718                   |
| Securitised loan funding                                  | 894,387                  | -                | 894,387          | -                | 894,387                     |
| Interest-bearing liabilities                              | 83,071                   | -                | 83,071           | -                | 83,071                      |

| 30 June 2025  | Carrying Amount<br>\$000 | Fair Value       |                  |                  | Total consolidated<br>\$000 |
|---|--------------------------|------------------|------------------|------------------|-----------------------------|
|   |                          | Level 1<br>\$000 | Level 2<br>\$000 | Level 3<br>\$000 |                             |
| <b>Financial assets measured at FVOCI</b>               |                          |                  |                  |                  |                             |
| Investment in debt securities                           | 1,238,906                | -                | 1,238,906        | -                | 1,238,906                   |
| Other investments                                       | 1,069                    | -                | -                | 1,069            | 1,069                       |
| Derivative financial assets held for risk management    | 718                      | -                | 718              | -                | 718                         |
| <b>Financial assets measured at amortised cost</b>      |                          |                  |                  |                  |                             |
| Cash and cash equivalents                               | 123,997                  | 123,997          | -                | -                | 123,997                     |
| Deposits with other ADIs                                | 65,479                   | -                | 65,479           | -                | 65,479                      |
| Loans and advances to customers                         | 6,919,330                | -                | -                | 6,930,674        | 6,930,674                   |
| <b>Financial liabilities measured at amortised cost</b> |                          |                  |                  |                  |                             |
| Deposits  | 7,127,065                | -                | 7,135,955        | -                | 7,135,955                   |
| Securitised loan funding                                | 551,130                  | -                | 551,130          | -                | 551,130                     |
| Interest-bearing liabilities                            | 161,407                  | -                | 161,407          | -                | 161,407                     |

## Valuation techniques

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

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

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

## Condensed Notes to the

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

#### Interest rates used for determining fair value

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

|                      | Dec 2025      | Jun 2025      |
|----------------------|---------------|---------------|
| Derivatives          | 3.91% - 4.49% | 3.23% - 3.60% |
| Loans and borrowings | 3.60% - 4.49% | 3.60% - 3.85% |

#### 10 Related parties

Arrangements with current related parties continue to be in place. For details on these arrangements, refer to the 30 June 2025 annual financial report.

#### 11 Events Subsequent to Reporting Date

##### Dividends

For dividends declared by IMB Ltd after 31 December 2025 refer to note 5.

##### Other

There were no other events subsequent to balance date.

#### 12 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2026 and earlier application is permitted, however the Group has not early adopted the new or amended standards in preparing these interim financial statements. None of these are expected to have a material impact on the Group's financial statements in the period of initial adoption.

# Directors' DECLARATION

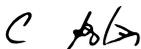
AS AT 31 DECEMBER 2025

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

1. the condensed consolidated interim financial statements and notes set out on pages 6 to 18, 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 2025 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 4th day of February 2026.

Signed in accordance with a resolution of the directors:



**CA Aston**

Chair



**PJ Fitzgerald**

Director



# Independent Auditor's Review Report

To the members of IMB Ltd

## Report on the Interim Financial Report

### Conclusion

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

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

- giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Interim Financial Report comprises

- Consolidated Interim Statement of Financial Position as at 31 December 2025;
- Consolidated Interim Profit or Loss Statement, Consolidated Interim Statement of Comprehensive income, Consolidated Interim Statement of Changes in Equity and Consolidated Interim Statement of Cash Flows for the Interim Period ended on that date;
- Notes 1 to 12 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

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

The Interim Period is the 6 months ended on 31 December 2025.

### Basis for Conclusion

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

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



KPMG



Brendan Twining

*Partner*

Sydney

4 February 2026



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

To the Directors of IMB Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of IMB Ltd for the interim period ended 31 December 2025 there have been:

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

KPMG

Brendan Twining

Partner

Sydney

4 February 2026

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# Directors' PARTICULARS

## Catherine Ann Aston

### **B.EC M.COMM FSCI GAICD**

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

## Brian Vincent Bissaker

### **B.EC FCA GAICD**

Mr Bissaker has been a director of IMB Ltd since 2023 and is the Chair of the IMB ESG Committee and is a member of the IMB Capital and Securitisation Committee and IMB Community Foundation Committee. As well as being a director of IMB Ltd, Mr Bissaker is also a director of all entities wholly owned by IMB Ltd.

## Peter John Fitzgerald

### **B.COM FCA GAICD**

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

## Jann Angela Gardner

### **BA LLB MBA GAICD**

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

## Christine Stewart Traquair

### **BSC PGDip SAD MCIBS Chartered Banker FSCI MAF GAICD FGIA**

Ms Traquair has been a director of IMB Ltd since 2022. Ms Traquair is a member of the IMB Risk Committee and the IMB Audit Committee. As well as being a director of IMB Ltd, Ms Traquair is also a director of all entities wholly owned by IMB Ltd.

## Harry Walter Wendt

### **BSC (COMPSC) MSC (Astronomy) PHD GAICD**

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

## Christopher Michael Whitehead

### **FSCI BSC FAICD Chartered Banker**

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

# Statistical HIGHLIGHTS

| at 31 December                                  |       | Consolidated |      |
|---|-------|--------------|------|
|   |       | 2025         | 2024 |
| Net assets/total assets                         | %     | <b>6.2</b>   | 6.5  |
| Risk weighted capital adequacy                  | %     | <b>15.6</b>  | 16.3 |
| APRA high quality liquid assets                 | %     | <b>17.2</b>  | 19.4 |
| Non-interest expenses/operating income          | %     | <b>73.1</b>  | 73.4 |
| <b>for the interim period ended 31 December</b> |       |              |      |
| Annualised after tax return on                  |       |              |      |
| - average total assets                          | %     | <b>0.4</b>   | 0.4  |
| - average net assets                            | %     | <b>7.0</b>   | 7.0  |
| Interim dividend per share*                     | cents | <b>9.5</b>   | 9.0  |

\*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.





[imb.com.au](http://imb.com.au)

IMB Ltd trading as IMB Bank ABN 92 087 651 974

