

IMB LTD ANNUAL GENERAL MEETING HELD ON TUESDAY, 27 OCTOBER 2026 AT 10:30am AT NOVOTEL NORTHBEACH HOTEL, WOLLONGONG

MEETING ADDRESSES

CHAIR'S ADDRESS

Cathy Aston

IMB's story began here in Wollongong, when local people came together to pool funds to help one another own a home. Their aim, as they described it, was simple: "to give more people the opportunity to become their own landlords". The photo behind me is Crown Street, Wollongong. On the right is the Exchange Hall which became IMB's first offices in 1884 just four years after our foundation - or what you might say was our first "home".

Although banking and the communities we serve have changed enormously over the 146 years that followed, the purpose behind IMB's founding remains central to who we are: a member-owned bank that exists to meet your financial needs.

IMB made excellent progress in delivering on our purpose this year. We welcomed over 21,000 new members and achieved our highest ever lending approvals, while importantly, delivering a strong financial result. We are very conscious, though, that this has not been an easy year for many of our members. Rising interest rates and sustained cost-of-living pressures are stretching household budgets, and many people are making careful choices about how they spend, save and borrow.

Increasingly, those choices are not just about their own needs. Many members are also thinking about their wider family, whether that is helping a child or grandchild into their first home or putting something aside to give the next generation a stronger start.

Good financial performance is essential for sustainability, but for a member-owned bank like IMB, its real value lies in what it allows us to do. It gives us the capacity to support members through conditions like these, to keep our rates, fees and dividends fair, and to keep investing in the safety and quality of the services you rely on, both today and for the generations that follow.

This year's results show that capacity at work. IMB delivered a record net profit after tax of \$40.1 million and our capital position remains strong, with a total capital adequacy ratio of 16.5% at the financial year end.

That strength allowed the Board to increase the dividend by 4.9% to 21.5 cents per share, in line with the improvement in profit, and to complete a successful share buyback of 2.74 million shares. At the same time, we continued to invest in better products and services, and it was pleasing to see some of these receive independent external recognition.

Rob will take you through the results in more detail shortly. This morning I'd like to reflect on the importance of the mutual banking model and update you on the Board's work during the year.

Mutuality and Impact

Mutuality is more than an ownership structure, and IMB's founding members deeply understood that. When they could not obtain finance elsewhere, they pooled their savings so they could help one another. Mutual organisations grew from that same idea, meeting community needs in housing, finance, insurance and healthcare where the market was not serving people well. That strength is evident across Australia's top 100 mutuals and co-operatives, whose revenue grew

8.4% to a record \$50.9 billion for a fifth consecutive year of growth, while the broader economy grew at a far slower rate.

That contribution received significant recognition this year with a formal commitment from the Australian Labor Party to support the sector's ambition to double in size, and to remove the barriers that stop mutuals competing on an equal footing with other business models. This is a strong endorsement of something we have long believed: a diverse market, with member-owned banks alongside listed banks, gives Australians more competition, more choice and better outcomes. We welcome it, and we will work with our industry bodies to turn it into practical reform.

Mutuals have evolved and modernised, and IMB is no exception. What has not changed is the mutual difference. Because we exist to serve members rather than to maximise short-term returns, we can take a longer-term view. That means investing for the future, maintaining our financial strength through the economic cycle, and making decisions that will still be good for members in ten or twenty years' time.

Mutuality also shapes how IMB is governed. Our borrowers, depositors and shareholders sometimes have different interests and needs, and the Board's responsibility is to balance them carefully. That same approach guides how we consider IMB's impact on members, our people, the community and the environment.

The Board regularly reviews member service results, listens to feedback and spends time in branches and with business teams to help us test whether our decisions are delivering the kind of bank you want IMB to be.

Our responsibilities also extend to the communities we serve. Being part of a community means more than providing financial support. The IMB Bank Community Foundation is one important expression of that commitment. This year, it provided \$700,000 in grants to 54 local projects and since 1999, the Foundation has supported more than 1100 projects with grants totalling \$13 million. Applications received this year reached their highest level in the Foundation's history, reflecting the growing need in our communities. Our contribution extends beyond the Foundation through our people, branches, sponsorships and participation in events that help individuals and communities thrive.

IMB's long-term commitment to the communities we serve also requires us to consider our environmental impact. Our first climate-related disclosures appear in this year's Annual Report. They reflect new mandatory reporting requirements, and you will have noticed that our reporting has grown considerably in response to these and other regulatory changes. While the disclosures are detailed and complex, the practical message is straightforward: IMB is focused on reducing its own emissions directly.

Emissions from our own operations are now around 85% lower than in 2021, and we are targeting a 90% reduction by 2030. In the year ahead, we will build our understanding of how we can make a more substantial impact on the emissions linked to the activities we finance through our lending and investments.

Governance, Risk Management and Regulatory Change

The responsibilities of bank boards have broadened significantly over time. As banking has become more complex, so too has the task of overseeing it. Beyond setting strategy and overseeing financial performance, boards must give more attention to cyber security, the use of AI and data, and operational resilience. Meeting those expectations well takes sustained investment in people, systems and expertise. IMB's size and financial strength give us the capacity to make that investment while continuing to deliver for members.

Operational resilience matters because you must be able to access your money and essential banking services when you need to, including when our systems or processes are disrupted. This year, the Board oversaw work to strengthen IMB's resilience, from the standards we set for

our critical third-party suppliers to the plans, testing and response arrangements that prepare us to keep serving members smoothly through any disruption.

Artificial intelligence is already part of how we live and work, bringing real opportunities alongside new risks. We see it as a way to do more for members: strengthening security and helping us respond to members more quickly and reliably. We know some members welcome AI and others are more cautious. Our commitment is that IMB will use it responsibly and in line with our mutual values. The Board has helped put clear AI policies and assessment processes in place, so people remain accountable for decisions affecting members and member data is protected.

Cyber security remains one of the Board's highest priorities. Members trust us with their money and their personal information, and protecting both is vitally important. The Board receives regular reporting on emerging threats and the effectiveness of our controls, and it oversees continued investment in protecting members' information and the systems you rely on to perform your banking.

Some of the changes we oversee affect members directly. This year, Australia updated its anti-money laundering laws to close gaps that organised crime has exploited and to align with international standards. This means that for most members we will need to re-collect and re-verify information about you, even if you have banked with IMB for many years. We may also occasionally ask you to provide some extra context for a transaction. These requests are now being made by all banks, and they are a normal part of our shared responsibility to protect members and the integrity of the financial system.

New regulatory requirements for banks continue to arrive at pace. APRA is also overhauling its governance requirements, with a new prudential standard expected later this year. This will bring clearer expectations, and closer scrutiny, of how boards are composed and renewed, including the skills and experience directors need as banking and our communities evolve. For members, our commitment remains the same: a capable, accountable Board making careful decisions, managing emerging risks and protecting the long-term strength of the bank you rely on.

Acknowledgements

Healthy board renewal also means farewelling valued colleagues. I'd like to acknowledge Peter Fitzgerald, who retired from the Board in September after nine years as a director.

As an Illawarra local, Peter brought a deep understanding of our region and strong connections across its business community, built through his executive career and service on a number of boards beyond IMB. His leadership of the Audit Committee was outstanding, and he cared deeply about fostering a positive workplace culture and valued direct engagement with our people.

From all of us at IMB, we say thank you to Peter and wish him well for the future. As we look to the next stage of the Board's renewal, we are well progressed in the search for a new director and expect to announce an appointment in the coming weeks.

I'd like to thank my fellow directors, Rob and the executive team, and all our people. Our people are part of the communities they serve, and many are closely involved in local clubs, schools and community groups. Some of the most encouraging member feedback we receive is about the relationships our people build with you and your families over many years.

The year ahead will bring its challenges, but there is a great deal to be positive about. We have delivered strong results, we are connecting well with members, and we have exceptional people. The mutual sector has real momentum, and IMB is well placed within it. As members' needs evolve, IMB will evolve with them, while staying true to the purpose our founders set 146 years ago. We look to the year ahead with confidence, and on behalf of the Board, I thank you, our members, for your continued support.

I'll now invite Rob to take you through the year's results and the priorities ahead.

CHIEF EXECUTIVE'S ADDRESS

Robert Ryan

Good morning everyone.

You've just heard Cathy describe IMB's long heritage and why the mutual model remains so relevant today. Staying relevant relies on us continually improving how we serve you. This year we helped more members than ever to buy homes, live well in retirement and establish businesses.

We made it faster and simpler to deal with us, we delivered better value through our products, and we strengthened protection against scams.

Those changes have helped to drive growth and stronger financial performance, and they set us up for what comes next: deeper relationships with our members, an expanded presence along the East Coast and a stronger offer for local businesses.

I'll return to those priorities later, but I'll start by touching on some of the results.

Lending

Our lending results show just how many members chose IMB to help bring their plans to life this year. We approved a record \$2.4 billion in new loans, up 14% on last year and double what we approved just three years ago.

That lending growth, which was ahead of the broader market, supported the lift in total assets by 11.7% to \$9.5 billion. Behind those numbers are members making some of the biggest financial decisions of their lives, and we are proud to have helped them along the way.

Part of this growth reflects deliberate changes made to how we serve members. "IMB Connect", which is our approach to service delivery, brings together our contact centre, online and branch channels, so members can choose to meet in person, speak by phone or engage online, wherever they live.

We can direct online enquiries to the most suitable lender in a member's location or simply match an application with the next available IMB lender. That means members are served sooner, loans progress more efficiently and our lenders can focus their time where it is most needed.

We also continued to offer the Government's home guarantee scheme, lending a further \$37 million in loans for first home buyers, regional buyers and single parents, taking the total amount lent under the Scheme to \$125m. By helping more people overcome barriers to home ownership, these schemes directly support the need IMB was founded to meet.

Although our business lending growth was more modest this year, we see significant opportunity to build our small and medium business portfolio. Local businesses create employment and help strengthen the communities we serve, and we know that many are seeking a banker who understands their business rather than a one-size-fits-all service.

Relationship-based business banking is therefore a natural extension of IMB's purpose. We now have business bankers in Sydney, Canberra, the South Coast, Newcastle and the Illawarra, and we are investing in technology and products so we can support more local businesses over time.

Our strong lending performance has not come at the expense of a deterioration in credit quality across our home, personal or business loan portfolios. This shows that our growth is supported by responsible lending and sound credit decisions, helping members borrow appropriately for their circumstances.

At June 30, only 0.45% of home loan balances were more than 90 days overdue, down from 0.54% at the previous year end, and no commercial loan balances were more than 90 days overdue.

More members sought hardship assistance during the year, although the number remains very low relative to the size of our loan book. Pleasingly, many of these members avoided falling into arrears, indicating that early engagement and intervention are effective. With living costs still high and interest rates rising, we are monitoring the position of our borrowers closely.

Depositors and Value

Retail member deposits grew by 7.5%, providing a stable source of funding for our lending activities. As higher rates increase both savings returns and borrowing costs, we seek to balance the interests of depositors and borrowers through fair pricing on both sides of the balance sheet.

For savers, our term deposit rates remained in the top quarter of the banks we compare ourselves against, as did our home loan and personal loan rates for borrowers. We also lowered the cost of everyday banking, removing a number of fees and broadening the eligibility criteria for our transaction fee-free Everyday 50PLUS and Kick Start accounts. It was pleasing to see our efforts recognised by Money Magazine which named the Reward Saver Kick Start the Best Value Savings Account, and our New Car Loan the Best Value Car Loan for customer-owned banks.

Profitability

Our commitment to delivering value for members was underpinned by a strong financial result.

Profit after tax reached a record \$40.1 million, up 5.1% and our capital ratio, which measures the financial buffer protecting members' deposits, was 16.5%, comfortably above the regulatory minimum.

Net interest income increased by 6.8%, and while the margin eased to 2.27%, reflecting competitive pressure during the year, it still compares well against peers.

Our expense-to-income ratio rose only slightly to 72.3% and also sees us well placed in the mutual peer set, reflecting disciplined cost management alongside essential investment in technology, stronger member protections and sustainable growth.

Members and Service

Perhaps the result I am most pleased about is the continued increase in IMB's membership. Attracting new members is one of the clearest signs that we are meeting a genuine need and that IMB's proposition is resonating in the market. More than 21,000 new members joined us this year, up from 19,000 last year.

To keep growing, and to keep earning the trust of our existing members, we need to make banking easy and convenient in the way that works best for each of you. Some members prefer to manage everyday tasks online or get quick help over the phone, while others value sitting down with someone face to face when making a bigger decision. We have therefore worked to improve response times across all channels. Around 80% of calls are now answered within 30 seconds, and a lender responds to most enquiries received during business hours within 30 minutes.

Member feedback reflects this focus on service. Satisfaction has remained at 95% or better for the past three years, and new members recorded a recommendation score of 67 this year, which is well ahead of the major banks and improved on last year's already strong result.

Technology, AI and Keeping Members' Money Safe

Last year, I spoke about the potential for artificial intelligence to improve the way we serve members. I'm pleased to report good progress. With the right safeguards in place, we have introduced practical tools such as call transcription and easier access to information for our people. For members, this means a reliable record of each conversation, less need to repeat themselves and more consistent follow-up.

Our people are central to what makes IMB different, and AI cannot replace that. What it can do is take care of routine tasks, giving our team more time for what members value most: listening, offering guidance and supporting them through important decisions. Technology works best in the hands of capable people guided by sound judgement and IMB's values. As roles evolve, we are helping our people build new skills so they can grow with us. We will continue to adopt new technology the way we always have, carefully and with members' privacy and security front of mind.

I'm pleased to confirm that the many of the new scam protections I outlined last year are now in place. With payee confirmation, before you pay someone online, you can check that the name on the receiving account matches the person you intend to pay. Higher-risk payments made in a branch or over the phone can be paused so our fraud team can check them before the money leaves your account. Our mobile app is now able to provide timely scam warnings, and new members opening an account online confirm their identity using facial recognition, which is highly effective in preventing identity takeover.

Technology is critical to preventing scams and recovering a greater share of losses, but our people remain a key part of our defence. In many cases, a simple question from an IMB employee has saved a member from losing a significant amount of money. If we ask extra questions or do additional checks, please understand this is normal and one of the best ways we can keep you safe. Members should watch for two common warning signs: a scammer coaching you on what to tell us, or someone posing as a company you know—even IMB—and asking for a security code sent to your phone or email. IMB will never ask for these codes. If anyone does, assume it is a scam, hang up and call us on a number you know is genuine.

Under the new national Scams Prevention Framework, banks, telecommunications companies and digital platforms now share responsibility for stopping scams, and we will introduce further protections for members this year.

Before today's meeting, one of our members asked about the phasing out of cheques. This is a national change, decided by the Australian Government, and it applies to every bank. It means that all banks will stop issuing cheques by June 2028, and the cheque system will close altogether in 2029. The Government has taken this step because cheque use has fallen by around 90% in the past decade, making the system costly to maintain, and digital payments are faster and harder to tamper with.

We understand that some members may feel uneasy about moving away from cheques. The good news is that there is plenty of time to adjust, and we will support our members through the change. Over the coming year we will share more information, and our member service and business banking teams will be on hand to help you find a payment option they feel confident using.

The Year Ahead

This time last year, some forecasts pointed to lower interest rates. With inflation persisting, the Reserve Bank has instead raised the cash rate several times, and we are managing a softer housing market with strong competition, higher funding costs and political uncertainty here and overseas.

None of this is new territory for IMB. We have started the year in a sound position, with strong capital, careful cost management and a long, successful record of adapting to members' needs. We will continue to implement and embed the regulatory changes Cathy and I have spoken about today, while investing in the strategic priorities I've shared with you.

Deepening our relationships with members remains central to our plans. Our locally based contact centre, which already performs strongly against external benchmarks, will take on a bigger role in serving members over the phone and online.

With better tools and additional support outside usual business hours, we are planning for it to handle more enquiries while improving response times and convenience.

We are also upgrading our payments technology and will soon move to a modern, flexible card platform, making it easier to introduce more card payment features and stronger security controls.

Our branches, particularly those in regional areas, remain important to IMB's member-owned model, and we value the face-to-face service they provide in our communities. We will also extend our geographic footprint along the East Coast. Building on our existing presence in Victoria, I am pleased to confirm that next month we will open a flagship branch in the Melbourne CBD, giving us a strong base in one of the country's largest markets.

As we grow, we want to do more for the local businesses at the heart of our communities. Our business banking strategy is built on direct relationships with dedicated bankers in our core regions, with as much focus on helping businesses save and manage their everyday transactional banking needs, as there is on helping them borrow. We are investing in new lending and account-opening systems so business members can deal with us more quickly and easily.

Our people

While market conditions may be more challenging, the opportunities in front of us are real, and I'm excited about what we can achieve. Everything I've spoken about today comes back to our members. Our ambition is to keep growing and to become an even better bank for you, without losing what makes IMB different: personal service, decisions guided by our mutual values, and a genuine commitment to the people and communities we serve.

This is a time of significant change, both in our business and in society, and our people continue to do a wonderful job of adapting, learning new skills and developing new ways to support our members through those same changes. I am very proud of the way they have responded and grateful for the value they each contribute to IMB every day.

I would also like to thank Cathy and the Board for their guidance and their continued commitment to making IMB the best bank it can be.

Finally, thank you to our members for your continued trust. We will keep working hard to earn it.

Thank you.