



**Hume
Bank**



**Members'
Report** 2023



In the spirit of reconciliation,
Hume Bank acknowledges
the Traditional Custodians of
country throughout Australia
and their connections to land,
waterways and community.

We pay our respect to their
Elders past and present and
extend that respect to all
Aboriginal and Torres Strait
Islander peoples today.

As a 100% customer-owned bank, we don't answer to shareholders, so we can do things the others can't. Like paying it forward in our community and putting our profits right back into better products and services that benefit you and all our other customers.

As we move confidently into the future, with a spring in our step, we're excited to find new ways to positively impact our customers and community.

At Hume Bank, the future's not just better, it's brighter.

Bank brighter.





Contents

Key achievements	04
Performance at a glance	05
Chair and CEO's Report 2023	06
Our Board	08
Executive Management Team	09
Planning for success	10
Transforming through purpose	11
Ensuring fair access to essential banking services	12
Pitching in for a brighter future	14
Bright careers; strong communities	18
Banking brighter means great value	21
The Hume Bank Advantage	23
Summary Financial Statements	25-31

Key achievements



CONTINUED LENDING GROWTH

Continued growth exceeding industry levels and driven mainly by growth in owner-occupied home lending



FINANCIAL STRENGTH AND SECURITY

Hume Bank has continued to prioritise financial strength and security. A commitment to maintain a resilient balance sheet to support its customers while allowing it to invest in opportunities aligned with its strategic ambition. Hume Bank increased its deposit base by 9% during FY23 (1.9x system growth¹) with a 17.6%² Capital Adequacy Ratio



COMMITMENT TO FACE-TO-FACE BANKING

This year we opened our 15th branch – in Holbrook. While other banks continued to close their doors, we reaffirmed our commitment to our home region



COMMUNITY IMPACT FUND

This program is a key pillar of the bank's community support program and provides an invaluable opportunity for us to help those who do good, do it better. Together we've supported several projects and initiatives in the 2023 financial year. Including La Trobe University Pathways Program and Embrace Kids Positive Body Image Program



NEW PURPOSE AND VALUES

Our Purpose and Values have been refreshed to provide a north star and guardrails as we transform Hume Bank into a modern, regional bank



MORE PRODUCT AWARDS FOR VALUE

Our market-leading home loan products have been recognised again for the value they deliver to customers. Including national Canstar Awards for the third year in a row

¹ RBA D3 Monetary Aggregates (Jun'22 – Jun'23)

² Equivalent to \$28.4m above Hume's Prudential Capital Requirement

Performance at a glance



3%

PROFIT APPLIED TO COMMUNITY SPONSORSHIP PROGRAMS



\$340k

COMMERCIAL LENDING IN FY23 FOR NOT-FOR-PROFIT ORGANISATIONS





Chair and CEO's Report 2023

Our ongoing commitment to fair and accessible banking

Against an uncertain economic backdrop, we've kept an unwavering focus on using the power of banking to deliver a positive impact. Our customers and our communities were, as always, top of mind as we completed the first year of our five-year strategic plan.

As a customer-owned bank, our vision is to find new and innovative ways to deliver value, rather than profits to shareholders. By doing this, we aim to build lasting customer loyalty, that in turn creates a high-performing and sustainable bank.

A recent review of our purpose and values reflects this ongoing commitment to delivering fair and accessible banking to the community that we serve. And provides a 'north star', to inspire and guide our future decisions. Even though we've grown, and many things have changed, since Hume Bank was formed in 1955, why we exist remains very much the same.

Transforming the bank for the future

Our strategic plan is all about transforming the bank to ensure we are meeting and exceeding our customers' needs, now and well into the future. Key foundations have been put in place this past financial year, including investment in technology such as a new website and an upgrade to our core banking system. These will enable further improvements, like a better online banking experience for our customers.

In the coming year we'll accelerate the delivery of our change program, with a number of significant initiatives already underway; including the ability to make faster lending decisions for our customers through a new lending experience. We'll also introduce enhanced and industry-leading payment services.

To reflect the changes that have occurred inside the organisation, during the year we overhauled our brand and unveiled a new logo. This makeover included new signage, changes to iBank, and a TV ad featuring some of our amazing employees.

Our strategic plan is all about transforming the bank to ensure we are meeting and exceeding our customers' needs, now and well into the future.

Continuing strong financial performance

The bank had another strong year in terms of growth and financial performance, with several key milestones achieved. These included an increase in assets of 9.2%, lending growth of nearly 20%, deposit growth of 9% and an increase in our customer numbers.

This performance is one indicator of the value we're providing our customers. And was again backed by another year of being recognised by several industry-leading awards, including the Mozo Experts Choice Home Lender Mutual Bank of the Year. We also received Canstar 2023 Outstanding Value Home Lender, Outstanding Value Variable Lender and Outstanding Value Investment Fixed Home Lender.

Making a positive community impact

While we always have our eyes on being financially sustainable, we're also focused on our performance across a range of areas, including our positive impact on our communities. One of the key areas we focus on is social impact, and specifically how we're improving the lives and wellbeing of individuals and families in our region.

So, while big banks are closing branches across Australia, including in suburbs and towns in our region, we're bucking that trend. We know that face-to-face banking is still the first choice for a large group of our customers, including businesses. We're committed to providing access to these services through the largest branch network in the region. This year, we were thrilled to partner with Greater Hume Council to open a branch in Holbrook when the last major bank closed its doors.

In FY23, our in-kind contributions, sponsorships and donations have supported more than 60 organisations across the region, helping to make a positive impact where it matters. This goes well beyond the facts and figures, with many positive stories that truly bring this to life, and which we're proud to share with you later in this report.

Supporting our customers in challenging times

Amid rising cost-of-living pressures on customers, The Reserve Bank of Australia made a record number of increases to interest rates across the year, following many years of low interest rates. We aimed to take a fair and reasonable approach to reviewing the bank's rates throughout the year, balancing the needs of both our depositors and borrowers.

We understand these are challenging times. And we continue to monitor the situation closely, with options available for people experiencing financial hardship. We encourage any customers who are facing difficulties to contact us to discuss how we may be able to help.

Another test faced in FY23 was the continued financial crime in our community, with scams and fraud increasing in volume and sophistication. We continue to invest in this area on behalf of our customers, as well as offer education to raise community awareness. We encourage all customers to remain vigilant.

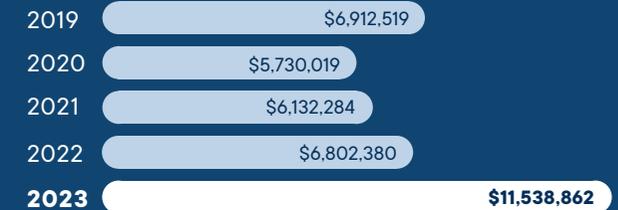
Together, the future is brighter

At Hume Bank, our vision is an optimistic one. We have our sights set on delivering positive and sustainable outcomes for our customers and communities.

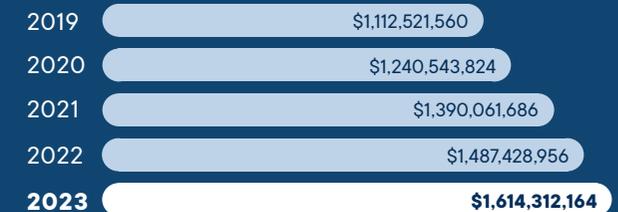
For us to be able to continue providing services that our customers need, we need the support of the community. Where you put your money really does matter, and we're working hard to be the place that provides clear customer value and supports you through thick and thin.

We thank all our customers for their ongoing support, and as we move confidently into the future, we're committed to creating a bright future for the bank and the region.

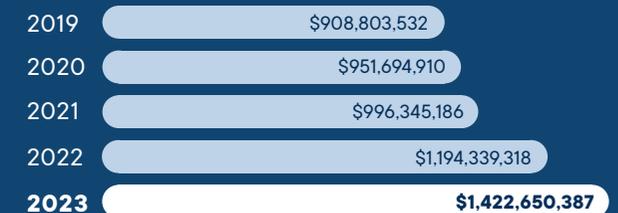
OPBT



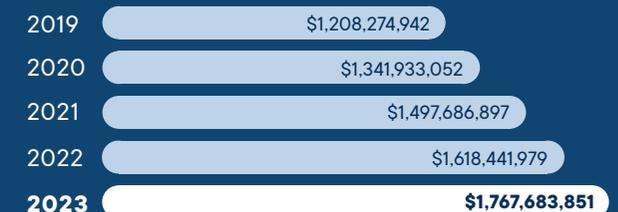
Total Deposits



Net Loans & Advances



Total Assets



Our Board



Michael Gobel
**CHAIR,
NON-EXECUTIVE DIRECTOR**

B Sc, MAppFin, GAICD



Tina Wyer
**NON-EXECUTIVE
DIRECTOR**

Chartered Accountant, GAICD



Kerry Grigg
**NON-EXECUTIVE
DIRECTOR**

B Com, M Com (Marketing)
(Hons), PhD, GAICD



Kay Thawley
**NON-EXECUTIVE
DIRECTOR**

B Bus, GAICD



Paul McGill
**NON-EXECUTIVE
DIRECTOR**

B Sc, GAICD



Kent Griffin
**NON-EXECUTIVE
DIRECTOR**

FIAA, B Economics (Actuarial
Studies), GAICD



Dagmar Neumann
**NON-EXECUTIVE
DIRECTOR**

Equiv B Science, GAICD

Executive Management Team



Stephen Capello
CHIEF EXECUTIVE OFFICER
MBA, FCPA, GAICD
B Business (Commerce)



Akbar Shah
CHIEF FINANCIAL OFFICER
BCom, BEc, MAppFin



Kristy Campbell
CHIEF PEOPLE OFFICER
BA Arts (HR & Media Studies),
Adv. Dip. Management



Warren Nugara
CHIEF TECHNOLOGY OFFICER
B Business (Accounting,
Electronic Business)



Jason Woolhouse
CHIEF INNOVATION OFFICER
B Sc, min Bus



Alison Wild
CHIEF CUSTOMER OFFICER
B Bus, Grad Dip Banking
& Finance



Janelle Stein
CHIEF RISK OFFICER



Planning for success

Just like our customers, we're looking ahead to brighter futures. To make sure we can continue to be the bank our customers need, now and well into the future, we set our sights on transforming Hume Bank.

Our strategic plan outlines the changes and actions we will be making in the next five years to do just that, and in the last financial year, we completed our first full year of that plan.

The focus has been on building the foundations – getting all the right elements in place so we can enhance our products, services and customer experience in coming years.

We're committed to transforming our business to meet the changing needs of our customers and enhancing their experience.

Some of our key achievements this year:

- **Upgrading our core banking system** to unlock future digital banking options.
- **Delivering a new, modern internet banking platform.**
- **Enhancing our cybersecurity capabilities** to better protect the bank and our customers.
- **Launching a new website** to make it easier for customers to access the information they need, when they need it.
- **Moving our infrastructure** to state-of-the-art data centre facilities in Sydney.
- **Introducing comprehensive credit reporting** for better insights into credit risk, assessment efficiencies and an enhanced customer experience.

Over the coming year our focus is on:

- **Implementing new technology** that enhances our customer lending experience, making it faster and easier for customers to get loans approved and funded.
- **Providing new payment options** for customers, including PayTo functionality, which will give customers more flexibility and control in managing payments (including to other banks).
- **Launching a new banking app** with improved features that give customers greater control over how, when, and where they use their Hume Bank debit or credit card.
- **Piloting new branch designs** to support community connection beyond banking transactions.

Transforming through purpose

We've got ambitious plans to transform the bank over coming years, so our Hume Bank Purpose and Values have been refreshed to inspire and guide us through our transformation journey.

We have a rich history that's informed our Purpose and Values.

We've always believed in fairness and providing banking services to those in our community who need it.

This started back in 1955 when Hume Bank was formed to help people achieve their dream of owning their own home, when they struggled to get help from existing institutions.

And today, although we've grown a lot and many things have changed, the reason we exist is still much the same.

We want to help our customers to build a brighter future and to make progress for our community and all who are in it.

Our Purpose explains WHY we are in business.

Our Hume Bank Purpose is to create a secure tomorrow, by connecting people and community through fair and accessible banking.

And if our Purpose is WHY we're in business, our Values are HOW we do business.

The Values need to live in our business and not just be up on a wall. And we want our people to be empowered to use them every day when they are solving problems, interacting with our customers, and when they're making decisions.

Purpose and Values

Why we do business

At Hume Bank our purpose is to create a secure tomorrow, by connecting people and community through fair and accessible banking.

How we do business

With Respect



We empower and support each other, as we act with compassion and integrity.

Growing Together



We are inclusive and will act fairly and honestly for the equity of all, so we grow together.

Shaping Tomorrow



We work together to improve everything we do and have a positive impact on today and tomorrow.

To reflect the changes that we've been making inside the bank, we launched our new brand, including a new logo, which you'll see reflected in our marketing material and signage over time. But while things may look a little different, our commitment to putting our customers first will never change.

Ensuring fair access to essential banking services

While we always have our eyes on strong financial performance and our sustainability, another important part of our purpose is to have a positive impact on our communities.



Our purpose is to create a secure tomorrow and a big part of that picture is giving regional people fair access to essential banking services. That's why, when the big banks are closing branches across Australia in record numbers, we're bucking the trend and growing our branch network, the largest in the region.

When 2,000 Holbrook locals were left without a bank as the last of the 'Big 4' shut up shop, we knew we had to do something.

Teaming up with the Greater Hume Council, we opened our newest branch in the Council's Young Street office, providing access to all Hume Bank services and facilities, including a 24/7 Smart ATM, lending, and business banking. This is not the first time Hume Bank has collaborated with the Greater Hume Shire to support local banking. We also opened a kiosk style branch in another council-owned building in Jindera in 2005.

As our CEO Stephen Capello says, opening the Holbrook branch is another example of our strong commitment to giving customers the access they need.

We anticipate the report on bank closures in regional Australia will be available by December 2023.

Senate inquiry submission

In response to the continued withdrawal of the major banks in regional Australia, we made a submission to the Senate Standing Committees on Rural and Regional Affairs and Transport on behalf of our customers and our regions.

As a customer-owned, purpose-led bank deeply connected to regional communities, we shared concerns around the economic and welfare impacts of removing access to vital banking services and bank closures. Put simply, without branches businesses, community organisations and individuals suffer.

Through our years of experience listening to customers and the community, we know when it comes to banking services, people need a certain level of access to education, expertise, and advice that only comes with face-to-face service.

That's why we partner with our communities and local governments, as we did in Holbrook, to provide a banking service that always puts our communities first. We do this because regional Australians deserve access to essential services like banking and because this is the best way to serve our community well today and into the future.



“As a customer-owned bank, we understand how vital face-to-face branch services are to some people. We are committed to continuing to find sustainable ways to provide local branch banking to meet our customers’ needs and are delighted to open our 15th branch in the beautiful town of Holbrook.”

Stephen Capello, CEO

Pitching in for a brighter future

As champions for community, we love to pitch in and help organisations making a difference in the region we call home. From Wangaratta to Wagga Wagga and everywhere in between, we're proud to be involved with some amazing groups and helped achieve some even more amazing things in the community.

From pounding the pavement in the City2City run to volunteering time at Albury Wodonga Regional FoodShare, we're all about getting involved where it matters most – and FY23 was no exception.



Across FY23 Hume Bank committed more than **\$180,000 in community funding** to more than 60 local groups and events.



Crowdfunding for a cause

We're big believers of the power of community, and the first-ever Pitch Up Wagga Wagga only confirmed it.

When three grassroots organisations were looking for support, community-minded people and organisations came together, opened their hearts, dug deep and chipped in more than \$70,000 to make sure their important work would continue.

The crowd-funding style event asked representatives from Bloss – Riverina Pregnancy & Baby Loss Support, Pro Patria and CarevanWagga Inc. to share their stories and plans for the future, and in return, the audience made pledges for financial and in-kind support.

Facilitated by The Funding Network, Hume Bank was a proud partner of the event alongside Wagga Wagga-based businesses WDF Accounting + Advisory and Macarthur Real Estate Agency. We hope this is just the beginning for Pitch Up Wagga Wagga and even more support is raised at future events!



Because every beat counts

55 Australians suffer cardiac arrest every day.

Unless you're at a hospital, the chances of survival are less than 8%.

Using a defibrillator within the first minute of sudden cardiac arrest can increase the chance of survival by up to 90%*.

*Heart Research Australia

When it comes to sudden cardiac arrest, the difference between life and death can be a matter of seconds.

That's why all Hume Bank branches now have an automated external defibrillator (AED) or one close by, ready for immediate action if anybody should ever need life-saving help.

Now, if someone goes into sudden cardiac arrest, an AED can analyse the heart's rhythm and, if needed, deliver an electrical shock (defibrillation) to help the heart restore a normal rhythm.

During the year, we were touched by some of the stories of community members affected by a heart condition. By sharing their stories on our website, we hope to draw attention to the importance of having AEDs available, knowing where to access and how to use them (tip, an AED will talk you through the whole thing!).

Funding to help Holbrook thrive

When we opened the doors to our new Holbrook branch, we promised to do more than just provide banking and financial services.

So, true to our word, we decided to help out the grassroots organisations and clubs that call Holbrook home.

We received overwhelming interest when we put out the call for applications, with plenty of ideas and enthusiasm flooding in, and are thrilled to be able to support the Holbrook community through these three groups.

- **The Little Billabong Public Hall:**
to go towards play equipment for the kids.
- **Holbrook Public School:**
to support an outdoor cinema experience open to all of the Holbrook community.
- **Holbrook Rotary Club:**
to help with the costs of running the fundraiser Holbrook Triathlon, now in its 31st year.

Safeguarding against scams

At Hume Bank, we're dedicated to protecting our customers' finances and determined to arm them with the kind of straightforward, easy-to-understand information they need to stay safe from scammers and other financial crime. During the last financial year, we hosted 11 scam awareness education sessions.

While scams keep spreading, and getting more sophisticated, we have services working 24 hours a day focused on stopping this type of financial crime. We have a dedicated team looking out for suspicious account activity and, if anyone suspects they are being scammed, we'll do everything we can to help.

Of course, we'll continue to bring in the technology and experts to help us stay ahead of scammers, and provide opportunities for our customers to learn how to protect themselves against financial crime.





Festive food drive

14% Australians live in poverty, with 1 in 10 requiring food assistance.

In the Albury Wodonga region alone, on any given day at least 2,223 require food assistance.

In 2022, we launched a festive food drive across the region to address the community issue of food security.

By calling on our customers and staff to drop-off food items before Christmas and partnering with Border Trust, 2AY, Albury Wodonga Regional FoodShare (AWRFS) and Carevan Wagga Wagga, we donated more than a tonne of food to people in need throughout our communities.

We're looking forward to continuing to build on this important initiative over future years.



Community Impact Fund

Body image is one of the biggest personal concerns for Australian girls and boys aged between 16 and 19.

**70% of adolescent girls dislike their bodies.
33% of adolescent boys wished they were bigger.**

Founded in 2021, the Community Impact Fund is funded by Hume Bank, as well as contributions that come via the home loan settlements in our Workplace Banking program. Led by 2023 Australian of the Year Taryn Brumfitt, the program aims to empower young people to embrace their bodies, and to share the Embrace Kids positive body image message to help other young people in the community embrace their bodies, too.

The Fund has also committed \$10,000 per annum for the next two years to support La Trobe University's Regional Pathway Program. This program is designed to increase the tertiary participation rates in this region with the long-term view of addressing the skill shortages across various industries and building a more prosperous community.



Changes for a more sustainable future

Hume Bank is committed to improving the way we do things so we can minimise our carbon footprint. Some of our key initiatives this year include:

- Technological upgrades to improve operational efficiencies and reduce overhead costs, enabling us to give back more to our customers.
- Growing our extensive regional branch network to minimise customer commuting to metro branches.
- New bank card manufactured from 82% recycled plastic.
- Waste minimisation program.
- 100% recycled paper use for printing.
- 86,938 e-statements (75,202 paper statements) help us avoid 1.49 tCO².
- Renewable energy generated – 820kWhs saving .63 tonnes of CO² or greenhouse gas emissions.

Bright careers; strong communities



A career at Hume Bank is so much more than hours on the clock and dollars in your bank account. We care about our employees and take pride in creating a work environment that is flexible, inclusive, fun and rewarding.

We like to do things a little differently. A positive and down to earth bunch, we genuinely like to connect with our people and our communities.

In fact, we believe that bright careers create strong communities. A career at Hume Bank has a positive impact, not only on our lives but the lives of those around us. After all, happy and thriving employees contribute to happy and thriving communities.

That's why we work with our employees to map out a career and a professional development plan, so they can be fulfilled at work and at home, and their family and the clubs, groups they belong to can benefit too.

In FY23 we continued our tradition of striving to be an employer of choice, maintaining our high standards in work/life flexibility, community contribution and diversity. And we're proud of the culture we've built at Hume Bank.



A team as diverse as our community

Part of striving to be an employer of choice in our region is creating a culture where every employee feels welcome. This means ensuring that all individuals – all experiences and voices – are valued for their unique contribution and the richness they bring to our team. It means championing diversity and inclusion.

We know that more diverse organisations are more successful, and that people feel safer and more welcomed in diverse and inclusive environments. More importantly, being based in such beautifully diverse communities, we think it's only natural that this should be reflected in our team.

In FY23, to continue building a diverse and inclusive workplace, we launched our inaugural Diversity & Inclusion Policy to give us the framework for continued action in this important area. We also celebrated our first Pride Day across our business. With 6% of our employees identifying as LGBTQIA+, making a vibrant sign of our support and allyship, was especially important.

And we progressed our reconciliation journey with the establishment of a Reconciliation Working Group, which brings together employees from a range of departments, locations and levels across our organisation who have an interest in building culturally appropriate awareness and understanding. We are committed to contributing to the pathway to reconciliation.

Our focus for the future is to raise our commitment to inclusion by continuing to ensure people who don't always have a voice at the table – people living with disabilities, Indigenous Australians, queer and gender diverse people and those from culturally and linguistically diverse backgrounds – can see their fit with Hume Bank and know they are welcome here.



Flexibility and balance

While we believe your work can bring meaning to your life, we know that work is not life and, just like our customers, our employees do best when we can help them meet their big picture needs and provide the flexibility to do so.

Employee flexibility at Hume Bank looks like:

- **A Home and Remote Working Policy** that provides an 'active hybrid work model'; so those who are able to do their role from home or another off-site location (83% of our workforce) have the tools and support they need.
- **A Moments that Matter** approach that allows employees to book leave for the moments that matter most to them – so they never have to miss seeing their child receive a trophy at school or taking their parents to an appointment.
- **You Days** where employees can change up to three public holidays a year to days that suit them better for cultural, religious or family reasons.
- **Compassionate Leave** to support our people during times when they are dealing with some of life's more difficult challenges like illness and grief.

Volunteering in the community

As a customer-owned bank, here at Hume Bank it's not just about offering employees flexible work conditions and great benefits. It's also important to us that every member of our team has the opportunity to give back to the community in more ways than one.

In FY23, our employees volunteered their time with local charities, participated in community events and joined our Workplace Giving program where they donate to their chosen charity each pay. They have rolled up their sleeves for LifeBlood (Australian Red Cross), hosted Biggest Morning Tea events to raise money for the Cancer Council, and generously given their time to both Meals on Wheels and Albury Wodonga Regional FoodShare to help feed some of our community's most vulnerable members. In total, the bank supported 86 hours of manpower and an additional 527 hours contributed through out-of-hours participation.

And continuing our long tradition of supporting the Rotary Club of Albury with their Good Friday Appeal for the Royal Children's Hospital, our Olive Street branch overflowed with Rotarians and Hume Bank employees working together to accept the various donations that poured in from fire truck and traffic light collections, local shop events, community groups and individuals. Together we raised a satisfying \$85,630.80 and our hearts swelled with gratitude to be part of such an amazing team and community!



Bank Brighter.



Queue
here.

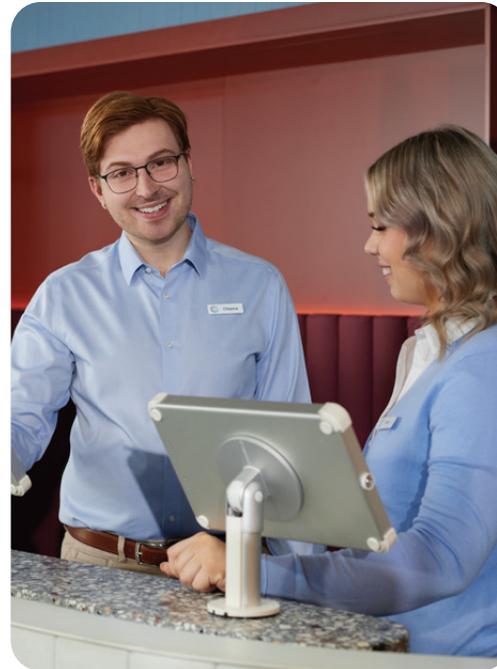
Banking brighter means great value

As a customer-owned bank, we can invest our profits into better products and services, and we're proud to say our products are recognised for delivering great value to our customers, year in, year out as some of the best in the country. For the 2023 Mazo Experts Choice Awards, the panel of expert judges assessed thousands of rate variants across 480 home loans from 98 lenders. They named our home loans to be the best performing of all of the member-owned banks reviewed. Winning awards in the Low-Cost Home Loan, Offset Home Loan, Investor Home Loan and Fixed Rate Home Loan categories made us the 2023 Home Lender Mutual Bank of the Year.

We were also evaluated against 5,400 other home loan products in the 2023 Canstar Awards and recognised in the Outstanding Value Home Lender, Outstanding Variable Lender, and Outstanding Value Fixed Home Lender categories.

And making it a trifecta in FY23, we were named among RateCity's Home Loan Gold Award Winners for 2022 in their Best 3-year Fixed Home Loan, Best Investor 3 Year Fixed Principal & Interest Loan and Best Investor 5-year Fixed Principal & Interest Loan categories.

It's not every day you get recognised for the work you do, but in our case it's becoming an annual event – and we have our customers to thank for it. Helping our customers to 'Bank brighter' drives us to keep innovating, improving and evolving our products and services to deliver even better value for their bright futures.



Help for our customers in challenging times

We know that helping our customers navigate financial challenges is about more than just providing the right products and services. It's about being there for them and providing support and guidance when it matters most.

As a customer-owned bank, we understand that rate changes by the Reserve Bank of Australia (RBA) have a real, everyday effect on our customers and communities. So, every decision we make on interest rates is balanced, considered and deliberate. As the RBA moved interest rates 10 times through the year, we took a fair and reasonable approach by moving deposit rates in line with lending rates.

In uncertain economic times, we also aim to provide certainty by making it as easy as possible for customers to understand all the options available to them and to talk to us about financial concerns and difficulties. In the last financial year, we introduced a new Customer Assist team. This team works closely with home loan customers, providing them with extra support throughout their journey, including when they're coming off fixed rates or experiencing financial stress or hardship.



The Hume Bank Advantage



**Get ready for
a future that's
not just better,
it's brighter**



**Hume
Bank**



Summary Financial Statements

For the year ended 30 June 2023

Basis of Preparation of Summary Financial Statements	26
Consolidated Statement of Profit or Loss and Other Comprehensive Income	27
Consolidated Statement of Financial Position	28
Consolidated Statement of Cash Flows	29
Directors' Declaration	30
Independent Audit Report	31

Hume Bank Limited

ABN 85 051 868 556 | AFSL and Australian Credit Licence 244248

Basis of Preparation of Summary Financial Statements

These summary financial statements have been extracted from the full audited consolidated financial report of Hume Bank Limited for the year ended 30 June 2023. They comprise Hume Bank Limited, the ultimate parent company, and its subsidiary (together, the 'Group').

The Directors have extracted the following statements from the full audited financial report:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows

for inclusion in the summary financial statements, on the basis that this is the most relevant information to the users of these statements.

The summary financial results for the year ended 30 June 2023 have been prepared in accordance with the framework concepts and the recognition and measurement requirements of Australian Accounting Standards.

The auditors' report on the full financial report is an unqualified audit opinion.

The summary financial statements do not contain sufficient information to allow as full an understanding of the results and affairs of the Group as is provided in the full audited financial report. The 2023 Annual Report containing the full audited financial report is available on the Hume Bank Limited website.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$'000	2022 \$'000
Interest income		
Interest revenue	58,596	31,264
Interest expense	(18,644)	(2,909)
Net interest income	39,952	28,355
Non-interest income		
Fees and commissions from non-customers	2,640	2,534
Fees and commissions from customers	2,298	2,249
Other non-interest income	276	336
Total non-interest income	5,214	5,119
Total operating income	45,166	33,474
Operating expenses		
Fees and commissions	(399)	(256)
Personnel costs	(16,350)	(13,684)
Occupancy costs	(941)	(911)
ATM, EFTPOS & electronic transaction processing costs	(4,412)	(3,924)
Depreciation and amortisation	(1,869)	(1,563)
Information technology expenses	(2,555)	(2,639)
Marketing expenses	(1,205)	(981)
Community expenditure	(156)	-
Other operating expenses	(5,535)	(3,395)
Total operating expenses	(33,422)	(27,353)
Impairment or reversal of loans and advances	(205)	251
Operating profit before fair value adjustments	11,539	6,372
Fair value adjustments	-	430
Profit before income tax	11,539	6,802
Income tax expense	(3,550)	(1,717)
Profit for the year	7,989	5,086
Other comprehensive income, net of tax		
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Revaluation of property	98	1,265
Revaluation of financial assets	16	19
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Change in fair value of cash flow hedges	-	-
Other comprehensive income, net of tax	114	1,284
Total comprehensive income for the year attributable to members	8,103	6,370

The consolidated statement of profit or loss and other comprehensive income has been extracted from the annual statutory financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	2023 \$'000	2022 \$'000
Assets		
Cash and cash equivalents	82,105	95,947
Receivables due from other financial institutions	37,816	89,228
Investment securities	202,388	219,388
Trade and other receivables	8,447	5,216
Loans and advances	1,422,650	1,194,339
Other investments	430	394
Investment property	2,170	2,170
Property, plant and equipment	8,588	9,074
Intangible assets	1,648	720
Right-of-use assets	777	977
Deferred tax assets	663	988
Total operating income	1,767,682	1,618,442
Liabilities		
Deposits	1,614,312	1,487,429
Trade and other payables	29,962	16,609
Income tax payable	862	87
Provision for employee benefits	2,687	2,337
Borrowings	15,000	15,000
Lease liabilities	836	1,059
Total liabilities	1,663,659	1,522,522
Net assets	104,023	95,920
Members' funds		
Reserves	3,868	5,783
Retained earnings	100,155	90,138
Total members' funds	104,023	95,920

The consolidated statement of financial position has been extracted from the annual statutory financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
Interest received	57,499	31,054
Interest paid	(12,975)	(3,380)
Other non-interest revenue received	3,079	1,856
Cash paid to suppliers and employees	(22,846)	(22,143)
Fees and commissions paid	(399)	(256)
Income tax paid	(2,505)	(1,680)
	21,854	5,452
<i>(Increase)/decrease in operating assets:</i>		
Net (increase)/decrease in loans and advances	(228,516)	(197,743)
Net increase/(decrease) in deposits	126,883	97,367
Net cash flows from operating activities	(79,779)	(94,923)
Cash flows from investing activities		
Net (increase)/decrease in receivables due from other financial institutions	(3,000)	11,000
Net (increase)/decrease in investments securities	37,189	6,683
Payments for property, plant and equipment	(308)	(1,241)
Proceeds from sale of other investments	-	38
Proceeds from sale of property, plant and equipment	34	9
Payments for intangible assets	(1,621)	(600)
Net cash flows from investing activities	32,295	15,889
Cash flows from financing activities		
Proceeds/(payments for) from borrowings	-	15,000
Repayment of lease liabilities	(581)	(747)
Net cash flows from financing activities	(581)	14,253
Net increase/(decrease) in cash held	(48,066)	(64,781)
Cash at the beginning of the financial year	237,111	301,892
Cash at the end of the financial year	189,045	237,111

The consolidated statement of cash flows has been extracted from the annual statutory financial statements.

Directors' Declaration.

In the opinion of the directors of Hume Bank Limited (the Company and its subsidiaries, 'the Group'), the accompanying summary financial statements of the Group for the year ended 30 June 2023 set out in pages 27 to 29:

1. Have been derived from or are consistent with the full audited financial report for the year ended 30 June 2023; and
2. Do not contain all the disclosures required by Australian Accounting Standards, the *Corporations Act 2001*, Corporations Regulations 2001 and International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Hume Bank Limited.

Signed in accordance with a resolution of Directors:



Michael Gobel
Board Chairperson
Hume Bank Limited



Tina Wyer
Audit Committee Chairperson
Hume Bank Limited

Albury, 20 September 2023

**Crowe Albury**

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www.crowe.com.au**Report of the Independent Auditor on the Summary Financial Statements****To the Members of Hume Bank Limited****Opinion**

The accompanying summary financial statements, which comprise the summary consolidated statement of financial position as at 30 June 2023, the summary consolidated statement of profit or loss and other comprehensive income and summary consolidated cash flow statement for the year then ended, are derived from the audited financial report of Hume Bank Limited (the Company and its subsidiaries, 'the Group') for the year ended 30 June 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial report, on the basis described on page 26 of the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards, *Corporations Act 2001* and *Corporations Regulations 2001*. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon.

The Audited Financial Report and our Report Thereon

We expressed an unqualified audit opinion on the financial report, in our report dated 20 September 2023.

Directors' Responsibility for the Summary Financial Statements

The directors of the Company are responsible for the preparation of a summary of the audited financial report on the basis described on page 26 of the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Crowe Albury**Alison Flakemore,
Partner****20 September 2023, Albury**

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The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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