

Members' Report 2022.



**At Hume Bank we
aspire to be something
stronger, by building a
better community and
helping those who do
good to do better.**

We believe banking has a greater good to provide positive impact to both customers and community.

We believe in a future where our position in the community is one of trust and relevance. Where our impact is intertwined with purpose to create a better life for our customers and better support for our communities to flourish.

**We are on the path to a brighter future, for ourselves
and our customers.**





Contents.

Key achievements	04
Performance at a glance	05
Chair and CEO's Report	06
Our Board	08
Executive Management Team	09
Delivering customer value: Better products and services	10
Changing to meet changing needs	12
Support the bank that supports you	13
Embracing our diversity to make us stronger	14
Community spirit alive and well	15
Community impact	16
Supporting those that support others	18
Summary Financial Statements	21-27

Key achievements.



Record lending growth

Exceeding industry levels and driven mainly by growth in owner occupied home lending



BBB+ credit rating attained

Allows Hume Bank greater access to capital to support future growth



Reaffirmed commitment to smaller communities

Unlike other banks who have closed their doors, we have committed to remaining open in Yackandandah, Howlong, Rutherglen, Jindera and Culcairn



myBlue Canstar Award

Market-leading home loan product recognised in national Canstar Awards for the second year in a row



liteBlue launched

A new variable home loan product launched to give customers more choice



3-day turnaround on lending approvals

Much quicker than industry standard



Community Impact Fund launched

Initiative aimed at addressing important community issues now and into the future



Workplace Banking program launched

Providing our partners and their employees a chance to make a difference in the community, with one-off contributions from eligible home loans going to the Community Impact Fund

Performance at a glance.

\$1.6bn

Total
Assets



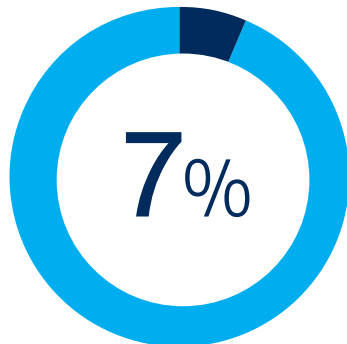
\$6.8m

Profit
before
tax FY22

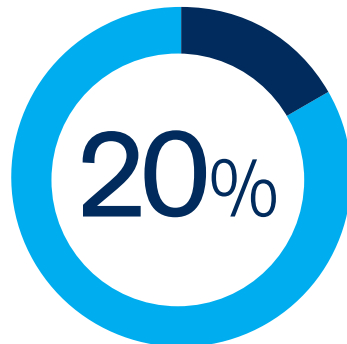
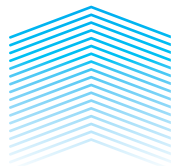


55,000+

Active
Customers



Deposit
Growth
in FY22



Lending
Growth
in FY22

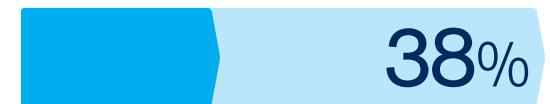


Profit applied to community
sponsorship programs

3% >>>>>>



Commercial lending in FY22
for not-for-profit organisations



Chair and CEO's Report.



MICHAEL GOBEL, CHAIR AND STEPHEN CAPELLO, CEO

Changing times mean time for change

If there's one thing the last few years have confirmed, it is that embracing change is critical to our success as a business and a community.

While living with COVID-19 has become the new normal, navigating the ongoing challenges of operating in this environment cannot be underestimated. Changing economic conditions, disruption to business and "the great resignation" has seen society revisit how we do business, and inflationary pressures, accompanying interest rate rises, changing customer behaviours and advances in technology have added another layer of complexity for those of us in the business of banking.

Responding to these challenges and getting out in front to seize the opportunities they present has been a transformational process for Hume Bank. Not only have we stepped up for our customers, but we have also stepped up for our local communities during a period of unprecedented change, and it has provided a chance for us to reflect and reset our focus for the future.

With this in mind, we have set about strengthening our foundations – bringing in fresh thinking, skills and capabilities, employing new technologies, and extending our networks and partnerships – all while maintaining our unwavering commitment to our customers and meeting their changing needs.

This process has also seen us welcome two new members to our Board. With extensive experience in business technology, digital transformation and data analysis, Dagmar Neumann and Tina Wyer bring a new dynamic and help strengthen our leadership during this transformation.

It's an exciting time for Hume Bank and the feeling in the executive team is overwhelmingly positive for what lies ahead. On behalf of the Board and Management, we commend the efforts of our staff in bringing us to this position, and we sincerely thank them for their continued efforts in meeting the needs of our customers in uncertain times.

Sustainably strong performance and stronger products

In FY22, our drive toward financial sustainability continued, with strong results that reflect our commitment to supporting customers, partners and communities. Highlights include: balancing profit, customer value and investment in the bank's future; record growth in lending with numbers far exceeding industry levels; the strengthening of our distribution across branch, broker and digital channels that expanded our reach and geographic diversity; customer service levels meeting global standards; and attaining an investment grade BBB+ credit rating that will provide us with additional flexibility to access capital and take advantage of new opportunities for further growth.

This performance was backed by a number of high-quality products delivering great value to our customers, particularly in the home loan space. With the first official interest rate increases in more than a decade starting in FY22, customers were understandably nervous as rate changes result in real, everyday impacts on households and businesses. We continue to keep customers firmly at the centre of decision-making and ensure any decisions on interest rates are balanced, considered and deliberate, and promptly shared with customers so they can be well informed.

Our market-leading home loan product, myBlue, continued to provide excellent customer value and was recognised in the Canstar Awards for the second year in a row. In an environment of rising interest rates and greater uncertainty, we are proud to have a genuinely fair and competitive product that provides the flexibility our customers need and deserve.

We also launched a new variable rate home loan product, liteBlue, to broaden our appeal in this market, particularly with the 'young digitals' who increasingly seek online bank offerings.

Both of our 'Blue' home loan products are demonstration of our ability to build and deliver value quickly to our customers, answering the call for simpler banking products with relevant features and greater value.

Committing to our customers and communities

As an organisation created by the community for the community, our performance is not only measured by financial performance and high-quality products, but also by the contribution we make to the lives of our customers and staff, and the thriving region in which operate. In honouring this responsibility to people, planet and profit, in FY22 we intensified our commitment to our customers and our communities.

When our customers wanted greater flexibility to pay on the go, we delivered new digital wallets. When they asked for fast turnarounds on lending approvals, we beat the industry standard by more than a week and provided them with an answer inside three days. When competitors put a hold on lending, we remained steadfast in providing an uninterrupted service and access to lenders year-round. When they needed to pick up the phone, our Contact Centre staff provided expert and friendly advice comparable to the service offered in-branch, and in line with industry best practice.

In the ultimate demonstration of our commitment to our customers, when other banks closed their doors, we committed to keeping ours open – maintaining our face-to-face accessibility in smaller communities such as Yackandandah, Howlong, Rutherglen, Jindera and Culcairn. We did this because face-to-face service is vital for some of our customers, especially for those in small business. We also did this because we know maintaining services is important for our communities when times are tough.

We are proud to say that Hume Bank currently has the largest branch network in the region, and in some areas, we are the only bank in town. We expect this to continue, and we expect to continue making a positive impact in our communities well beyond our physical branches.

In FY22, this commitment saw the continuation of our extensive sponsorship and partnerships program, which supports and contributes to local initiatives such as City2City, fundraising for Albury-Wodonga Health, championing mental health at Winter Solstice and providing impact funding to local not-for-profits to grow their services critical to our region.

Taking our community support one step further in 2022, we established the Hume Bank Community Impact Fund. Designed to go help address important community issues and build a stronger future for our communities, we are hopeful that the Community Impact Fund will make a significant contribution over time. Such is our commitment to making a difference, we tied our new Workplace Banking program directly to the Community Impact Fund. The program provides benefits to our Workplace Banking partners and their employees, with exclusive discounts and offers across a range of our banking products, and every time a Workplace Banking partner employee takes out an eligible home loan, we make a one-off contribution to the Fund.

We are proud to be able to make this ongoing commitment to our communities.

Facing the future

At Hume Bank, we believe we're called to a greater good – to create a better life for our customers and support our communities to flourish. With this in mind, our five-year strategy sets us on a path to a brighter future.

Our strategy recognises that although we need to adapt to remain sustainable in a consistently changing world, our customers and our communities must remain our key focus. We also know now is the time to protect our position in our local markets and to continue to grow.

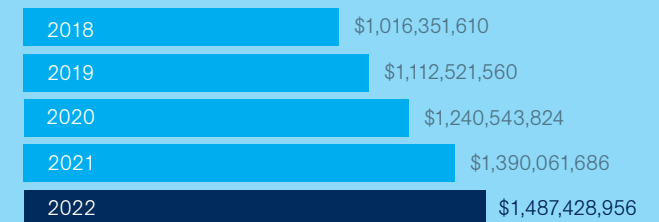
We envisage a future where our values align with those of our customers and communities and in providing services that meet their needs, we ensure lasting customer loyalty. Digitalisation will no doubt play a key role in the future of Hume Bank, but our knowledge, local branch network and strong community relationships will be central to our future.

Our strategic journey will increasingly focus on sustainability and recognising that a positive impact on our society and planet are an important lens through which we view the bank's success. We are well on our way to achieving these milestones already, and we can't wait to take you on the journey with us.

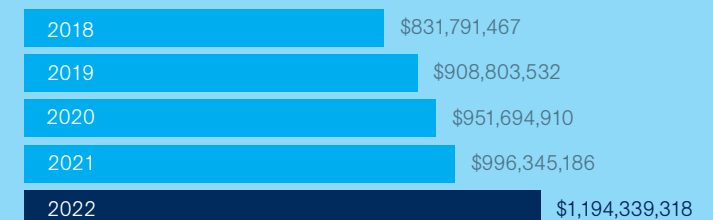
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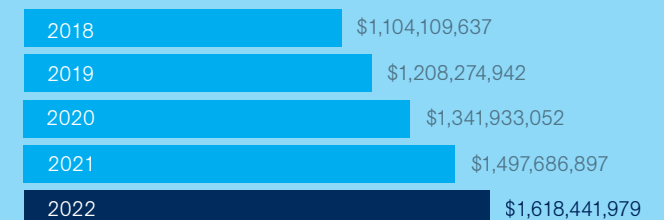
Total Deposits



Net Loans & Advances



Total Assets



Our Board.



Michael Gobel

**Chair,
Non-executive Director**

B Sc, MAppFin, 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
Appointed March 2022

Executive Management Team.



Stephen Capello

Chief Executive Officer

MBA, FCPA, GAICD
B Business (Commerce)



Akbar Shah

Chief Financial Officer

BCom, BEc, MAppFin
Appointed July 2021



Kristy Campbell

Chief People Officer

BA Arts (HR & Media Studies),
Adv. Dip. Management



Warren Nugara

Chief Technology Officer

B Business (Accounting,
Electronic Business)
Appointed October 2021



Alison Prentice

Chief Risk Officer

Assoc. Dip (Accounting)



Jason Woolhouse

Chief Innovation Officer

B Sc, min Bus



Alison Wild

Chief Customer Officer

B Bus, Grad Dip Banking
& Finance





Delivering customer value: Better products and services.

Our response to interest rate increases

We are mindful that the Reserve Bank of Australia (RBA) rate changes result in real, everyday impacts to each and every one of our customers. We take nothing in this space lightly.

As such, decisions Hume Bank makes on interest rates are always balanced, considered and deliberate. As a customer owned bank, these decisions follow a careful assessment process to ensure competitive and fair pricing, enabling us to continue to support our communities and the interests of both borrowers and depositors.

We apply a customer lens to everything we do, and in uncertain times we strive to provide certainty by ensuring information is easy to interpret and delivered when and where our customers need it. In addition to correspondence with individual customers, we will also maintain a set of frequently asked questions on our website (humbank.com.au/ratechangeFAQs) to inform and reassure our customers, and we are working to ensure our branch and Contact Centre teams are well-equipped to answer any additional question customers may have.

Award-winning home loans

Hume Bank has a rich history with home lending, and we always strive for continuous improvement. In a move to further anticipate our customers' needs, we launched 'myBlue' and 'liteBlue'.

Our new home loan offering signified the start of a new era for Hume Bank, building on our proud and successful history while cutting through the existing long 'menu' of home loan products to deliver simplicity and flexibility for our customers. Our aim was to develop a product that was uncomplicated, was clearly understood, contained no onerous catches and enabled the flexibility our customers need and deserve.

myBlue was launched in April 2021 and is the full featured yet simple product that our customers wanted and that's winning awards. Recognised with a Canstar 5-star rating for 'Outstanding Value – Home Lender' and 'Outstanding Value – Fixed Home Lender' in 2022, myBlue has set the pace for other lenders to follow.

Hume Bank also picked up the 2021 Canstar 'Customer Owned Bank of the Year for First Home Buyers in NSW & VIC'.

While we are proud of the accolades and success so far, we have not stopped there, launching liteBlue in April 2022. Focused on providing a very sharp low rate with only the essentials, liteBlue is a great alternative for those who don't need all the bells and whistles.

With our customer lens always on and our aspiration to always innovate, we will continue to improve and evolve our product offering and strive to deliver greater value to our customers.

Partnering to make a real difference

We value local employers and their employees who make our region such a great place to live, work and play.

As a way of partnering for impact, in 2022 we launched a Workplace Banking program that provides benefits to our Workplace Banking partners and their employees, providing employees with exclusive discounts and offers across a range of our banking products and services plus all the regular benefits of banking with Hume.

Best of all, it's not only Workplace Banking customers who benefit thanks to the establishment of our Community Impact Fund.

When a Workplace Banking Partner employee takes out an eligible home loan through the Workplace Banking program, we make a one-off contribution to the Community Impact Fund of 0.15% of the loan limit at settlement. These funds are then invested back into the community, supporting great activities and projects that benefit our region.

Our partners and their employees can be proud of their involvement in any community projects or outcomes generated through the Fund. That's what we call a win-win-win situation.



myBlue



liteBlue

Changing to meet changing needs.

From online banking to digital wallets to sustainable investments, there's little doubt the face of our finances have changed forever – and we're right here to help guide our customers through it.

Here at Hume Bank, we're constantly working to understand the needs of our customers and flex and adapt to meet those needs with the products, services and technology to match.

We're proud of our branch network and it's vital we make sure they're set up to meet our customers' banking needs now and into the future. There are several catalysts driving change, with everything from COVID lockdowns forcing people to rethink the way they bank (and shop and order takeout), to the major shift away from cash towards electronic payments making people more tech-savvy.

The effect is that we have fewer customers coming into their local branch to deposit or withdraw money – what would have been our banking bread and butter a few short years ago.

Now we have a far more supportive and educational role to play, showing our customers how to use internet banking, talking them through complex account queries, discussing ways to minimise their risk of fraud, or setting them up with new accounts that better meet their needs.

While things are changing, no matter what channel our customers choose, we remain committed to creating a great experience with great customer outcomes.





Support the bank that supports you.

As a customer owned bank, we pride ourselves on going that extra mile to support the needs of our customers... literally!

To give customers right across our footprint the level of service they've come to know and love, our home loan lenders and business banking specialists will quite often jump in the car to meet with people face-to-face at their local branch, so they don't have to travel into our head office to have their banking questions answered or their financing needs met.

In fact, it's our smaller branches like Rutherglen that provide a vital service to local people, with Hume Bank being the only bank left in town. We have remained committed to finding sustainable ways to provide local branch banking that meets our customers' requirements, including for local businesses. Along with investigating options to increase availability of services outside regular business hours, we're also exploring improved technology – such as ATMs that allow cash and cheque deposits – to meet our customers' changing banking needs.

As part of our five-year strategic plan, we've also made plans to update and refurbish our branches and will be seeking input from our customers and community stakeholders to ensure their needs are considered.

Proud to offer all the services of the big banks in the heart of smaller communities, we're in it for the long haul. Our focus now is to ensure our customer support continues so we can remain in those communities.

Embracing our diversity to make us stronger.

We may handle thousands of banking transactions each year, but a career at Hume Bank is anything but transactional. We value our employees and strive to create an environment that's flexible, rewarding and fun – and one where they can feel at home and see themselves for years to come.

Part of being an employer of choice in our region is creating a culture in which every employee feels welcomed. To create that culture, we need to ensure that all experiences – all voices – are valued for the richness they bring, regardless of background.

Diversity and Inclusion is becoming an increasingly important focus for us. Not only because we know that more diverse organisations are more successful but also because people feel safer and more welcomed in diverse and inclusive environments. It is also acknowledgement that we operate in diverse communities, and it is important that Hume Bank reflects that diversity.

This year, to assist us on our Diversity and Inclusion journey, we established the Diversity & Inclusion Working Group with representation from right across our organisation. So far, this group has developed a draft policy that sets out our ambitions and once endorsed, this policy will form the foundations of our plans to embrace greater diversity.

Hume Bank does well in terms of gender – with 75% of our organisation, 50% of our board and 55% of our leadership team female. Over the next three years the work will be in creating a culture in which people who don't always have a voice at the table – people living with a disability, First Nations people, queer and gender diverse people and those from culturally and linguistically diverse backgrounds – see their fit with Hume Bank and join our team.

Flexibility and balance

Just as we seek to understand our customers' circumstances, we also do all we can to understand the needs of our employees. And if COVID taught us anything it's that the future of work means being able to work from where you are or where you need to be. That's why this past year we have further embedded our approach to flexibility as a core part of our employee experience.

Here's a few things we do to ensure our employees have the flexibility they need to achieve a little work life balance:

Our Home and Remote Working Policy means our employees who can do their role from home or another location have the systems and support they need to do that, under an active hybrid work model



Moments that Matter 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 (launched in May 2022) mean our employees can change up to three public holidays a year to days that suit them better for cultural, religious or family reasons



Paid Parental Leave and Domestic and Family Violence Leave are also available if and when employees need them.





Community spirit alive and well.

Here at Hume Bank, we believe that our communities are best supported by well-connected people who genuinely care – and there's really no better descriptor for our team. During the last 12 months, we were humbled by the contributions of our Hume Bank team, especially during these challenging times.

Whether we're punching above our weight in terms of positive impacts in the broader community or individual employees and teams pitching in for worthy causes, you don't have to look far to see the good that's happening.

Once again, many employees joined our Workplace Giving program, which allows them to nominate a charity to donate money to each pay. Of course, our teams signed up to support Jeans for Genes Day and the Cancer Council's Biggest Morning Tea, as well as rolling up their sleeves as part of our LifeBlood team donating to Australian Red Cross. And when a team member suggested supporting The May 50K challenge to support research into the prevention, treatment and finding a cure for multiple sclerosis, his colleagues were quick to pull on their joggers and rack up the kms, raising \$3,379 in the process.

One of our latest community connections is with Albury Wodonga Regional FoodShare which will see three Hume Bank employees volunteering on the last Friday of each month to assist with food donations to people in need (affectionately known as Hume Bank Fridays). This is in addition to the regular volunteering our employees continue to do at Meals on Wheels.

Whether it's making a regular donation through payroll or giving time to a community group or helping people in need, we applaud the generosity of our team and we're happy to put in place the policies and platforms needed to support their giving.

Our employees often say they feel good about coming to work each day, because they love helping our customers and what we're able to do – as a team – in our communities. That's true community spirit.





Community impact.

Proud to be part of your community for more than 65 years

At Hume Bank, we are thoroughly committed to the customers and communities we serve and since we were founded in 1955, we have remained steadfast in our goal to have a positive impact on both.

Back then, the Hume Co-operative Building & Investment Society was founded by a group of Albury residents who were dissatisfied with the availability of funds for housing and wanted to help local people purchase their own homes.

With three staff, some shared office space and a whole lot of purpose, our journey began.

Today, despite several name changes, our purpose remains the same. We are still customer owned and exist to support people in our communities. And we strive to create prosperity in our region by supporting important issues and collaborating with other organisations to amplify our positive impact.

Our 2022 impact in numbers

144

Hume Bank employees

6

Educational events facilitated

38%

Percentage of overall commercial lending to not-for-profits / for purpose organisations

60

Organisations supported via sponsorship, donations or in-kind support

\$138,948

Value of support provided to organisations via sponsorship, donations or in-kind support

2.73%

Percentage of FY22 Net Profit contributed via sponsorship, donations or in-kind support

MORNING TEA WITH BORDER TRUST STAFF AND HUME BANK BOARD MEMBERS

“The team at Hume Bank could not have been more supportive. We are lucky to have such a **community-minded bank based locally**. Without supporters like them, there is only so much we can achieve with our volunteers. Their support **will allow us to support more schools and vulnerable children**, and help us to deliver upon and amplify our purpose.”

DARYL FLOYD
Founder, The Terry Floyd Foundation
Rutherglen

Collaborating with others to amplify our impact

Hume Bank is proud to support organisations that contribute to the development and wellbeing of local residents and their communities.

In the past year we provided support to many community organisations across the region, from Wangaratta to Wagga Wagga and everywhere in between. We are lucky to be involved with some amazing organisations that are achieving fantastic outcomes, including:



Australian Centre for Regional Entrepreneurship

AFL North East Border

Albury & District Historical Society

Albury Business Connect

Albury Circus Quirkus

Albury City Football Club

Albury Cricket Club

Albury Men's Shed

Albury Thunder Juniors Rugby League Club

Albury Wodonga Regional FoodShare

Albury Wodonga Squash Centre

Albury Wodonga Volunteer Resource Bureau

Australian Red Cross – Lifeblood

Billabong Crows

Billabong Recycling

Border Trust

Burrumbuttock Tennis Club

Business Wangaratta

Business Wodonga

Business Women Albury Wodonga

Chiltern Football Netball Club

City2City

Committee 4 Wagga Wagga

Corowa Business Chamber

Corowa RSL Bowls Club

Corowa Rutherglen Football Club

Culcairn Football Netball Club

Backpacks 4 VIC Kids

East Albury Tennis Club

Group 9 Rugby League Umpires

HotHouse Theatre

Howlong Progress Association

Howlong Toy Library

Lake Hume Classic

LifeLine Albury-Wodonga

Meals on Wheels

Mount Beauty Music Festival

Murray Border Cricket Umpires Association

Murray Grey Veteran Golfers

Murray Railway Modellers

River of Stories

Rotary Club of Albury

Rutherglen Lions Club

Rutherglen RSL Golf Day

Special Children's Christmas Party

St Joseph's Primary School

StartUp ShakeUp

Survivors of Suicide and Friends

SwimTech

The Albury Club Mental Health Lunch

Tolland Wolves

Tots2Teens

Wagga Kangaroos Rugby League Football Club

Wagga Lake Run and Ride

Wagga Tigers Football and Netball Club

Wangaratta Football and Netball Club

Wodonga Christmas Carols

Wodonga Football and Netball Club

Wodonga Hockey Club

Wodonga Lions Club

Care about community too?

We are looking for community organisations and groups who care about our communities just as much as we do. If you have a great local event or initiative that generates significant benefits for your community, we're happy to explore ways we can become involved.

Supporting those that support others.

It's no surprise that hundreds of not-for-profits and community-minded organisations choose Hume Bank to support them with their banking. We not only share values, but a common purpose – we exist to deliver benefits for our customers, members and communities.

In the 2022 financial year, Hume Bank's commercial lending to not-for-profits and for-purpose organisations represented 38% of all commercial loans provided to Hume Bank customers.

“Just like Aspire Support Services and Kirinari, we are committed to having a positive impact on our customers and their communities. It is projects like this that allow us to have an **impact in partnership.**”

STEPHEN CAPELLO
Hume Bank CEO

A purpose-built facility for disability day programs – Aspire Support Services

Hume Bank was responsible for funding a new multi-million-dollar, purpose-built facility in Thurgoona designed to provide day programs for people with a disability.

The first of its kind in the region, the facility provides day programs for up to 80-100 people per day and includes a games room, sensory room, maintenance workshop, staff facilities, half basketball court, landscaped gardens and ample room for future growth. Activities supported include cooking, artwork, music and IT training.

CEO of Aspire Support Services, Nigel Stone said the facility is something that can make the whole community truly proud.

“We recognise the importance of locals supporting locals so have only chosen local businesses and tradespeople to complete this development. It was important to us that any funds required were obtained via a trusted local customer owned bank, so we are delighted to have partnered with Hume Bank on this project,” Mr Stone said.

Disability accommodation in Lavington – Kirinari

Ten new purpose-built specialist disability accommodation villas welcomed their first tenants in Lavington, providing housing for people with a disability that have complex needs. The development is the brainchild of Kirinari specialist staff who recognised an absence of robust specialist disability accommodation in the region.

The aim of the development is to showcase what can be achieved with good design and careful consideration for the unique housing requirements of people with a disability.

Kirinari CEO, Diane Lynch said the development has been possible due to the support and involvement of Hume Bank and Zauner Construction.

“The design focuses on encouraging personal growth, skills development and community participation for the residents, while being supported by our well-trained Kirinari team. The surrounding gardens play as critical a role in achieving a wonderful home as the building itself,” Ms Lynch said.



Celebrating Winter Solstice

At Hume Bank, we are ever mindful that we're an organisation born of the community to serve the community. Just like our customers, we're locals who want the focus to stay on locals, and we are truly committed to helping create a brighter future here where we all live, work and play.

We continue to invest in people and our region and support goals that benefit our community, not profit from them. So naturally we were proud to once again support Winter Solstice on June 21, 2022. The Winter Solstice is a small community event that is having a big impact on mental health awareness and suicide prevention.

Held in Albury and streamed online, this free community event was created by Survivors of Suicide & Friends – an organisation started by Stuart and Annette Baker following the loss of their daughter Mary to suicide.

Stuart and Annette have built an inclusive and supportive community that comes together once a year to remember the loved ones they have lost. In the 10 years since it started, the event has continued to grow and has hosted its first international speaker – Zak Williams, son of the late actor Robin Williams. Annette is still amazed by the community support for the event.

“As the longest night of the year, Winter Solstice is incredibly symbolic, and the Albury Wodonga community has made the event its own. They want to have these discussions and we often hear that it makes people feel less alone.

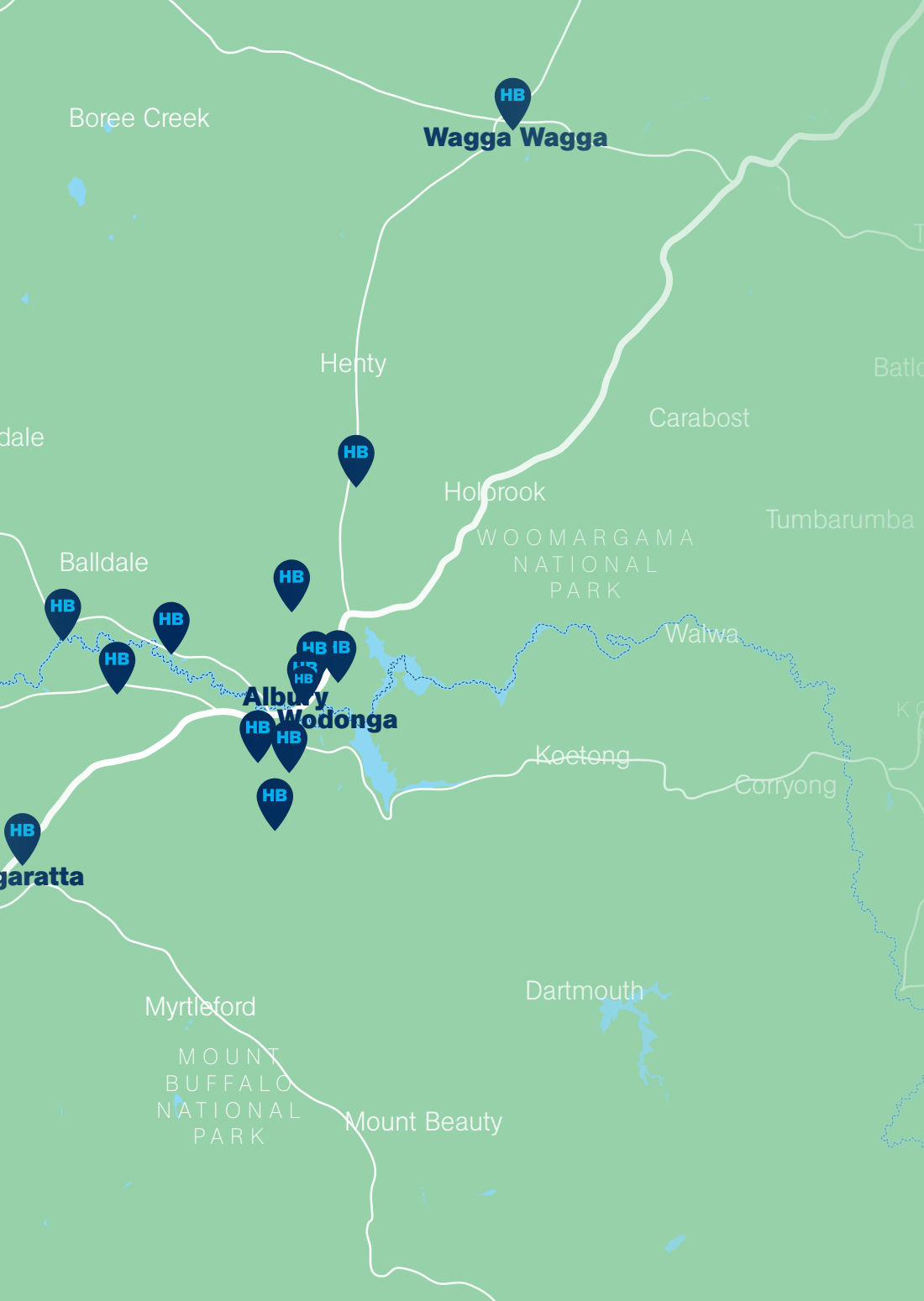
“It's very important for us to keep it a free event, which is only possible thanks to the support of community organisations like Hume Bank. Hume Bank has been wonderful over the years. They are truly a community bank.”

Hume Bank has supported Winter Solstice since its inception, and in 2022 we were happy to fund the cost of a street banner promoting the event and purchase a table of 10 for the fifth Annual Mental Health Lunch, which raised more than \$40,000 for Survivors of Suicide & Friends. We look forward to supporting Winter Solstice for years to come.

You can catch a documentary about Winter Solstice on ABC iView. Just search for “Solstice”.







Summary Financial Statements.

For the year ended 30 June 2022

Basis of Preparation of Summary Financial Statements	22
Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Cash Flows	25
Directors' Declaration	26
Independent Audit Report on the Summary Financial Statements	27

Hume Bank Limited
ABN 85 051 868 556 | AFSL No. 244248 | Australian Credit Licence No. 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 2022. 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 for inclusion in the summary financial statements, on the basis that this is the most relevant information to the users of these statements:

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

The summary financial results for the year ended 30 June 2022 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 Annual Financial Report 2022 containing the full audited financial report is available on the Hume Bank website.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$'000	2021 \$'000
Interest income		
Interest revenue	31,264	33,191
Interest expense	(2,909)	(6,648)
Net interest income	28,355	26,543
Non-interest income		
Fees and commissions from non-customers	2,534	2,682
Fees and commissions from customers	2,249	2,339
Other non-interest income	336	393
Total non-interest income	5,119	5,414
Total operating income	33,474	31,957
Operating expenses		
Fees and commissions	(256)	(122)
Personnel costs	(13,684)	(12,684)
Occupancy costs	(911)	(1,102)
ATM, Eftpos & electronic transaction processing costs	(3,924)	(3,316)
Depreciation and amortisation	(1,563)	(1,902)
Information technology expenses	(2,639)	(2,422)
Marketing expenses	(981)	(1,019)
Other operating expenses	(3,395)	(3,324)
Total operating expenses	(27,353)	(25,891)
Impairment / (reversal) of loans and advances	251	66
Operating profit before fair value adjustments	6,372	6,132
Fair value adjustments	430	-
Profit before income tax	6,802	6,132
Income tax expense	(1,717)	(1,755)
Profit for the year	5,086	4,377
Other comprehensive income, net of tax		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property	1,265	-
Revaluation of financial assets	19	33
Items that may be reclassified subsequently to profit or loss		
Change in fair value of cash flow hedges	-	-
Other comprehensive income, net of tax	1,284	33
Total comprehensive income for the year attributable to members	6,370	4,410

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 2022

	2022 \$'000	2021 \$'000
Assets		
Cash and cash equivalents	95,947	63,925
Receivables due from other financial institutions	89,228	108,654
Investment securities	219,388	314,448
Trade and other receivables	5,216	1,790
Loans and advances	1,194,339	996,345
Other investments	394	368
Investment property	2,170	1,740
Property, plant and equipment	9,074	7,162
Intangible assets	720	367
Right-of-use assets	977	1,637
Deferred tax assets	988	1,251
Total assets	1,618,442	1,497,688
Liabilities		
Deposits	1,487,429	1,390,062
Trade and other payables	16,609	13,818
Income tax payable	87	226
Provision for employee benefits	2,337	2,291
Borrowings	15,000	-
Lease liabilities	1,059	1,741
Total liabilities	1,522,522	1,408,137
Net assets	95,920	89,551
Members' funds		
Reserves	5,783	4,365
Retained earnings	90,138	85,186
Total members' funds	95,920	89,551

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 2022

	2022 \$'000	2021 \$'000
Cash flows from operating activities		
Interest received	31,054	33,304
Interest paid	(3,380)	(7,654)
Other non-interest revenue received	1,856	5,193
Cash paid to suppliers and employees	(22,143)	(20,566)
Fees and commissions paid	(256)	(122)
Income tax paid	(1,680)	(1,709)
	5,452	8,446
<i>(Increase)/decrease in operating assets:</i>		
Net (increase)/decrease in loans and advances	(197,743)	(44,585)
Net increase/(decrease) in deposits	97,367	149,518
Net cash flows from operating activities	(94,923)	113,379
Cash flows from investing activities		
Net (increase)/decrease in receivables due from other financial institutions	11,000	(28,000)
Net (increase)/decrease in investments securities	6,683	(74,490)
Payments for property, plant and equipment	(1,241)	(711)
Proceeds from sale of other investments	38	-
Proceeds from sale of property, plant and equipment	9	8
Payments for intangible assets	(600)	(288)
Net cash flows from investing activities	15,889	(103,481)
Cash flows from financing activities		
Proceeds/(payments for) from borrowing	15,000	-
Repayment of lease liabilities	(747)	(1,036)
Net cash flows from financing activities	14,253	(1,036)
Net increase/(decrease) in cash held	(64,781)	8,861
Cash at the beginning of the financial year	301,892	293,030
Cash at the end of the financial year	237,111	301,892

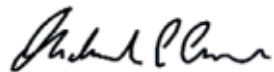
The consolidated statement of cash flows has been extracted from the annual statutory financial statements.

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 2022 set out in pages 22 to 25:

1. Have been derived from or are consistent with the full audited financial report for the year ended 30 June 2022; 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
Chair



Kay Thawley
Director

Albury, 25 August 2022

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 2022, 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 2022.

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 22 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

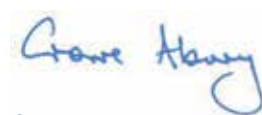
We expressed an unqualified audit opinion on the financial report, in our report dated 25 August 2022.

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 22 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

25 August 2022, Albury

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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