

# Annual Report 2003

Part of Your Life



**HUMIE**  
Building Society



# Hume Products

## Savings Options

All purpose account  
Cash management account  
Achiever account  
Deeming saver account  
Christmas club account

Youth extra account  
Clancy koala junior saver account  
Business account  
Legal account  
Tax manager account

## Term Investment Options

Regular income  
Standard income

Negotiated rates  
Farm management account

## Flexible Loan Options

Introductory rates  
Standard variable rates  
Fixed term rates  
Investment loans  
Personal loans

Refinance package  
Cashback option  
100% loan offset account  
Business, commercial and rural loans  
Business overdrafts

## Insurance Options

Home & contents\*  
Moter vehicle\*  
Landlords\*  
Travel\*  
Loan repayment\*

Boat\*  
Caravan\*  
Business / rural\*  
Greenslip\*  
Pay by the month option

## Credit Card Options

American Express\* (standard & gold)

## Travel/Foreign Currency Options

Travelex Holdiay Money\*  
Cash passport\*  
Foreign currency & conversions\*  
Travel insurance\*

Travellers cheques\*  
Telegraphic transfers\*  
MoneyGram\*  
Foreign exchange / business transactions

## Banking Facilities

Ibank (internet banking)  
Hume Connect (phone banking)  
Direct credits including salary  
Periodical payments

Bpay  
ATM / Eftpos  
Direct debits  
Cheque facilities

\* Provided by Hume Building Society on an agency basis.

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# Board of Directors



## Ulf Ericson

B Ec, B Comm, Grad Dip Advanced Taxation Law, Dip Law, FCA, FAIM, MAICD, FTIA

### CHAIRMAN

Occupation: Chartered Accountant

Responsibilities: Board member for 15 years and Chairman since 1998. Member of the Audit Committee, Human Resources Committee, Remuneration & Nominations Committee and the Succession Committee.

Other Activities: Ulf is the Chairman of the Murray Valley Branch of the Australian Institute of Management, Secretary of the Albury-Wodonga Branch of the Institute of Chartered Accountants and a member of community and educational organisations.

Age: 56 years



## John Knobel

CPA

### DEPUTY CHAIRMAN

Occupation: Certified Practising Accountant

Responsibilities: Board member for 28 years and Deputy Chairman for 18 years. Chairman of the Audit Committee. Member of the Remuneration & Nominations Committee and the Succession Committee.

Other Activities: John has a wide range of community involvements throughout the local region. During 2002 John received an award from CPA Australia for his outstanding contribution to the accounting profession in the Albury/Wodonga region.

Age: 65 years



## Les Boyes

### DIRECTOR

Occupation: Grazier and local businessman

Responsibilities: Board member for 18 years. Member of the Succession Committee.

Other Activities: Former Councillor of the Rural City of Wodonga.

Age: 72 years



## Bill Hanrahan

B Bus, Cost Acc P Cert, FCA, FSIA, FCPA, FCIS, B R Studies, B Leg S, Hon D Bus *CSturt*

### DIRECTOR

Responsibilities: Former CEO for 20 years. Board member for 18 years. Member of the Succession Committee.

Other activities: Chairperson of the Albury-Wodonga Development Corporation, Chairman of the Albury City Council Audit Committee; member of several committees of Charles Sturt University; member of the Albury-Wodonga Branch Councils of the Institute of Chartered Accountants, and CPA Australia. Recipient of Honorary Doctorate of Business from Charles Sturt University in 2003.

Age: 60 years

# Board of Directors



## Lou Lieberman

Dip Law (SAB), FAICD, Barrister and Solicitor (Vic & NSW)

### **DIRECTOR**

Occupation: Consultant (Former Federal Member for Indi and State Member for Benambra)

Responsibilities: Board member for 4 years. Member of the Audit Committee, Remuneration & Nominations Committee and Succession Committee.

Other Activities: Lou has had a long career in business, the law, community and Parliament, including a number of Ministries in the Victorian Parliament and has specialised in developing strategies to improve and develop regional communities and services.

Age: 65 years



## Leo O'Reilly

FCA

### **DIRECTOR**

Occupation: Consultant - former partner in a chartered accounting practice.

Responsibilities: Board member for 5 years. Member of the Audit Committee and Succession Committee.

Other Activities: Board and management appointments and development of the use of technology in business.

Age: 59 years



## Joy Stocker

B Ed, M Ed (Adult Ed), MCES

### **DIRECTOR**

Occupation: Head of Studies, Business, IT & Arts, TAFE NSW Riverina Institute

Responsibilities: Board member for 10 years. Member of the Human Resources, Remuneration & Nominations and Succession Committees.

Other activities: Joy serves on the Charles Sturt University Advisory Committee and Joint Hospitals Ethics Committee. She has prior Board level experience with Albury City Council and Murray River Electricity.

Age: 57 years

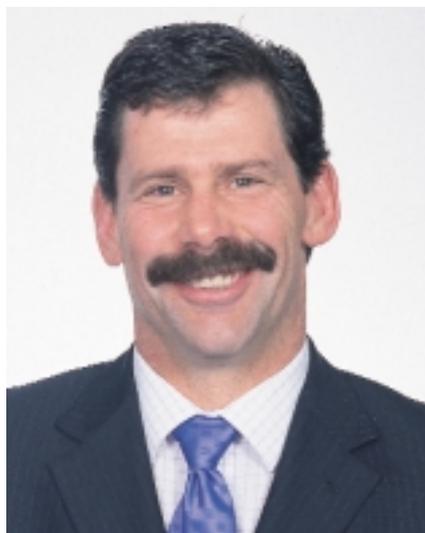
# Review of Operations

The year to June 2003 has been a memorable one for Hume Building Society for several reasons, the most significant being the change in leadership, with Bill Hanrahan retiring from the Chief Executive position in January 2003 after 20 years in the role. Bill's knowledge and experience is not lost to Hume however, as he continues his association with the Society as a member of the Board of Directors.

Andrew Saxby returned to the Border region as the Society's new Chief Executive Officer at the time of Bill's retirement. Andrew has worked for several years in senior positions within the building society industry and this experience complements the knowledge and experience of Hume's Board and Management.

In reviewing the period to June 2002, it was noted that there had been 6 changes to official interest rates – with the official cash rate at 4.75% at year-end. In the ensuing 12 months to June 2003, rates were unchanged despite initial expectations of an increase and more recently of a decrease. The continuing low interest rates are a boon for borrowers, however those relying on interest income are less pleased. A low interest rate environment also produces a difficult operating environment for Hume, which makes the results for the year particularly pleasing. The next year will be another challenge, with a weak global environment pointing to a continuation of low rates into the future.

As the world began to recover from the shock of the events of September



■ Andrew Saxby, CEO

11th, the Bali bombing brought terrorism to the fore in everyone's mind. The SARS epidemic and war in Iraq completed what was a tumultuous year for the world and, although not of the same magnitude, the drought and bushfires brought despair to the local area.

Against those issues, the strength of the local economy has been very evident – and a stark contrast to the doom and gloom elsewhere. The housing market has been particularly strong – with

investors (both local and from metropolitan centres) recognising the growth potential of the Border area. Your Board identified that potential early in the year when a ninth full service branch was opened at Centro Birallee in Wodonga during December. This followed the completion of the Corowa branch refurbishment in August – which incorporated the installation of an ATM at the branch. The ground floor of 492 Olive Street has also been extensively refurbished to provide more suitable surroundings for members visiting the Society's head-office to conduct their banking business. Two new ATMs were installed as part of that refurbishment, with the pre-existing machine relocated to the Myer branch. At year-end, there were 10 Hume ATMs in operation.

Coinciding with the branch refurbishment programme, security measures were improved with the installation of anti-jump barriers in all branches and an upgrading of security cameras in some locations.

During the year, a decision was also taken to open a branch in a Rural Transaction Centre (RTC) planned for



■ Josh Coghlan (loans administration officer) working at Head Office front reception

# Review of Operations

Howlong. Hume has many existing members residing in Howlong and establishing a branch and ATM in the town will improve access for those members. The decision is subject to Government funding for the establishment of the RTC, however Hume's commitment to the project is significant and strong.

It is interesting to read in recent months that the banks are rediscovering what we at Hume have never lost sight of - customers (in our case members) value branches as a means of conducting their business and establishing a banking relationship. Hume's recognition of the value of branches is evident from the refurbishment programme and the new branches opened or announced during the year. Members also value convenient banking, so to complement the friendly and efficient service provided in the branches, the number of Hume ATMs is to be increased even further in the upcoming year.

One of the challenges facing your Board and Management is balancing the high level of service and competitively priced banking for which Hume is so well known, against the need to generate sufficient profit to allow future growth. The Society has not only improved the appearance of its branches during the year but it has also provided additional training to staff to improve the level of service. The Financial Services Reform Act requires organisations providing financial services to ensure staff are trained to a suitable level. Rather than meet those standards, Hume has responded to the new legislation by providing a higher level of training than is required. The level of service provided to members is reflective of the training provided.

After all of the initiatives noted above, the Society's results for the 12 months to June 2003 are a pleasing pre-tax profit of \$1.960 million (compared to the reported \$2.313m for the 15 months to June 2002 and \$1.928m for the 12 months to June 2002). The improved profit was generated on total assets at year-end of \$338.8m (up 17% from \$288.4m previously). Loans advanced were \$115m compared to \$110.7m for the 15 months to June 2002 and loan balances outstanding increased 13% to \$255.8m from \$227.1m. These improvements highlight the attractiveness of loans provided by the Society in a strong housing market that has attracted new lenders during the year.

The Society's capital adequacy ratio of 13.68% remains well above the 8% minimum requirement but is lower than the level reported last year. Given that the Society's capital is principally retained profits, a focus of the new year will be to improve operating efficiencies so that a higher profit can be generated without the need to increase fees or to reduce the difference between the Society's interest rates and those of its competitors.

Members have responded favourably to the better interest rates, improved branch presentation and increased number of ATMs, with deposits by members exceeding \$300m for the first time. At year-end, deposits were \$309.7m, 19% up from \$261.2m the previous year.

Staff continue to win plaudits from members, with the Society's Management regularly receiving messages of congratulations on the



■ Henri Cruddas, Company Secretary  
Manager Legal and Compliance

efforts of particular staff or branches. The level of service has been maintained – possibly even improved – at a time when there were significant demands for additional training and adoption of the elements of the strategic plan. The Board and Management recognise that the strength of the Society comes from the staff and are committed to provide the necessary training and support to ensure members' expectations are exceeded.

Finally, it is appropriate to recognise the efforts of the Directors during the year. Heightened focus on corporate governance came at a time when the Society's Strategic Plan was finalised and plans for its implementation were being addressed.

The process of selecting a replacement Chief Executive Officer also demanded increased involvement from all of the Directors during the recruitment period and the Society's results are testament to how well they responded to those challenges.

# Member Services

## SAVINGS AND INVESTMENT PRODUCTS

Very little stands still in the financial services market, and savings and investment products are no exception.

The Society's Flexible Loan Offset account was introduced at the start of the year and has proved to be a very popular and successful savings account. It provides members with significant flexibility in how to make and access savings, either in the form of loan prepayments, or in what is effectively a cheque account earning tax-free interest at loan account rates.

The Society's Hume Extra account was introduced at the end of the previous financial year and has already been taken up by nearly 2,000 members of the Society.

Planning is currently under way for the introduction of an account designed specifically to assist and reward those who are saving for a designated purpose, for example the purchase of a first home.

Whilst some things change, however, others remain constant. Most importantly, with the exception of the 100% interest offset account, the Society's savings accounts continue to carry no account keeping fees. In many cases, members already enjoy what the Australian Government and media are demanding of those providing banking services, namely a fee-free service.

■ L-R: Shane Evans (Insurance Manager), Olympia Andronicos (Manager Retail Lending), Mike Halsey (Financial Services Manager), Jim Sewell (Business Banking Officer), Judy Clohesy (Manager Branch Operations)

## COMING YEARS

Future planning is based on the premise of providing what members want, and in particular a personal branch service and competitive prices. The changes that have been made, together with those which are planned, will set the Society in a very strong position for the future development of products and distribution channels to meet members' needs.

## SERVICES TO LOCAL BUSINESS

The Society offers a wide range of business banking services to local small business. The commitment to this was demonstrated in the financial year with the recruitment of an experienced lender to the position of Business Banking Officer. With the increasing take up of internet banking and e-commerce facilities by business, the Society's IBank product was developed

in the year to make electronic banking by members in business easier and more flexible. Merchant facilities continue to be offered through a relationship with ANZ bank.

## LENDING

The 2002/03 financial year witnessed the strongest market nationally for housing, and consequently lending, in the living memories of most of those working in the financial services industry. The market has been characterised by price increases (and hence returns for investors) far in excess of most other available investment options.

At a local level, the housing sector in Albury-Wodonga has remained very buoyant, reflecting the region's strength. The result has been record growth, of 13%, in the Society's loans outstanding, with total loans approved during the year of in excess of \$130m.





■ Members utilising the newly refurbished Head Office branch

## LOAN QUALITY

The Society is entrusted with depositors' funds, through members making deposits to savings and investment accounts. Making sound lending decisions ensures the security of those funds. 98% of the Society's loans are secured by registered mortgage, with the added protection of mortgage insurance on higher value loans where necessary.

In the last weeks of the financial year, the Society's prudential regulator, APRA, commenced a review of all mortgage lenders' portfolios to examine the effect on the lender of a potential fall in property values. While individual lenders' results will not be made public by APRA, the Society is very confident this analysis will demonstrate the strength and quality of the underlying loan portfolio, and accordingly the confidence depositors can feel in investing with the Society.

## THE YEAR AHEAD

At the time of writing, the housing market is showing no signs of slowing. However, it is felt unlikely it will retain the current strength throughout the coming financial year. Accordingly the rate of growth of loans in 2003 / 2004 is not expected to equal the record levels set in the year under review.

## INSURANCE

In prior years, comment has been made that the Society's insurance offering, primarily through its agency with CGU Insurance, was planned to be an important part of the future direction of the Society. The growth experienced in the financial year under review has been extremely solid in all areas of the insurance operation, confirming that this is now, and will continue to be, an integral part of the Society's overall range of services offered to members.

This growth is against the background of preparation for one of the most significant changes to affect the financial services industry in many years, being the amendment of the Corporations Act known as the "Financial Services Reform" (FSR) process. Under the requirements of FSR, staff are to be trained to certain levels to be able to sell our insurance products. Many hours have already been dedicated to ensuring staff exceed these requirements, and certainly many more will be spent to ensure their knowledge continues to be current.

Additionally, technological advances continue to affect the way in which insurance is delivered. Insurance products are already offered over the 'phone, and at branches, without the need to complete forms, and the facility will soon be available for members to obtain quotes and policies over the Internet via our website.

Finally, mention must also be made of the recent bushfires in the region. The event gave a timely reminder of how important it is not only to carry insurance, but also to be insured for amounts adequate to cover those unforeseen disasters, disasters which we hope never to experience but which certainly visited the local region this year.

# Information Technology

## OVERVIEW

The key elements of reliability, flexibility, accessibility and security continue to drive the direction of development in the information technology environment.

Many factors dictate change, including member demand, quality and flexibility of service and regulatory requirements, however the Society's ability to meet these changing requirements is reliant on the provision of flexible and robust technologies. Hume's Information Technology is committed to providing these technologies.

## THE YEAR IN REVIEW

Four new ATMs were added to the Society's network in the past year, bringing the total number of ATMs servicing our community to 10. These were installed in branches at Corowa, Birallee, Myer and a second ATM at Head-Office. Upgrades were also performed on the 2 Lavington ATMs.

Hume's core retail system hardware was upgraded to significantly enhance system performance and future growth. This was further enhanced by a major upgrade to the front-end loan application and approval software.

Hume's internet banking service, IBank, was upgraded to release 3.1, a key feature being the ability to undertake batch processing of transactions.

## REGULATORY CHANGE

Regulatory requirements continue to drive much of the change in information technology systems. Although many of these changes are transparent to the member, they are driven by a desire to protect or enhance the rights of the consumer. Four phases of an ATM and EFTPOS security upgrade, as mandated by APCA, were completed in March this year. Two more phases must be completed by the end of 2005. The RBA driven ATM reforms imposing real-time fee disclosure at ATMs will require significant change in the technology of the ATM network. These changes are planned for implementation in the latter half of 2004.

## THE YEAR AHEAD

Significant change is planned for the coming year. At the heart of this will be a major upgrade to the Society's core retail banking system incorporating

leading industry software. The upgrade will provide a strong platform on which future product enhancements will be delivered.

A number of new ATMs will be installed over the next 12 months to enhance the convenience to members. In planning for the installations, ATMs will be sited at locations remote from branches and several high traffic locations have been identified to provide a wider distribution of Hume's presence.

Development is also well underway on the next release of IBank. A key area of focus has been the needs of members conducting their business banking with Hume.

The Society is committed to providing technological solutions that promote the most efficient, flexible, secure and accessible services to its members.



■ L-R: Frank Sergi (Systems Analyst), Bill Quinn (Support Analyst), Rochelle Wraith (IT Trainee Officer), David Rowe (IT Manager)



■ L-R: Kylie Shanahan (Training & Development Officer), Cindy Mundy (Human Resources Manager)

At Hume, staff are the key to our success. While the concept of valuing staff has become a management mantra over recent years, it is not new to Hume. The foundation of Hume's ethos is built on a culture of support, encouragement, understanding and commitment. Hume believes its members will reap the returns of a positive and friendly workplace, and as a result, management is working hard to build on the existing culture within a growing and dynamic environment.

The Society has embraced new challenges over the past year with the change of CEO. Changes to the organisational structure have been made in response to operational demands. This has happened as employee numbers continue to grow, now at a total of 86. As the Society strives to implement programs that support its staff and address the impact of change, focus will be put on the following areas:

- Employee communication
- Training and development
- Performance Management
- Remuneration planning
- Incentive and reward
- Employee Assistance

The focus of these initiatives is to establish a framework that targets the retention of talented and quality staff, provides key staff with development opportunities and career paths, and secures leadership capability requirements for the future. Succession management will provide the basis for identifying and developing high potential employees for the future and thereby support the achievement of organisational objectives. Succession management is viewed as a key component of planning for change.

Some of the human resource initiatives undertaken this year include:

## EMPLOYEE COMMUNICATION

An employee newsletter, InsideOut was established to provide a link between head office and the branch network. Staff are encouraged to use InsideOut by providing stories, news items and content they feel will be of interest to other staff members. InsideOut is a creative tool designed to enhance informal employee communication.

## TRAINING AND DEVELOPMENT

A range of training initiatives designed to improve the knowledge and skills across all levels of the organisation was embarked upon. The training program will be guided by anticipated role capabilities and organisational needs as the Society continues to change. Training and development needs are identified through formal appraisal reviews held half yearly.

## EMPLOYEE ASSISTANCE PROGRAM

The implementation of an Employee Assistance Program (EAP) is designed to recognise and support employees as they manage both work and personal commitments. It is recognised that, at times, staff may need additional support to assist with a personal challenge. In many instances, if help is available in the early stages, systemic problems can be avoided, which therefore reduces the impact on job performance. The EAP is also viewed as an important element to maintaining a supportive and caring workplace.

## EMPLOYEE INVOLVEMENT

A focus has been to encourage employees to take on new challenges, contribute to the achievement of business objectives, and in return, to improve job satisfaction and career prospects.

Hume has identified segments of staff with the scope to support the Society in the improvement of customer service and achievement of financial targets. Branch supervisors and 2ICs are examples of this initiative. Identified staff are encouraged to undertake higher level training, participate in financial and non financial target setting and planning strategies to achieve their goals.

# Marketing



■ L-R: Julie Bunn (Marketing Manager), Lindy Mason (Marketing Administration Officer)

As a part of the border region, Hume has always placed a strong emphasis on community support and involvement.

This community spirit is carried through to Hume's marketing efforts with community assistance and sponsorships. This is the basis of the new theme 'We're Part of Your Life'.

'We're Part of Your Life' stems from Hume's continued focus on local involvement and a product range that is tailored to suit all people at different stages of the life cycle.

Sponsorships and community initiatives within the last twelve months included major sponsorship of the Albury City Council's Carols by Candlelight, the Ovens and Murray Football League,

Albury Wodonga Umpires Association, Albury Wodonga Business Enterprise Centre, Investment Albury Wodonga and the Nail Can Hill Fun Run.

During the devastating fires earlier this year, it was proven that the border community is exceptional in helping others less fortunate than themselves.

To assist those who were affected by the local fires, Hume collected \$6,700 from member donations for the Red Cross.

The marketing goal for the last twelve months was to raise Hume's profile and take its presentation and awareness to the next level. This has been achieved with the introduction of new corporate television commercials, point of sale material and the new display equipment in our Birallee and Head Office branches.

These efforts will be further advanced in the coming year with the launch of a new-look website, intensive branding campaigns, point of sale material and promotions. Sponsorship will be expanded to incorporate the Albury Wodonga Parklands and the Albury Wodonga Business Achievement Awards.

This focus will continue to build the Hume brand - a guarantee of personal service, quality products and community consciousness. A brand that is or should be 'Part of Your Life'.



■ Outside Hume's Head Office, Olive Street, Albury

# Financial Report for the year ended 30 June 2003



■ Standing: Nick Toole (Credit Manager),  
Seated L-R: Kevin Phillips (Management  
Accountant), Wayne Nagle (Manager  
Planning and Finance), David Fara (Financial  
Accountant)

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Hume Building Society Ltd  
ABN 85 051 868 556

## Directors' Report

The Directors present their report, together with the financial report of Hume Building Society Ltd, for the year ended 30 June 2003 and the Auditors' report thereon.

### Directors

The names of the Directors of the Society at any time during or since the end of the financial year are:

Ulf Olof Ericson (Chairman)  
 John Albert Knobel (Deputy Chairman)  
 William Thomas Hanrahan  
 Leslie Charles Boyes  
 Feynella Joy Stocker  
 Leo Francis O'Reilly  
 Louis Stuart Lieberman

Details of Directors' qualifications, experience and special responsibilities are contained on pages 4 & 5 of the Annual Report.

### Directors' meetings

The numbers of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	<i>Board of Directors</i>	<i>Audit Committee</i>	<i>Human Resources Committee</i>	<i>Remuneration &amp; Nominations Committee</i>	<i>Succession Committee</i>
<i>Number of meetings held:</i>	20	6	4	2	11
<i>Number of meetings attended:</i>					
Ulf Olof Ericson	18	6	4	2	8
John Albert Knobel	20	6	n/a	2	11
William Thomas Hanrahan	20	4*	n/a	n/a	11
Leslie Charles Boyes	17	n/a	n/a	n/a	8
Feynella Joy Stocker	18	n/a	4	2	11
Leo Francis O'Reilly	19	6	n/a	n/a	10
Louis Stuart Lieberman	17	5	n/a	1	10

\* ceased being a member of the committee in January 2003

### Committees of Directors

#### *Audit Committee*

The Audit Committee is a Board appointed committee comprising a majority of non-executive Directors. Its principal responsibility is to oversee the risk management, financial reporting and auditing processes of the Society. It also enables the Board to assess internal controls, have an increased focus on corporate risk and to provide a forum for contact with the Society's auditors. The auditors are present at most meetings and the Chief Executive Officer is invited to attend; however the Committee can meet without Management representation. The committee is chaired by John Knobel.

#### *Human Resources Committee*

The Human Resources Committee was formed to provide advice and recommendations to the Board on human resources, workforce planning and staff training and development issues to support the Society's strategic directions. It comprises Board members, the Human Resources Managers and volunteer members of staff. The committee is chaired by Joy Stocker.

#### *Remuneration and Nominations Committee*

The Remuneration and Nominations Committee is responsible for reviewing the performance of the Chief Executive Officer and making recommendations to the Board regarding remuneration of the Chief Executive Officer. It also reviews appraisals and remuneration recommendations for the Senior Managers submitted by the Chief Executive Officer. The Committee also reviews remuneration structures for staff for submission to the Board. The committee is chaired by Ulf Ericson.

#### *Succession Committee*

The Succession Committee comprised the whole Board and was formed to facilitate the appointment of the Chief Executive Officer. The committee was chaired by Ulf Ericson

#### **Principal activities**

The principal activities of the Society during the course of the financial period were those of an Authorised Deposit-taking Institution providing financial products and services to its members.

There were no significant changes in the nature of these activities during the period.

#### **Review and results of operations**

With official interest rates static for the past financial year, the operating margin has been relatively constant. The housing market has been very buoyant and competition amongst lenders continues to be intense. The Society advanced \$115 million of loans during the year, maintaining a market-leading fixed introductory rate throughout the period. This, together with a strong refinancing package, saw good growth in the lending portfolio. The Society maintained its commitment to quality lending.

Total assets grew by 17.4% during the year.

The operating profit for the financial year before income tax was \$1.960 million (2002 - \$2.313 million – 15 month period). Income tax was \$592,000 (2002 - \$690,000– 15 month period) for the financial year.

The Society changed its balance date to June 30 from March 31 during the previous period. The comparative period represents 15 months from 1 April 2001 to 30 June 2002.

#### **State of affairs**

In the opinion of the Directors there were no significant changes in the state of affairs of the Society that occurred during the financial year under review.

#### **Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Society, the results of those operations, or the state of affairs of the Society, in future financial years.

#### **Likely developments**

The Society intends to continue to provide a range of savings, investment and loan products together with ancillary services to meet the needs of its members, and will monitor its branch and agency network, as well as e-commerce technology, to ensure these services are delivered in the most efficient manner.

The Society intends to proceed with its ATM upgrade program as well as continue to upgrade its other information technology services. A new branch is also being considered.

#### **Directors' benefits**

During or since the end of the financial year, no Director of the Society has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments paid or payable to the Directors as shown on page 32 of the general purpose financial statements) by reason of a contract entered into by the Society (or an entity that the Society controlled, or a body corporate that was related to the Society when the contract was made, or when the Director received, or became entitled to receive, the benefit) with:

- a Director, or
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest.

## **Indemnification and insurance of Officers and Auditors**

The Society has agreed to indemnify any past, present or future Director, Secretary or Officer of the Society in respect of liabilities to other persons (other than the Society) that may arise from their position as Director, Secretary or Officer of the Society, except where the liability arises out of conduct involving a lack of good faith. The Society has entered into an insurance policy to cover the Society's liability under the indemnity. The insurance policy prohibits disclosure of the premium payable under the policy and the nature of the liabilities insured.

The Society has not indemnified its Auditors, KPMG.

## **Rounding**

The amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, in accordance with ASIC Class Order 98/100 dated 10 July 1998, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



U.O. Ericson  
Chairman



J.A. Knobel  
Deputy Chairman

Albury, 12 August 2003

# Statement of Financial Performance

for the year ended 30 June 2003

		(15 months)	
	Note	2003	2002
		\$'000	\$'000
Interest revenue	2	18,819	20,396
Interest expense	2	(9,638)	(10,552)
Net interest revenue		9,181	9,844
Non-interest revenue	3	1,677	1,806
Total operating income		10,858	11,650
Bad and doubtful debts	4	(60)	(63)
Other expenses	4	(8,838)	(9,274)
<b>Profit from ordinary activities before income tax expense</b>		<b>1,960</b>	<b>2,313</b>
Income tax expense relating to ordinary activities	5(a)	(592)	(690)
<b>Net profit attributable to members</b>		<b>1,368</b>	<b>1,623</b>
Increase/(decrease) in asset revaluation reserve		241	-
<b>Total revenues, expenses and valuation adjustments attributable to members and recognised directly in equity</b>		<b>241</b>	<b>-</b>
<b>Total changes in equity attributable to members</b>		<b>1,609</b>	<b>1,623</b>

The statement of financial performance is to be read in conjunction with the accompanying notes set out on pages 19 to 37.

# Statement of Financial Position

as at 30 June 2003

		2003	2002
	Note	\$'000	\$'000
<b>Assets</b>			
Cash and liquid assets	6	11,080	5,858
Receivables due from other financial institutions	7	28,000	19,500
Investment securities	8	34,830	28,297
Accrued receivables	9	427	284
Loans and advances	10	255,060	226,349
Other investments	12	2,950	2,721
Property, plant and equipment	13	6,271	5,126
Deferred tax assets	5(d)	236	300
<b>Total assets</b>		<b>338,854</b>	<b>288,435</b>
<b>Liabilities</b>			
Deposits and short-term borrowings	14	309,909	261,371
Accounts payable and other liabilities	15	4,121	3,844
Current tax liabilities	5(b)	181	121
Provisions	16	706	793
Deferred tax liabilities	5(c)	112	90
<b>Total liabilities</b>		<b>315,029</b>	<b>266,219</b>
<b>Net assets</b>		<b>23,825</b>	<b>22,216</b>
<b>Members' funds</b>			
Reserves	17	2,394	2,153
Retained profits	18	21,431	20,063
<b>Total members' funds</b>		<b>23,825</b>	<b>22,216</b>

The statement of financial position is to be read in conjunction with the accompanying notes set out on pages 19 to 37.

## Statement of Cash Flows

for the year ended 30 June 2003

		(15 months)	
	Note	2003	2002
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Interest and bill discounts received		18,671	20,356
Interest paid on deposits		(9,708)	(10,896)
Dividends received		61	97
Other non-interest income received		1,531	1,737
Cash paid to suppliers and employees		(7,936)	(8,306)
Fees and commissions paid		(23)	(25)
Income tax paid		(446)	(885)
<b>Net cash flows from operating activities</b>	20(b)	<b>2,150</b>	<b>2,078</b>
<b>Cash flows from investing activities</b>			
Net (increase)/decrease in loans		(28,770)	(17,069)
Net (increase)/decrease in receivables due from other financial institutions		(8,500)	(13,000)
Net (increase)/decrease in investment securities		(6,707)	(4,972)
Payments for other investments		-	(230)
Payments for property, plant and equipment		(1,523)	(406)
Proceeds from sale of property, plant and equipment		34	16
<b>Net cash flows used in investing activities</b>		<b>(45,466)</b>	<b>(35,661)</b>
<b>Cash flows from financing activities</b>			
Net increase in deposits and short-term borrowings		48,538	32,336
<b>Net cash flows from financing activities</b>		<b>48,538</b>	<b>32,336</b>
<b>Net increase/(decrease) in cash held</b>		<b>5,222</b>	<b>(1,247)</b>
Cash at the beginning of the financial year		5,858	7,105
<b>Cash at the end of the financial year</b>	20(a)	<b>11,080</b>	<b>5,858</b>

The statement of cash flows is to be read in conjunction with the accompanying notes set out on pages 19 to 37.

# Notes to the Financial Statements

## I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

### **Basis of accounting**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair value of assets.

The financial report has been compiled for a 12 month period. Comparative information is for a 15 month period, 1 April 2001 to 30 June 2002.

The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous period.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

### **Accounting standards**

The Statement of Financial Performance, Statement of Financial Position and notes to the financial statements, have been prepared in accordance with AASB 1032 – Disclosures by Financial Institutions. Where there is a conflict between a requirement of AASB 1032, AASB 1018 – Statement of Financial Performance, AASB 1034 – Financial Report Preparation and Disclosures and AASB 1040 – Statement of Financial Position, then the requirement of AASB 1032 prevails. AASB 1032 requires assets and liabilities to be classified by their nature and in order that reflects their relative liquidity. Accordingly, assets and liabilities are not classified into current and non-current.

### **Recoverable amount of non-current assets valued on cost basis**

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs. In assessing recoverable amounts of non-current assets, the relevant cash flows have been discounted to their present value.

### **Revaluations of non-current assets**

Classes of non-current assets measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date. Land and buildings are independently valued every two years on an existing use basis of valuation. Revaluation increments, on a class basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Potential capital gains tax is only taken into account if the asset is held for sale.

### **Derivative financial instruments – interest rate swaps**

From time to time the Society enters into interest rate swaps that are used to convert the fixed interest rate on medium-term lending to medium-term variable interest rates. The swaps are entered into with the objective of reducing the risk of rising interest rates. It is the Society's policy not to recognise interest rate swaps in the financial statements. Net receipts and payments are recognised as an adjustment to interest income.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Loans and advances

Loans and advances are recognised at recoverable amount, after assessing required provisions for impairment.

Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable. A general provision for impairment of 0.5% of risk weighted loans is maintained.

The loan interest is calculated on the daily balance outstanding and is charged in arrears to a customer's account on the last day of each month. All housing loans are secured by registered mortgages.

Bad debts are written off when identified. If a provision for impairment has been recognised in relation to a loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as expenses in the statement of financial performance.

All loans and advances are reviewed and graded according to the anticipated level of credit risk. The classification adopted is described below:

- ▶ Non-accrual loans - are loans and advances where the recovery of all interest and principal is considered to be reasonably doubtful, and hence provisions for impairment are recognised.
- ▶ Restructured loans - arise when the borrower is granted a concession due to continuing difficulties in meeting the original terms, and the revised terms are not comparable to new facilities. Loans with revised terms are included in non-accrual loans when impairment provisions are required.
- ▶ Assets acquired through the enforcement of security - are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.
- ▶ Past-due loans - are loans where payments of principal and/or interest are at least 90 days in arrears. Full recovery of both principal and interest is expected. If a provision for impairment is required, the loan is included in non-accrual loans.

### Property, plant and equipment

#### *Acquisition*

All assets acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

#### *Disposal of revalued assets*

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal. Any related revaluation increment standing in the asset revaluation reserve at the time of disposal is transferred to the capital profits reserve.

#### *Depreciation*

All assets have limited useful lives and are depreciated/amortised using the straight line method over their useful lives, taking into account estimated residual values, with the exception of freehold land. Assets are depreciated or amortised from the date of acquisition. Major depreciation periods are:

	2003	2002
● Freehold buildings:	40 years	40 years
● Leasehold improvements:	the lease term	the lease term
● Plant and equipment:	3 to 15 years	3 to 15 years

### Leases

Leases under which the Society assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

#### *Operating leases*

Payments made under operating leases are expensed on a straight line basis over the term of the lease.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition

#### *Dividends*

Revenue from dividends is recognised when dividends are received.

#### *Fees and commissions*

Fees and commissions are recognised as revenues or expenses on an accrual basis.

#### *Sale of non-current assets*

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

### Employee benefits

#### *Wages, salaries and annual leave*

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Society expects to pay as at reporting date including related on-costs.

#### *Long service leave*

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made by the Society resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

#### *Superannuation plan*

Contributions to the employees' superannuation fund are recognised as an expense as they are made.

### Taxation

The Society adopts the income statement liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. The tax effect of capital losses is not recorded unless realisation is virtually certain.

### Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### Investment securities

Investment securities are intended to be held to maturity, and are recorded at the lower of cost (adjusted for premium or discount) and recoverable amount.

## 2. INTEREST REVENUE AND INTEREST EXPENSE

The following tables show the average balance for each of the major categories of interest-bearing assets and liabilities, the amount of interest revenue or expense and the average interest rate. Most averages are monthly averages. Daily or weekly averages are also used provided they are representative of the Society's operations during the period.

	Average balance \$'000	Interest \$'000	Average interest rate %
<b>Interest revenue 2003</b>			
Receivables due from other financial institutions	31,854	1,628	5.11
Investment securities	35,899	1,855	5.17
Loans and advances	239,966	15,336	6.39
	<b>307,719</b>	<b>18,819</b>	<b>6.12</b>

<b>Interest expense 2003</b>			
Customer deposits	289,162	9,638	3.33
Short-term borrowings	-	-	-
	<b>289,162</b>	<b>9,638</b>	<b>3.33</b>

<b>Interest revenue 2002 - 15 months</b>			
Receivables due from other financial institutions	17,693	1,102	4.98
Investment securities	29,627	1,845	4.98
Loans and advances	216,890	17,449	6.43
	<b>264,210</b>	<b>20,396</b>	<b>6.18</b>

<b>Interest expense 2002 - 15 months</b>			
Customer deposits	245,790	10,552	3.43
Short-term borrowings	-	-	-
	<b>245,790</b>	<b>10,552</b>	<b>3.43</b>

## 3. REVENUE FROM ORDINARY ACTIVITIES

	Note	2003 \$'000	(15 months) 2002 \$'000
Interest revenue	2	<b>18,819</b>	20,396
<i>Non-interest revenue</i>			
Dividends - other corporations		61	97
Fees and commissions		1,413	1,473
Bad debts recovered		2	-
Gross proceeds from sale of non-current assets		34	16
Other revenue			
- Income from property		167	219
- Other		-	1
Total non-interest revenue		<b>1,677</b>	1,806
Total revenue from ordinary activities		<b>20,496</b>	22,202

			(15 months)
	Note	2003	2002
		\$'000	\$'000
<b>4. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX</b>			
<b>Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:</b>			
<b><i>Bad and doubtful debts</i></b>			
Bad and doubtful debts – other persons/bodies corporate	11	<u>60</u>	<u>63</u>
<b><i>Other Expenses</i></b>			
Amortisation - leasehold improvements	13	13	7
Depreciation			
- Plant and equipment	13	521	544
- Buildings	13	<u>63</u>	<u>75</u>
		584	619
Fees and commissions		23	25
Personnel costs			
- Provision for employee entitlements		(87)	88
- Superannuation contributions		417	431
- Salaries and wages		3,567	3,599
- Other		641	550
Other administration expenses		3,331	3,565
Rental – operating leases		328	375
Written-down value of property, plant & equipment sold		21	15
Total other expenses		<u>8,838</u>	<u>9,274</u>
Net (gain)/loss on disposal of property, plant & equipment		<u>(13)</u>	<u>(1)</u>

	2003 \$'000	2002 \$'000
<b>5. INCOME TAX</b>		
<b>(a) Income tax expense</b>		
Prima facie income tax expense calculated at 30% (2002 - 30%) on the profit from ordinary activities	588	694
<i>Increase/(decrease) in income tax expense due to:</i>		
Depreciation and amortisation	10	12
Imputation gross-up on dividends received	8	-
General provision for impairment	35	13
Rebateable dividend income	-	(28)
Franking credits on dividends received	(26)	-
Other	(23)	2
	<u>592</u>	<u>693</u>
Income tax (over)/under provided in prior period	-	(3)
Income tax expense attributable to profit from ordinary activities	<u>592</u>	<u>690</u>
Income tax expense attributable to profit from ordinary activities is made up of:		
Current income tax provision	506	661
Future income tax benefit	64	(9)
Deferred income tax provision	22	38
	<u>592</u>	<u>690</u>
The general provision for impairment is treated as a permanent difference, as the provision does not relate to specific doubtful accounts for which a tax deduction would be available in the event of a loss. Realisation is not virtually certain.		
<b>(b) Current tax liabilities</b>		
<b><i>Provision for current income tax</i></b>		
Movement during the year was as follows:		
Balance at the beginning of the year	121	345
Current year's income tax expense on profit from ordinary activities	506	664
Income tax paid	(446)	(885)
Under/(over) provision in prior period	-	(3)
	<u>181</u>	<u>121</u>
<b>(c) Deferred tax liabilities</b>		
<b><i>Provision for deferred income tax</i></b>		
Provision for deferred income tax comprises the estimated expense at the applicable rate of 30% (2002 - 30%) on the following items:		
Difference in depreciation and amortisation of property, plant and equipment for accounting and tax purposes	50	44
Accrual of short-term bills	61	45
Sundry items	1	1
	<u>112</u>	<u>90</u>

	2003 \$'000	2002 \$'000
<b>5. INCOME TAX (continued)</b>		
<b>(d) Deferred tax assets</b>		
<b>Future income tax benefit</b>		
Future income tax benefit comprises the estimated future benefit at the applicable rate of 30% (2002 – 30%) on the following items:		
Difference in depreciation and amortisation of property, plant and equipment for accounting and tax purposes	-	-
Provisions and accrued employee benefits not currently deductible	212	239
Specific provision for doubtful debts	6	28
Accrued expenses not currently deductible	18	32
Sundry items	-	1
	<b>236</b>	<b>300</b>
<b>6. CASH AND LIQUID ASSETS</b>		
Cash on hand and at bank	6,680	3,158
Deposits at call	4,400	2,700
	<b>11,080</b>	<b>5,858</b>
<b>7. RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS</b>		
Interest earning deposits	<b>28,000</b>	19,500
<b>Maturity analysis</b>		
Not longer than 3 months	17,000	9,500
Longer than 3 and not longer than 12 months	4,500	8,500
Longer than 1 and not longer than 5 years	6,500	1,500
	<b>28,000</b>	<b>19,500</b>
<b>8. INVESTMENT SECURITIES</b>		
Bills of exchange	5,484	4,472
Negotiable certificates of deposit	29,346	23,825
	<b>34,830</b>	<b>28,297</b>
<b>Maturity analysis</b>		
Not longer than 3 months	33,844	26,864
Longer than 3 and not longer than 12 months	986	1,433
Longer than 1 and not longer than 5 years	-	-
	<b>34,830</b>	<b>28,297</b>

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	Note	2003 \$'000	2002 \$'000
<b>9. ACCRUED RECEIVABLES</b>			
Interest receivable on investments		207	115
Sundry debtors, accrued income and prepayments		220	169
		<u>427</u>	<u>284</u>
<b>10. LOANS AND ADVANCES</b>			
Overdrafts		1,854	1,655
Term loans		253,436	225,086
Loans to Directors	25(b)	521	314
Provision for impairment	11	(751)	(706)
Net loans and advances		<u>255,060</u>	<u>226,349</u>
<b>Maturity analysis</b>			
Overdrafts		1,854	1,655
Not longer than 3 months		3,448	3,077
Longer than 3 and not longer than 12 months		9,173	8,438
Longer than 1 and not longer than 5 years		47,911	43,199
Longer than 5 years		193,425	170,686
		<u>255,811</u>	<u>227,055</u>
<b>Concentration of risk</b>			
The loan portfolio of the Society does not include any loan which represents 10% or more of capital.			
The Society has an exposure to groupings of individual loans which concentrate risk and create exposure to particular segments as follows:			
- Albury-Wodonga region (including Corowa and Culcairn)		236,047	210,415
- Other – non-concentrated		19,764	16,640
		<u>255,811</u>	<u>227,055</u>
<b>11. IMPAIRMENT OF LOANS AND ADVANCES</b>			
<b>Provision for impairment</b>			
<b>General provision</b>			
Opening balance		614	568
Bad debts previously provided for written off during the period		-	-
Bad and doubtful debts provided for during the period		118	46
Closing balance		<u>732</u>	<u>614</u>

	2003 \$'000	2002 \$'000
<b>11. IMPAIRMENT OF LOANS AND ADVANCES (continued)</b>		
<b>Specific provision</b>		
Opening balance	92	98
Bad debts previously provided for written off during the period	(15)	(23)
Bad and doubtful debts provided for during the period	(58)	17
Closing balance	19	92
Total provision for impairment	<u>751</u>	<u>706</u>
 <b>Bad and doubtful debts expense comprises:</b>		
Specific provision	(58)	17
General provision	118	46
Bad debts recognised directly	-	-
Total bad debts expense	<u>60</u>	<u>63</u>
 <b>Non-accrual loans</b>		
Balances with specific provisions for impairment	16	187
Specific provision for impairment	(10)	(86)
Net non-accrual loans	<u>6</u>	<u>101</u>
 <b>Restructured loans</b>		
Balance	-	-
 <b>Assets acquired through enforcement of security</b>		
Real estate acquired through enforcement of security	-	-
Specific provision for impairment	-	-
	<u>-</u>	<u>-</u>
 <b>Past-due loans</b>		
Balance	<u>121</u>	<u>485</u>
 Interest revenue on non-accrual and restructured loans	2	6
Interest foregone on non-accrual and restructured loans	1	-
Other revenue on assets acquired through security enforcement	-	-
Net fair value of assets acquired through the enforcement of security during the financial period. These assets include land and buildings which have since been sold or are in the process of being sold.	-	113
	<u>-</u>	<u>113</u>
 <b>12. OTHER INVESTMENTS</b>		
Listed shares and securities – at cost	1,385	1,358
Unlisted shares – at cost	241	241
Other – at cost	1,324	1,122
	<u>2,950</u>	<u>2,721</u>

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	Note	2003 \$'000	2002 \$'000
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>			
<b>Freehold Land</b>			
Freehold land at independent valuation – June 2003	13(a)	1,579	-
Freehold land at independent valuation – March 2001		-	1,480
		<b>1,579</b>	<b>1,480</b>
<b>Buildings</b>			
At independent valuation – June 2003	13(a)	2,881	-
At independent valuation – March 2001		-	2,415
		<b>2,881</b>	<b>2,415</b>
Provision for depreciation		-	(75)
		<b>2,881</b>	<b>2,340</b>
Total freehold land and buildings		<b>4,460</b>	<b>3,820</b>
<b>Leasehold improvements</b>			
At cost		228	165
Provision for amortisation		(148)	(136)
Total leasehold improvements		<b>80</b>	<b>29</b>
<b>Plant and equipment</b>			
At cost		3,794	3,520
Provision for depreciation		(2,063)	(2,243)
Total plant and equipment		<b>1,731</b>	<b>1,277</b>
Total property, plant and equipment at net book value		<b>6,271</b>	<b>5,126</b>

## Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

### Freehold Land

Carrying amount at the beginning of the year	1,480	1,480
Additions	-	-
Disposals	-	-
Revaluations	99	-
Carrying amount at the end of the year	<b>1,579</b>	<b>1,480</b>

### Buildings

Carrying amount at the beginning of the year	2,340	2,410
Additions	462	5
Disposals	-	-
Revaluations	142	-
Depreciation	(63)	(75)
Carrying amount at the end of the year	<b>2,881</b>	<b>2,340</b>

	2003 \$'000	2002 \$'000
<b>13. PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
<b><i>Leasehold improvements</i></b>		
Carrying amount at the beginning of the year	29	20
Additions	64	16
Disposals	-	-
Amortisation	(13)	(7)
Carrying amount at the end of the year	<u>80</u>	<u>29</u>
<b><i>Plant and equipment</i></b>		
Carrying amount at the beginning of the year	1,277	1,368
Additions	996	469
Disposals	(21)	(16)
Depreciation	(521)	(544)
Carrying amount at the end of the year	<u>1,731</u>	<u>1,277</u>

**(a) Valuations**

The freehold land and buildings were independently valued in June 2003 by R.G. Eastoe, FAPI, Dip. Ag. & F.M. B.Bus. (MKT), Certified Practising Valuer, on the basis of open market value of the properties concerned and their existing use.

All valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date. The Society has a set policy for regular valuation of freehold land and buildings at least once every two financial years. Freehold land and buildings include strategically located property with a book value of \$1,950,000 which are subject to long-term leases and provide an investment return to the Society.

<b>14. DEPOSITS AND SHORT-TERM BORROWINGS</b>		
Call deposits	127,797	114,269
Term deposits	181,922	146,912
Short-term borrowings	190	190
	<u>309,909</u>	<u>261,371</u>
<b>Maturity analysis</b>		
On call	127,797	114,269
Not longer than 3 months	124,696	89,383
Longer than 3 and not longer than 12 months	41,546	45,471
Longer than 1 and not longer than 5 years	15,870	12,248
	<u>309,909</u>	<u>261,371</u>
<b>Concentration of deposits</b>		
Albury-Wodonga region (including Corowa and Culcairn)	290,009	246,799
Other – non-concentrated	19,900	14,572
	<u>309,909</u>	<u>261,371</u>

The Society's deposit portfolio does not include any deposit which represents 5% or more of total liabilities.

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	Note	2003 \$'000	2002 \$'000
<b>15. ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>			
Accrued interest payable		2,009	2,078
Creditors and other liabilities		2,112	1,766
		<b>4,121</b>	<b>3,844</b>
<b>16. PROVISIONS</b>			
Employee benefits		<b>706</b>	793
Included in employee benefits is a non-current amount of \$270,000 (2002 - \$235,000).			
The Society employed 73 full-time equivalent staff at the end of the financial year.			
<b>17. RESERVES</b>			
Capital profits		243	243
Asset revaluation		2,151	1,910
		<b>2,394</b>	2,153
<b>Movements in reserves</b>			
<b>Asset revaluation reserve</b>			
Balance at beginning of period		1,910	1,910
Revaluation increments/(decrements):			
- Land		99	-
- Buildings		142	-
Balance at end of period		<b>2,151</b>	1,910
<b>Capital profits reserve</b>			
Balance at beginning of period		243	243
Transfer from asset revaluation reserve		-	-
Balance at end of period		<b>243</b>	243
<b>18. RETAINED PROFITS</b>			
Retained profits at the beginning of the period		20,063	18,440
Net profit attributable to members		1,368	1,623
Aggregate of amounts transferred to reserves	17	-	-
Retained profits at the end of the period		<b>21,431</b>	20,063
<b>19. AUDITORS' REMUNERATION</b>		\$	\$
Amounts received or due and receivable by the Auditors of Hume Building Society Ltd for:			
- audit of the financial statements of the Society		38,300	36,380
- other services in relation to the Society		39,443	46,534
		<b>77,743</b>	82,914

	2003 \$'000	2002 \$'000
<b>20. STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and deposits at call. Cash as at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the financial statements as follows:		
Cash on hand and at bank	6,680	3,158
Deposits at call	4,400	2,700
	<b>11,080</b>	<b>5,858</b>
<b>(b) Reconciliation of profit from ordinary activities after tax to the net cash flows from operations</b>		
Profit from ordinary activities after income tax	1,368	1,623
<i>Non-cash items</i>		
Charge for bad and doubtful debts	60	63
Depreciation	584	619
Amortisation	13	7
Provision for employee entitlements	(87)	88
Net (profit)/loss on disposal of plant and equipment	(13)	(1)
<i>Changes in assets and liabilities</i>		
Interest receivable	(147)	(40)
Other receivables	(51)	43
Interest payable	(70)	(344)
Tax provision	60	(224)
Creditors and accrued expenses	347	215
Future income tax benefit	64	(9)
Provision for deferred income tax	22	38
Net cash flow from operating activities	<b>2,150</b>	<b>2,078</b>

#### **Cash flows presented on a net basis**

Cash flows arising from the following activities are presented on a net basis in the statement of cash flows:

- (i) customer deposits to and withdrawals from deposit accounts;
- (ii) borrowings and repayments on loans, advances and other receivables; and
- (iii) sales and purchases of investment securities.

#### **Bank overdraft facility**

The Society has an overdraft facility available to the extent of \$500,000 (2002 - \$500,000). The overdraft facility is secured by a registered first mortgage over property owned by the Society. As at 30 June 2003 this facility was undrawn.

#### **Special finance line – standby facility**

The Society has a special finance line – standby facility with ANZ Bank available to the extent of \$6.0 million (2002 - \$6.0 million). This facility is unsecured. As at 30 June 2003 this facility was undrawn.

## **21. EMPLOYEE BENEFITS**

### **Superannuation commitments**

The Society contributes to the Hume Building Society Staff Superannuation Fund which is an accumulation fund. The benefits provided are based on the amounts credited to each member's account in the fund. No actuarial assessment is required. The Society contributed 9% of each fund member's gross salary to cover its occupational superannuation obligations. Members may contribute to the fund on a voluntary basis.

## 22. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

In the normal course of business the Society enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of customers. The Society uses the same credit policies and assessment criteria in making commitments and conditional obligations for off-statement of financial position risks as it does for on-statement of financial position sheet loan assets. The Society holds collateral supporting these commitments where it is deemed necessary.

	2003 \$'000	2002 \$'000
<b>Credit-related commitments</b>		
Binding commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements:		
Approved but undrawn loans and credit limits	<u>21,219</u>	<u>12,415</u>
<b>Financial guarantees</b>		
Financial guarantees written are conditional commitments issued by the Society to guarantee the performance of a customer to a third party. These guarantees are secured by frozen deposits or undrawn loan funds.		
	<u>218</u>	<u>245</u>

## 23. REMUNERATION OF DIRECTORS

### Directors' remuneration

Income paid or payable, or otherwise made available, in respect of the year (2002 – 15 month period), to all Directors of the Society

	\$	\$
	<u>770,231</u>	<u>582,612</u>

The number of Directors of Hume Building Society Ltd whose income (including superannuation contributions) falls within the following bands is:

	No.	No.
\$20,000 – \$29,999	1	-
\$30,000 – \$39,999	4	5
\$50,000 – \$59,999	-	1
\$80,000 – \$89,999	1	-
\$360,000 – \$369,999	-	1
\$510,000 – \$519,999	1	-

Remuneration includes all payments to Directors and benefits, but excludes reimbursements of out of pocket expenses. All remuneration of Directors, except those of employee Directors, was approved by the members at the previous Annual General Meeting of the Society.

There are no amounts paid in connection with the retirement of a Director.

	\$'000	\$'000
<b>24. EXPENDITURE COMMITMENTS</b>		
<b>Capital expenditure commitments</b>		
Estimated capital expenditure contracted for at balance date but not provided for:		
– payable within one year	<b>248</b>	75
	<hr/>	<hr/>
<b>Operating leases (non-cancellable)</b>		
Future operating lease commitments not provided for in the financial statements and payable:		
– within 1 year	<b>320</b>	283
– later than 1 and not later than 2 years	<b>304</b>	157
– later than 2 and not later than 5 years	<b>387</b>	283
	<hr/>	<hr/>
Aggregate lease expenditure contracted for at balance date	<b>1,011</b>	723
	<hr/> <hr/>	<hr/> <hr/>

## 25. RELATED PARTY DISCLOSURES

(a) The Directors of Hume Building Society Ltd during the financial period were:

U. O. Ericson      Chairman  
 J. A. Knobel      Deputy Chairman  
 W. T. Hanrahan  
 L. C. Boyes  
 F. J. Stocker  
 L. F. O'Reilly  
 L. S. Lieberman

(b) The following related party transactions occurred during the financial period:

### Loans to Directors

All loans to Directors of the Society have been made in the normal course of business and on normal commercial terms and conditions. In the case of employee Directors, all loans advanced have been made on the same terms and conditions as those available to other employees of the Society in accordance with established policy. These terms and conditions have not been breached.

The aggregate amount receivable at 30 June 2003 was \$521,000 (2002 - \$314,000) and relates to loans advanced in the normal course of business to Messrs Knobel and Hanrahan and Mrs Stocker. During the period loans advanced totalled \$268,000 (2002 - \$0) and repayments totalling \$86,000 (2002 - \$117,000) were made which included repayments of principal of \$61,000 (2002 - \$89,000).

### Other transactions

From time to time the Directors of the Society may conduct banking related transactions with the Society. These transactions are on the same terms and conditions as those entered into by other members.

### Related parties

All transactions with Director related parties have been conducted on an arms-length basis. In accordance with ASIC Class Order 98/110, only financial instrument transactions with the Directors of the Society have been disclosed in the financial statements.

## 26. ECONOMIC DEPENDENCY

The Society has an economic dependency on Cashcard Australia Limited for the provision of ATM network services and Ultradata Australia Pty Ltd for computer software services.

## 27. FINANCIAL INSTRUMENTS

### (a) Terms, conditions and accounting policies

The Society's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised financial instruments	Statement of financial position note	Accounting policies	Terms and conditions
<b>(i) Financial assets</b>			
Loans and advances	10	The loan interest is calculated on the daily balance outstanding and is charged in arrears to a customer's account on the last day of each month. Loans and advances are recorded at their recoverable amount. For further details on the classification of loans refer to note 1.	All housing loans are secured by registered mortgages. The remaining loans are assessed on an individual basis but most are also secured by registered mortgages. Most housing loans are covered by mortgage insurance.
Loans and advances – related parties	10	Amounts receivable from related parties/entities are carried at nominal amounts due.	Details of the terms and conditions are set out in note 25.
Interest earning deposits	7	Interest earning deposits are stated at cost. Interest revenue is recognised when earned.	Interest earning deposits have an average maturity of 329 days and effective interest rates of 4.66% to 5.40% (2002: 4.90% to 5.50%).
Bills of exchange	8	Bills of exchange and promissory notes are stated at cost. Net realisable value is stated in note 27(c). The discount amount is amortised over the life of the bill.	Bills of exchange have an average maturity of 60 days with effective interest rates of 4.60% to 4.78% (2002: 4.65% to 5.01%).
Other investments	12	Other investments are carried at the lower of cost or recoverable amount. Interest is recognised when earned.	
Listed shares and securities	12	Listed shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when received.	
Negotiable certificates of deposit	8	Negotiable certificates of deposit are stated at cost. Interest revenue is recognised when earned.	Negotiable certificates of deposit have an average maturity of 87 days and effective interest rates of 4.66% to 4.95% (2002: 4.60% to 5.86%).
<b>(ii) Financial liabilities</b>			
Deposits and other borrowings	14	Deposits and borrowings are recorded at the principal amount. Interest is calculated on the daily balance outstanding or the minimum monthly balance.	Details of maturity terms are set out in note 14.
Bank overdraft		The bank overdraft is carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate. Details of the security over the bank overdraft are set out in note 20.
Accounts payable and other liabilities	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Society.	Trade liabilities are normally settled on 30-day terms.

**27. FINANCIAL INSTRUMENTS (continued)**

**(b) Interest rate risk**

The Society's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 %	2002 %
<b>(i) Financial assets</b>														
Cash and liquid assets	4,400	2,700							6,680	3,158	11,080	5,858	4.60	4.60
Loans and advances – related parties	521	314									521	314	5.95	6.51
Listed shares and securities	612	612						773	746	1,385	1,358	n/a	n/a	
Interest earning deposits			21,500	18,000	6,500	1,500					28,000	19,500	4.93	5.04
Bills of exchange			5,484	4,472							5,484	4,472	4.74	4.86
Negotiable certificates of deposit			29,346	23,825							29,346	23,825	4.84	5.04
Other investments	1,324	1,122						241	241	1,565	1,363	4.45	4.75	
Loans and advances	202,389	174,275	40,056	39,831	12,549	12,261	296	374			255,290	226,741	6.33	6.36
Accrued receivables									427	284	427	284	n/a	n/a
Total financial assets	209,246	179,023	96,386	86,128	19,049	13,761	296	374	8,121	4,429	333,098	283,715		

n/a – not applicable for non-interest bearing financial instruments.

<b>(ii) Financial liabilities</b>																	
		114,269		166,242		134,854		15,870		12,248		309,909		261,371		3.38	
												4,121		3,844		n/a	
												706		793		n/a	
		(1,000)						1,000		1,000				***		****	
		126,797		113,269		134,854		16,870		13,248		4,827		4,637		266,008	
Deposits and borrowings	127,797	114,269	166,242	134,854	15,870	12,248							309,909	261,371	3.38	3.28	
Accounts payable and other liabilities									4,121	3,844			4,121	3,844	n/a	n/a	
Employee Benefits									706	793			706	793	n/a	n/a	
Interest rate swaps	(1,000)	(1,000)			1,000	1,000								***	****	****	
Total financial liabilities	126,797	113,269	166,242	134,854	16,870	13,248			4,827	4,637			314,736	266,008			

n/a – not applicable for non-interest bearing financial instruments.

\*\*\* not applicable since financial instruments are not recognised in the financial statements.

\*\*\*\* the disclosure of effective interest rates is not applicable to derivative financial instruments.

## 27. FINANCIAL INSTRUMENTS (continued)

### (c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows:

Financial instruments	Total carrying amount as per the statement of financial position		Aggregate net fair value	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>(i) Financial assets</b>				
Cash and liquid assets	11,080	5,858	11,080	5,858
Loans and advances – related parties/entities	521	314	521	314
Listed shares and securities	1,385	1,358	2,110	1,825
Other investments	1,565	1,363	1,565	1,363
Interest earning deposits	28,000	19,500	28,193	19,500
Bills of exchange	5,484	4,472	5,483	4,471
Negotiable certificates of deposit	29,346	23,825	29,364	23,832
Loans and advances	255,290	226,741	255,290	226,741
Accrued receivables	427	284	427	284
<b>Total financial assets</b>	<b>333,098</b>	<b>283,715</b>	<b>334,033</b>	<b>284,188</b>
<b>(ii) Financial liabilities</b>				
Deposits and borrowings	309,909	261,371	309,909	261,371
Accounts payable and other liabilities	4,121	3,844	4,121	3,844
Employee Benefits	706	793	706	793
Interest rate swaps	**	**	3	8
<b>Total financial liabilities</b>	<b>314,736</b>	<b>266,008</b>	<b>314,739</b>	<b>266,016</b>

\*\* not applicable since financial instruments are not recognised in the financial statements.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

#### Recognised financial instruments

##### Cash and liquid assets and interest earning deposits

The carrying amounts approximate fair value because of their short term to maturity or are receivable on demand.

##### Current securities and investments

Trading securities are carried at net market/net fair value.

##### Deposits and borrowings

The carrying amount approximates fair value because of their short term to maturity.

##### Loans and advances

The fair values of loans receivable excluding impaired loans are estimated using a method not materially different from discounted cash flow analysis, based on current incremental lending rates for similar types of lending arrangements. The net fair value of impaired loans was calculated by using a method not materially different from discounting expected cash flows using a rate which includes a premium for the uncertainty of the flows.

##### Investments/securities

For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment/security.

## 27. FINANCIAL INSTRUMENTS (continued)

### *Accrued receivables*

The carrying amount approximates fair value as they are short-term in nature.

### *Accounts payable and other liabilities*

The carrying amount approximates fair value as they are short-term in nature.

### *Other financial liabilities*

This includes interest payable and unrealised expenses payable for which the carrying amount is considered to be a reasonable estimate of net fair value. For liabilities which are long-term, net fair values have been estimated using the rates currently offered for similar liabilities with remaining maturities.

### **Unrecognised financial instruments**

#### *Interest rate swap agreements*

The fair values of interest rate swap contracts are determined as the difference in the present value of the future interest cash flows.

### (d) **Credit risk exposures**

The Society's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Society's maximum credit risk exposure in relation to interest rate swap contracts is limited to the net fair value of the swap agreement at balance date, being \$3,000 (2002 - \$8,000).

#### **Concentrations of credit risk**

The Society minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of customers within the specified category. However, the majority of customers are concentrated in the Albury-Wodonga region.

Concentrations of credit risk on loans receivable arise in the following categories:

	Maximum credit risk exposure* for each concentration			
	Percentage of total loans receivable (%)		\$'000	
	2003	2002	2003	2002
Albury-Wodonga area residents (including Corowa and Culcairn)	92.27	92.67	236,047	210,415
Other non-concentrated	7.73	7.33	19,764	16,640
	100.00	100.00	255,811	227,055

\* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

Credit risk in loans receivable is managed in the following ways:

- a risk assessment process is used for all customers; and
- credit insurance is obtained for high risk customers and/or where the Society's policies require it.

### (e) **Hedging instruments**

As disclosed above, the Society has entered into interest rate swaps for the specific hedging of some fixed interest rate loans.

## 28. SEGMENT INFORMATION

The Society operates predominantly in the finance industry within Australia. The operations comprise the acceptance of deposits and the provision of loans. Specific segmentation of deposits and loans are set out in notes 10 and 14.

## Directors' Declaration

In the opinion of the Directors of Hume Building Society Ltd:

1. the financial statements and notes, set out on pages 17 to 37, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the financial position of the Society as at 30 June 2003 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors:



U.O. Ericson  
Chairman



J.A. Knobel  
Deputy Chairman

Albury, 12 August 2003

## Independent Audit Report

To the members of Hume Building Society Ltd:

### Scope

We have audited the financial report of Hume Building Society Ltd for the financial year ended 30 June 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the Directors' declaration, as set out on pages 17 to 38. The Society's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Society.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Society's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Audit opinion

In our opinion, the financial report of Hume Building Society Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Society's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

KPMG   
Chartered Accountants



Dougald J. Frederick, Partner  
Albury, 12 August 2003

# Staff Members

## Senior Management

### Chief Executive Officer

Andrew Saxby

### Manager Legal Compliance and Company Secretary

Henri Cruddas

### Financial Services Manager

Mike Halsey

### Human Resources Manager

Cindy Mundy

### Manager Planning and Finance

Wayne Nagle

### Information Technology Manager

David Rowe

## Accounting & Administration

### Manager Planning and Finance

Wayne Nagle

### Management Accountant

Kevin Phillips

### Financial Accountant

David Fara

### Credit Manager

Nicholas Toole

### Arrears Officer

John Watson

### Team Leader Loans Administration

Jenny Harmer

### Loans Administration Officers

Roslyn Healy

Kylie Ludbrook

Joshua Coghlan

### Administrative Assistants

Bernadette Bell-Chambers

Elaine McGowan

Debra Sawyer

Kim Singleton

Kerri Yensch

### Executive Secretary

Jenny Butler

### Receptionist

Philippa Bartasius

## Human Resources

### Human Resources Manager

Cindy Mundy

### Training and Development Coordinator

Kylie Shanahan

## Marketing

### Marketing Manager

Julie Bunn

### Marketing Administration Officer

Lindy Mason

## Information

### Technology

### Information Technology Manager

David Rowe

### Support Analyst

Bill Quinn

### Systems Analyst

Frank Sergi

### IT Trainee Officer

Rochelle Wraith

## Legal and Compliance

### Manager Legal Compliance & Company Secretary

Henri Cruddas

### Compliance Officer

David Schultz

## Financial Services

### Financial Services Manager

Mike Halsey

### Manager Retail Lending

Olympia Andronicos

### Loans Officers

Alan Jarratt

Julie Johansen

Stacey Rich

Kevin Ward

### Business Banking Officer

Jim Sewell

### Manager Branch Operations

Judy Clohesy

### Insurance Manager

Shane Evans

### Insurance Officer

Kerri Gordes

## Head Office Branch

### Supervisor

Sharyn Pollock

### Customer Service Officers

Allison Coonan

Ingela Hamilton

Penny Pope

Vivienne Smith

Teresa Wyatt

## Myer

### Supervisor

Patricia Reis

### Customer Service Officers

Merrisa Colls

Robyn Johnson

Caroline Kaye

Katrina Kerr

Renae Knobel

## West End Plaza

### Supervisor

Linda Kimball

### Customer Service Officers

Helen Eames

Annette James

Sue Walker

## Lavington

### Branch Manager

Ross Maggs

### Loans Officer

Robyn Hillary

### Supervisor

Janelle Batrouney

### Customer Service Officers

Samantha Devenish

Megan Forelli

Meg Gardiner

Alice Geddes

Ingela Hamilton

Kerry Houghton

Tracey Mulvey

Sue Pitman

Jenny Preston

## High Street

### Branch Manager

Kevin Richardson

### Supervisor

Rebecca O'Bryan

### Customer Service Officers

Nina Barlow

Leeanne Burns

Sue Walker

## Wodonga Plaza

### Supervisor

Mark Fisher

### Customer Service Officers

Kath Arnold

Louise Maxwell

Jodi O'Connell

## Birallee

### Supervisor

Pamela Kennedy

### Customer Service Officers

Nicole Clark

Anna Novak

## Corowa

### Branch Manager

Helen Rolfe

### Supervisor

Sharon Rinkel

### Customer Service Officers

Leonie Brown

Lisa Martin

Raielene Young

## Culcairn

### Supervisor

Maxine Quinlivan

### Customer Service Officer

Gaynor McLeish

## Yackandandah

### Customer Service Officers

Nina Barlow

Leeanne Burns

Alice Geddes

### Casual Customer Service Officers

Lachlan Clohesy

Liesl Doorman

Jennie Frendo

Kerryann Wyatt

# Branch Locations

## Head Office

492 Olive Street,  
Albury, NSW. 2640  
Phone: (02) 6051 3211  
Fax: (02) 6051 3255

## Myer City Centre

David & Swift Streets,  
Albury, NSW. 2640  
Phone: (02) 6051 3300  
Fax: (02) 6051 3322

## West End Plaza

487 Kiewa Street,  
Albury, NSW. 2640  
Phone: (02) 6051 3399  
Fax: (02) 6051 3366

## Lavington Shopping Centre

Griffith Road, Lavington,  
NSW. 2641  
Phone: (02) 6025 7877  
Fax: (02) 6040 3508

## Wodonga Central

131 High Street,  
Wodonga, VIC. 3690  
Phone: (02) 6022 9088  
Fax: (02) 6022 9066

## Wodonga Plaza

Elgin Street,  
Wodonga, VIC. 3690  
Phone: (02) 6022 9000  
Fax: (02) 6022 9022

## Centro Birallee

97 Melrose Drive,  
Wodonga, VIC. 3690  
Phone: (02) 6043 4300  
Fax: (02) 6043 4304

## Corowa

79 Sanger Street,  
Corowa, NSW. 2646  
Phone: (02) 6033 2688  
Fax: (02) 6033 4312

## Culcairn

31 Railway Parade,  
Culcairn, NSW. 2660  
Phone: (02) 6029 8083  
Fax: (02) 6029 8121

## Yackandandah

18 High Street,  
Yackandandah, VIC. 3749  
Phone: (02) 6027 1171



ABN: 85 051 868 556