

People's Choice Credit Union 2016 Annual General Meeting



Chief Executive Officer's 2015/16 Report



Thank you, John, and good morning everyone. Today I'm going to provide some further detail on our performance during 2015/16, and the implementation of our four Strategic Directions: to grow our membership, to be the preferred banking alternative, to build a stronger credit union and to make a difference in the community.

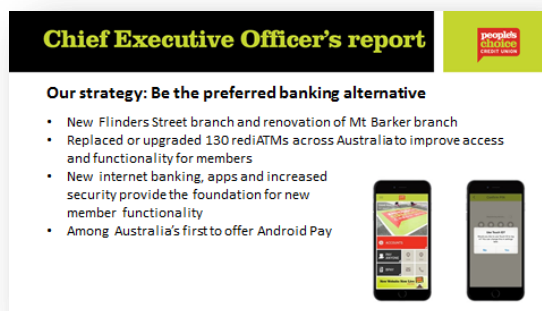


People's Choice's most fundamental measure of success is how we support our members. In 2015/16, we helped 9,191 members to buy their home and 14,707 members to buy a car, finance a renovation and finance a holiday. People's Choice also protected 38,903 members with home and contents insurance, mortgage repayment protection and Mutual Aid.



Of the 23,457 new members People's Choice welcomed during 2015/16, 44% were under 30 years, demonstrating the credit union's ability to attract new generations through a compelling brand and the benefits of membership.

People's Choice engaged 1,766 members in an entirely new way in 2015/16 through an online community created to gain valuable member feedback and insights called The Green Room. I urge all members to visit our website to learn more, and to get involved to help us improve how we serve you.



People's Choice's branch refurbishment program continued through the year with the opening of the flagship branch at our new head office in Flinders Street, Adelaide, and a full renovation of the Mount Barker branch.

People's Choice also replaced or upgraded 130 rediATMs to improve access and functionality for members. rediATM is one of Australia's largest ATM networks, with more than 3000 ATMs across the country, so this is a major benefit of membership with People's Choice.

In the first quarter of 2016/17, we advised members of our decision to close branches at Nuriootpa, Aberfoyle Park and Burnside, as well as our WA retail banking operations. These are very difficult decisions, and I understand they can be an unwelcome change for those members who regularly use these branches.

It is essential that we invest our members' funds into our credit union for the greater benefit of all our members, including those who prefer to bank online and those who prefer to bank in much higher numbers at other branches. Transactions across these four locations have been reducing for some time, indicating more members are using other channels to bank with us, so the need for a physical location has become less necessary.

I can assure affected members that they will continue to be supported through our alternative branch locations, our internet and phone banking, our apps, our mobile lenders, the extensive rediATM network and through bank@post at Australia Post outlets.

We will continue to regularly review our branch footprint, and we are investigating opening a presence at the new Royal Adelaide Hospital site, and potential opportunities in Melbourne.

Through our continued investment in our digital platforms, we are able to welcome and support members throughout Australia – from Perth to Cairns – regardless of their proximity to a branch.

In 2015/16 we launched a new internet banking platform with a number of enhancements based on member feedback. We also upgraded our mobile banking apps and increased online security with secure code verification.

These improvements provide the foundations for us to develop new functionality for the benefit and convenience of members over the coming year, including the ability to turn on and off payWave and access to foreign ATMs and purchases, change PINs, deactivate and report lost cards, activate new cards and use a digital wallet within the People's Choice app for Android.

People's Choice continues to invest significantly in mobile digital and payment technologies, including being among the first financial institutions in Australia to launch Android Pay in July this year.

Chief Executive Officer's report

Our strategy: Build a stronger credit union

- Flinders Street head office completed
- 88% staff engagement – among top employers
- 29,313 hours of training and development
 - Launched Financial Planning Internship and Graduate Program
 - White Ribbon Workplace Accreditation progressing



A further highlight has been bringing together our staff from three separate locations into our new five-star green-rated head office on Flinders Street in Adelaide. The new activity-based working style and smaller footprint of our headquarters has reduced energy bills and maintenance costs, and the simple, modern design, technological innovation and functional efficiencies are giving us the agility and focus we need to ensure that everything we do is in the best interests of our members.

The sustained engagement of staff is demonstrated by the results of our Values & Engagement Survey, which places People's Choice among the top employers, with 88% staff engagement and 91% of its people agreeing the credit union is living up to its values. These results, which outperform industry and corporate benchmarks, demonstrate continued efforts across our business to build a strong values-based culture.

People's Choice furthered the investment in its people and the service provided to its members during the year, providing 29,313 hours of training and development, which included 1,113 hours of leadership development programs.

In 2015/16, People's Choice launched its inaugural Financial Planning Internship and Graduate Program. Targeting second-year commerce, financial planning, economics and accounting students, the program will transition a candidate through four stages of professional development over three years – from an undergraduate through to a qualified financial planner.

People's Choice has proudly committed to White Ribbon's Workplace Accreditation Program, joining the world's largest male-led movement to end men's violence against women.

In support of this commitment, the credit union is undertaking a thorough review of policies, procedures, training and communications to identify opportunities to empower and support staff to prevent and respond to the issue of violence against women.

Chief Executive Officer's report

Our strategy: Make a difference in the community

- Generated \$3.4 million for the community during 2015/16
- Made a difference to close to one million Australians
- 2016 People's Choice Community Lottery raised for a record 1,130 groups




People's Choice remains firmly committed to supporting the economic and social wellbeing of members and the community. We contributed 3.1% of pre-tax profit to corporate community investment during 2015/16, five times the 0.61% average contribution made by major Australian and New Zealand companies.

Including funds raised through the Community Lottery and other programs, People's Choice generated \$3.4 million for the community during the year and made a difference to close to one million Australians.

The 2015 People's Choice Community Lottery helped 1,101 charities, sporting clubs, schools and community groups across Australia, and returned a record \$1,607,814 to the community. We recently drew the winners of our 2016 Community Lottery, which raised a further \$1,582,158 for 1,130 charities.

The impact of the People's Choice Undies Run continues to gain momentum, with a record 1,554 runners raising \$165,472 in the fight against bowel cancer at the January 2016 event. The Undies Run has now raised over \$600,000 for Cancer Council SA since its inception in 2013.



Chief Executive Officer's report

Our strategy: Make a difference in the community

- People's Choice Undies Run for Bowel Cancer has raised over \$600,000 for Cancer Council SA
- \$50,000 generated for HeartKids
- RDA Race Day raised more than \$30,000
- The Big Issue's Women's Subscription Enterprise funds the women's employment
- Life Without Barriers changing lives

The slide includes a logo for 'people's choice CREDIT UNION' and three photographs: a large crowd at a run, a person in a high-visibility vest, and a group of people.

People's Choice continued to provide significant support to HeartKids, generating more than \$50,000 in 2015/16 through corporate donations, the People's Choice PJs Run in Melbourne and through the participation of 20 People's Choice senior leaders in SuperBoss Day, which raised \$18,000 to support children with paediatric heart conditions and their families.

A further highlight for the year was the introduction by People's Choice of RDA Race Day, which raised more than \$30,000 for Riding for the Disabled on Melbourne Cup Day. This was augmented by continued corporate support and the sale of Pony Banks in People's Choice branches, benefitting riding centres across the country.

People's Choice continued to be one of the largest supporters nationally of The Big Issue's Women's Subscription Enterprise, funding the safe employment of two disadvantaged women in Victoria and two in South Australia through 400 monthly subscriptions to the publication.

The credit union's partnership with Life Without Barriers to help young South Australians in foster care transition into adulthood continued to achieve life-changing results in 2015/16.

Thank you to all our members who have supported these community initiatives during the year.



Chief Executive Officer's report

Our strategy: Make a difference in the community

- 656 volunteers contributed 2,360 hours for 23 charities and community partner organisations

The slide includes a logo for 'people's choice CREDIT UNION' and three photographs: three women in pink shirts, a woman in a black shirt holding a box, and two women in green aprons.

People's Choice staff contributions to the community continued to be significant, with a 180% increase in participation year on year. Some 656 volunteers contributed 2,360 hours for 23 charities and community partner organisations.

People's Choice also renewed key sponsorships of the People's Choice BASSINTHEGRASS music festival in Darwin, the People's Choice Classic as part of the Santos Tour Down Under UCI WorldTour cycling event in Adelaide, and the Credit Union Christmas Pageant in Adelaide – all for a further three years to 2018. I look forward to seeing our SA members at the Pageant in a few weeks.