

PEOPLE'S CHOICE CREDIT UNION

2019 ANNUAL GENERAL MEETING

MANAGING DIRECTOR'S ADDRESS



Thank you, John. I am happy to report that it has been a positive year despite the broader challenges the industry faces.

Our ability to meet the needs of our members ultimately rests with our staff, and that connection continues to be one of our greatest strengths.

A partnership between members and staff



Staff Engagement
Staff engagement and
strength of culture
results of 88%



Leadership
More than 50 employees
completing programs to
develop leadership
fundamentals



Green Room
Growing online community
with nearly 3,000 interactions

Our consistently high net promoter score tells us that we are delivering on our commitment to our members, while our annual Values and Engagement Survey returned staff engagement and strength of culture results of 88%, showing an extremely strong belief amongst staff that their work aligns closely with our Values as an organisation.

This is an outstanding result, placing People's Choice among the top employers, and one of which we are extremely proud.

People's Choice this year introduced a suite of programs to develop the leadership capability of existing and emerging leaders. More than 50 employees have so far completed programs designed to develop leadership fundamentals and the ability to manage risk and change within our industry.

Ultimately, we rely on our members to help us shape not only what we do, but how we do it.

Participation in our online community, the Green Room, grew during the year and provided valuable insight, with nearly 3,000 interactions on issues as diverse as card designs, sources of financial advice and foreign currency practices.

Members also continue to directly influence our understanding of the future shape of our business and its ability to meet their needs, with more than 280 members interviewed as part of our successful focus on improving processes, products and services.

For everyone here who took part in those surveys and interviews: thank you. It helps shape what we do and makes it better for all members.

This feedback is essential to changing the business to meet your needs as members. It has led to the redesign of our personal lending processes to deliver quicker responses as well as new products that offer cheaper alternatives. A broader piece of engagement is leading to a completely new approach to residential lending that recognises that

different members benefit from differing methods of engagement and different forms of support. We look forward to rolling this out because it is based on what you have told us, what you have shown us, and what you have said will make life easier.



As an organisation we exist to make a difference to our members' lives. People's Choice helped 7,663 members buy a home during 2018/19, while 11,234 members relied on People's Choice to buy a car, finance a renovation or escape on a holiday. Some 1,086 members ended the year closer to achieving their financial goals with support from our financial planning services.

People's Choice is focused on providing the services needed to meet the long-term needs of our members. This has led to some difficult decisions when balancing competing demands for limited funds.

One such decision was the closure of our Port Adelaide branch. We know it was a hard decision that would affect members, but there were just too few people using it. Support was offered to assist members and staff during this transition. All affected staff were offered alternative roles within the organisation.

The Board has no plans for further closures, and we will focus on our digital investment, which is increasingly becoming a priority for our members.

Our commitment to services



Provision of ATMs

Fleet of dedicated ATMs linked to branches; three times as many fee-free options nationwide



Digital Access

Ongoing development and new online calculators



Fast Payments

New Payments Platform with full access to Fast Payments

We continued to develop members' digital access to meet these needs, including providing new online calculators and enhancements to digital banking.

We successfully changed our provision of ATMs following industry-wide changes. Members now have more than three times as many fee-free options, and we now maintain a smaller fleet of dedicated ATMs linked to our branches.

People's Choice last year launched full access to Fast Payments, occurring in near real-time through the New Payments Platform. We were among the first financial institutions to do so because we believed this functionality would be welcomed and quickly adopted by our members. In contrast, the Reserve Bank has since expressed its frustration with the slow adoption of this same service by the Big Four banks – only two of which currently offer full access.

We will continue to improve our products, services and technology to help our members achieve their goals through an outstanding member experience.

Supporting our communities



Community Partners

\$51,750 raised for HeartKids SA/NT



Workplace Giving

\$28,000 raised for 25 charities through staff fundraising.



Making a Difference

Community Lottery and other programs have raised \$2.9 million for the community

Our flagship community program, the People's Choice Community Lottery, is now in its 36th year and continues to support important causes around the country.

The 2018 Lottery raised \$1.438 million for 1,022 community groups including \$51,750 for children and families affected by congenital heart disease supported by our community partner HeartKids SA/NT. Our leaders' participation in Super Boss Day raised a further \$11,000 for this worthy cause.

Our staff raised more than \$28,000 for 25 charities through our Workplace Giving Program, Positive Impact Days and other fundraising, and our volunteering program allows our staff to contribute to causes in a very real and direct manner. These programs together show that one of our Values – supporting our communities – extends throughout the organisation.

People's Choice is amongst the country's leading community oriented businesses with our contribution far exceeding national averages. We contributed 4.7% of pre-tax profit to corporate community investment in 2018/19 – six times the average contribution made by major Australian and New Zealand companies, according to LBG Australia.

Most importantly, the \$2.9 million raised through the Community Lottery and other programs made a difference to close to one million Australians.

People's Choice's partnerships with the Adelaide Strikers Big Bash League cricket team, Western Bulldogs AFL team and BASSINTHEGRASS music festival have provided multiple opportunities to connect with South Australian, Victorian and Northern Territory communities, with more than 200 members and their families waving the banner for the Blue Crew at Strikers games.

These partnerships are also connecting us with Australia's fastest-growing demographic group, with millennials - people now aged 23 to 38 - now making up about one in three of every new member joining in the past financial year. We are proud of these partnerships and the benefits they are delivering for communities, our members and our staff.

Managing Director's Report

2019 ANNUAL
GENERAL
MEETING



Thank you to John Cossons

1981: Director, Northern Territory Credit Union

2001: Chair, Australian Central Credit Union

2014: Chair, People's Choice Credit Union



John Cossons opening 50 Flinders Street, 2016

Before I hand back to John, I would like to take a moment to recognise his retirement as Chair of People's Choice. In particular, I would like to note the hard work and dedication he has shown to People's Choice and the sector over the past 38 years.

John joined the Board of the Northern Territory Credit Union in 1981 and was elected Chairman of Australian Central Credit Union in 2001 after the two credit unions merged. He was appointed Chair of People's Choice in 2014.

John has represented the sector at its highest levels. All of us at People's Choice have benefited from John's commitment and wealth of knowledge.

His hard work has helped create what is today one of Australia's largest credit unions.

So, from the staff and members: thank you John for your hard work and passion.