

**HERITAGE AND PEOPLE'S CHOICE
2023 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS**



Good afternoon everyone. My name is Michael Cameron, and I am the Chairman of Heritage and People's Choice Limited.

On behalf of my fellow directors, it is my pleasure to welcome you to the 2023 Annual General Meeting.

Today is a special day in our combined 148-year history, being the inaugural AGM of our new organisation that was formed on 1st March 2023.

Thank you all for joining us for this historic occasion.

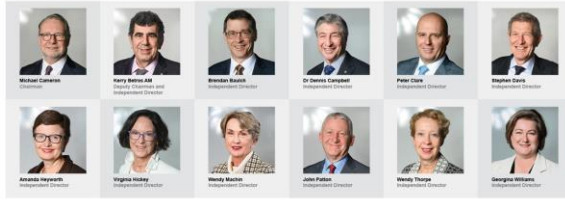
To ensure today's proceedings run smoothly, I ask you to please turn off your mobile phones or switch them to silent mode. Please also refrain from taking photographs or recording video or audio during this meeting.

As we have a quorum present, I declare the meeting open, and invite Petiola Wilson and Michael Connolly to provide the Welcome to Country.



Thank you Petiola and Michael, for welcoming us onto Kurna Country. I also acknowledge and pay my respects to Kurna Elders past, present and emerging.

Directors



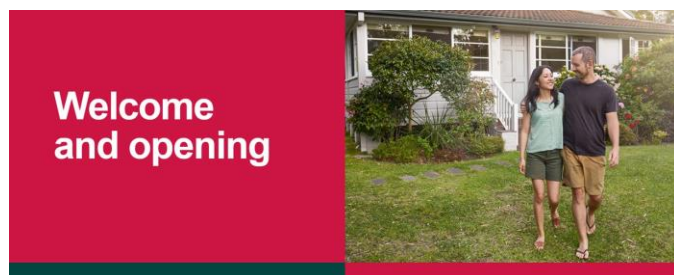
It's my pleasure to introduce our Board. Would each director please stand when I call your name.

- Brendan Baulch
- Georgina Williams
- Dennis Campbell
- Wendy Machin
- Amanda Heyworth
- Virginia Hickey
- Stephen Davis
- Peter Clare
- Wendy Thorpe, and
- John Patton

Our Deputy Chairman Kerry Betros sends his apologies as unfortunately he is unable to join us today. Welcome also to Peter Lock, our CEO, and Taryn Shearn, our Chief Legal Officer & Company Secretary.

In addition, we have joining us today:

- Nigel Bulling, the Returning Officer from Computershare;
- Paul Cenko and Jillian Richards from our external auditor, KPMG; and
- James Dickson from our external legal advisor, Piper Alderman.



While there are no matters to be voted on today, members will have the opportunity to ask questions later in the proceedings.

For those members attending online, you can ask questions either in writing or verbally. You can

submit a written question via the virtual platform at any time during the meeting, and I will address them during question time. To do so, select the Q&A icon at the top of your screen. You can then type your question in the allocated box. Once you have finished typing, simply hit send. If you are attending online and wish to ask a question verbally, please follow the instructions under the Broadcast icon on your screen. For those members attending in person, I will ask you to raise your BLUE attendance card if you wish to ask a question at the appropriate time.

We also provided an opportunity for members to ask questions when proxy nominations were submitted, and Peter and I have endeavoured to address the key themes arising from those questions in our addresses.

Only questions relating to the business of this meeting, as set out in the Notice of Meeting, will be dealt with today. As this is a members' meeting, only members and proxies are permitted to ask questions and make comments during the meeting.

In the event there is a technical difficulty during the meeting, I will have the discretion to determine how the meeting should proceed.

I'll now proceed with the formal business of the meeting. I propose to take the Notice of Meeting as read.

Chairman's 2022/2023 Report



By any measure, our organisation has been through a historic period.

Over the past financial year, we've built a new banking organisation that will deliver positive change for people across Australia.

In November last year, you voted overwhelmingly to bring together Heritage Bank and People's Choice. The merger officially took effect on the 1st of March – a little over eight months ago.

It has taken an incredible amount of work to get to where we are today. But throughout the merger process, our absolute focus on members has not wavered.



We remain absolutely member focused

- Highly trusted with +37 net promoter score
- 82% member satisfaction
- Welcomed 48,000 new members



This is proven by three key statistics.

Our Net Promoter Score – which is an independent measure of members' trust and loyalty – averaged +37, significantly higher than the major banks' average of +9.

Our own research supported this, with member satisfaction averaging 82% at the end of the reporting period.

We also welcomed more than 48,000 new members during the year, proving that our offer of competitive products and outstanding service is highly appealing in a competitive market.



Financial strength to help members

- Net profit after tax of \$32.1 million
- Residential lending increased by 5% to \$18 billion
- Retail deposits reached \$18 billion – a 3.5% lift
- Total assets rose to more than \$23 billion



Financially, the year has also been a success.

We recorded a net profit after tax of \$32 million. This result was calculated over the first eight months of the financial year for People's Choice and, following the merger, the remaining four months of the financial year for our new organisation.

Total loans and advances increased by 5% to \$19 billion. Our residential lending portfolio increased by 5% to \$18 billion. Retail deposits increased to \$18 billion – a 3.5% lift. And total assets rose considerably, to more than \$23 billion at 30 June 2023.



Strong first 120 days of our new organisation



- Net member growth of 11,000
- Loan growth of 8.6% p.a.
- Deposit growth of 7.5% p.a.



If we look at the first four months of our new organisation – from our inception on the 1st of March until the end of the financial year – we met all expectations.

In our first 120 days, we achieved net member growth of more than 11,000; loan growth of 8.6% per annum; and deposit growth of 7.5% per annum.



Helping members achieve their goals

- Almost 15,000 home loans
- 8,500 personal loans
- 140,000 new savings accounts and term deposits



During the year we were privileged to help almost 15,000 Australians purchase a house, with 850 of them buying their very first home.

We provided 8,500 personal loans to help people achieve their goals and dreams. We also opened 140,000 new savings accounts and term deposits for members, to either help grow their wealth, or make their day-to-day banking simpler.

It was, of course, a year which saw all Australians face rising interest rates as the Reserve Bank works to control inflation. We continued to offer competitive loan rates, while also providing strong returns for our large number of depositors.



Delivering on merger commitments



- Fees and charges removed
- Saturday trading introduced
- Employer of Choice accreditation



While we delivered for our members across the financial year, we never lost sight of the commitments we made ahead of the merger.

We have progressed all of these commitments, including the removal of some fees and charges, and the introduction of Saturday trading in selected branches. We were also accredited as an Employer of Choice.

Of course, bringing together two large and well-established financial institutions is a complex process. Detailed planning and hard work has contributed to an outstanding eight month period, but there is much more to do to achieve full integration and maximise the benefits for members.

Chairman's Report 

Working to maximise member benefits

- Integration Plan to bring together people, processes and systems
- Investing in modern, simple, secure IT platform, including new mobile App and internet banking



To guide us, we have developed an Integration Plan to bring together our people, processes and systems over the next few years. Central to this is the optimisation of our business operations to create a simple, effective member experience no matter how you interact with us.

Another crucial project is the upgrade of our IT infrastructure.

Technology is the backbone of any modern bank and we are determined to create a simpler, modern IT platform which will provide high levels of reliability and security for members.

This multi-year program was progressed significantly during the year, including the development of a new mobile app and internet banking system which are well underway.

We'll be unveiling a new brand very soon. We have conducted extensive market research, with members and non-members, to create a brand which will tell people who we are and where we've come from, and which will help us stand out as a compelling alternative to the big banks.



The people in our organisation deserve recognition for successfully balancing merger implementation with the delivery of banking services.

To our Board and Executive team: your breadth of knowledge and experience, and your sense of purpose, have been fundamental to our success. I thank you for your support and efforts.

My sincere thanks also to all our employees across the organisation for embracing change and making our new banking organisation a reality, all while delivering exceptional service to the most important people of all – our members.

And, of course, to you – our members. Thank you for your continued support of Heritage and People's Choice.

Our CEO Peter Lock will now provide more details about our performance over the past year.