

PEOPLE'S CHOICE CREDIT UNION
2020 ANNUAL GENERAL MEETING
MANAGING DIRECTOR'S ADDRESS

**2020
Annual General Meeting**



Managing Director's Report



Thank you Michael, and good afternoon everyone.

The past year has shown People's Choice has the capability and culture which puts us among the best financial organisations in Australia.

In a period of great uncertainty, we have maintained essential banking services, sustained our profitability, and advanced major projects, all the while providing genuine support to members and staff.

Managing Director's Report

Thriving through change

- Through COVID-19, we maintained essential banking services and supported members and staff
- Our mobilised workforce is able to work from anywhere, supported by collaboration technology and wellbeing programs



When the COVID-19 pandemic arose, we were quickly able to have more than 80% of our staff, including mobile and National Contact Centre personnel, working from home within days.

This was only possible because of our investment in technology over previous years, bolstered by the rollout of 920 new laptops and digital devices, along with a suite of collaboration tools such as Microsoft Teams.

This remarkable effort means we now have a fully mobilised workforce which will stand us in good stead as we continue to face an uncertain economic environment.

Throughout the COVID-19 crisis, all our staff – whether they were working from home, in branches, via our mobile services or in head office – were supported by a range of wellbeing initiatives.

I'm very pleased to report the vast majority of staff reported high levels of satisfaction with their working arrangements, communication and connection with the organisation across two Staff Wellness Surveys – a credit to the strength of our culture and strong leadership.

Throughout the year we continued to increase the capabilities of our staff through a range of training and leadership programs.

We also developed a new competency framework and a company-wide change network to ensure staff are equipped with the skills and knowledge to make the most of newly developed tools and ways of working.



Helping you achieve your financial goals

- **7,900** members bought a home
- **10,000** members financed a car, renovation or holiday
- **900** members were supported with new financial planning advice



But most importantly, our core focus remained on supporting and providing excellent service to our members.

In 2019/20 we helped more than 7,900 members buy a home.

Almost 10,000 members turned to us to finance a car, renovation or holiday,

And more than 900 members were supported with tailored advice from our financial planning services team.

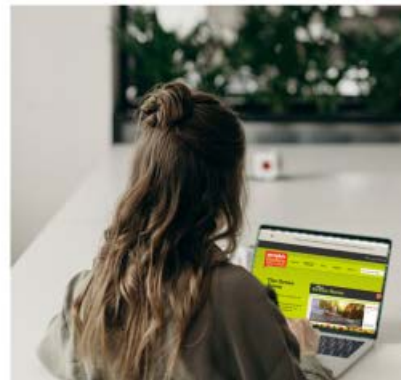
This is central to People's Choice – being able to support our members to achieve their financial goals.



Member needs driving innovation and change

- **4,000** responses to Green Room online community
- **300** interviews

Thank you



Of course, knowing what members want is essential to how we operate. It drives how we design our products, how we deliver our services, and how we can provide the best possible experience.

During the year, our member feedback and research activities generated almost 4,000 responses through our 1,900-strong online community, the Green Room. This was supplemented through 300 face-to-face or videoconference interviews.

This communication with members has provided valuable insights into how we design our lending and savings products and our digital banking platforms.

I'd like to thank everyone who took part in this process and encourage members to continue to participate.

Managing Director's Report

Steve Laidlaw



Building a world-class banking experience

- You will be able to do all your banking digitally if you wish, complemented by face-to-face, phone and chat services
- Increasing digital adoption during COVID-19 expected to be permanent



As Michael mentioned, during the year we continued to invest heavily in our digital and business transformation.

This will improve our technology and realign our operating model to provide members with the ability to do all their banking digitally if they wish to do so, complemented by face to face, phone and chat services.

This multi-year program will see us launch a new website and digital banking platforms, supported by industry-leading tools, to provide even better member relationship management and member interactions at every level. It will provide members and staff with a world-class banking experience.



Role of branches evolving

- SA, NT and regional Vic sites reopening
- Continuing to monitor Melbourne
- Calls and online enquiries increasing while branch transactions declining
- As more members bank online, the role of branches will focus on lending, advice and digital education, and the number of branches is likely to reduce over time



Indeed, members made much greater usage of digital banking during the year, and while this was certainly influenced by COVID-19, we believe much of this increase will be permanent.

As the pandemic escalated in March, we made the difficult decision to temporarily close several branches and adjust opening hours to 9:30am to 4:00pm Monday to Friday in response to the changing ways our members were banking due to COVID-19.

Branch transactions across People's Choice had halved while calls to our contact centre had doubled. We therefore reallocated staff to support our contact centre and our other branches that remained open.

We have been pleased to reopen our Glenelg, Gawler and Blackwood branches and we look forward to reopening more sites soon. These trading hours are now standard across all of our operating branches and reflect our members' declining use of these facilities on Saturdays, well before COVID-19 restrictions. This also ensures our staff can continue to support the sustained increase in member calls and online enquiries to our National Contact Centre.

We are closely monitoring the situation at temporarily closed locations in Melbourne and will provide further updates when we can.

We continue to see increased calls and online enquiries to our contact centre and declining demand for transactions from our branches. This is consistent with consumer shifts across our sector.

As we become more digitally enabled, and members choose to do more of their banking online, we expect the role of branches will change to focus more on lending, advice and digital banking education. We do expect the number of branches to reduce over time.

During the reporting period, People's Choice delivered the first phase of Open Banking, some three months ahead of government-mandated requirements.

Open Banking has the potential to attract a significant number of new members to People's Choice, as consumers will have the option to share their banking data to find the most suitable banking products.

It will also allow people to switch banks much more easily than in the past, which we think will be of significant benefit to People's Choice.

Managing Director's Report

Steve Laidlaw



Supporting our communities



- Contributed 5.4% of pre-tax profit to community – 7 times corporate average
- \$3.1 million generated for the community
- Community Lottery raised \$1.4 million for 938 community groups
- \$150,000 generated for bushfire recovery
- Employees raised \$25,000 for 36 charities through Workplace Giving



People's Choice has always supported the communities it is a part of, and in times of uncertainty, that support is more important than ever.

Across the past financial year we maintained our significant levels of community support, with our contribution far exceeding national averages.

In 2019/20, People's Choice contributed 5.4% of pre-tax profit to communities through a range of initiatives. This was seven times the average contribution made by major Australian and New Zealand companies which sits at just 0.79%.

Across our numerous programs, People's Choice generated \$3.1 million for the community during the year.

Our longstanding People's Choice Community Lottery raised approximately \$1.4 million for 938 not-for-profit organisations such as sporting clubs, schools, charities and volunteer groups, including a record \$63,000 raised for charity partner Cancer Council SA.

The Community Lottery continues to be a vital fundraising source for charitable and community organisations around Australia. For many it is now a crucial financial pillar.

As you know, before COVID-19, Australia suffered a series of devastating bushfires. In response, People's Choice generated more than \$150,000 to support recovery efforts, including a \$100,000 donation to the Adelaide Strikers Bushfire Appeal. A further \$33,000 was raised directly by staff.

Staff members also raised \$25,000 for 36 charities through our Workplace Giving Program, Positive Impact Days and other fundraising. Our volunteering and blood donation programs also allowed our staff to contribute to communities in very practical and meaningful ways.

On the national stage, we maintained our sponsorships of the Adelaide Strikers Big Bash League cricket team and the Western Bulldogs AFL team.

These teams contribute enormously to the community life of Adelaide and western Melbourne. Our involvement helps to build our profile, and therefore our membership, nationally.

At a local level, we partnered with almost 50 local community organisations and events across our areas of operation, with a highlight being our new partnership with the Norwood SANFL club.

Environmentally, our Adelaide head office continues to be a standout development.

Thanks to environmental and operational efficiencies, the building at 50 Flinders Street was the only building in Australia to maintain its 6-Star NABERS Energy and 6-Star NABERS Indoor Environment ratings without the purchase of green power.

Managing Director's Report



**Steve
Laidlaw**



The past financial year provided unforeseen and unprecedented challenges to our nation and our organisation – I am very proud how People's Choice has responded to these challenges.

I'd like to finish by thanking everyone involved – the Board, my Executive team, and our staff – for the resilience, professionalism and dedication they have shown in supporting our members at every turn.

And most important of all, thank you to you, our members, for your continuing support throughout the year.

Thank you.