

PEOPLE'S CHOICE CREDIT UNION
2022 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS



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

On behalf of my fellow directors, it is my pleasure to welcome you to the 2022 Annual General Meeting.

Today is a special day for People's Choice – a very significant moment in our 70-year history, as we consider an exciting opportunity to merge with Heritage. Thank you all for joining us for this historic occasion.

This is also the first hybrid AGM for People's Choice which enables you to participate in the meeting in person or online.

To ensure today's proceedings run smoothly, I ask that those who are present to please turn off their mobile phones or switch them to silent mode. A reminder too that the taking of photographs and the recording of video or audio during this meeting is not permitted.

Acknowledgement of Country

People's Choice acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

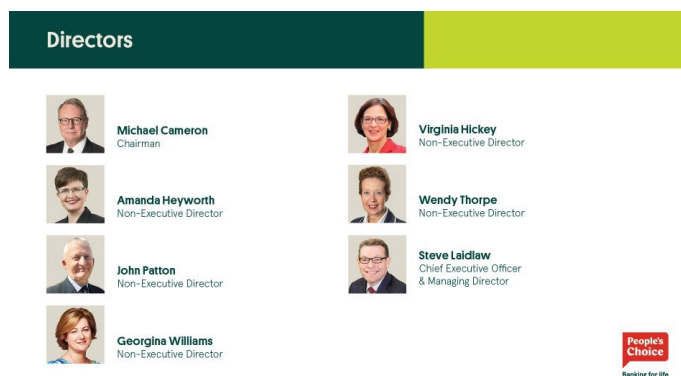
Those attending the AGM in person meet on the lands of the Kaurna people of the Adelaide Plains.

We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



Before proceedings begin, I would like to acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. Those of us here in person meet on the lands of the Kaurna [*pronounced: 'Ghana'*] people of the Adelaide Plains. We pay our respects to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

As we have a quorum present, I declare the meeting open.



I will start by introducing our Board. Would each director please stand when I call your name.

- Amanda Heyworth
- John Patton
- Georgina Williams
- Virginia Hickey
- Wendy Thorpe

I would also like to welcome Steve Laidlaw, our Chief Executive Officer and Managing Director, and Taryn Shearn, our Chief Legal Officer & Company Secretary.

In addition, we have joining us today:

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

Members will be provided with the opportunity to ask questions during a set time in the proceedings.

For those members attending online, you have the ability to 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 at the designated question time. To do so, select the Q&A icon at the top of your screen. Please then select the dropdown tab and choose the topic to which your question relates. 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 situated 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 Steve and I have endeavoured to address the key themes arising from those questions in our addresses.

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

Before commencing with items of business as set out in the Notice of Meeting, I would like to provide some further information about the merger resolution to be considered by you today.



Item 4 – Proposed Merger of People’s Choice and Heritage

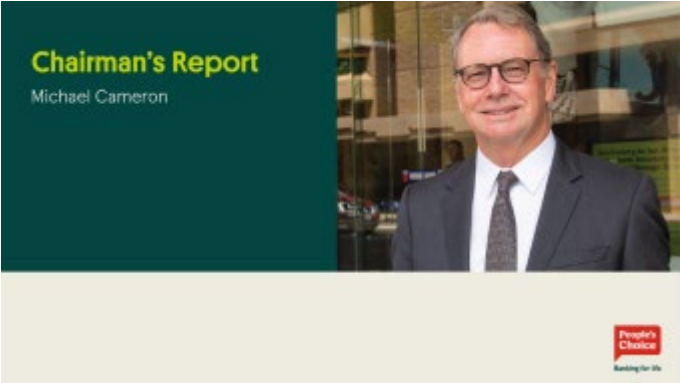


Item 4 in the Notice of Meeting concerns the proposed merger of People’s Choice and Heritage. Members wishing to appoint a proxy were required to complete and return the proxy appointment form to the Returning Officer, or appoint a proxy online, by 3pm on Monday the 14th of November.

I confirm that votes cast by me (as Chairman) and other proxy holders in accordance with members’ instructions will be included in the counting of votes. As we are conducting this meeting both in person and online, the outcome of the resolution will be decided by a poll conducted in person and online. Our Returning Officer will supervise the conducting of the poll and the counting of all votes cast.

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

Agenda Item 1: Chairman and Managing Director Presentations



Item 1 on the agenda is my presentation of the highlights of the 2021/22 financial year. Steve will then present an overview of our performance and results.

Chairman’s 2021/2022 Report

As a mutual, People’s Choice exists for one reason – to support you to achieve your financial goals.

This is a major reason that we progressed our proposed merger with Heritage over the past 12 months.

Chairman's Report

Michael Cameron Chairman 

A future for the making

- Merger with Heritage will deliver more for members
- Approved by APRA and Federal Treasurer to proceed to member vote




Following the initial announcement last year, an extensive due diligence process was conducted to ensure a merger would be beneficial for members.

After carefully considering all relevant information, the Board came to the clear conclusion that merging with Heritage would enable People's Choice to deliver more for its members due to the improvement in scale.

On that basis, a detailed merger application was put forward to our regulators. This was approved by both the Australian Prudential Regulatory Authority and the Federal Treasurer.

This has led to today's important step – a vote by members.

Chairman's Report

Michael Cameron Chairman 



Merger will benefit members

- Wider range of products and services
- Larger branch network
- 24/7 call centre support
- Saturday trading in selected branches
- Removal of some fees and charges
- Ongoing technology investment




The member benefits that this merger will deliver are detailed extensively in the documentation that has been made available to members. They include:

- A wider range of award-winning products and services.
- Access to one of Australia's largest member-owned branch networks.
- Increased service, with 24/7 call centre support and Saturday trading in selected branches.
- The removal of a number of fees and charges.
- Better small business banking, credit cards and payment options, and
- Ongoing investment in contemporary digital banking.



The merger will also benefit our employees and communities, including:

- Greater career opportunities as part of an expanded, national organisation.
- And a minimum \$50 million investment in community and environmental initiatives in the first five years.

Chairman's Report Michael Cameron Chairman 

Our commitments to you

- 100% member -owned and focused
- No redundancies below Executive due to merger
- No branch closures due to merger
- Dual head offices in Adelaide and Toowoomba

We have not moved from our absolute commitments to:

- Remain 100% member-owned, with a focus on members.
- No redundancies below Executive level due to the merger.
- No branch closures due to the merger.
- Two, equal head offices in Adelaide and Toowoomba.


If members vote in favour of the merger there will be an initial period where both brands are maintained and, following that period, a new single brand will be created that reflects the deep roots and values of both People's Choice and Heritage.


At this stage there is no plan to amend account numbers, member numbers and BSB details. If changes are made, the key objective will be to eliminate or reduce member inconvenience as much as possible.

This is an opportunity to create a stronger, more sustainable member-owned banking organisation for hundreds of thousands of Australians. We will honour our proud history and retain what's important to you, while combining the best of both organisations to improve benefits for you.

It's for these reasons that your Directors unanimously recommend that you vote in favour of the merger.


While we have been progressing the merger opportunity, we have also maintained our focus on our core business of supporting our members.

Chairman's Report Michael Cameron Chairman 



Moving forward for members

- Highly trusted: +37 net promoter score
- 15,600 new members
- 8,600 new home loans
- 6,000 new personal loans



During the year, we increased our membership base, grew our loan and deposit portfolios, and gained recognition for our customer service and products.

Crucially, People’s Choice retained its long-held position as one of Australia’s most trusted financial institutions.

Our net promoter score averaged +37, which is 25 points ahead of the average for the financial institutions surveyed.

We welcomed 15,600 new members to People’s Choice which delivered net member growth of almost 11,000. This was a 27% increase in growth compared with the previous financial year, and reflects the strong appeal of our products, services, brand and member experience.

The success of our member-focused approach was further confirmed with business magazine Forbes listing us among the World’s Best Banks for the third consecutive year.

Financial comparison website Mozo named us Personal Loan Provider of the Year, while Canstar, named us Customer-Owned Institution of the Year for first home-buyers in South Australia and the Northern Territory for the eighth year.

We provided 8,600 members with a home loan – a 37% increase on the previous year.

This resulted in our residential loan portfolio growing by 9.8%, which was significantly higher than market growth of 7.5%.

We also helped approximately 6,000 members to buy a car, enjoy a holiday or carry out renovations through personal loans.

Chairman's Report Michael Cameron Chairman

Sustainable growth to support members

- Member loans and advances rose 9.0% to \$8.8 billion
- Retail deposits increased 8.3% to \$7.5 billion
- Total assets lifted 8.4% to \$10.4 billion
- Comparative profit before tax of \$36.8 million, up 24%

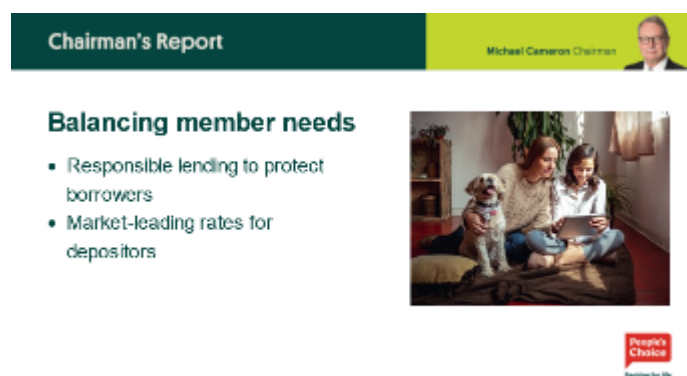
People's Choice
Banking for life

Combined member loans and advances increased by 9.0% to \$8.8 billion, while our retail deposit portfolio grew 8.3% to \$7.5 billion.

Through this growth in both loans and deposits, we ended the financial year with total assets of \$10.4 billion, an increase of 8.4%.

Our statutory profit before tax was \$19.7 million, which included a number of once-off revenue and expense items. This included the sale of our Financial Planning business, costs relating to the merger, and adjustments to accounting standards requiring us to reclassify certain assets to expenses.

Adjusting for these, our comparative profit before tax was \$36.8 million, which was an increase of 24% on 2021, and in line with our budgeted expectations.



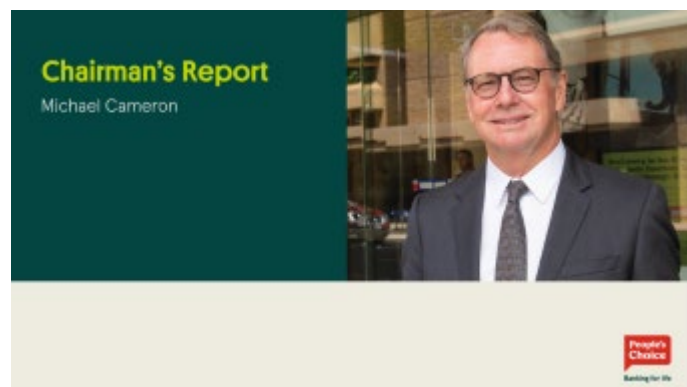
The slide features a dark green header with the text "Chairman's Report" in white. To the right, a small portrait of Michael Cameron is shown with the text "Michael Cameron Chairman" below it. The main content area has a white background with the heading "Balancing member needs" in bold. Below this heading is a bulleted list: "Responsible lending to protect borrowers" and "Market-leading rates for depositors". To the right of the list is a photograph of a woman and a child sitting on the floor with a dog, looking at a tablet. At the bottom right of the slide is the People's Choice logo with the tagline "Banking for life".

It is a difficult economic environment, with Australian and global markets dealing with inflation, energy prices and cost of living pressures.

In response, the RBA has rapidly raised interest rates. At People's Choice, we believe our long-term policy of responsible lending will ensure our borrowers are well positioned to manage these changes.

Of course, we remain ready to provide assistance to any members who require additional support.

While doing all we can to minimise the impact of interest rate rises on our borrowers, we have been able to pass on the benefits to our depositors – establishing market-leading positions with both savings accounts and term deposit offerings.



The slide features a dark green header with the text "Chairman's Report" in yellow and "Michael Cameron" in white below it. To the right is a portrait of Michael Cameron, a man in a suit and glasses. At the bottom right of the slide is the People's Choice logo with the tagline "Banking for life".

I would sincerely like to thank all our employees and the Executive team, as well as my Board colleagues, for your ongoing dedication to supporting our members through your commitment, focus and hard work over the past 12 months.

To our members, I thank you for your continuing support and membership.

Finally, I urge you once again to vote in favour of the proposed merger. My fellow Board members and I unanimously believe it will benefit you, our employees and our communities.

Steve will now discuss our results for the year.