

# POLICE FINANCIAL SERVICES LIMITED

ABN 33 087 651 661

## ANNUAL GENERAL MEETING (AGM)

### MINUTES

5pm, TUESDAY 14 NOVEMBER 2023

<b>Date &amp; Time</b>	5.00pm, Tuesday 14 November 2023
<b>Location:</b>	VIRTUAL; webcast from Level 8/505 Little Collins Street, Melbourne VIC 3000
<b>Board Members</b>	Lucinda Nolan (Chair) Debra Robertson (Deputy Chair) David Cowan Rhyll Gardner Michael Liu Tony Long Apology: Faith Page
<b>Attendees</b>	Anthony De Fazio, Chief Executive Officer (CEO) Penny Maroulis, Company Secretary Josh Pearce, Partner, Audit, Assurance & Risk, KPMG <b><i>Other attendees online as per registration.</i></b>

#### 1. WELCOME - CHAIR ADDRESS & CEO PRESENTATION

The Chair opened the meeting at 5.00pm, noting that a quorum was present.

The Chair acknowledged and paid respects to the traditional owners of the land from which the virtual meeting was being webcast, the Wurundjeri Woi Wurrung people, and traditional owners relevant to locations of Members joining online.

The Chair then:

- introduced the BankVic Directors, the Chief Executive Officer and the Company Secretary,
- acknowledged the BankVic Executive Committee, and all the BankVic employees attending the meeting online,
- welcomed Josh Pearce, Partner of Audit, Assurance & Risk from KPMG, BankVic's auditors, and
- welcomed all BankVic Members attending virtually.

The Chair advised that the meeting was being recorded, and that Members would be able to watch the video of the proceedings on the BankVic website which would be uploaded shortly.

The Chair noted that questions submitted prior to the meeting would be addressed first, and that members would be able to also ask questions during the meeting by following the instructions on the virtual platform.

The Chair delivered an address to Members on BankVic's commitment to its history, purpose, and values, noting that with many industries facing significant economic challenges, BankVic had delivered another year of strong growth, continuing to hold its position as one of Victoria's largest mutual banks. The Chair noted that BankVic celebrated a significant milestone in 2023, officially achieving \$3 billion in assets.

The Chair noted that the bank remained committed to improving every aspect of banking for members, continuing to make banking simpler and more secure, providing value for money, and making it easy to access products and services.

The Chair noted recent initiatives in cyber and scam protection that BankVic had launched to continue to assist members, noting that cybersecurity, and especially scams and fraud, were increasing across the banking landscape globally.

The Chair also noted the bank's work in furthering its commitment to members' financial wellbeing. The Chair noted that building on the success of the Financial Wellbeing for Women in Policing sessions, BankVic had developed a series of Financial Wellbeing resources. This package covered key areas of financial literacy and safety and had been developed in consultation with The Police Association of Victoria, to help address financial issues nominated by members as important, and to reflect how members saw BankVic supporting their financial wellbeing.

The Chair reiterated that the BankVic ethos was to serve those who serve the community, and that it was a privilege to work alongside members to support their financial wellbeing and make a difference to the causes most important to them.

The Chair noted that as a certified B Corp member, BankVic had partnered with a range of organisations and charities in support of police, health and emergency services members and their communities, and was continuing to build on and enhance these relationships.

The CEO then gave a presentation to the Members on the company's operations and financial performance over the financial year, noting that:

- 2023 had been another successful year for BankVic, achieving \$740 million in new home lending, surpassing last year's record.
- The bank achieved a milestone of \$3 billion in assets, growing from \$2 billion in just four years, a 50% increase, and doubling in size in the last seven years.
- BankVic achieved portfolio growth of over \$300 million, and a record profit of \$15.4 million, member equity growing to \$233 million. Deposits grew by 9%.
- The bank maintained a strong capital position, and with a capital ratio of 19.5%, and with liquidity of 21.5%, remaining well-positioned to navigate the economic challenges ahead.
- Investment in people resulted in 45% of all new appointments being internal movements, with 25% of those being promotions into a leadership position. BankVic's Workplace Gender Equality Reporting continued to demonstrate gender balance at both management and executive levels and reducing the gender pay gap by a further 3%, 8% better than the industry average.
- Scams continued to rise, and the work BankVic was doing to educate members and their communities was crucial. It was noted that the BankVic Fraud Team had saved members \$15 million this financial year.
- BankVic continued to sponsor a range of police-related sporting and other charity events, such as:
- The bank's continued support of the Law Enforcement Torch Run has provided opportunities for young people living with a disability to stay connected and engage in fitness activities. and that BankVic continued to sponsor a range of police-related sporting and other charity events, such as:
  - The Victoria Police Women's Football Club.
  - Victoria Police Legacy on their annual Children's Christmas Appeal to raise funds for Christmas gifts and hampers for Victoria Police legatee children and families.
  - The Wall-to-Wall National Memorial Ride from Melbourne to Canberra, as support crew for the Victorian contingent to raise funds for Victoria Police Legacy.
  - The Angela Taylor Memorial Run and Walk as the major sponsor.
- BankVic was included in Australia's Best Workplaces to Give Back for the third year in a row, breaking into the top 20 at number 19, up from number 24 in 2022 and 37 in 2021. This result reflected our BankVic's continuing commitment to the community as a certified B Corp, including our BankVic's Workplace Giving that now includes donation matching, two days of community service leave, and over 40 community grants, partnerships, and sponsorships.

The CEO also noted that BankVic was committed to supporting the financial wellbeing of its members through financial education and support, and as a member-owned bank, by reinvesting profits to provide better products and services. The digital transformation program was streamlining the bank's processes, from becoming a member to buying a house or applying for a credit card, saving members time, and making their lives easier.

The CEO further noted that the bank had streamlined its lending processes, providing members with faster loan approvals, and introducing electronic mortgage documents with a significant reduction in the settlement process time.

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The CEO thanked all the bank's Members for their ongoing support and commitment to BankVic, thanked partners Ultradata, Indue and Experteq for their continual support, and acknowledged the hard work and dedication of BankVic's people.

The CEO noted some questions had been received prior to the meeting:

- The first question was 'when is BankVic introducing double verification?' The CEO replied that BankVic currently has two-factor authentication/verification on all new payments to new payees and for other changes to new accounts.
- The second question was 'why do you send out hard copy statements?' The CEO noted that regarding paper statements, BankVic actively encourages Members to switch to online receipt of statements, which they can do on the website.
- A third question was received on interest rates. The question was, 'is BankVic required to increase interest rates every time the RBA raises them? What factors does BankVic consider before raising interest rates?' The CEO noted that BankVic is not required to increase the interest rates when the RBA raises them. When the RBA does raise interest rates, BankVic considers the expectations of both lending and deposit members and tries to strike a balance between affordability for home loans and a reasonable rate of return for depositors. As the RBA has increased interest rates, unlike most banks, BankVic has not passed on the full amount of interest rate rises to members' home loans. This is done to support members in their goal for home ownership and has resulted in BankVic offering one of the cheapest variable home loan rates in the market.

The Chair thanked the CEO for his presentation.

## 2.0 FINANCIAL REPORTS & QUESTIONS

The Chair tabled BankVic's Financial Statements and Reports as set out in the Annual Report, including the Directors' Report, and Auditor's Report for the Financial Year ended 30 June 2023.

The Chair noted that two questions had been received from members via the online portal.

### **Question 1: How many members are there at present?**

The CEO answered that the number was 120,000 members.

### **Question 2: Are there any plans to expand the current credit card products? The current product suite, while simple, does not offer value such as travel insurance, which is important in a post-COVID world.**

The CEO noted that BankVic did offer travel insurance and that the bank was considering other methods of providing travel insurance, especially via the credit card offerings.

## 3.0 DIRECTOR ELECTIONS 2023

The Chair noted that the BankVic Board was committed to high standards of corporate governance and to ensuring the Board collectively had the range of skills and experience required to oversight the management of the bank.

The Chair noted that the banking landscape was increasingly complex and highly regulated, and that the Board took its role in renewal and composition very seriously, noting the need to ensure that the Board is composed of directors with suitable skills and experience across not just banking and finance but also a range of additional areas, including in risk, audit, cyber-security, privacy, information security, digital and technology, strategy, governance and senior executive level experience.

The Chair noted a question had been received from a member about the Director Elections, the question being ‘when can I nominate for the next Director Elections?’ The Chair noted that the next Director Elections will be held in 2025 when she was due to retire from the Board, having reached the maximum tenure of nine years.

The Company Secretary provided an update on the Director Elections in 2023, noting that directors Debra Robertson, Tony Long and David Cowan, had been required to stand for election this year. The Board had called for nominations for these roles in April 2023, noting that the Board had encouraged nominations from members with experience in finance, governance, strategy, and risk.

Three nominations from the incumbent directors were received by the due date and no other nominations had been received. Therefore, in accordance with the rules in the bank’s constitution, Debra Robertson was deemed elected to the Board for a final term of three years, and Tony Long and David Cowan were deemed elected to the Board for a second term of three years.

## CONCLUSION

The Chair confirmed that there were no further questions from members.

The Chair thanked members, staff, and guests for attending, and the BankVic team for a successful 2023 financial year and concluded the meeting at 5.35pm.

**Closed**

The Chair closed the meeting at 5.35pm.

**Next Annual General Meeting**

TBA

Chair signature:



Name: Lucinda Nolan