
BIG YEAR

2019-2020



ANNUAL
REVIEW

Bisyear.



2019-2020

Annual Review.

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Many of the photographs in this Annual Review were taken before COVID-19 travel and social distancing measures were implemented.

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Should you require more details of Defence Bank's financial position, a full copy of the 2019-2020 Annual Financial Report can be obtained from our website at defencebank.com.au or by emailing your request to our Company Secretary at info@defencebank.com.au.

Defence Bank Limited ABN 57 087 651 385
AFSL/Australian Credit Licence 234582.
Support Office, Level 5, 31 Queen Street, Melbourne VIC 3000.

Big results.

Year at a glance.

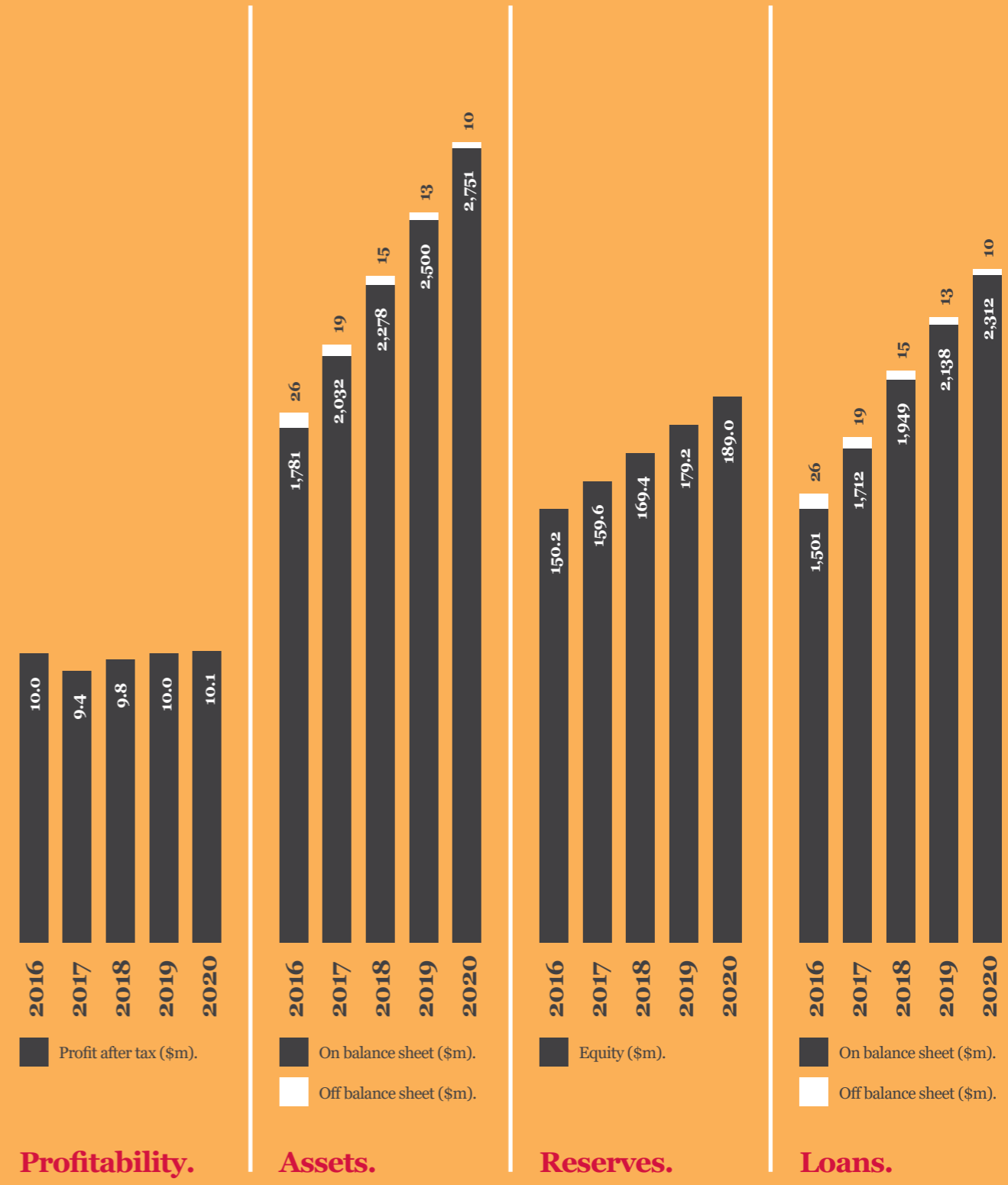




Photo: © Commonwealth of Australia, Department of Defence.

Big thank you.

If you asked any Australian in a bushfire-hit, a flood-ravaged town or in the middle of a pandemic what they felt when soldiers in uniform turned up to help them, they would say relief and reassurance.

More than 10,000 troops were deployed to help with this year's bushfire and COVID-19 crises.

We are a bank – what we commit to on behalf of our members hardly compares to what people in the Australian Defence Force (ADF) and the Defence community are asked to commit

to. However, our unwavering bond and loyalty to our members will never be questioned.

We are committed to our members because we are committed to the defence of Australia and all things Australians care for, value and love.

**We are not just any bank.
Not just Defence Bank.
We are Australia's
Defence Bank.**

And it's been an honour, yet again, to serve those who protect us.

Chair's report.

“

Once again we've demonstrated to our members that we've got your back.”

It's been a big year.

It's been an interesting and challenging year, and Defence Bank has stepped up and delivered. We have had the normal business headwinds with compressed margins, increased regulatory focus, and then droughts, bushfires, floods and a pandemic. It has been a big business, economic, environmental and community year, too - who could have anticipated all this would have happened at the same time.

We continue to be very proud of our members. Our ADF has contributed significantly to the community in a range of areas across the country and around the world. At Defence Bank, we are very aware of how such events have impacted on our members, their families and their colleagues - indeed, right across the Defence community.

It's also been a big year for the regulatory agencies - the ongoing impact from the Hayne Banking Royal Commission has meant continued oversight by regulatory agencies on Australia's financial sector. Regulatory agencies will continue to play a critical role in Australia's economy. To ensure we continue to be a robust organisation, it's important for Defence Bank to have a strong relationship with them - not only to meet all our compliance requirements but also be an effective and strong organisation - for our members, for Australia.

We are proud of the bank's financial performance for the year - a surplus of \$10.06 million - even with all the unexpected events in 2019-20.

We've had people working at the head office in Melbourne, working from home and branches - right across Australia. It hasn't been easy from lots of perspectives, but that didn't stop us.

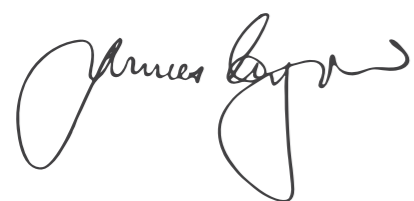
“

The Defence community has actively assisted with the impact of fires, drought, floods and then COVID-19, and they’ve done all that in addition to their ongoing work of protecting Australia and its national interests.”

Our people have worked tirelessly to ensure we have been able to deliver the service our members needed. It’s taken a significant effort by the CEO, the executive team, by those employees working face-to-face with our members, and those working behind the scenes, to ensure we haven’t skipped a beat.

The Board wishes to recognise the sheer hard work of the CEO, the Executive, the whole team. No matter their role, they have demonstrated an eagerness to serve those who protect us. I am proud of our team’s resilience and determination to put Defence Bank at the heart of everything Australians care for, value and love.

The Board is committed to our business strategy, we will continue with our digital transformation, and we will continue with the work required to remain strong - for whatever is needed, for whatever’s ahead.



Fran Raymond.
Chair of the Board.



Australians participate in the ANZAC Day dawn service from their driveways during COVID-19, 2020.

“

**Non-financial risks,
like brand reputation,
are up there with
regulatory risk.”**

The health, economic, environmental and community impact of 2019/20 was effectively not dissimilar to a one in 100-year flood. In my mind, we as individuals and organisations had only one choice - to seize the year as an opportunity. For Australia's Defence Bank, the opportunity was to expedite transformational change - not only with highly relevant products and services but also in the way we deliver them to reduce member effort. We continued to take a people-led, technology-driven approach which included equipping, training and developing the leadership skills of our employees.

The year saw our Defence credentials and product offering enhanced due to our unique knowledge, insights, commitment and bond with the Australian Defence Force and the broader Defence community.

We refused to play victim to the challenging economic conditions. Our member-focused response in a time of major crisis helped to trigger a 'flight to quality' in banking. Defence Bank had its biggest year ever with more than \$527 million funded, growth of 17.3% in transaction account balances, and 35.3% in savings account balances, and member support initiatives that remain the envy of industry peers.

These results show that, in banking, you can be small and achieve big things.

In response to members who experienced financial hardship - less than 1% of our home loan portfolio - we swiftly established a dedicated MemberCare operation to support them.

From members wanting to refinance a home loan to those who wanted to take advantage of the Australian Government's First Home Loan Deposit Scheme, we sharpened our focus on approval turnaround times - days, not weeks and weeks. And members



CEO's report.

“

Defence Bank has over \$2.7 billion in assets, a recently reaffirmed Standard and Poor's (S&P) credit rating of BBB | Stable | A2.”

deployed as part of Operation Bushfire Assist or Operation COVID-19 Assist may be eligible for our Salute account to receive a bonus interest rate for 12 months.

Consequently, our independently-researched Net Promoter Score (NPS) for member advocacy reach an average of +49, up from an average +31 a year ago. It means the vast majority of members would actively encourage people they know to choose Australia's Defence Bank.

However, we won't be resting on our laurels - never have, never will.

It is with a high degree of pride and honour that our members entrust us to serve those who protect us. We will continue to focus on reducing member effort and making day-to-day banking as simple as we can.

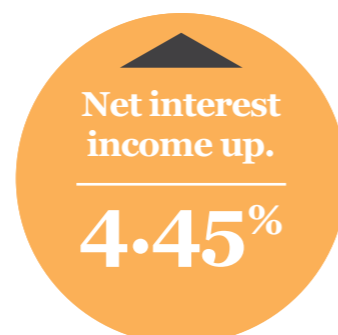
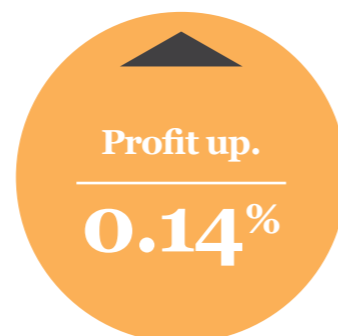
We have 45 years of putting members first through thick and thin. Whatever the year ahead, we will maintain our singular focus on what, to us, matters most - our members.

To our members, and to everyone on the team, thank you.



David Marshall.

Chief Executive Officer.



Corporate governance.

Company structure and regulation.

Defence Bank is a public company limited by shares (members' shares) under the *Corporations Act 2001*, administered by the Australian Securities and Investments Commission (ASIC). Defence Bank is also an authorised deposit-taking institution regulated under the *Banking Act 1959* and subject to Prudential Standards issued by the Australian Prudential Regulation Authority (APRA).

Size and composition of the Board.

The Board of Defence Bank currently consists of six independent non-executive directors. As a consequence of the retirement of non-executive director Peter Mason at the conclusion of the 2019 AGM, the Board, pursuant to its constitution, agreed the number of directors be held at seven and confirmed a process of recruiting and appointing a suitable replacement.

The Chief Risk Officer and the Chief Financial Officer of Defence Bank act as company secretaries to the Board. These appointments carry no entitlement to a vote on Board matters. Non-executive directors are elected or appointed for a term of three years, commencing at the end of the Annual General Meeting at which their election or appointment is announced and generally concludes at the end of the third Annual General Meeting after their election. At the end of their term, directors may offer themselves for re-election subject to the Board policies on the maximum tenure for individual directors.

Experienced and balanced Board.

The Board comprises directors with a wide range of experience and business backgrounds. A number of directors are serving, or have served, in the Australian Defence Force. All directors have academic and commercial qualifications and experience to enable them to undertake their role as directors. Details of directors' qualifications are shown on pages 25-27. In addition, directors are required to undertake continuing professional development activities to maintain and improve their knowledge and skills necessary for the performance of their duties and responsibilities.

Committee structure.

The Board conducts its business with the assistance of a well defined and effective committee structure. The four standing committees of the Board are:

1. Governance & Remuneration committee.

This committee assists the Board in the development of recommendations on any changes to governance practices, processes for the evaluation of Board committees, individual director performance, and review and development of Board Governance Policy.

This committee also reviews and makes recommendation to the Board on the remuneration of directors and executives.

2. Risk & Compliance committee.

This committee assists the Board in fulfilling its responsibilities relating to Defence Bank's overall risk and compliance management practices.

3. Audit committee.

This committee assists the Board in fulfilling its responsibilities relating to Defence Bank's accounting, statutory (under APRA, ASIC and AUSTRAC), financial reporting, and external and internal audit activities.

4. Nominations committee.

This committee is established under Defence Bank's constitution in order to provide assurance to members that candidates who are nominated for service on the Board are fit, proper and meet selection guidance which is determined by the board of directors from time to time pursuant to Defence Bank's constitution. From time to time, other committees may be established to facilitate Board consideration of a particular issue.

About Defence Bank.

Defence Bank commenced operations in March 1975 as Defence Force Credit Union Limited (Defcredit), before changing to Defence Bank in 2012. Today, Defence Bank has the largest on-base branch network in Australia.

Defence Bank is one of Australia's larger member-owned banks, serving not only the Australian Defence Force but also the broader community, including staff in commonwealth department agencies.

Defence Bank has operated for more than 40 years and now has over 85,000 customers around Australia, of which the majority are voting members, over \$2.75 billion in assets and 33 branches. Our Purpose is to *serve those who protect us* and focuses on the financial needs of its members, not on profit maximisation for shareholders.

The Bank has a rating of BBB/Stable/A2 by S&P Global Ratings.

Our members.

A big people-led, technology-enabled response continued to make banking easier, better and faster for our members.

Whether a good or bad year, our focus is always our members - for whatever they needed, for whatever's ahead. Our knowledge, experience and bond with the Defence community means 'we get' what's needed, and when.

We reacted quickly, and introduced new services to help those affected by the bushfires and COVID-19. We tuned-in to comments and feedback received at branches, to our Contact Centre, through emails, website chat, social media, our app, Online Banking, mail, frontline services and our partner services. This led us to simplify and sharpen our product range, to remove most transaction fees, enhance the use of digital technology and strengthen industry partnerships - all to reduce member effort, deliver savings and drive membership growth.

We count on our members and they can count on us to continue to serve those who protect us, and to make banking easier at all times, not just through the difficult ones.

Helping our members through tough times.

- Established MemberCare to support those impacted by the bushfires and COVID-19.
- Increased contactless card payment limit from \$100 to \$200 per transaction to reduce the use of cash.
- Helped 600+ members access their Super under COVID-19 financial hardship.



Highlights.

- Selected to be a participating lender of the First Home Loan Deposit Scheme with 83 applications by 30 June 2020.
- Consolidated deposit accounts from 17 to 8 products.
- Continued to make banking easier, better and faster included streamlining rates and removing the application fee for car loans, and reducing interest rates on overdraft and personal loans.
- Cut the cost of banking by removing most fees on transaction accounts.
- Introduced a member discount with Navy Health to increase savings to members.
- Re-launched MLC Debt Protection Insurance product.
- Improved banking app including *Look Who's Charging*, *Share My Account Details*, account nicknames, secure messaging and fingerprint login.

Big response.

Our people.

We continued to deliver on Our Purpose, Our Promise, and Our Principles.

Across Australia we employ 193 people in a variety of branch and Support Office positions. Together they provide our members with personalised service, ensuring we deliver on Our Purpose, Our Promise, and Our Principles.

Keeping our people safe.

A significant focus during 2020 has been keeping our people healthy and safe.

Being an essential service, we remained open throughout the pandemic and our highest priority was and continues to be the health and wellbeing of our employees and the safety of our members who visit our branches.

During the year we implemented a range of measures in response to COVID-19. These included:

- Board-endorsed COVIDSafe workplace plans for each location aligned with state and territory requirements.
- New policies and practices to support physical distancing and personal hygiene.
- Personal protective equipment including face masks and disposable gloves.
- The introduction of up to 10 days paid pandemic special leave.
- A dedicated COVID-19 hub on our intranet.
- Regular internal communication to keep everyone up to date.
- Regular consultation with our Health & Safety Committee.
- Regular training on keeping you safe practices and principles.
- The launch of Thrive, our employee wellbeing program.
- Sanitiser stations and retractable barriers.
- Improved signage.

At every opportunity we provided our people with access to external support through our employee assistance program partner. Defence Bank is proud to have so many dedicated employees who work as part of our team. Thank you to all our frontline team members in our branches who looked after our members with a smile. Thank you to those at our Support Office who adapted so well to working remotely. This year has been a challenging experience, and our team was truly impressive in the care and support they showed one another.

Engaging our team.

Continuing to keep our team engaged was a key focus throughout the year. We regularly ask our team about their experience of working at Defence Bank and these results guide our people plan. Defence Bank partnered with independent specialist Insync to undertake the annual Our Bank, Your Say alignment and engagement survey in June 2020. This year Defence Bank achieved results placing us in the top 10% of organisations, our highest ever result which was extremely rewarding. Key achievements during the year included:

- The successful roll out of My Performance, our new approach to goal setting, developing and career planning, and two-way feedback.
- Regular Fireside Chats with the CEO, providing a forum for two-way communication.
- The launch of Connect Social, our own internal social media platform.
- The introduction of video-based communication and collaboration.

During the year we continued to support the Defence Bank Foundation. While coronavirus limited opportunities for community fundraising, pleasingly our people raised \$70,888 for Defence Community Dogs.

In addition we continued to engage our people in various ways including:

- Increased availability to participate in volunteer leave.
- Defence Community Dogs visit at our Support Office.
- Kids at Work Day.

We continued to support Defence Families of Australia as a Defence Partner Friendly Employer, and this year launched a dedicated Defence Families Hub on our intranet. With more than 30% of our frontline team having a direct connection with Defence, Defence Bank was proud to, once again, be a finalist in the Prime Minister's Veterans' Employment Award 2020 for Excellence in Supporting Spouse Employment.

Developing our people.

Defence Bank is committed to developing the capability of our team. A range of activities were successfully delivered including:

- The roll out of High Performance workshops across Defence Bank to align with our refreshed approach to performance and reward.
- The successful launch of FINSLA's Professional Banking Fundamentals program with more than 20 participants currently enrolled.

- The Our Bank, One Team annual Leadership Conference with more than 70 attendees from across Defence Bank.

Our in-house learning program continues to evolve with a fortnightly rhythm for compliance, product, and continuous professional development activities adopted. More than 7,300 hours of learning were completed during the year.

We placed a strong emphasis on leadership with the introduction of an online hub featuring a mix of articles, podcasts, and webinars. Combined with virtual workshops and online discussion forums, this provided leaders with the opportunity to maintain connections in lieu of the annual conference. Pleasingly, 21 team members were promoted to senior or broader roles during the year.

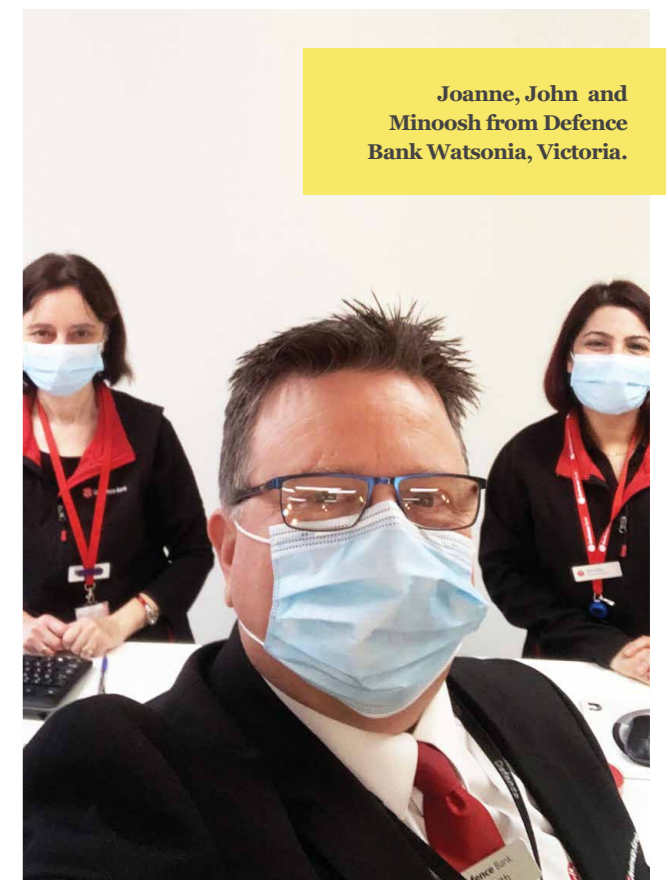
Thank you.

At Defence Bank, we celebrate and thank our people using various recognition programs, including:

- *GEM Awards* which recognised 15 employees who went the extra mile.
- 179 *eThanks* messages were sent using our online peer-to-peer recognition program.
- *Appreciate* which celebrated the dedicated service of 168 employees.

We also recognised the contribution of our star performers at the 2019 Defence Bank Achievement Awards.

Joanne, John and Minoosh from Defence Bank Watsonia, Victoria.



Contribution
to the Defence
community.

\$438,958



Portia from the
Defence Bank Willows
Queensland branch.

Our community.

Turning challenges into opportunities.

As Australia's Defence Bank, we understand the positive impact a strong community has on the health and wellbeing of our ADF members.

With most of our branches located on-base, often in regional areas, part of our role is to extend our support to these local communities to do what we can to help welcome and connect people. It's been a big year, and we are proud to have helped more than 50 initiatives with funding, volunteering and participation.

Military Wife Life.

In December 2019, we announced our partnership with Beck Rayner, founder of the Military Wife Life (MWL) community. Through their website, Facebook and Instagram, Military Wife Life recognises the important role of the military spouse and provides a safe space for spouses to connect and share stories of life in the Australian Defence Force.

"My decision to bring a partner on board wasn't something I took lightly. MWL is a community that is supportive and inclusive and bonded. We have built this circle of trust with each other. A sisterhood. A tribe," said Beck.

"There was no way I wanted to jeopardise all that we have created. But right from the start I knew Australia's Defence Bank was going to be the perfect fit for us."

Military Wife Life podcasts provide an insight into the lives of other military spouses and how they cope with mental health, deployment and post-traumatic stress syndrome (PTSD). It has a loyal following and is a much needed resource for those new to life in Defence.

Northern Territory Officers' Ball.

Every year the Northern Territory Officers' Ball attracts hundreds of guests to join together for a night of dignified fun at the Mindil Beach Casino. While this night provided a chance for Defence



Military Wife Life's Beck Rayner (centre) with Kym, Celia, Stuart and Emma from Defence Bank.

personnel to enjoy themselves, it also raised funds for Legacy - a charity dedicated to caring for the families of deceased and incapacitated veterans of the ADF. Australia's Defence Bank was, once again, proud to sponsor this must-attend night of the year.

Legacy annual collection, Western Australia.

On 9 April, our Swanbourne branch joined the local Legacy team to help raise funds for the annual collection at Campbell Barracks. Collections started at 0630hrs and continued throughout the morning until \$4,149.30 was raised.

A Christmas treat in the north.

The festive season is always a reason to celebrate and none do it better than RAAF Amberley with their annual Christmas Treat. In 2019, close to 2,000 people attended the event where they enjoyed a day of entertainment and activities for the whole family. Our team from Defence Bank Amberley supported the Christmas Treat by hosting the photo booth at our pop-up stand.



90,000 people enjoyed the blue skies at the RAAF Edinburgh Air Show 2019.

RAAF Edinburgh's Air Show.

In 1919, South Australian brothers Sir Ross and Sir Keith Smith made their first flight from England to Australia in a Vickers Vimy WWI heavy bomber aircraft. One hundred years later, in November 2019, the RAAF Edinburgh Air Show commemorated this remarkable feat with approximately 90,000 people in attendance. Defence Bank had a stall for the duration of this show engaging with the public and raising awareness for the Defence Bank Foundation.

The foundation is an independent charity established to help injured, wounded and disadvantaged serving and former ADF members and their families. All funds raised are used to run Defence Community Dogs - a program that provides assistance dogs to veterans suffering from PTSD and related conditions.

HMAS Stirling 'Walk to Work' Day.

The causeway connecting Garden Island, five kilometres off the Western Australian coast, is not normally open to pedestrians, so people enjoy the novelty of walking the bridge on foot. The HMAS Stirling 'Walk to Work' day and 'Causeway Classic' fun run is held in the name of fitness and wellbeing at all levels. Hundreds of locals participate or come along to support and enjoy the entertainment and children's rides at the finish line. However, the 2019 event saw the causeway undergo extensive road works which meant the physical aspect of the day was cancelled. But that didn't stop the family fun day proceeding, and was enjoyed by all.

Community support.

Defence Bank's total contribution to the Defence community including Defence Community Dogs was \$438,958.

What an effort from so many big hearts

- thank you.



Fun for everyone at the HMAS Stirling 'Walk to Work' day at Garden Island.

“

The one thing I want to say to Defence Bank and the people behind the whole program is a huge, huge thank you.”

Michael Nobes.

Australia's Defence Bank Foundation is an independent charity established to help injured, wounded and disadvantaged serving and former ADF members and their families.

All funds raised are used to run Defence Community Dogs - a program that provides assistance dogs at no cost to veterans suffering from PTSD and related conditions.

Raised
for Defence
Community Dogs.
\$70,888



Defence Bank
FOUNDATION

Proudly supports



**DEFENCE
COMMUNITY
DOGS**

Big cause.

Our confidence in our strategic direction and long-term future was reinforced by Defence Bank’s resilience in the face of recent global events.



Fran Raymond



Joan Fitzpatrick



Craig Madden



Bruce Murphy



Ian Murray



Anne Myers

Our Board of Directors oversees the strategic direction of Defence Bank, and ensures our statutory and legal requirements are met.

Board of Directors.

Fran Raymond.

BCom, MBA, FCA, FAICD, GDPPM, FSAA.
Chair of the Board.

Fran is a Fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants (Aust/NZ).

Fran began her management consultancy career at KPMG. She’s held Chief Financial Officer roles at The CrimTrac Agency, IP Australia, Department of the Prime Minister and Cabinet, and the National Health and Medical Research Council. She was Chief Operating Officer at Rural Industries Research and Development Corporation and the Australian Reinsurance Pool Corporation.

Fran was a councillor of the ACT AICD. She was also on the AICD National Education Advisory Committee and served as a Director at UN Women (Australia), chairing the Finance, Audit & Risk and Public Funds Committees.

A finalist in the Telstra Business Woman of the Year Awards, and listed on Australia’s 100 Women of Influence in 2010, Fran is currently employed at the Department of Defence in Canberra.

Joan Fitzpatrick.

BA (Hons) LLB, ANZIIF Fellow, CIP, FAICD.
Director.

Joan’s executive and director experience covers the corporate, government and not-for-profit sectors.

Originally qualified as a barrister, Joan’s management career began at 20th Century Fox’s fast-moving consumer goods enterprise in London. She went on to hold senior management roles in heavy manufacturing industries, large start-up projects in Europe, and international insurance operations in Asia. For more than 16 years, she worked as CEO and Director of the Australian and New Zealand Institute of Insurance & Finance.

Joan currently works within a diverse portfolio of non-executive director roles, and consults across a wide range of organisations in the areas of strategic planning, leadership, governance and risk.

She is often called upon to work with teams to address governance issues and create frameworks to meet best practice standards and regulatory compliance requirements.

Directors serve a term of three years, with elections held annually.

Lieutenant Colonel Craig Madden.

BA, MMgt (Defence Studies), GradCert Applied Engr Practice, FAICD, psc.
Director.

During Craig’s 14 years as a Director of Defence Bank he has held the appointments of Deputy Chairman of Board, Acting Chairman of the Risk Committee, Chairman of the Governance Committee and Chairman of the Remuneration Committee. He has been a member of the Audit Committee, Executive Committee and the Director Selection Committee. Craig is currently a member of the Audit Committee and a Trustee of the Defence Bank Foundation.

Craig has served for more than 32 years in the Australian Army Corps of Engineers with command appointments at troop, squadron and regimental levels. He has extensive experience in domestic operations including the Melbourne 2006 Commonwealth Games and 2009 Victoria Fires Recovery Task Force.

Craig commanded US Marines and Army Engineers on operations in Iraq, and was an advisor to an Afghan army colonel in Afghanistan. Honours and awards include US Bronze Star and Deputy Commander Joint Operations Command Commendation.

Bruce Murphy.

BSc, MCom, PGD, GAICD.
Director.

Bruce started his career in the Royal Australian Navy, serving as an officer from 1982 to 1990. He has since gained extensive financial services experience across retail banking, superannuation and funds management. His executive responsibilities have included roles in credit analysis, audit, product development and distribution.

Bruce’s senior management career began as a Director, Retail Distribution at Deutsche Asset Management from 2000 to 2004. He then became an executive director with Macquarie Group (2004 to 2009) where he was responsible for local and global distribution of funds management products.

Bruce was Managing Director of BNY Mellon Investment Management from 2009 to 2015, responsible for the Australian Investment Management Business. He now leads Insight Investment’s business for Australia and New Zealand.

The Directors are announced at the Annual General Meeting held in November.

Rear Admiral Ian Murray, RAN.

BA, GradDipHRM, MDefStud, MA, MBA, GAICD, CAHRI, FCILT, psc.
Director.

Ian has been a Defence Bank member since 1999. With 34 years’ service in the Australian Defence Force, he is currently Commander Joint Logistics and the senior ADF logistician.

Ian has been Chair of the Navy Canteens Board and a Director of the Navy Relief Trust Fund Board. A graduate of the Australian Defence Force Academy and the Australian Army Command and Staff Course, Ian has been deployed on operations to the Middle East.

He holds a Bachelor of Arts, a Grad Dip in Human Resources Management, an MBA, a Master of Strategic Studies and a Master of Arts, and has a Capstone Diploma from the US National Defense University. Ian is a graduate of the AICD, a Fellow of the Chartered Institute of Logistics and Transport Australia, and a Certified Professional of the Australian HR Institute.

Anne Myers.

MBA, AGSM, GAICD.
Director.

Anne is an experienced non-executive director who holds directorships across the banking, education and technology sectors. She has executive level experience spanning retail banking, insurance, funds management and superannuation.

Her most recent executive roles were as Chief Operating Officer of ING Direct, and interim CEO for United Way. Anne’s combination of strong digital and technology skills, coupled with exceptional risk management and strategy experience, enables her to bring a unique perspective to her board roles and to add value across a variety of industries.

With more than 30 years’ experience in the finance industry, Anne provides a sound understanding of the legislative and regulatory requirements of retail banking.



David Marshall



Dean Barton



Kristen Bugeja



Celia Cannavan



Linda Craven



Michael O'Reilly



Mano Simos



Dean Talbot

Our Executive Leadership Team oversees the day-to-day operations and ongoing development of Defence Bank.

Executive team.

David Marshall.

BCom, Post Grad. Dip. Com, Executive Development Program.

Chief Executive Officer.

David commenced as Chief Executive Officer of Defence Bank in February 2018. He has initiated a major 'member experience' transformation program aimed at reducing member effort at every touchpoint.

David has spent 35 years in the financial services sector in Australia and New Zealand. During this time, he has led major retail and business banking divisions in major and regional banks.

Prior to his appointment as CEO of Defence Bank he was CEO of Hume Bank, a leading Mutual Bank in Regional NSW/Victoria. He is a passionate advocate for the member-owned banking sector and its role in the contemporary financial services landscape within Australia.

David grew up on a farming property in New Zealand. He studied at Lincoln College (Canterbury University), London Business School and Wharton Business School.

Dean Barton.

BCom, FFin, CPA, GAICD.

Chief Financial Officer.

Dean joined Defence Bank as Chief Financial Officer in 2011. His primary responsibility is the bank's financial and regulatory reporting, management reporting and budgeting, funding and capital management. He also acts as Company Secretary to Defence Bank.

Dean has more than 20 years' local and international experience in financial roles including Financial Controller for ME Bank, and Asia-Pacific Regional Financial Controller for GMAC Financial Services.

Dean is a Fellow of CPA Australia and the Financial Services Institute of Australasia, and a graduate member of AICD. Dean holds a BCom from the University of Western Australia majoring in Accounting and Economics.



Kristen Bugeja.
BCom, CAHRI.
Executive Manager - People & Culture.

Kristen Bugeja leads the People & Culture team at Defence Bank. She has more than 20 years’ experience in the financial services sector. Kristen has had extensive experience in delivering the cultural change that underpins Defence Bank’s business strategy. She has successfully driven change across a range of people functions including career development, talent and leadership programs, and employee engagement. Under her guidance, Defence Bank was a finalist in the Australian HR Awards 2017 for ‘Best Change Management Strategy’ and in the Australian HR Awards 2016 for ‘Employer of Choice’. Kristen is a certified member of the Australian HR Institute.



Celia Cannavan.
Dip. Finance Services, Dip. Training and Assessment, Executive Coach, GAICD.
Chief Lending Officer.

Celia was appointed Chief Lending Officer in January 2017. She has responsibility for Defence Bank’s end-to-end Lending functions along with the Collections and Fraud portfolios. Prior to joining Defence Bank, Celia held a number of senior leadership roles spanning areas of consumer banking, third-party distribution, transformation, training, operations and sales capability. She has more than 20 years experience in financial services. Qualifications include Executive Coach at the Institute of Executive Coaching and Leadership, and she’s a graduate member of AICD. This breadth of diverse expertise provides Celia with a unique and invaluable skillset when leading her teams to help deliver on Defence Bank’s strategic plan.



Linda Craven.
BSc, Post Grad. Dip. Computing, MBA, GAICD.
Chief Digital & Information Officer.

Linda Craven became Chief Digital & Information Officer in August 2018. She brings with her more than 20 years’ experience in technology and consulting within the financial services sector. Linda holds a Master of Business Administration, graduating with distinction from the New York Institute of Technology. She also holds a Graduate Diploma in Computing, a Bachelor of Science and is a graduate of AICD. Her previous work history saw her successfully lead teams and projects at ANZ, NAB, Ernst & Young Consulting and IBM Global Services delivering significant transformational outcomes. Linda leads the Defence Bank’s technology strategy and platforms with a goal to making it easier for our members to bank with us, improving efficiencies and driving technology innovations.



Michael O’Reilly.
BA, Grad. Dip. Marketing.
Executive Manager - Product & Marketing.

Michael joined Defence Bank as Executive Manager of Marketing in December 2017. He brings with him more than 22 years of product and marketing experience within the financial services sector. Prior to joining Defence Bank, Michael was responsible for developing marketing strategies across a range of mutual and major financial institutions including Teachers Mutual Bank, Community First Credit Union, CommSec and Lloyds TSB. Michael’s experience also includes working abroad as a Product Manager for Lloyds TSB. Michael leads the day-to-day marketing functions with specific responsibility for brand, marketing strategy and product.



Mano Simos.
BBus Accounting, Grad. Dip. Banking & Finance, GAICD.
Chief Risk Officer.

Mano has been Chief Risk Officer at Defence Bank since October 2013. He is primarily responsible for the development and oversight of the Bank’s Risk & Compliance Management Framework. Mano leads a team who collaborates with executives and their teams providing guidance and advice on the implementation of these frameworks. This second line function remains independent of the business and provides the Board and the Risk & Compliance Committee with assurance and insights around the management of our current and emerging enterprise risks. Mano was appointed Company Secretary in September 2016 and is secretary to the Risk & Compliance Committee, Governance & Remuneration Committee, and is a graduate member of the AICD. Prior to joining Defence Bank, Mano worked at NAB - directly with the Business Banking CRO and with the Group Executive Business Banking as secretary to its Risk Committee and responsible for risk governance.



Dean Talbot.
Dip. Finance Services, Adv. Dip. Management, Dip. Retail Business Admin.
Chief Sales & Service Officer.

For the past six years, Dean has been responsible for leading Defence Bank’s member-facing distribution teams which encompass all branches and the Melbourne-based Contact Centre. The overarching aim of these teams is to maintain an absolute member-focused ethos during the implementation of products and processes. With more than 20 years’ experience in banking and finance, Dean has held senior management and banking positions across both major and mutual institutions including NAB, where he held a number of leadership positions. Dean is a former AFL-listed player with Geelong.



Financial extract.

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2020.

	2020	2019
	\$000	\$000
Income.		
Interest income.	80,988	88,144
Interest expense.	(33,083)	(42,281)
Net interest income.	47,905	45,863
Other income.	7,928	8,216
	55,833	54,079
Expenses.		
Personnel expenses.	21,351	20,619
Depreciation and amortisation expense.	2,961	1,742
Impairment losses on loans and advances.	607	214
Other expenses.	16,592	17,158
	41,511	39,733
Profit before income tax.	14,322	14,346
Income tax expense.	4,266	4,304
Profit for the year from continuing operations.	10,056	10,042
Other comprehensive income.	-	-
Total comprehensive income.	10,056	10,042

This statement of profit or loss and other comprehensive income has been extracted from the audited Annual Financial Report. This extract has not been separately audited.

Consolidated statement of financial position as at 30 June 2020.

	2020	2019
	\$000	\$000
Assets.		
Cash and cash equivalents.	98,279	81,539
Investments.	330,222	270,764
Equity investments.	1,639	1,639
Trade and other receivables.	361	742
Loans and advances.	2,312,050	2,138,233
Current tax assets.	-	314
Property, plant and equipment.	2,109	3,197
Right of use assets.	1,525	-
Deferred tax assets.	2,739	2,252
Intangible assets.	1,130	854
Other assets.	876	767
	2,750,930	2,500,301
Liabilities.		
Borrowings.	347,178	221,945
Lease liabilities.	1,945	-
Deposits.	2,204,707	2,092,438
Trade and other payables.	2,855	2,874
Current tax liabilities.	1,027	-
Provisions.	4,239	3,801
	2,561,951	2,321,058
Net assets.	188,979	179,243
Equity.		
Share capital.	1,031	1,012
Reserves.	187,948	178,231
Retained earnings.	-	-
	188,979	179,243

This consolidated statement of financial position has been extracted from the audited Annual Financial Report. This extract has not been separately audited.



No Smoking

No Smoking

PRIORITY SEAT
Take up this seat for passengers who need extra support when travelling.

JCDcaux

A big thank you.

From those who probably
won't see this **to everyone**
on the front lines of
Covid-19 who will.



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**We count on you.
And you can count on us.**

- 1800 033 139 (8am to 6pm AEST weekdays)
- visit your local Defence Bank branch
- defencebank.com.au
- info@defencebank.com.au

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