



# Annual Review.

## 2020-2021.







2020.

July – *Standard and Poor's* (S&P) retained Defence Bank's credit rating as BBB | Positive | A-2.

August – New Defence Bank website launched.

September – New upgraded branch at RAAF base Williamtown.

October – Defence Bank Foundation Credit Card launched.

October – Product Reference Data (PDR) Phase One of Open Banking available online.

November – *Moody's* gives Defence Bank a rating of Baa1 | Stable | P-2 due to strong asset quality, good capitalisation and profitability.

November – Appointments of new board members Pam Rebecca and Jeff Howard.

2021.

June – Defence Bank reaches \$3 billion in assets.

June – Launch of special-edition AF100 Visa Debit card.

April – Canstar awarded the Defence Bank Foundation Credit Card as one of six cards to be rated 'Outstanding Value Low Cost Credit Card'.

April – Defence Bank Cerberus reveals new location and new look.

April – Defence Bank app rated 4.8 out of 5 stars on App Store and Google Play, and maintained rating for the remainder of FY21.

March – *Mozo Experts Choice Awards 2021* named Defence Bank a winner in the category of 'Investor Fixed Home Loan with the product: Essentials Home Loan with Ultimate Package – Fixed'.

March – Recorded highest lending funding month of \$67.2 million.

People-led. Technology-enabled. Member-focused.



# Annual Review.

2020-2021.

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## Our Purpose.

To serve those who protect us.

## Our Promise.

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

## Our Principles.

Our Principles are how we ACT. Accountable. Collaborative. Transparent.



# Year at a glance.





We are listening to our members, and we remain as agile as ever to deliver products and services when, how and as our members need them.

# Chair's report.

What an interesting and challenging year we have all had. COVID-19 has, once again, left its thumbprint on all aspects of our lives - lockdowns, businesses operating in new ways, and homeschooling. In addition, Australia has experienced severe weather events, high demand in the property market, rising property prices, and low interest rates. These have impacted us all – personally and as a bank.

Many sectors in the economy have been hit by restrictions. However, despite all these challenges, thanks to many things—including sheer human endeavour and government fiscal support—the Australian economy has remained strong and agile.

The banking industry has met the headwinds of increasing regulatory oversight, low interest rates, increased competition, and public scrutiny.

And the mutual sector has remained strong and member focused.

The Australian Defence community has, yet again, demonstrated its ability to assist Australian communities in their hours of need. The Australian Defence Force (ADF) has assisted with logistics on state borders, moving and administering health and medical supplies, and responding as requested by the government. The ADF has also assisted communities during and after floods, fires and drought. We are very grateful to the ADF for their ongoing assistance during COVID-19 and so many other events.

Defence Bank has remained agile, and has adapted to meet all the challenges in 2020/21. I would also like to acknowledge our business partners and their ongoing faith in our mission as a mutual bank to serve our members.

We continued to digitise our business and meet the increasing regulatory focus. Most importantly, we have remained open to deliver the banking products and services our members needed.

We are proud of the Defence Bank's financial performance of the year – a surplus of \$ 13.9 million and assets of \$3 billion.

I want to recognise and thank my fellow directors for their ongoing dedication to deliver effective outcomes for Australia's Defence Bank. We are committed to our business strategy, which includes our digital focus and improving services for our members. I would also like to acknowledge Pam Rebecca and Group Captain Jeff Howard who joined the board in November 2020, and have already made a significant impact to the organisation.

Finally, I would like to thank Lieutenant Colonel Craig Madden for his tireless dedication and service to Defence Bank during his 14 years as a director.

I want to call out the commitment and hard work of our CEO, the executive team, and all the Defence Bank staff. Our team has worked tirelessly *to serve those who protect us*. I also want to call out their resilience, passion and dedication to our members, and to putting Defence Bank and our values at the heart of everything they do.

Our people really are like no other, and they are at the heart of our way forward in a *people-led, technology-enabled, member-focused* strategy. We will continue our journey of improving our digital platforms and services to deliver what our members need. We are listening to our members, and we remain as agile as ever to deliver products and services when, how and as our members need them.



A stylized, handwritten signature in dark ink, appearing to read 'James Raymond'.

**Fran Raymond.**  
Chair of the Board.



We're people-led, technology-enabled, so banking with us is more than transactional – it's a relationship.

# CEO's report.

The year was another year of challenge and opportunity as your Bank navigated the ongoing impacts of the COVID-19 pandemic. Again, this year, we didn't use the pandemic as an "excuse" in terms of how we delivered our products and services. For Australia's Defence Bank, our very strong results underpinned not only our sustainability but also our resilience – financial and operational.

We have accelerated a number of significant enhancements and innovations to the products and services we offer our members. It was a year where we doubled down on our wonderful Purpose of "*to serve those who protect us*". We are very fortunate to serve our field of membership given the part they play in our society; we don't take this honour for granted for one minute.

As in previous years, we have remained focused on the promise we've made to our members: "*We count on you, and you can count on us.*" As a result, our drive to reduce member effort in day-to-day banking has resulted in a Net Promoter Score average of 40 – which sits significantly above the big banks. This brings to life the real benefit of having a *people-led, technology-enabled* strategy that delivers the best-of-the-best to Australia's Defence Force (ADF) and to the broader Defence ecosystem. Banking with us is more than transactional, it's a relationship. We remain forward-looking, progressive, but humble.

And we're in good hands.

Our wonderful staff continue to be the foundation of your Bank. Their dedication and care for our members—and each other—is simply outstanding. Many of them have strong personal linkages with the ADF. This allows us to have very unique insights into the day-to-day lives of the Australian Defence community and adjacent sectors.

Along the way, we continued to work extremely closely with the board, key vendors, and regulators.

As we embark on the next 12 months, we will continue to find ways to improve our processes, policies and procedures to ensure we remain competitive - in every sense.

We are conscious of the need to be proactive in our approach to the environmental, social, and governance (ESG) expectations of the community. Our proactive approach has achieved a significant movement forward in employee engagement, team diversity, inclusion, and wellbeing. And we will continue to support heavily our major philanthropic endeavor: the Defence Bank Foundation, which raises funds for Defence Community Dogs to support veterans living with PTSD.

One of our key performance highlights is a 38% increase in net profit after tax – as a mutual bank, this profit is reinvested back into the business for the future benefit of our members. Other highlights include 7.1% return on equity, 8.0% growth in our loan book (our biggest loan-funding year), an improvement of 3.8% in our cost-to-income ratio, and a top quartile in employee engagement alignment. We continue to be independently rated – by Moody's Investor Services (Baa1 / Stable / P-2), and Standard & Poor's (BBB / Positive / A-2) – a ratings attribution among the top for all mutual banks in Australia.

We look for ways of getting better every day – continuous improvement is a key part of our approach. We welcome the next period with a high level of optimism as we continue to grow Australia's Defence Bank—a bank like no other—in a sustainable way.



**David Marshall.**  
Chief Executive Officer.



Assets up.

9.9%

Profit up.

38.5%

Deposits up.

5.7%

Net interest  
income up.

17.8%

## 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 seven independent non-executive directors.

As well as the Company Secretary, the Chief Financial Officer of Defence Bank acts as a Company Secretary 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 of 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.

Defence Bank reached \$3 billion in assets and a Standard and Poor's (S&P) credit rating of BBB | Positive | A-2 and a Moody's rating of Baa1 | Stable | P-2.

### 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 81,000 customers around Australia, of which the majority are voting members, \$3 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 | Positive | A-2 by S&P Global Ratings and a rating of Baa1 | Stable | P-2 by credit rating agency Moody's.



CEO David Marshall talks about "Defence Bank - Our Purpose".





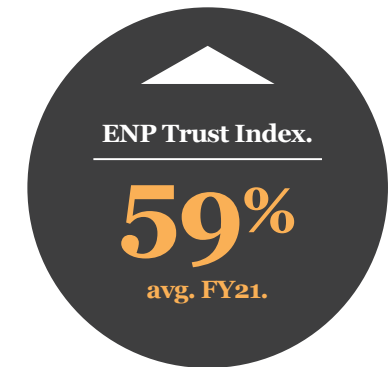
We are not just any bank. Not just a Defence bank.  
We are Australia's Defence Bank.

## Our members.

As a proud member-owned bank in the Defence community, we continue to invest our profits into delivering products and services *where, when, and how* our members need them. After all, of all the things those in the Defence community are asked to do, worrying about their banking shouldn't be one of them.

We take pride in providing our members with the means to bank anywhere, anytime. For example, we continuously improve our banking app with new features and enhancements, like being able to export transaction history, add nicknames to accounts, and customise the dashboard. Our app has been rated higher than any of the four big banks on the App Store and Google Play. We also work hard to give our members access to government schemes like DHOAS, the First Home Loan Deposit Scheme, and the New Home Guarantee. Then there's the launch of our Defence Bank Foundation Credit Card, where half the annual fee goes towards the Defence Bank Foundation to support the Defence Community Dogs program. This program trains assistance dogs to support veterans living with PTSD.

We count on our members, and they can count on us – for whatever they need, for whatever's ahead.



As part of our RAAF 100 year celebration, we launched our special-edition Visa Debit card.



Read how Defence Bank members Mark and Margaret accessed the First Home Loan Deposit Scheme to help purchase their first home.





## Highlights.

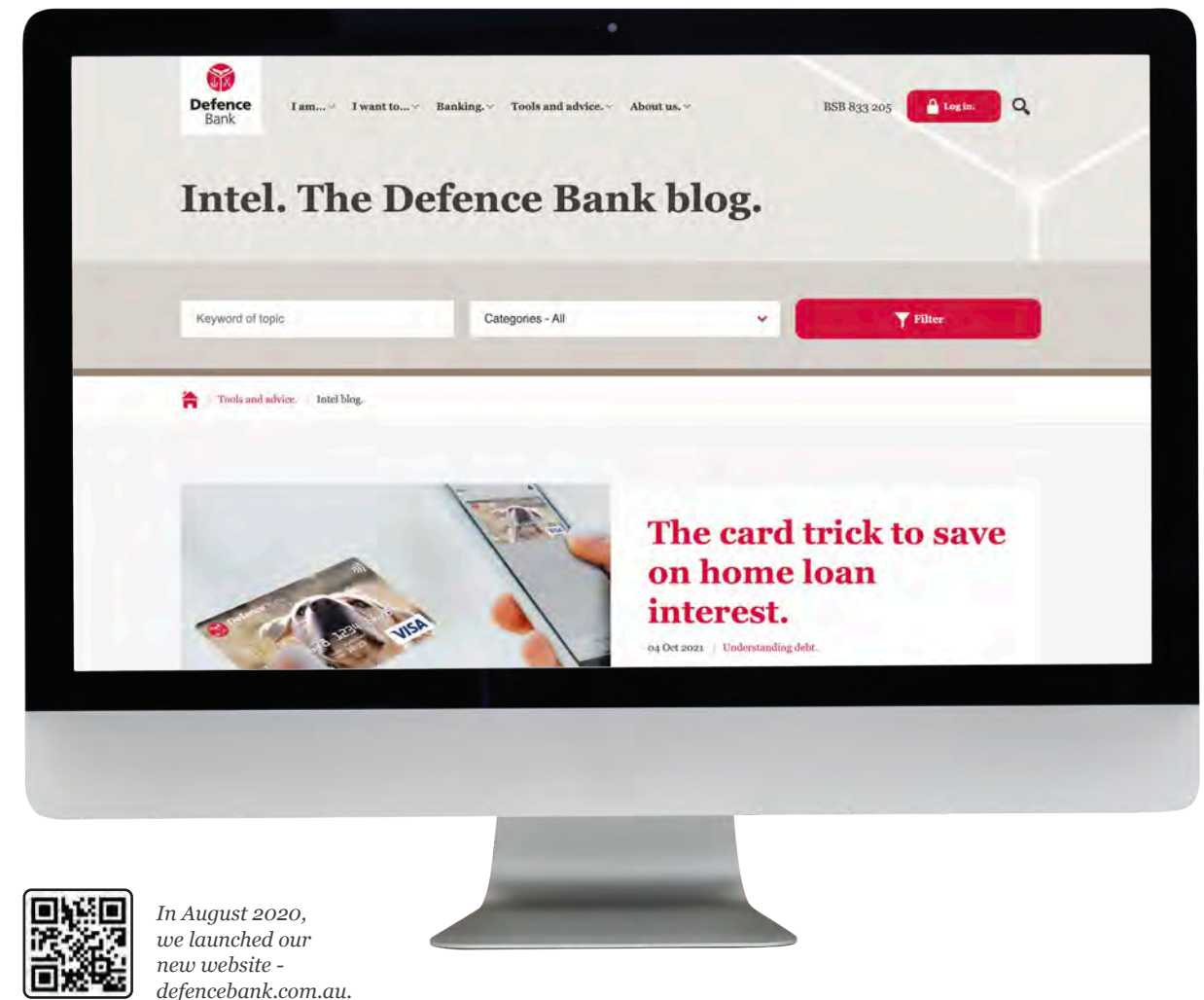
- Launch of the new Defence Bank website to provide a better member experience.
- Creation of the Member Care team to add value in conversation with existing members.
- Continued participation in government initiatives including the First Home Loan Deposit Scheme, New Home Guarantee, and DHOAS.
- Launch of special-edition AF100 Visa Debit card to commemorate RAAF centenary.
- Introduction of Rate Lock feature for fixed interest loans to protect against interest rate increases.
- Williamstown and Cerberus branch relocation and refits.
- Reduced member effort by the total removal of TA passwords from Online Banking and replaced with two-factor one time passwords by SMS or email.
- Launch of Defence Bank Foundation Credit Card to support the Defence Community Dogs program.



- Improved banking app including Spend Tracker enhancements, customisable dashboard shortcuts, transaction history data export, enhancements to manage payees, consolidated interest/tax details, Quick Balance feature available on Apple Watch and the ability to nickname accounts.

## Ratings and awards.

- Mobile app rating of 4.8 on both Apple and Google app stores – higher than any of the four majors (current as of 30 June 2021).
- Canstar awarded the Defence Bank Foundation Credit Card as one of six cards to be rated Outstanding Value Low Cost Credit Card.
- Mozo Experts Choice Awards 2021 named Defence Bank a winner in the category of Investor Fixed Home Loan with the product: Essentials Home Loan with Ultimate Package – Fixed.



In August 2020, we launched our new website - [defencebank.com.au](https://defencebank.com.au).



**We take pride in providing our members with a means to bank anywhere, anytime. We count on our members, and they can count on us – for whatever they need, for whatever's ahead.**



## Our people.

This year, delivering on *Our Purpose*, *Our Promise* and *Our Principles* for our People has never been more important.

Our team of 196 employees across Australia has more than 1,200 years of combined experience, and have been well placed to support our members and the broader the Defence community.

Keeping our people safe throughout the pandemic was, and continues to be, our highest priority. Timely and relevant communication was important, as was continuing our frontline safety measures. In response we:

- Offered our people up to 10 days paid pandemic special leave for the second year.
- Launched two paid half-days off to access the COVID-19 vaccination.
- Implemented COVIDSafe workplace plans for each of our locations.
- Continued our focus on employee wellbeing and resilience with our Thrive wellbeing program.



- Supported RUOK? Day with employee connection activities.
- Implemented QR codes in each state and territory.
- Implemented improved Employee Assistance Program services including wellbeing coaching and personal counselling.
- Kept the conversation going with regular consultation with our Health & Safety Committee.

### Employee engagement and connection.

Through a significant portion of this year, we found ourselves supporting our employees in lockdown. With more than half our team members based in Melbourne, keeping our people engaged and connected was a continuing focus.

In June 2021, we partnered with independent specialist Insync for the fourth year to undertake our annual Our Bank, Your Say alignment and engagement survey. This year, our results placed us in the top quartile of similar organisations. We are very proud of this result in what was a challenging year.

*“A united purpose, a desire to constantly improve the member experience, and a willingness to future proof the Bank. Australia’s Defence Bank has a forward looking posture.”*

*“We continue to check in with our people to ask how they’re going and what life at Defence Bank is like. We keep trying to do and be better.”*

*“We focused on our people, and enabled them to strive to do the best they can (whilst supporting their development), and to support each other.”*

### Our new way of working.

Being able to support flexible working for 60% of our workforce is a proud result, with 100% of our Support Office team enabled to work remotely. Our Support Office now has team members based in Sydney, Newcastle, and even in Gympie, Queensland. We are truly embracing a work-from-

anywhere strategy where we can. This exciting step has opened up many career opportunities for our team members. Many of whom have been promoted into roles traditionally based in Melbourne.

### Celebrating our hard working team.

We celebrated and thanked our team members who stepped up this year, particularly our quiet achievers. We held our *Defence Bank Achievement Awards* for the first time virtually - on Zoom. Our team, from all over Australia, came together to recognise the outstanding efforts of our people. We recognised a record number of team members for our ‘CEO’s Award’, ‘Best New Talent’, ‘Rising to the Challenge’, as well as celebrating and enjoying the spirit of our ‘People’s Choice Wilbur Awards’.

Through our broader recognition programs we recognised:

- 14 employees who received a GEM Awards for going the extra mile.
- 148 eThanks messages that were sent using our online peer-to-peer recognition program.

### Striving to be better.

Our people are always focused on us looking for opportunities to make Australia’s Defence Bank the best bank we can be for our members. Our team shared over 60 suggestions via our Innov8 ideas initiative.

*“Feedback from members is that they come to Defence Bank for the customer service - they all love how Defence Bank employees make their banking easy.”*

*“There’s a strong sense of collaboration as the teams are all working together towards making changes, and I can feel a sense of community as we work through all of this together.”*



Defence Bank Edinburgh, South Australia.

### Encouraging our team to grow.

We continued to look for opportunities for our team to thrive and grow, releasing 215 development courses, and having 8,520 learning enrolments. We got creative on Zoom, and delivered Lunch and Learn know-how sessions. These built key technical and leadership skills to equip our people leaders through uncertain times, and to build resilient teams.



Defence Bank ADFA, ACT.

There’s a strong sense of collaboration as the teams are all working as-one towards making changes, and I can feel a sense of community as we work through all of this together.



### Connecting to you, our members.

With 27% of our frontline branch team directly connected to the Australian Defence Force, we're committed to providing a workplace that accommodates the unique needs of Defence partners and families, including a dedicated Defence Families hub on our intranet.

Defence Bank was proud to, once again, be a finalist in the *Prime Minister's Veterans' Employment Award 2021* for 'Excellence in Supporting Spouse Employment'.

### Thank you.

At Australia's Defence Bank, our people are our defining difference; it's their heart and passion that leads our strategy to be a 'people-led, technology-enabled' organisation. Our people are the key to our success – past, present, and future.

"Thank you" to all our amazing team members for your hard work and contribution, and the dedication, care and resilience you have shown during the last 12 months.

# Our community.

We have the largest on-base branch network in Australia. And you can count on us to support these local Defence communities.

Although COVID-19 made it difficult for event organisers, we didn't let that stop us supporting more than 30 diverse initiatives with funding, volunteering, and participation. These included the Soldiers & Sirens Shield, Military Wife Life podcast, Legacy Club of Ipswich Charity Golf Day, and many other events like on-base Family Days and Christmas Treats.

Total  
contribution  
to the Defence  
Community\*.  
**\$339,475**

\*Including Defence Community Dogs.

**30+**  
Supported  
initiatives.

Although COVID-19 made it difficult for event organisers, we supported more than 30 initiatives.

### Most Outstanding Soldier award.

Australian soldiers receive some of the best military training in the world, with several important phases to their training. To acknowledge the standout effort of the best soldier to complete phase 2 - Infantry Employment Training (IET) at Lone Pine Barracks - a grueling 14 weeks of training, the *Most Outstanding Soldier* award is presented and supported by Defence Bank. A total of 15 awards are presented throughout the year.

### Network Tindal.

The ADF community of Tindal is thriving, and it's due, in part, to the efforts of *Network Tindal*. Proudly supported by Australia's Defence Bank, *Network Tindal* is a free-to-join community group supporting over ten local initiatives including, the "Tindal Playgroup", "Tindal Fitness Group", "Tindal Teens", and the local paper *Tindal Community Times*. To ensure all age groups are supported with social activities, *Network Tindal* also hosts evening events like "Ladies Nights", complete with a hill-top helicopter pick-up and champagne upon arrival.

### Australian Veteran News.

In May, we provided funds to support *Australian Veteran News* (AVN), an online news platform specifically for the veteran community. Focusing on veteran's health and well-being, government policy and ex-service organisations, AVN has quickly attracted an engaged veteran audience, particularly on Facebook where they have more than 5,200 followers.

### Military Wife Life.

We proudly continued our partnership with Beck Rayner, founder of the *Military Wife Life* (MWL) community. The great work that Beck does through MWL not only gives Australian Defence Force spouses a safe space to connect and share socially but also provides her community with information and stories specific to the challenges faced by spouses. This is achieved through the MWL website and weekly podcasts.



Most Outstanding Soldier award.



Network Tindal community group.



Edinburgh 1 CSST Family Day.



## Sponsorships 2020/2021.

Some of the ADF events, organisations and sporting groups we support.

- HMAS Stirling *Causeway Classic*.
- RAAF Townsville Golf Club.
- Infantry Employment Training, Lone Pine Barracks *Most Outstanding Solider* award.
- *Soldiers & Sirens Shield 2020*.
- Network Tindal.
- Tindal Magpies Sporting Association.
- RAAF Williamtown Golf Club (RWGC).
- Lavarack Army Rugby Club (LARCs).
- Singleton Army Rugby Club.
- Kapooka Sporting Festival.
- 1st Armoured Regiment RAAF Edinburgh Family Day.
- Edinburgh Sergeants Mess Christmas Treat.
- RAAOC/CATR 10th Force Support Battalion Training Dinner.
- 1st Aviation Regiment Robertson Barracks Family Day.
- Legacy Day Bonegilla.
- 5th Aviation Regiment Townsville Cycle Criterium.
- Wagga Wagga Women's Health Centre.
- Defence Force School of Signals Fundraising Event.
- 2nd Combat Health Company End of Year Function.
- RAAF Tindal Christmas Treat.
- Kokoda Barracks Sergeant's Mess Christmas function.
- *Military Wives Choir*.
- 1st Regiment, Royal Australian Artillery Run Army for Legacy event.
- School of Infantry Singleton Family Day.
- 1CSST RAAF Base Edinburgh Family Day.
- Defence and Strategic Studies Course Family Movie Night.
- 1CHB – North Gym Defence Bank 1st Brigade Records Board.
- Legacy Club of Ipswich Inc. *Charity Golf Day*.
- Puckapunyal Primary School Year 6 Valedictory Dinner.
- Army Australian Football Association.

**The Military Wife Life podcast is about telling the stories of everyday military spouses. Defence Bank's sponsorship is the perfect fit.**

-Beck.



**Military  
Wife  
Life**



Listen to the latest  
MWL podcast here.



PTSD is a horrendous thing to go through,  
and I admit that Lola has saved my life.

— Michael Nobes.



**Defence Bank**  
FOUNDATION

Proudly supports



**DEFENCE  
COMMUNITY  
DOGS**

Total  
contribution  
raised for Defence  
Community Dogs.

**\$32,387**

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 living with PTSD and related conditions.

*Watch the video to meet Mick and Lola.*







“

We remained agile, and have adapted to meet all the challenges in 2020-21.

Fran Raymond.



It's been particularly pleasing to be part of Defence Bank's continuing quality achievements in member service and product delivery.

Joan Fitzpatrick.



Defence Bank's unrelenting focus on making banking easy for our members has underpinned another very successful year.

Bruce Murphy.



Defence Bank is focusing on developing a talented team and implementing market-leading banking technology.

Rear Admiral  
Ian Murray, RAN.



We put our members first, then go further by supporting those who serve us through the work of Defence Community Dogs.

Anne Myers.



We thank the Defence community for their role in supporting government responses to the pandemic.

Group Captain  
Jeffrey Howard.



Defence Bank's strategy leverages the power of technology to amplify its deep connection with its members.

Pam Rebecca.

”

# Board of Directors.

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

## 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 has held senior finance roles at the Department of Defence and was also the Chief Financial Officer of 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.

Fran was a finalist in the Telstra Business Woman of the Year Awards, and listed on Australia's 100 Women of Influence in 2010.

## 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.



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## 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.

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## 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 35 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.

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## Anne Myers.

MBA (AGSM), FAICD.

### 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.

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Our people really are like no other,  
and they are at the heart of our way  
forward in a people-led, technology-  
enabled, member-focused strategy.

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## Group Captain Jeffrey Howard.

OAM, FIEAust, CPEng, GAICD, BE, MCom, MA, psc(j).

### Director.

Jeffrey commenced his Air Force career at the Australian Defence Force Academy in 1996. He has served in a variety Air Force technical engineering and leadership roles around Australia, including as the Commanding Officer of Number 65 Squadron where he was awarded the Medal of the Order of Australia. Jeffrey has had multiple operational deployments in Afghanistan, the Middle East, and Solomon Islands where he has worked in joint and coalition environments.

Jeffrey holds a Bachelor of Engineering (Civil), a Master of Commerce (Accounting), a Master of Arts (Strategy and Management), and a Certificate IV in Business Coaching. He is a Graduate of the Australian Institute of Company Directors Course, Fellow and Chartered Professional Engineer with Engineers Australia, and a Graduate of the Australian Command and Staff College. Combining his skills, knowledge and experience, Jeffrey has served on a number of community, national, and international boards and committees, including an appointment as the Deputy Chair of the Engineers Australia Civil College Board.

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## Pam Rebecca.

BBus(Accy) (with Distinction), MBA, GAICD.

### Director.

Pam has extensive experience as a senior executive across both the Banking and For Purpose sectors, with a diverse background in digital, innovation, corporate strategy and retail banking. In recent years, Pam's career has focused on leading and influencing digital transformation, with key roles including Chief of Strategy, Innovation and Digital for World Vision Australia, and General Manager Digital for ANZ Banking Group.

Pam's experiences in digital transformation and strategy across multiple sectors are coupled with over 25 years in retail banking. This has equipped her with a broad range of skills including leading large customer service operations and as a banker working directly with customers. Her many roles in banking have enabled Pam to build a strong understanding of the breadth of retail banking operations alongside the risk and regulatory framework within which retail banks operate.

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David Marshall.

We have accelerated a number of significant enhancements and innovations to our products and services to our members.



Dean Barton.

Defence Bank's strategy leverages the power of technology to amplify its deep connection with its members.



Kristen Bugeja.

Our people are the real superstars: they really stood up and lived our promise, and supported one another when it really mattered.



Linda Craven.

We continued to create industry-leading digital experiences – the type our Defence community members need to support their unique circumstances.



Marnie Fletcher.

Our people have embraced the opportunity to cross-skill, upskill, unlearn and relearn to meet the changing needs of our members.



Michael O'Reilly.

Gaining a deeper understanding of the unique needs of our Defence membership always guides our member experience.



Mano Simos.

Our Visa Card fraud team helps to protect our members like no other member-owned bank – twenty-four seven.

# Executive team.

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

## 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.



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## Kristen Bugeja.

BCom, CAHRI.

**Chief People Officer.**

Kristen Bugeja leads the People & Capability team at Defence Bank. She has more than 23 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 the people portfolio in areas including employee engagement, leadership development, ways of working, Defence Bank's employee value proposition and talent development. Under her guidance, Defence Bank was awarded the Prime Minister's Excellence in Supporting Spouse Employment award in 2019 and was a finalist in the Australian HR Awards 2017 for 'Best Change Management Strategy' and received the 'Employer of Choice' award in 2016. Kristen is a certified member of the Australian HR Institute.

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## 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 make it easier for our members to bank with us, improve efficiencies and drive technology innovation.

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## Marnie Fletcher.

B Com, B Arts, Post. Grad. Dip Applied Information Systems.

**Chief Member and Growth Officer.**

Marnie joined Defence Bank in February 2021 as Chief Member and Growth Officer. Marnie brings with her 23 years' experience in banking across a range of financial institutions including Esanda, ANZ, Westpac and ME. Whilst having worked with a broad spectrum of customers from Institutional through to Retail, her passion is for the everyday Australian and helping people create financial freedom into retirement.

Marnie has had extensive experience delivering transformation programs, risk management, driving growth and leading teams at scale.

Marnie leads our Frontline teams as well as our Lending Operations, Member Direct and Member Care divisions. These teams have a direct line to our members and are the front face of Defence Bank, serving those who protect us. Marnie is also the sponsor of our Lending Journey Continuous Improvement Program.

At home, Marnie is a mum to 2 daughters and 1 step daughter, and is an active role model in helping leaders & teams to find energy in the creation of harmonious work life integration - and and be the best version of themselves.

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As we embark on the next 12 months, we will continue to find ways to improve our processes, policies and procedures to ensure we remain competitive - in every sense.

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## Michael O'Reilly.

BA, Grad. Dip. Marketing.

**Chief Marketing & Product Officer - Marketing.**

Michael joined Defence Bank as Executive Manager of Marketing in December 2017. He brings with him more than 25 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.

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## 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 bank wide risks including credit risk oversight and financial crime.

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.

Mano is a graduate member of the AICD.

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# Financial extract.

## Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2021.

	2021	2020
	\$000	\$000
Income.		
Interest income.	74,366	80,988
Interest expense.	(17,946)	(33,083)
Net interest income.	56,420	47,905
Other income.	7,054	7,928
	63,474	55,833
Expenses.		
Personnel expenses.	22,274	21,351
Depreciation and amortisation expense.	2,751	2,961
(Decrease)/ increase in provision on loans and advances.	(609)	607
Other expenses.	19,125	16,592
	43,541	41,511
Profit before income tax.	19,933	14,322
Income tax expense.	6,009	4,266
Profit for the year from continuing operations.	13,924	10,056
Other comprehensive income.	-	-
Total comprehensive income.	13,924	10,056

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 2021.

	2021	2020
	\$000	\$000
Assets.		
Cash and cash equivalents.	117,596	98,279
Investments.	396,366	330,222
Equity investments.	1,639	1,639
Trade and other receivables.	527	361
Loans and advances.	2,496,066	2,312,050
Property, plant and equipment.	3,456	2,109
Right of use assets.	2,765	1,525
Deferred tax assets.	2,404	2,739
Intangible assets.	756	1,130
Other assets.	1,233	876
	3,022,808	2,750,930
Liabilities.		
Borrowings.	475,879	347,178
Lease liabilities.	2,787	1,945
Deposits.	2,330,830	2,204,707
Trade and other payables.	4,617	2,855
Current tax liabilities.	714	1,027
Provisions.	5,078	4,239
	2,819,905	2,561,951
Net assets.	202,903	188,979
Equity.		
Share capital.	1,100	1,031
Reserves.	201,803	187,948
Retained earnings.	-	-
	202,903	188,979

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



# Anytime, anywhere banking.

Our financial results allow us to continue to invest in digital technologies to enable our members to do their banking anytime, anywhere.



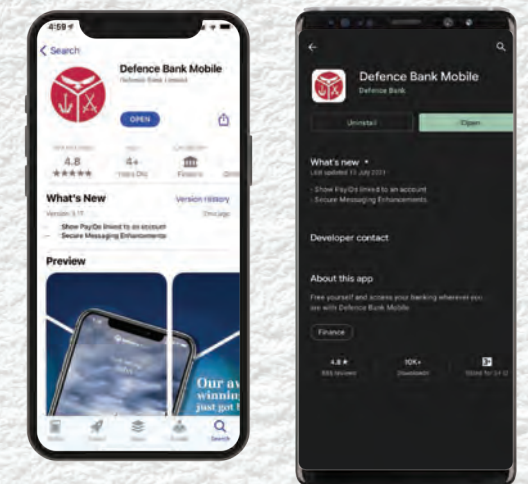
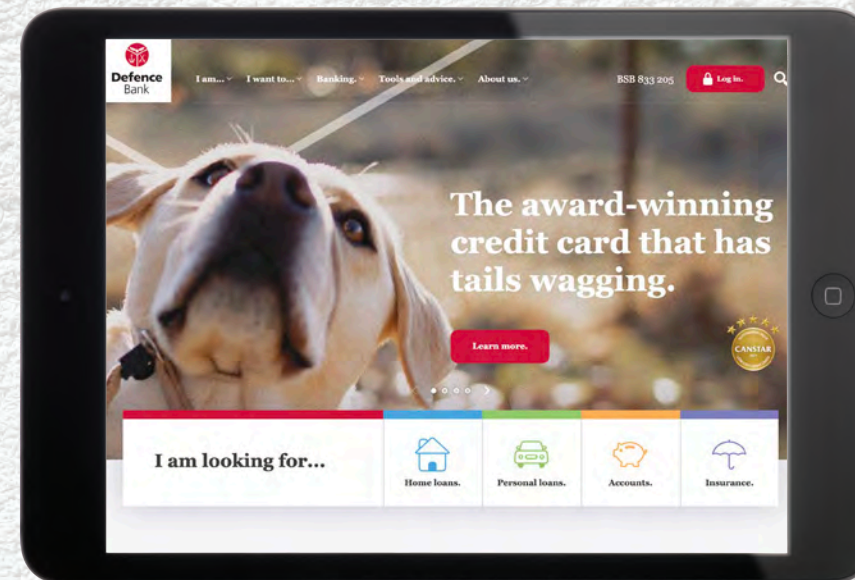
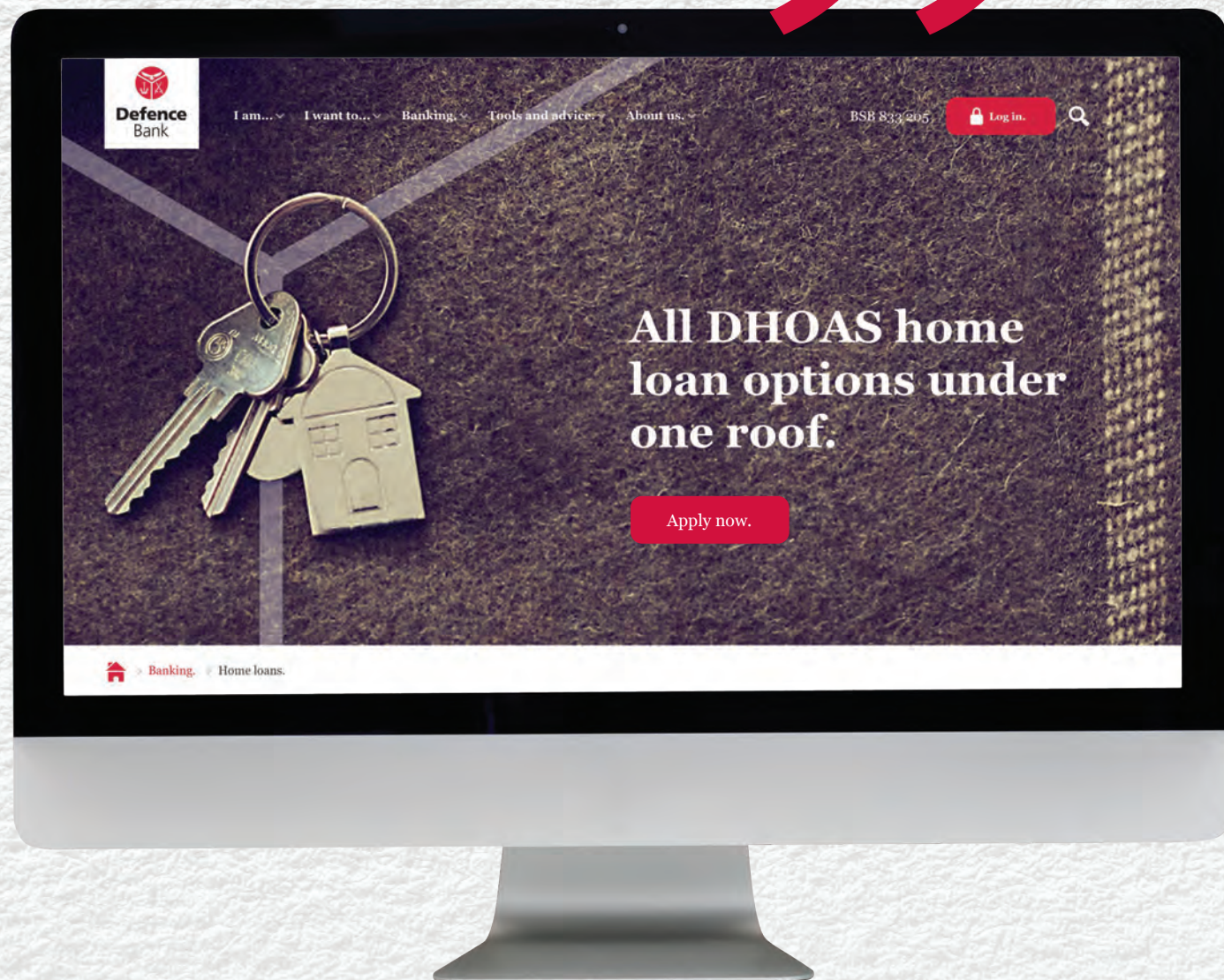
**Defence**  
Bank

We give members choice – THEIR choice. Apple Pay, Samsung Pay, Google Pay, Fitbit Pay, and Garmin Pay.



Desktops, tablets, mobiles, watches – anytime, anywhere banking – your way.

Members have rated our award-winning app 4.8 out of 5 stars on both the App Store and Google Play – higher than any of the Big Four banks.



The largest on-base branch network in **Australia.**



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



- 1800 033 139.
- Visit your local Defence Bank branch.
- [defencebank.com.au](https://defencebank.com.au)
- [info@defencebank.com.au](mailto:info@defencebank.com.au)

Printed on ecoStar+ 100% Recycled Silk manufactured from 100% post consumer recycled paper in a process chlorine free environment under the ISO 14001 environmental management system.



Many of the photographs in this Annual Review were taken before COVID-19 travel and social distancing measures were implemented, or in locations where masks and social distancing were not mandated.

Should you require more details of Defence Bank's financial position, a full copy of the 2020-2021 Annual Financial Report can be obtained from our website at [defencebank.com.au](https://defencebank.com.au) or by emailing your request to our Company Secretary at [info@defencebank.com.au](mailto:info@defencebank.com.au).

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AR21 (10/2021)