



Defence
Bank

2022-2023
Annual Review.

A dramatic sunset over the ocean with a ship's silhouette in the foreground. The sky is filled with vibrant orange and red clouds, while the sea is dark and calm. The ship's silhouette is prominent on the right side of the frame, with its deck and various structures visible. The overall mood is one of strength and resilience.

For a life like no other.

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.



2022-2023 Annual Review.

2.

**The year
at a glance.**

4.

**The year in
review.**

6.

**Chair's
report.**

10.

**CEO's
report.**

14.

**Our
members.**

16.

**Our
people.**

18.

**Our
community.**

20.

**Corporate
governance.**

22.

**Board of
Directors.**

26.

**Executive
team.**

30.

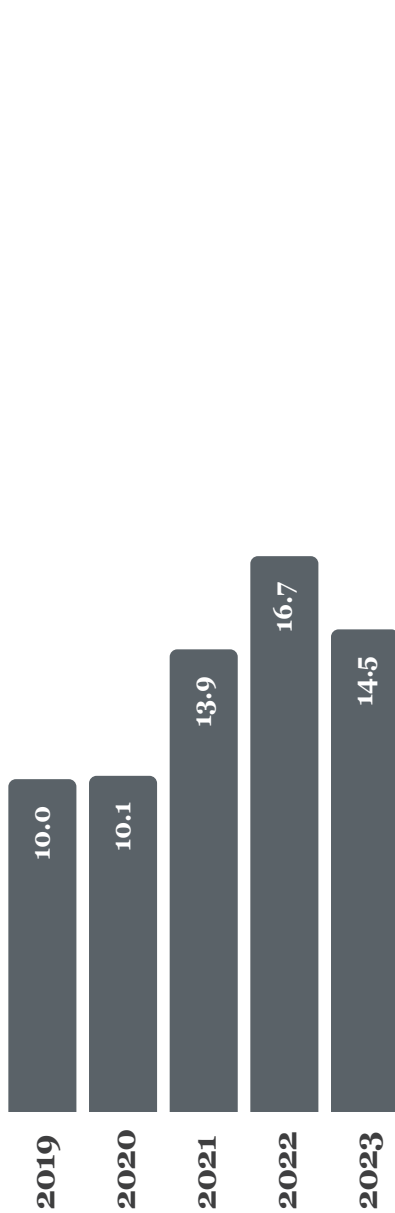
**Financial
extract.**

Should you require more details of Defence Bank's financial position, a full copy of the 2022-2023 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 10, 31 Queen Street, Melbourne VIC 3000.

The year at a glance.

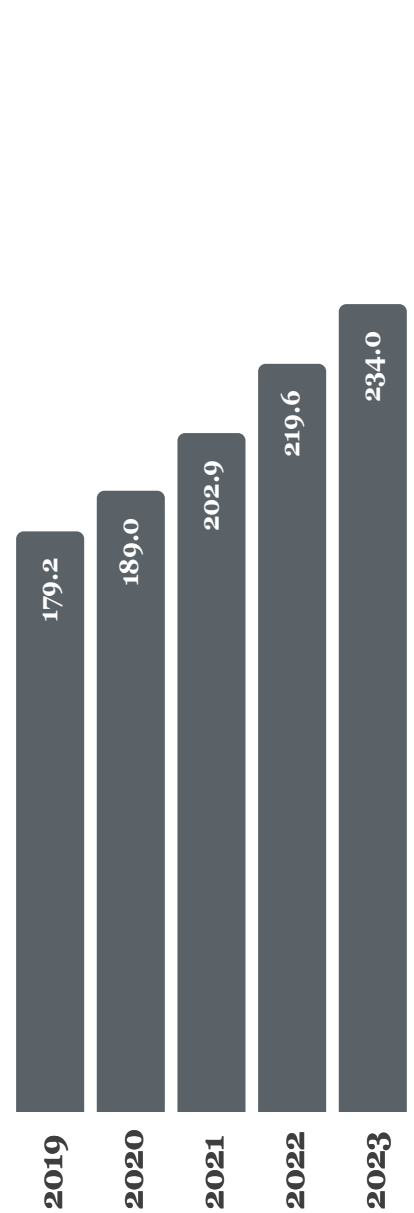
Profit (\$m).



Assets (\$m).



Equity (\$m).



Off balance sheet.

Loans (\$m).



Off balance sheet.

Profit.

\$14.5m

Assets up.

9.6%

Loans up.

9.5%

The year in review.

**Winner of Mozo's
Experts Choice
Low-Rate Credit Card
of the Year 2022.**

**Launch of PayTo
service – a new
digital way for
businesses and
merchants to
initiate real-time
payments from their
customers' bank
accounts.**

2022.

**Defence Bank
Foundation via
Defence Community
Dogs program paired
13 dogs with Veterans
during the financial
year.**

**New Directors
Vicki Hartley and
Commodore Letitia
("Tish") van Stralen,
AM, CSC, RAN
appointed to Board
of Defence Bank.**

**Winner of WeMoney
Defence Services
Bank of the Year
2022.**

**Tindal branch
refurbishment.**

**Retained Standard
and Poor's (S&P)
credit rating of
BBB | Positive | A-2.**

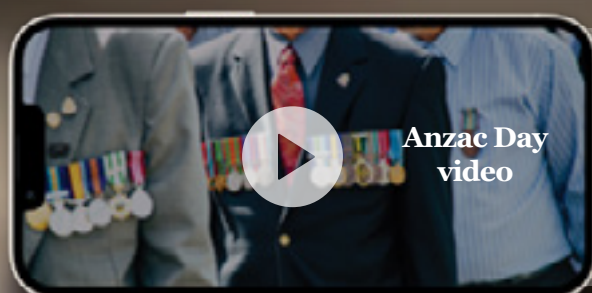
**Retained Moody's
Investor Services
(Moody's) credit
rating of
Baa1 | Stable | P-2.**

2023.

**Achieved a home
lending record of
\$80m in March 2023.**


**Winner of WeMoney
Defence Services
Bank of the Year
2023.**

**Relocation of HMAS
Kuttabul branch to
Garden Island.**



**Anzac Day
video**



Scan to watch. 



Chair's report.

In my first year as Chair of Defence Bank, I'm pleased to report a year of strong results. This performance, not only financial, reflect the hard work and enterprise of the committed Board, management and employees of Defence Bank.

Growing Defence needs.

We continue to position ourselves for the opportunities that come with the Defence Strategic Review including increases in Australian Defence Force (ADF) Personnel to 80,000 by 2040. There's everyday life, then there's a life in Defence. We're the bank that understands this and we stand ready to offer our unique profit-to-member model to many more Australians in Defence looking for a better way of banking.

As Defence needs change, so will we. Accordingly, we have made some strategic investments in our branch network to align with operational changes within the ADF. During the year we upgraded our Tindal branch and relocated our HMAS Kuttabul branch to the Garden Island precinct. This is matched by an ever increasing spend in enhancing our digital services.

Our strong connection to the ADF is our most valuable relationship. We are proud to be honoured with the WeMoney Defence Services Bank of the Year award for the second year running. This recognition reflects our deep understanding of our Defence member needs, demonstrated through Defence Home Ownership Assistance Scheme (DHOAS) home loans, Salute savings account, and our work within the veterans' community through the Defence Bank Foundation and linked credit card.

Cost of living pressures.

Once again, it was a period of uncertainty, with surging inflation driving successive interest rate increases and cost of living pressures. Australians are dealing with increased living expenses as they adjust their budgets to accommodate the Reserve Bank of Australia's record series of interest rate hikes.

Conscious of the financial pressure our members face and the responsibility as a member-owned bank to support them, we have been careful to manage the needs of both borrowing and depositing members with fair and competitive pricing to help them achieve their financial goals.

Protecting our members from scammers.

We see scamming activity as endemic across all sectors of the economy. Our ongoing commitment is to increase our members' awareness of the risks associated with scammers. As an organisation, we've heavily invested in enhancing our capabilities to improve our resilience and protection against these fraudulent attempts.

Preventing scams and educating our members is a top priority for the Bank. We collaborate with the broader banking industry to exchange insights and reinforce our strategies to safeguard our members from scams.

Given the increasing sophistication of cyber criminals, we're committed to continued investment in this area to uphold the trust and financial security of our members.

We've implemented various security measures, including our 24/7 fraud department and the introduction of the Verify Defence Bank feature in our app and online banking. Additionally, we keep our members informed through scam alerts via SMS text messages, blog articles, and newsletters.

Board renewal.

We welcomed two new directors to the Board in November 2022: Vicki Hartley, who brings strong expertise in financial standards and community involvement, and Commodore Letitia (Tish) van Stralen, who provides valuable insights to assist us in tailoring our products and services to Defence members.

Also in November 2022, Fran Raymond's tenure as Chair of Defence Bank ended, and I took over the role. I express my gratitude to Fran for her guidance and commitment, and I am equally devoted to the continued success and growth of Defence Bank.

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Our strong connection to the ADF is our most valuable relationship.



Supporting our members.

As a bank committed to supporting the Defence community, we feel a social responsibility to stand by organisations aiding those in Defence. This is why we proudly continue our backing of the Defence Bank Foundation, with a primary focus on the welfare of veterans living with Post-Traumatic Stress Disorder (PTSD) through the provision of service dogs by the Defence Community Dogs program.

Our purpose, to serve those who protect us, is at the heart of everything we do, and during the 2022/2023 financial year our purpose has never been more relevant as our members faced another period of challenges.

An exciting year ahead.

In closing, over the next 12 months, I'm confident that, working alongside my fellow directors and under the guidance of our Executive Leadership team led by David Marshall, we will continue to focus on the needs of our members as they navigate the challenges of 2023 and beyond.

We will persist in nurturing a culture of excellence through transparency, accountability, and collaboration to effectively manage risks, foster employee growth, and align with our members' needs as they lead a life like no other.



Bruce Murphy.
Chair of the Board.

Profit.

\$14.5m

Assets up.

9.6%



CEO's report.

Defence Bank has shown resilience, relevance and responsiveness in a year of significant change.

We've been flexible and predictive in an operating environment best described as white water. We've seen political change, the post COVID economic environment, higher inflation and higher mortgage interest rates, regulatory and cyber change and challenge, and geopolitical uncertainty. Against this backdrop, Defence Bank has delivered for its members.

Our key highlights.

This year, we achieved a profit of \$14.5 million after tax. Being a mutual bank, this allows us to reinvest directly in our business for the future benefit of our members.

Additionally, we've seen other significant highlights, such as an 8.9% increase in deposits, 9.6% growth in assets, and a 10.2% rise in net interest income, all surpassing their previous year's results. Notably, we also set a new lending record in Defence Bank's history, advancing a combined \$806 million in new funding, surpassing our previous record of \$696 million.

Our membership also continued to grow, with almost 6,000 new members joining throughout the year, bringing the total count to 78,412 who have chosen to bank with us. We remain focused on the quality of our financial results being consistent and sustainable, compared to our peer group over several years. This underpins our long-term financial position.

Our focus is on our members.

We understand that our members lead unique lives, which is why we're committed to being a bank that stands apart.

Our focus is on providing the right support at the right time and in the right way. Our decisions are informed by regular feedback from our members, which includes insights from research and Net Promoter Score (NPS) and Member Effort Score (MES) survey results. We use these insights to adjust our products and services to meet the genuine needs of our members, rather than relying on assumptions.

With nearly 50 years of history, Defence Bank has an unmatched connection with the ADF. Many of our team members are family or partners of ADF personnel, and most of our branches are located on bases, making us an integral part of those Defence communities. Additionally, we have two senior ADF personnel serving on the Defence Bank Board. This not only fulfills a requirement for our Board but also sets us apart as a unique player in Australia's banking sector.

Our commitment to continuous improvement.

Our commitment to continuous improvement focuses on making numerous small process changes rather than implementing large transformation programs, ensuring our organisation remains future-ready. We recognise that strategic patience is often key, and we achieve significant goals by breaking them down into smaller daily outcomes.

This dedication to continuous improvement, along with targeted investments in digital enhancements, led to the successful launch of our digital loan application service for personal loans. This achievement resulted in a 25% increase in funding for personal and car loans in the initial three months post-launch, simplifying the loan application process for our members. We are planning to extend this service to home loan products within the next year.

In addition, we made several improvements to our app, including the introduction of a new smart dashboard. We also expanded our efforts to better protect our members and prevent scams by enhancing our literature and communications. Furthermore, we launched a 40 year loan term and invested in our branch network, including the refurbishment of Tindal and the opening of Garden Island which was a branch relocation from HMAS Kuttabul.

We remain financially strong.

We are pleased to announce that Moody's has once again endorsed our credit rating, reaffirming it at Baa1 | Stable | P-2 followed by S&P who reaffirmed our rating at BBB | Positive | A-2.

Moody's outlook on our rating reflects their acknowledgment of 'the strong employment stability of a large proportion of our borrowers and the subsidies available to them under DHOAS, which significantly support our asset quality'.

We are well placed, with strong financials, to continue down a patient and persistent path of banking for purpose, not only for profit.

“
We understand
that our
members lead
unique lives...”



Supporting our people.

While some banks have mandated their people return to the office, we continue to support a flexible, hybrid work approach. Increasingly we see more people returning to the support office to collaborate face-to-face with their teams and others within the bank.

Our efforts and dedication to our team was recognised and we were nominated as an Excellence Awardee in the HRD Australia 2023 Australian HR Awards in 2 categories: Employer of Choice (100 – 999 employees) and Best Reward & Recognition Program.

The way forward for Defence Bank.

A lot has been achieved over the last year and it couldn't have been done without the hard work of our people. Thank you to everyone, for your dedication and commitment to our members, your efforts are at the core of our success, and I want to express my gratitude to each and every one of you.

Looking forward, we will continue our dedication to ongoing improvement, adapt to change, and invest in enhancing our products and services for our members.

Our strength is our close bond to the ADF, and we are unwavering in our commitment to being their preferred Defence Bank, both now and in the years to come.



David Marshall.
Chief Executive Officer.

Deposits up.

8.9%

**Net interest
margin.**

1.99%

**Return
on equity.**

6.4%

Our members.

Defence Bank has held a long-standing and unique relationship with ADF members since opening our doors as Defence Force Credit Union Limited (Defcredit) almost 50 years ago. We understand the ADF way of life and work hard to provide products and services to support our serving members and their families as they lead a life like no other.

Our members are unique and require a unique range of products and services.

During the year, we continued to provide our members with access to home buying government grants and schemes, helping them to achieve their home purchasing dreams sooner. We are an approved provider of the Home Guarantee Scheme (HGS), making it easier for eligible home buyers and single parents to purchase a home with a smaller deposit, and DHOAS, helping ADF members pay off their home loans faster.

Our expertise as an authorised provider of DHOAS is what allows us to provide the distinct support that our ADF members and their families need, and we are committed to ensuring that they can depend on us for wherever life takes them.

We understand that our members are mobile, and so they require a mobile bank. With this in mind, we made lending appointments easier through our new virtual branch, allowing members to schedule virtual face-to-face appointments with our lending specialists through our website at a time and date suitable to them.

We are also pleased to see that our ADF reward-for-service account, Salute, remains a popular savings choice for ADF members who are rewarded with bonus interest when they achieve key ADF milestones. To make this product more accessible to ADF members, we extended the milestone application period from 90 days to 12 months.

Since introducing our award-winning Defence Bank Foundation credit card in 2020, we've maintained the same low interest rate, offering members a better alternative to higher-rate cards as they manage the rising cost of living. Additionally, by donating half of the annual fee, our card supports the Defence Community Dogs program, which rescues and trains abandoned dogs to assist veterans living with PTSD, depression, and anxiety.

Ratings and awards.

Defence Bank was proud to win 12 awards in the WeMoney Banking Awards 2023. Of these, we received the WeMoney Defence Services Bank of the Year award, Lender of the Year (Defence Services) Car Loans award and Best Low Rate Credit Card for the second year running. We were also recognised for our personal loans, term deposits, kids accounts, transaction accounts and savings accounts.

Defence Bank was also selected as a winner of the Mozo Excellent Banking App award. With 74 banking apps judged including major bank apps, ours was acknowledged for 'diversity of its service' and was the only mutual bank to be selected for this award.

Year after year we maintain one of the highest rated banking apps in Australia, with our mobile app rated 4.7 in the App Store and 4.6 in Google Play. These ratings are significantly higher than all four of the major banks (as at 30 June 2023).

We understand that our ADF members are constantly on the move. That is why we are committed to continuous improvement of our app so that they can bank anywhere, anytime.

Positive member advocacy.

We consistently engage with our members to gather their feedback on how we're performing as a bank. This year, our members provided us with an average NPS of +46 and a strong MES of 84%. These scores are significantly higher than those of the major banks and are a testament to the awards and recognition we receive throughout the year.

The NPS helps us to assess customer loyalty, while the MES helps us to gauge how easy or hard it is to bank with us.



Member
and veteran
testimonial.



Scan to watch. 

Our people.

Defence Bank celebrates the individual talents, interests and needs of our people. The bank supports our colleagues as together we make a difference to the lives of our members and community.

Our Defence Bank employees are unique, with more than 40% of our member facing team having a family connection to the Australian Defence Force. Our employees understand that our members lead a life like no other and use this knowledge to best support their banking needs.

Whether in our branches or our Melbourne Support Office, our people live Defence Bank's purpose by serving those who protect us. In our most recent employee survey 91% of employees felt that their work had purpose and meaning, setting our bank apart from our peers in the banking and mutual sectors.

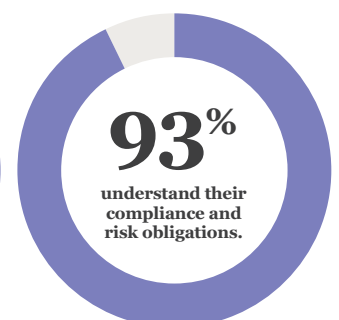
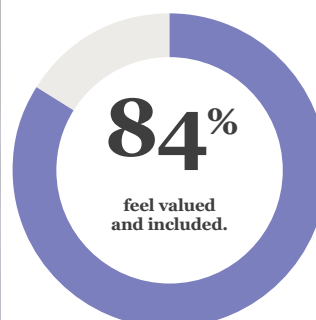
A great place to work.

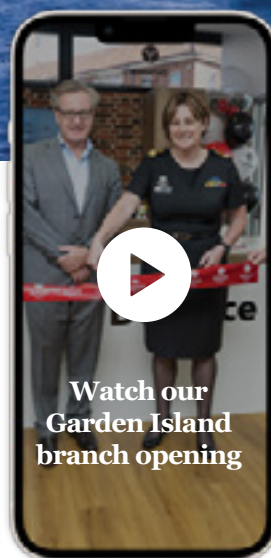
This year Defence Bank was named as an Excellence Awardee in the categories of Employer of Choice (100-500 employees) and Best Reward and Recognition program at the Australian HR Awards. Our People and Capability team were also named in the HR Director Innovative HR teams for 2023.

This success aligns with the bank's strategic objectives to create an adaptive workforce that is flexible, adopts and applies new skills and embraces changing technologies. In addition, by broadening bank-wide technical and soft skills the bank is enabling our employees to deliver high performance in both their individual role and in cross functional areas.

Through extensive employee consultation the bank has reconnected our people to why Defence Bank is a great place to work; and their feedback is positive:

- 91% of employees understand how their role contributes to organisational goals.
- 97% of our employees would willingly share their knowledge across the bank.
- 82% are proud of our purpose.
- 84% feel valued and included.
- 93% understand their compliance and risk obligations.





Scan to watch. 

Our bank champions innovative ideas and through the reinvigoration of our employee experience we are supporting our teams to demonstrate positive working behaviours and engage with the bank's strategic direction. Our enhanced experience has delivered top decile results in pride, belonging, looking forward to work, intention to stay and in recommending our bank as a great place to work.

A unique career journey.

Our comprehensive learning and development program is tailored to the individual needs of our employees and assists our people to grow their banking competency and leadership skills. This year, Defence Bank launched new leadership behaviours for all employees and an operating rhythm "Our Bank, Our Beat" to provide greater clarity on the way that each role supports the Bank's broader goals.

Defence Bank empowers our people, supporting their unique career journey. In the past year 44 employees moved internally or were promoted in their role at the bank, providing strong career paths and retaining our talented employee base.

Wellbeing support and learning opportunities help our people to build resilience and to feel secure in their role. This has included growth mindset workshops for all our employees, leadership coaching and support, access to our EAP program, and our Spring into Spring mindfulness wellbeing program.

In our people led, technology enabled environment the bank is equipping our people like never before and challenging them to be at the forefront of banking technology. Defence Bank is also one of the first mutual banks in Australia to equip all branch employees with laptops so that they can work with flexibility and have greater access to communication, connection and capability training.

Reward and recognition.

Aligned to our strategic plan, Defence Bank's reward and recognition program has demonstrated a positive uplift in team behaviour by encouraging our people to embrace a recognition culture.

The program, named 'This One's For You' creates a sense of community with more than 3,000 ecards sent bank-wide, highlighting key team and individual achievement.

Following the introduction of the program:

- 60% of employees now feel we have effective programs to acknowledge and reward the achievements of our people.
- 80% feel their team celebrates achievements.
- We received top decile results indicating that employees feel our executive team thank people for their contribution.
- More than 90 nominations were received for our annual Pinnacle Awards in September 2022.

Connection, belonging and opportunity.

Employee engagement scores have been uplifted across the board and this year saw a 10% increase to achieve 75% employee engagement.

The bank proudly fosters a culture of connection and belonging providing a safe and inclusive workplace for all employees.

Our Workplace Gender Equality Report results were once again extremely favourable, clearly indicating that the bank offers our employees the ability to access the same great opportunities, training and rewards, regardless of their gender. At the time of the report there was a 50% even split between female and males in leadership positions which was great to see. With the introduction of a competency-based pay structure our employees' work is recognised in a more equitable way.

Thank you.

The bank is extremely proud of the unique and passionate people that work at our bank and thanks them for the valuable contribution that they make to Defence Bank and our members.

Our community.

Rebuilding veteran lives, one paw at a time.

During the year, we remained dedicated to helping veterans through the work of the Defence Bank Foundation whose sole beneficiary is the Defence Community Dogs program.

Proudly, the Defence Community Dogs program achieved Guide Hearing and Disability (GHAD) Dog Training Accreditation. This recognition designates this program as one of the very few organisations in Australia authorised to train and certify legally recognised Assistance Dogs to support serving and ex-serving ADF members living with mood, anxiety and depressive disorders, including PTSD.

In the past financial year, the Defence Community Dogs Program successfully paired 13 assistance dogs with veterans, raising the total number of beneficiaries to 79.

We also help to fund the program via our Defence Bank Foundation Visa Credit card. It costs \$30,000 to fully train an assistance dog. The card, which donates half the annual fee to the Foundation is a much-needed source of financial support to continue helping this great cause, along with the generous support of the Defence community and benefactors.

We want to extend a heartfelt thank you to the trustees and team members of the Foundation for their unwavering commitment to rebuilding veteran lives, one paw at a time.

Supporting ADF communities.

At Defence Bank, we understand the positive impact a connected community has on the health and wellbeing of those serving in the ADF. We are committed to fostering this connection through the support of events and organisations that make a difference.

We are mindful to help a variety of ADF community initiatives that span all three services including, but not limited to, sporting teams, family events, community infrastructure and health related programs. Throughout the financial year we supported 46 individual ADF-related events and organisations. Our total contribution to the Defence community is \$543,433.

A few key beneficiaries of our support include DEFGLIS - who support and represent Australian Defence Force LGBTQI+ people and their families, and the Military Life podcast which advocates for Defence partners. Military Life has expanded to now include the Community Connector Program which is made up of voluntary military spouses around Australia who support spouses before and during being posted to a new location. Additionally, we continued our ongoing support to the newest soldiers in the Royal Australian Infantry. This involved our donation of The Most Outstanding Soldier Award, which is presented at the School of Infantry graduation ceremonies held multiple times each year.

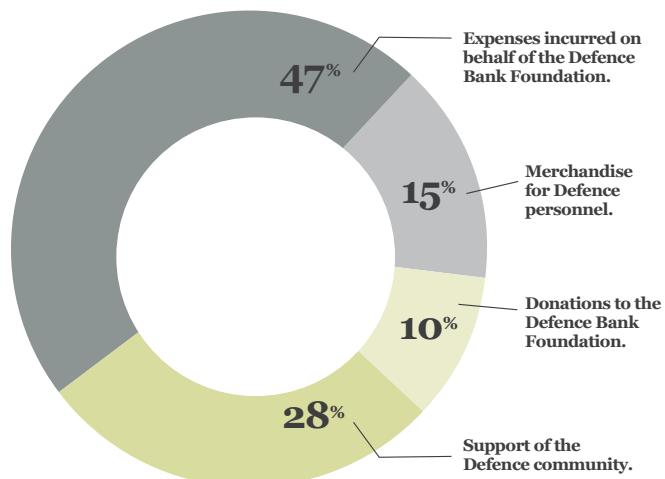
These groups actively support and encourage inclusion, diversity, and service within the Defence community, and we feel privileged to contribute towards their causes.

Contribution to the Defence community.

\$543,433

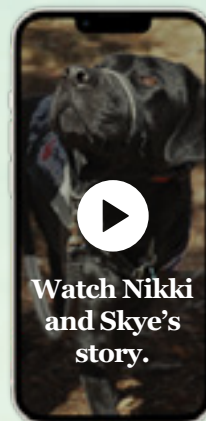
We have supported more than 46 initiatives over the year.

The Defence community is a community like no other and we are happy to support it, including attending Defence community organisation days and sponsoring community sport and local events. The main support we extend is via our Defence Bank Foundation. We have been happy to support more than 46 initiatives over the year.





Our community.



Scan to watch. 



Defence Bank
FOUNDATION



Proudly supports

**DEFENCE
COMMUNITY
DOGS**

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 22-25. 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 48 years and now has over 78,000 customers around Australia, of which the majority are voting members, \$3.5 billion in assets and 30 branches. Our Purpose is *to serve those who protect us* and focuses on the financial needs of our 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 Moody's.

**Standard
and Poor's.**

BBB | Positive | A-2

Moody's.

Baa1 | Stable | P-2

Board of Directors.

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

Directors serve a term of three years, with elections held annually. The directors are announced at the Annual General Meeting held in November.



Bruce Murphy.

BSc, MCom, PGD, GAICD.

Chair of the Board.

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.



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 17 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.



Vicki Hartley.

BA (Hons), FCA, GAICD.
Director.

Vicki has over 30 years of experience in accounting roles covering audit, operations, risk, strategy, listed and regulated entities with a focus on the financial services industry including banking, insurance, mortgages, annuities, listed and unlisted investment vehicles and asset classes.

She has strong technical expertise in the implementation of new accounting standards and regulatory requirements and exposure to fintech in the mortgages space.

Vicki has a strong focus on community and for purpose roles alongside her executive career.

Board of Directors.



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 of 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.



Anne Myers.

MBA (AGSM), FAICD.

Director.

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

Anne's executive experience encompassed a wide variety of roles in financial services with a strong focus on digital and technology. These included senior roles at Macquarie Bank, St. George, QBE and most recently as Chief Operating Officer of ING Direct. 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 also provides a sound understanding of the legislative and regulatory requirements of retail banking.



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 her recent executive career, Pam 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.



CDRE Tish van Stralen, AM CSC, RAN.

MMilLaw, GCDefStatStud, GDLegalPrac,
GDMilLaw, BLaws, GAICD.
Director.

Letitia (Tish) has been a Defence Bank member since 2000. With 27 years' service in the Australian Defence Force, she is currently Director General Navy People and a Senior Defence Legal Officer.

Tish has a breadth of experience across Defence as a Maritime Warfare Officer in seagoing roles, as a Command Legal Advisor and in Human Resource Management. She is a graduate of the Australian War College, Defence Strategic Studies Course. Tish has been deployed on operations in the Middle East.

She holds a Bachelor of Laws, a Graduate Diploma in Legal Practice, a Graduate Diploma in Military Law, a Master of Military Law and has a Graduate Certificate in Defence Strategic Studies.

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. Since commencing in his role, David has been deeply focused on implementing initiatives to support the ADF community from a banking and finance perspective, whilst also building the capability and engagement of our employees via continuous improvement on a day to day basis.

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.

Chief People Officer.

With more than 25 years' experience in the financial services sector, Kristen Bugeja leads Defence Bank's people strategy and supports the bank to deliver its organisational objectives. Kristen is a certified member of the Australian HR Institute.

Kristen has extensive experience in cultural change and in developing the capability of Defence Bank employees across our frontline and support office network. She has successfully enhanced the bank's employee value proposition through the integration of reward and recognition, talent and leadership programs, and employee engagement activities.

Under her stewardship, Defence Bank's People and Capability team was named in the HR Director Australia's Innovative HR Teams list for 2023 and Defence Bank was an Excellence Awardee in the categories of Employer of Choice and Best Reward and Recognition Program at the 2023 Australian HR Awards.

Executive team.



Marnie Fletcher.

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

Chief Member and Growth Officer.

Marnie is responsible for Defence Bank's Frontline Branch and Lending teams as well as the Lending Operations, Member Operations, Member Direct and Member Care divisions. These teams have a direct line to our members and are the front face of Defence Bank. Marnie is also the sponsor of our Lending Journey Continuous Improvement Program.

Since joining in 2021, Marnie has led the transformation of Defence Bank's lending ecosystem and led the Member and Growth teams through a period of outstanding growth and innovation targeted at removing friction and simplifying the experience for our members and people.

Marnie has worked in the financial services sector for over 25 years, and 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 a better life through good financial decisions.



Sean O'Donnell.

MBA, B.Bus, Dip Fin Adv, GAICD, SFFin, FGIA, FACP. Chartered Banker.

Chief Digital and Technology Officer.

Sean joined Defence Bank as Chief Digital and Technology Officer in October 2023. He is an experienced senior executive and Non-Executive Director with extensive experience in the banking and technology sectors. He has held senior executive roles with global information technology firms. His banking career has seen him hold senior leadership roles in both major and regional banks.

In his current role Sean leads Defence Bank's Business IT team. His team is focussed on enabling Defence Bank's digital transformation with an emphasis on member experience, risk management and information security.

Sean strives to make a contribution to the wider community. He is an ambassador for Melbourne City Mission and its flagship fund raising event, Sleep at the 'G. In addition he is an adjunct senior lecturer at Central Queensland University where he lectures on Banking and Finance as part of the University's MBA program.



Michael O'Reilly.

BA, Grad. Dip. Marketing.

Chief Marketing and Product Officer.

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.



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 and climate risk oversight, operational risk management, resilience planning 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.

Financial extract.

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2023.

	2023 \$000	2022 \$000
Income.		
Interest income.	129,048	72,523
Interest expense.	(62,210)	(11,881)
Net interest income.	66,838	60,642
Net gain on equity investments designated as fair value through profit or loss.	-	3,686
Other income.	8,414	8,261
	75,252	72,589
Expenses.		
Personnel expenses.	28,839	24,640
Depreciation and amortisation expense.	2,096	2,634
(Decrease) / increase in provision on loans and advances.	(47)	727
Other expenses.	23,664	20,983
	54,552	48,984
Profit before income tax.	20,700	23,605
Income tax expense.	6,222	6,950
Profit for the year from continuing operations.	14,478	16,655
Other comprehensive income.	-	-
Total comprehensive income.	14,478	16,655

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 2023.

	2023 \$'000	2022 \$'000
Assets.		
Cash and cash equivalents.	143,044	120,269
Investments.	435,741	403,069
Equity investments.	5,325	5,325
Trade and other receivables.	622	523
Loans and advances.	2,920,442	2,667,069
Property, plant and equipment.	1,904	2,263
Intangible assets.	162	435
Right of use assets.	3,000	3,578
Deferred tax assets.	2,039	1,759
Other assets.	2,200	2,215
	3,514,479	3,206,505
Liabilities.		
Trade and other payables.	2,916	3,252
Current tax liabilities.	316	159
Deposits.	2,748,414	2,524,637
Lease liabilities.	3,150	3,675
Borrowings.	519,134	449,567
Provisions.	6,513	5,657
	3,280,443	2,986,947
Net assets.	234,036	219,558
Equity.		
Share capital.	1,185	1,167
Reserves.	232,851	218,391
Retained earnings.	-	-
	234,036	219,558

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



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