



Defence
Bank

Annual Review.

2023-2024



Our Purpose.

To serve those who protect us.

Our Promise.

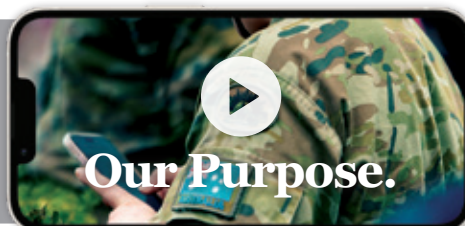
We count on you.
And you can count on us.

Our Principles.

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



Scan to watch. 



Should you require more details of Defence Bank's financial position, a full copy of the 2023-2024 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.

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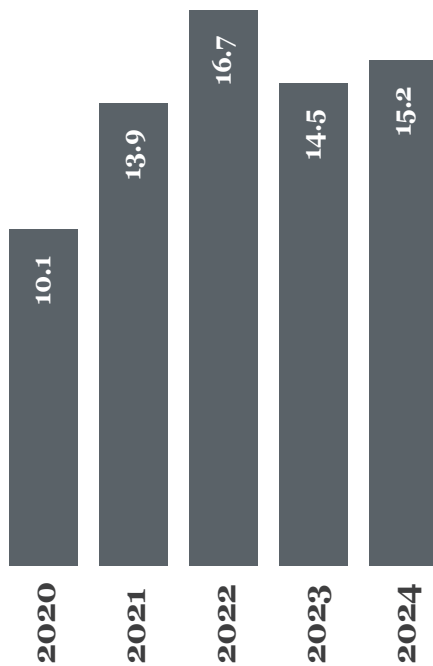
Executive team.

26.

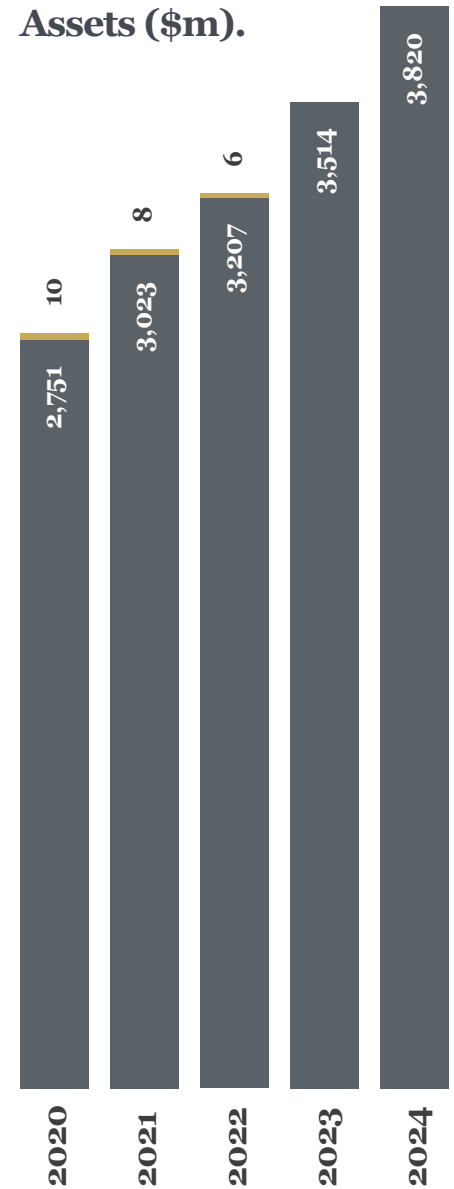
Financial extract.

The year at a glance.

Profit (\$m).



Assets (\$m).



 Off balance sheet.

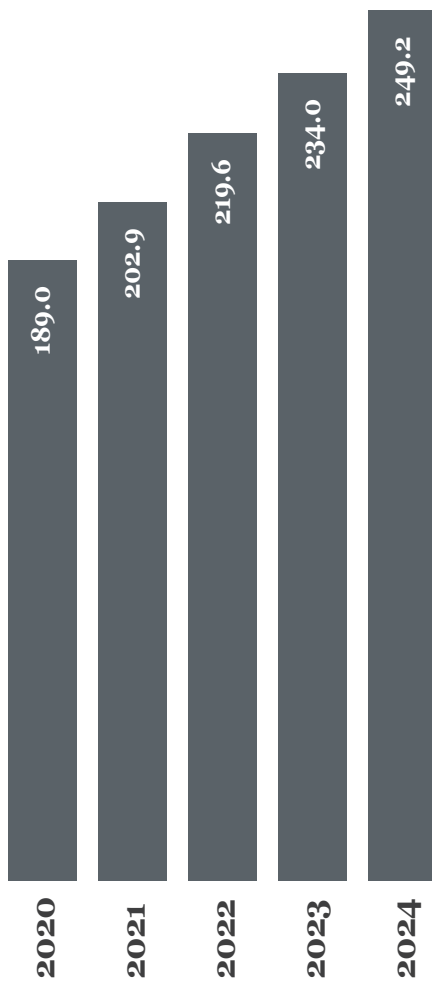
Profit.

\$15.2m

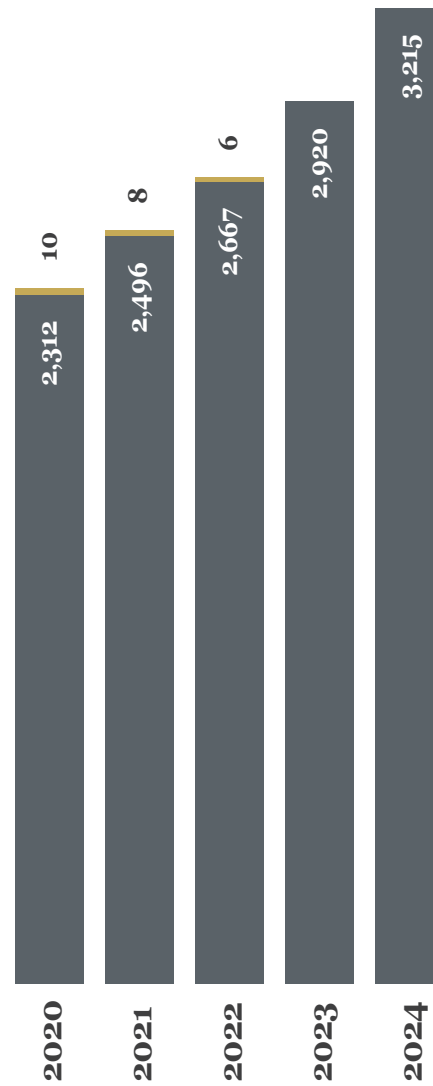
Assets up.

8.7%

Equity (\$m).



Loans (\$m).



Off balance sheet.

Equity.

\$249m

Loans up.

10.1%

The year in review.

July.

Renewed partnership
with CGU Insurance.

**November.
December.**

Two highest home
lending funding months
on record of \$82.6 and
\$82.7 million.

2023.

Virtual branch offering
home loan and personal
loan appointments.

September.

Winner of Mozo's Experts
Choice Low-Rate Credit
Card for the third
straight year.

December.

January.

Defence Bank
Edinburgh
refurbishment.

Cover-More Travel
Insurance launch with
COVID-19 cover.

April.

S&P upgraded its
credit rating to
BBB+ | Stable | A-2
from BBB | Positive | A-2.

June.

New Chief Executive
Officer, Roberto Scenna,
appointed.

Achieved over \$100
million in personal loan
funding.

Launch of Digital Home
Lending Platform.

Acting CEO, Marnie
Fletcher, appointed.

February.

Removal of international
ATM withdrawal fee.

Winner of 14 awards at
the WeMoney Banking
Awards including
Defence Services Bank
of the Year for the third
straight year.

Partnership with atmX
adding 1,750 fee-free
ATMs to our network.

May.

2024.



Chair's report.

As Chair of Defence Bank, I am proud to reflect on our resilience and achievements over the past year amid a changing environment. Our strong financial results and the dedicated efforts of our team have not only earned recognition for our sustainable future but also delivered significant benefits to our Defence community.

Growth and future opportunities.

With record government and private investment in defence expected over the next two decades, we are committed to strengthening our connection with ADF personnel. Our unique value proposition includes participation in the Defence Home Ownership Assistance Scheme (DHOAS) and our competitive Salute savings account, along with tailored products and policies designed to meet the distinct needs of our members. We recognise the unique lifestyles of our ADF community and are dedicated to providing banking solutions that truly resonate with their experiences.

We take pride in being a trusted bank for our members, especially during uncertain economic times. Our stable outlook has been reaffirmed by Moody's and S&P, who recognise our strong asset quality, profits, low-cost base, and prudent management. With a solid foundation, we are well-positioned for the future.

Our commitment remains to be the preferred banking partner for the Australian Defence community as we celebrate 50 years of operation in 2025.

New leadership.

We are excited to welcome Roberto Scenna as our new Chief Executive Officer, who joined us in July. Roberto has quickly engaged with both the Defence community and our employees, bringing valuable experience in member-owned enterprises. We express our gratitude to outgoing CEO David Marshall for his six years of dedicated leadership. Under David's leadership, the Bank experienced exceptional year-on-year growth in membership, significantly increasing the number of members we assisted in purchasing their homes. Additionally, we have successfully established a robust employee value proposition that highlights our outstanding culture, fostering a strong sense of purpose and engagement within our team.

In addition, we recognise the significant contribution of Acting CEO Marnie Fletcher during the transition period. Marnie excelled in her leadership of the Bank, ensuring that our members continued to receive the outstanding products and service we are renowned for, and our people continued to thrive and grow to support our members. The professionalism and dedication of

our team during this transition was commendable. We look ahead to an exciting year under Roberto's stewardship, and are eager to build on this momentum as we continue to deliver excellence to our members.

Financial strain on households.

This year brought ongoing challenges, marked by high inflation and rising interest rates that significantly affected consumer spending and home loan repayments. Many Australians had to reassess their budgets as the cost of living remained high, with inflation not easing as swiftly as the Reserve Bank of Australia had anticipated.

In these tough times, we recognised the difficulties our members faced. As a member-owned bank, we remained committed to supporting those experiencing hardship while balancing the needs of both borrowers and depositors. Our focus was on reducing fees, providing fair and competitive pricing, and helping our members to navigate these challenges whilst working towards their financial goals.

Scams, competition, and a fair go.

With the rise of digital banking comes the risk of scams. As a responsible member-owned bank, we collaborate with regulators and industry bodies to implement robust fraud prevention measures. We are united with other Australian banks through our commitment to the Scam-Safe Accord, emphasising our dedication to making Australia a hard target for scammers by introducing new and higher protections into our systems. Throughout the year we sent 392,416 emails and SMS, scam-related alerts, plus an average of 12 monthly communications seen by thousands of members visiting our website, social media pages and app and Online Banking platforms.

We actively educate our members on protecting themselves from scams and urge them to contact the Bank if they notice any suspicious communications.

As a member-owned entity, we advocate for fair regulatory conditions that support competition in the banking sector. This ensures Defence Bank can offer compelling alternatives to larger institutions. Our Board will continue to monitor regulatory developments and actively support measures that strengthen competition, allowing us to serve our members better.

Our community commitment.

What sets Defence Bank apart is our deep connection with the communities we serve. This commitment goes beyond words; our Defence Bank Foundation focuses on supporting veterans through initiatives like the Defence community Dogs program, which provides assistance dogs to those living with PTSD. For participants, this program has been an inspirational and life-changing experience.

We also partner with organisations such as DEFGLIS, Defence Kidz, Military Life, and Military Wives Choir, reinforcing our dedication to the wider Defence community.

Looking ahead.

In closing, I see great opportunities for Defence Bank and its members in the coming year. As a member-owned bank, our focus is on supporting the financial goals of our members and maintaining oversight on regulatory, and compliance matters to deliver a holistic banking experience. Together, the Board and Roberto will work with our team to prioritise delivering a unique service provision that meets the lifestyle of those in the Defence community.

Thank you for your ongoing support of Defence Bank as we continue to provide banking solutions that meet your needs both now, and into the future.

Bruce Murphy.
Chair of the Board.

“
**What sets
Defence Bank
apart is our deep
connection with
the communities
we serve.**”



CEO's report.

It is my great pleasure to represent Defence Bank in these pages as CEO for the first time. In our member-owned environment, I am honoured to serve the men and women of Australia's Defence community.

Everything we do will centre on making your membership with Defence Bank more meaningful. We will achieve this through genuine connections with our members, community investments, compassionate partnerships, and consistent actions.

Before I continue, I would like to acknowledge the leadership and hard work of David Marshall, my predecessor, for his dedication over the past six years. I also extend my gratitude to Marnie Fletcher, who acted in the role and continues to be a valued member of our Executive team. Recognising those who have come before us is vital to our journey.

Key highlights.

FY24 brought many performance highlights. We achieved a profit of \$15.2 million after tax, enabling us to reinvest in our business for the future benefit of our members.

Notably, we experienced a 10.1% growth in our loan portfolio with November and December recording two of our highest home loan funding months on record, at \$82.6 million and \$82.7 million respectively. For the first time since 2008, our personal loan funding surpassed \$100 million, demonstrating our market relevance and competitiveness. Overall, our lending portfolio grew

by \$295 million — an impressive achievement given the economic challenges facing Australians.

Throughout the year, we welcomed 5,868 new members to the Bank, bringing our total memberships to 78,571. We look forward to supporting our members, both new and old, as they work towards achieving their financial goals.

Our focus remains on strengthening our position as a leading bank for the Defence community, providing our members with a stable and compelling offer that they can rely on now and into the future.

First choice for ADF members.

Our goal is to ensure Defence Bank remains the first choice for ADF members, their families, and the wider Defence community. We aim to reinforce our commitment to serving those who have dedicated their lives to this country, ensuring that there are even more reasons to stay with us post-service.

The relevance of a member-owned bank focused on the Defence community's needs has never been more critical. In recent years, banking has evolved significantly, becoming increasingly digital and interactive, and we recognise the challenges posed by a higher mortgage interest rate environment.

To support our members in navigating these challenges, we implemented our digital home loan platform, and launched our virtual branch for home loan appointments, allowing members to speak with a lender at a time and location that suits them. We also expanded our combined fee-free ATM network to over 6,200 ATMs nationwide and eliminated our international ATM fee, all to put more money back in our members' pockets.

We continued to invest in our award-winning banking app which received great feedback for its usability and range of features giving members the option to bank on the go with a 4.7 rating on the App Store and Google Play.

While the year presented unique challenges, we were proud to provide a unique banking service that prioritised members' needs enabling them to bank wherever, and whenever they need.

Going from strength to strength.

Defence Bank is backed by strong financials and independent ratings, supported by a stable and growing membership base. We were proud to have S&P upgrade our credit rating to BBB+ | Stable | A-2 from BBB | Positive | A-2, reflecting our consistent growth and strong outlook due to effective cost management.

Moody's also reaffirmed our rating of Baa1 | Stable | P-2, noting our strong asset quality, profitability above peers, low cost base, and robust capital position.

We acknowledge the regulatory challenges smaller banks face and remain focused on seeking opportunities for growth, innovation, and improved member service.

Looking ahead.

We recognise the need to adapt to the evolving banking landscape and we will continue to adopt services that enhance the member experience, with continual planned development across our digital and branch-based offerings. We will work to eliminate or reduce friction points, such as fees or poor processes where they exist, and explore alternative access options for members who wish to bank with us. We are committed to pursuing even stronger competitive pricing for our members across our core product suite. Finally we will seek to further invest in tools and insights that will support our members through the unique financial situations that arise through their lives as members of the Australian Defence Force.

Our approach will prioritise transparency and member engagement throughout any changes we implement all for the better of our members' experience with us.

We are proud to share a deep connection to the ADF, with many staff members having personal stories that enrich our understanding of the unique lives of serving and former members. With this perspective, we have the potential to propel Defence Bank to new heights in the years to come.

I look forward to sharing our progress with you in the upcoming year.



Roberto Scenna.
Chief Executive Officer.

Deposits up.

8.7%

Net interest
margin.

1.95%

Return
on equity.

6.3%

Our members.



Our members.

Defence Bank has proudly served ADF members since 1975, building a strong foundation of trust and support over the decades. Throughout this journey, the bank has continuously adapted to changes, embraced new technologies, and developed the products and services that members truly need to support the unique life they lead.

Changes for the better of our members.

Despite the rising cost of living, we are proud to have supported many of our members in achieving their dreams of home ownership through programs like the Family Home Guarantee and the Defence Home Ownership Assistance Scheme (DHOAS). Notably, November and December 2023 marked our highest funding months on record, reflecting our commitment to helping our members secure a stable future.

We actively seek feedback from our members through surveys, with insights revealing a strong desire for greater access to funds outside of a branch. In response, we partnered with atmX by Armaguard to add 1,750 fee-free ATMs across Australia, allowing our members to withdraw cash and check balances without incurring any fees. We also removed the overseas ATM withdrawal fee for Visa Debit card users, ensuring that more of our members' hard-earned money stays in their pockets.

To help our members better manage their money we introduced free SMS alerts when their accounts were overdrawn, in arrears or had insufficient funds for a direct debit.

To further safeguard our members property and possessions, we renewed our partnership with CGU and introduced Cover-More Travel Insurance, which includes COVID-19 coverage, giving our member peace of mind when travelling abroad, so they can focus on their journey ahead.

Keeping our members safe.

Protecting our members is at the heart of what we do. We continued to educate about scam prevention and safe banking practices with 392,416 emails and SMS alerts sent to members throughout the year.

This activity was in addition to the scam notifications on our website, statements and social media platforms with an average of 12 unique communications distributed each month which are seen by thousands of members. Along with promotion of Verify Defence

Bank enabling members to easily confirm they were communicating with a legitimate Defence Bank representative.

We continued to add content to Intel, our blog hosted on our website, with a strong focus on educating members about scams, fraud and security, publishing more than 130 articles with more added every month.

Ratings and awards.

Defence Bank received numerous awards throughout the year, including the WeMoney Defence Services Bank of the Year for the third consecutive year, along with 13 additional awards across various products including personal loans, term deposits, and transaction accounts.

Our Defence Bank Foundation Credit Card was honoured as the WeMoney 'Best Low Rate Credit Card' for the second consecutive year and also received Mozo's Experts Choice Low-Rate Credit Card award for the third straight year. These achievements are not just a win for us – they represent the value we strive to provide to our members.

Our app continues to enhance our members' banking experience, with impressive ratings from users of 4.7 across the App Store and Google Play.

We implemented numerous enhancements to improve usability, ensuring that banking is convenient wherever and whenever our members need us.

Positive member advocacy.

We believe in the power of your voice. This year, our members provided us with an average Net Promoter Score (NPS) of +48 and a strong Member Engagement Score (MES) of 86%. These scores are significantly higher than those of major banks and serve as a testament to the trust and loyalty our members have in us.

The NPS helps us assess customer loyalty, while the MES indicates how easy it is for you to bank with us. Your feedback fuels our commitment to continuous improvement.

Net Promoter Score.

+48
FY24.

Member Effort Score.

86%
FY24.



Our people.

This year, Defence Bank's bond between people, purpose and strategy had a synergy like never before. The bank focused on uplifting the Defence Bank community and developing a 'career like no other' for our employees.

Our people.

Our people agree, with 80% of employees recommending Defence Bank as a good place to work and 87% saying that they would go above and beyond for the Bank.

Adaptability is at the core of our people programs, as we work collaboratively to support employee growth and enhance our people's ability to adopt new cross-functional skills. This year, we integrated new technologies that were accompanied by bespoke training for our lenders and a growth mindset program for all employees, to support wellbeing and change management.

Defence Bank's strategic vision and commitment to work-life-fit continues to provide security and flexibility to our employees. We encourage positive behaviours with benefits and reward and recognition programs and champion our people and the great work that they do for the Defence community.

A pathway to success.

Defence Bank believes that all of our employees have a leadership role to play. In 2023 we launched our iLeadership framework which empowers our team to lead themselves, to lead others and to lead the bank. It is this ethos that encourages our people to

continuously improve themselves and the way that we operate our bank.

In the past year, 35 employees moved internally or were promoted in their role at the bank, demonstrating the clear career pathways that are available at our bank.

We introduced LinkedIn Learning for all employees to support their skill development and have regular training and development opportunities including courses, conference attendance and internal leadership coaching.

74% of our people believe they have the resources to feel empowered to develop personally and professionally and 72% feel that they have the opportunities to develop and grow their skills.

Shared purpose and commitment to equality.

This year Defence Bank has placed a greater emphasis on connecting our people and our purpose 'to serve those who protect us'. The bank has drawn a clear lineage between our people and our members through communicating people activities, community events, our involvement in ADF days such as Remembrance and ANZAC Day and our member bond.

We work diligently to evaluate our employee value proposition and to offer our teams a safe and transparent work environment. We encourage our team to continually improve and acknowledge that we as a bank, and as a broader society, need to have greater focus on ensuring that opportunities are provided to our people without bias. 81% of employees felt they can be their true self at work and 90% of employees felt that the person they reported to genuinely supports equality between genders.

Defence Bank did however, like many of its mutual peers, have a gender pay discrepancy as reported in the Workplace Gender and Equality Agency report (WGEA report). This year's gender pay gap was 28.9%. In comparison to our peers, Defence Bank's pay gap was 5% lower than the industry gender pay gap of 33.3%. Our challenge is not unique, like many of our mutual peers our gender pay gap is primarily influenced by our workforce composition which includes many frontline and part time roles that are primarily held by women.

We recognise that to achieve a more equal workplace requires dedicated focus and persistence which is why we are taking sensible and sustainable action to reduce our gender pay gap and embed strategies that will lead to further positive change now and into the future. These actions include:

- Embedding work-life-fit into our strategic plan to ensure that we are providing our employees with a work environment that supports their individual needs.
- Annual performance and remuneration reviews and benchmarking against the mutual industry.
- Actively monitoring and reviewing our gender pay gap and pay equity.
- New remuneration framework for frontline roles – many of which are held by women. These changes enable our people to access higher levels of remuneration when they broaden their qualifications and responsibilities and uplift their performance.

Recognising achievement.

Defence Bank's Reward and Recognition program is bolstered by its connection to the Bank's strategic objectives. The program creates a sense of belonging and community and ensures that our people know and understand the behaviours that we hope to see at our bank.

Through strategic positioning Defence Bank's reward and recognition activities have been aligned to reinforce the Bank's key principles of accountability, collaboration and transparency. In addition, the suite of recognition moments champion behaviours such as the importance of risk, member focus, community, continuous improvement and ownership of individual and team actions.

Named, 'This One's For You' (TOFY) the program directly links to the performance of our people through recognition, rewards and other employee benefits.

Our innovative and holistic recognition framework takes a multi-channelled approach to recognising our employees for the contributions that they make to our bank. This includes a monthly reward program, annual awards which in 2023 had an outstanding 90 nominations and ongoing leader and CEO recognition moments. The program also highlights the unique bond that our employees have with the Australian Defence Force.

Thank you.

Defence Bank celebrates the individual and team contributions of our people. We thank them for their unique contributions, their passion and dedication and for the way in which they continue to support our bank and our members.



Reaching new heights.

For the second consecutive year Defence Bank was acknowledged at the Australian HR Awards, receiving the award for Best Reward and Recognition program and being named as an Excellence Awardee in the Employer of Choice (100-999 employees) category.

This achievement is reflected in our annual engagement and alignment survey results that saw one of the bank's highest engagement results in seven years. (79%)

Our bank celebrates innovative ideas and through the reinvigoration of our employee experience we support our teams to demonstrate positive working behaviours and engage with the bank's strategic direction. Our enhanced experience has delivered strong results in pride, belonging, diversity, and intention to stay. 85% of employees feel their team's actions clearly link to Defence Bank's goals and 91% feel they have flexibility to manage their work-life balance.



Our community.




Defence Bank
FOUNDATION

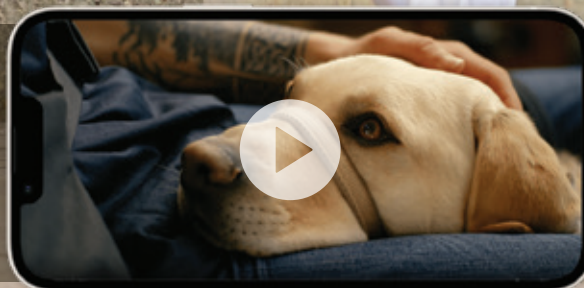
Proudly supports



**DEFENCE
COMMUNITY
DOGS**



Scan to watch. 



Our community.

Supporting veterans who need it the most.

Providing veterans with the help they need remains at the heart of our support for the Defence community. We do this through the work of the Defence Bank Foundation and the Defence Community Dogs program.

In FY24, the Defence Community Dogs Program held five graduations and successfully paired 12 assistance dogs with veterans, raising the total number of beneficiaries to 91 since the launch of the program.

The Defence Community Dogs program trains dogs to assistance dog level and provides them at no cost to current and former Australian Defence Force personnel. These dogs offer vital physical and emotional support for mood, depression, and anxiety disorders, including Post-Traumatic Stress Disorder (PTSD). The transformative effect of this program is truly life-changing.

We are incredibly proud to announce that Defence Community Dogs was recognised as a finalist for the Veteran Support Program of the Year at the Australian Defence Industry Awards. With over 3,500 veteran support organisations in Australia, being shortlisted among the top programs is a significant honour and a testament to the difference this initiative makes.

The Defence Bank Foundation Visa Credit Card continues to provide valuable funding, with half of the annual fee contributed towards the Foundation. This financial support, along with the generous

contributions from the Defence community and benefactors, delivers much needed funding with \$30,000 required to train one assistance dog. To date, our card has raised \$83,205 since introduced in September 2020.

We extend our heartfelt gratitude 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.

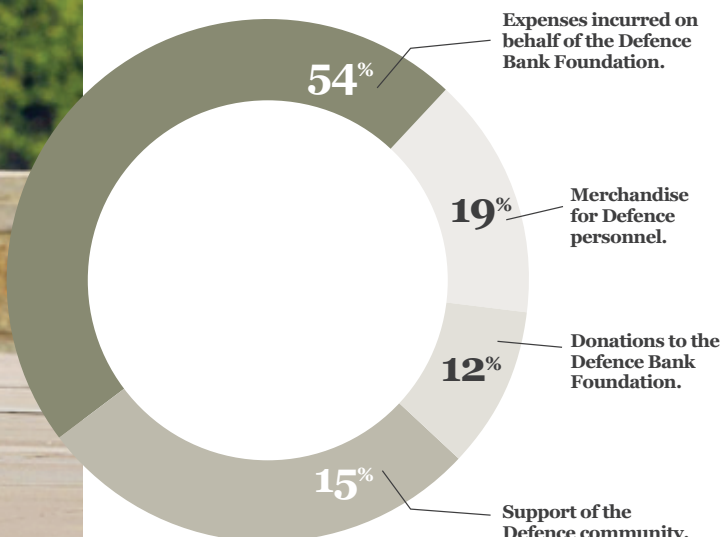
At Defence Bank, our support for those in the ADF goes beyond simple banking. It extends to building a stronger, more connected Defence community through the support of meaningful events and organisations that make a difference to ADF members and their families.

Throughout FY24, we proudly supported more than 65 Defence-related initiatives across health, education, and sport. We provided funding and our people attended more than 35 on-base family events across Australia, including Christmas treats and welcome days. In total, we contributed \$446,322 to the Defence community.

We continue our partnership with the Military Life podcast, which advocates for Defence spouses, and we support DEFGLIS in supporting Australian Defence Force LGBTQIA+ members and their families. Additionally, our support continues for the Military Wives Choir, Defence Kidz and we contributed to a wide range of initiatives, including the Legacy Brisbane Gala Dinner, Soldiers and Sirens charity event, and the Veteran Drone Racing Team.

Members of the ADF lead unique lives, and they deserve a bank that goes above and beyond expectations. In the coming year, Defence Bank is committed to delivering even more for the community it serves. We are passionate about enhancing not only the financial well-being of our members but also the overall health and happiness of the ADF community and their families.

Defence Bank covers operating expenses of the Defence Bank Foundation so that 100% of funds go directly to Defence Community Dogs and the veterans they support.





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 18-21. 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 49 years and now has over 78,500 customers across Australia, of which the majority are voting members, \$3.8 billion in assets and 26 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+ | Stable | A-2 by S&P Global Ratings and a rating of Baa1 | Stable | P-2 by Moody's.

Standard and Poor's.

BBB+ | Stable | A-2

Moody's.

Baa1 | Stable | P-2

Board of Directors.



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 and then lead Insight Investment's business for Australia and New Zealand until August 2024 when he retired from full time executive work.



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.

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.



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.



Air Commodore 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.

Board of Directors.



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.

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.



**Commodore
Letitia van Stralen, AM, CSC,
Royal Australian Navy.**

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

Director.

Letitia (Tish) has been a Defence Bank member since 2000. With nearly 30 years' service in the Australian Defence Force, she is currently Director General Navy People and a Senior Defence Legal Officer. Tish is being promoted to Rear Admiral on 9 December 2024 and will assume the role of Head of Military Personnel.

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.



Roberto Scenna.

BEconomics (Hons), Advanced Management Program, Williamson Community Leadership Program.

Chief Executive Officer.

Roberto (Rob) joined Defence Bank as Chief Executive Officer in July 2024, bringing with him a wealth of financial and executive leadership experience from across the banking, wealth management and insurance sectors.

Prior to his appointment at Defence Bank, Rob was CEO of Catholic Church Insurance, MD of ANZ Private Bank, and the CEO of ANZ Trustees. In addition, he has also held senior leadership roles in ANZ Expatriate and Migrant Banking and Esanda Auto Finance.

Rob has a strong member and values driven focus. He leads through purposeful strategies that build organisational capability and support a meaningful connection with members. Rob has a deep understanding of people, processes, and technology, along with complex regulated environments.

In addition to his role at Defence Bank, Rob sits as Director on a number of boards and associations including the Edmund Rice Education Victorian Schools and the Italian Australian Foundation. He is a graduate of the Williamson Community Leadership Program.



Dean Barton.

BCom, FFin, FCPA, 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.

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



Ben Beenie.

MBA, FGIA, GAICD.

Company Secretary.

Ben was appointed Company Secretary in November 2020. He is a Fellow of the Governance Institute, Graduate of the Australian Institute of Company Directors and holds a Master of Business Administration. His primary responsibility is advising on good governance practices and managing all matters relating to the operations of Defence Bank's Board.

He has extensive banking and finance experience, including corporate governance roles held at a number of listed and unlisted companies. Ben started his career in ANZ's Company Secretary's Office, where he was responsible for the Bank's share registrar, managing ASX and NZX listing obligations and a number of other group secretarial and corporate governance matters. In his career, Ben has participated in numerous share issuances, rights issues, share purchase plans, Initial Public Offerings, and demergers. Ben has also held banking roles at ANZ Private and corporate action roles at Computershare. In 2023 and 2024 he was recognised as a finalist in the Governance Top 100.



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 strategic objectives. Kristen is a certified member of the Australian HR Institute.

Kristen has extensive experience in cultural change, strategic leadership and in developing the capability of Defence Bank employees. She has successfully enhanced the Bank's employee value proposition through the connection of reward and recognition initiatives to the Bank's purpose and strategic direction. Kristen is passionate about the employee experience, and ensuring Defence Bank is a truly great place to work for our amazing people.

Under her stewardship, Defence Bank was the winner of the award for Best Reward and Recognition Program and an Excellence Awardee in the Employer of Choice at the 2024 Australian HR Awards. Defence Bank's People and Capability team was also named in the HR Director Australia's Innovative HR Teams list for 2023.

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 was Acting CEO in the period February to July 2024 during which time she worked with management and the board on a strategy which will see Defence Bank continue to double down on our bond and accelerate growth.

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 focused 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 fundraising 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.

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



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, and CommSec. 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 which 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. In addition, Mano and his team has responsibility for the implementation of the Strategic Internal Audit plan using an outsourced model, and procurement of adequate Group Insurance policy coverage.

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 2024.

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Income. | | |
| Interest income. | 183,990 | 129,048 |
| Interest expense. | (112,817) | (62,210) |
| Net interest income. | 71,173 | 66,838 |
| Other income. | 8,950 | 8,414 |
| | 80,123 | 75,252 |
| Expenses. | | |
| Personnel expenses. | 30,919 | 28,839 |
| Depreciation and amortisation expense. | 1,849 | 2,096 |
| Increase / (decrease) in provision on loans and advances. | 573 | (47) |
| Other expenses. | 25,077 | 23,664 |
| | 58,418 | 54,552 |
| Profit before income tax. | 21,705 | 20,700 |
| Income tax expense. | 6,482 | 6,222 |
| Profit for the year from continuing operations. | 15,223 | 14,478 |
| Other comprehensive income. | - | - |
| Total comprehensive income. | 15,223 | 14,478 |

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 2024.

| | 2024 \$000 | 2023 \$000 |
|--------------------------------|------------------|------------------|
| Assets. | | |
| Cash and cash equivalents. | 112,651 | 143,044 |
| Investments. | 479,355 | 435,741 |
| Equity investments. | 5,325 | 5,325 |
| Trade and other receivables. | 372 | 622 |
| Loans and advances. | 3,214,527 | 2,920,442 |
| Property, plant and equipment. | 1,542 | 1,904 |
| Intangible assets. | 39 | 162 |
| Right of use assets. | 1,941 | 3,000 |
| Deferred tax assets. | 2,132 | 2,039 |
| Other assets. | 2,320 | 2,200 |
| | 3,820,204 | 3,514,479 |
| Liabilities. | | |
| Trade and other payables. | 2,812 | 2,916 |
| Current tax liabilities. | 1,571 | 316 |
| Deposits. | 2,953,687 | 2,748,414 |
| Lease liabilities. | 2,102 | 3,150 |
| Borrowings. | 604,075 | 519,134 |
| Provisions. | 6,698 | 6,513 |
| | 3,570,945 | 3,280,443 |
| Net assets. | 249,259 | 234,036 |
| Equity. | | |
| Share capital. | 1,208 | 1,185 |
| Reserves. | 248,051 | 232,851 |
| Retained earnings. | - | - |
| | 249,259 | 234,036 |

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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For a life like no other.





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