



**MINUTES OF THE ANNUAL GENERAL MEETING  
OF GREAT SOUTHERN BANK  
HELD ON WEDNESDAY, 15 NOVEMBER 2023, AT 9:00 AM  
LEVEL 27, 300 GEORGE STREET, BRISBANE, QLD, 4000  
AND BY VIRTUAL MEETING**

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**PRESENT**

Nigel Ampherlaw (Chairman)  
Kyle Loades (Director)  
Louise McCann (Director)  
Deborah O'Toole (Director) (online)  
Wayne Stevenson (Director)  
Mark Hand (Director)  
Paul Lewis (Managing Director & Chief Executive Officer)  
Alan Lee (Chief Financial Officer)  
Naushad Ahmed (Chief Operating Officer)  
Steve Chugg (Group Executive – Business and Embedded Finance)  
Megan Keleher (Chief Customer Officer)  
Tracey Lake (Chief People Officer)  
Carol-Ann Gough (Chief Information Officer)  
Rolf Stromsoe (Chief Risk Officer)  
Nicole Pedwell (Company Secretary)  
Scott Guse (External Auditor, KPMG)

*and*

other registered members as outlined on the Members' Attendance Register<sup>1</sup>

**ATTENDEES**

Proxies and Guests as outlined in the Proxy and Guest Registers.

**OPENING**

The Chairman opened the meeting and acknowledged the traditional owners of the land being the Turrbal and Yuggara people.

The Chairman then introduced Great Southern Bank Board members noting Deborah O'Toole would join online due to being unwell. He then introduced Paul Lewis as CEO and Managing Director, the Company Secretary and the External Auditor, Mr Scott Guse from KPMG.

The Chairman confirmed a quorum was present.

The Company Secretary explained the process for asking questions during the AGM.

**AGENDA ITEM 1 – CHAIRMAN & CEO PRESENTATIONS**

The Chairman spoke to his presentation, and highlighted the following items:

- Great Southern Bank's positive impact on customers and its community
- being a responsible bank, and
- financial performance

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<sup>1</sup> There were 154 members present (in person and online) at the meeting for quorum purposes (including Directors, CEO, Executive team, and Company Secretary).

The Chairman invited the CEO to make a presentation. The CEO also acknowledged the traditional owners of the land, introduced his Executive Team and then spoke to the following areas:

- Helping customers to buy a home
- Key customer improvements
- 2023 Awards received for Great Southern Bank's savings accounts and loans and being in the top quartile of all organisations globally for engagement

Members were invited to ask questions regarding the Chairman and CEO presentations under Agenda item 2.

## **AGENDA ITEM 2 – FINANCIAL STATEMENTS AND REPORTS**

The Chairman formally tabled the Group Financial Report which included the Financial Statements, Directors' Report, Directors' Declaration and Auditors' Report for the year ended 30 June 2023.

Questions were invited from participants. The discussion included:

1. The average non-executive director remuneration
2. Consideration being given to using mid-tier accounting firms vs the top four
3. Closure of branches
4. The ratio of minimum liquidity holding and capital adequacy
5. Communicating with customers on the use of Australia Post when closing branches
6. Changes to the timing of the AGM
7. Using external consultants to manage the AGM vs managing this in-house
8. Demutualising now or in the future

A list of all questions and responses is attached as Appendix 1.

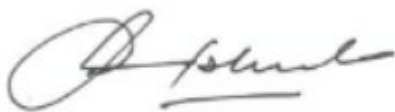
## **AGENDA ITEM 3 – APPOINTMENT OF DIRECTORS**

The Chairman noted the three directors offering themselves for re-election to the Board being Mark Hand, Deborah O'Toole and Wayne Stevenson. The Chairman confirmed that all directors had been assessed by the Board in accordance with Rule 10.7 of the Constitution, to be fit and proper and have appropriate skills, experience, and knowledge to act as Directors of Great Southern Bank.

## **GENERAL**

There being no further business the Chairman thanked members for their attendance and declared the 2023 AGM of Great Southern Bank closed at 9.46am.

*I confirm these minutes as a true record of the Annual General Meeting of Great Southern Bank held on 15 November 2023.*



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**Nigel Ampherlaw**  
**Chairman**

Date: 31/1/2024

Appendix 1: Member Questions and responses

## ANNUAL GENERAL MEETING 2023 – MEMBER QUESTIONS AND RESPONSES

Questions	Responses
<p>Are there any plans for demutualising now or in the future? If not can you envisage a time when it may take place.</p>	<p>There are no plans to demutualise, now or in the future and it is not on the agenda of any of our Board members. We've really valued the advantages of being customer owned. Having said that, we do look for ways to grow and if a merger opportunity presents itself, we will seriously consider it. But that's not demutualising, that's two customer owned banks coming together to create scale.</p>
<p>Can a proxy be appointed if there were no votes or no questions to be put to the general meeting, and where can information on Board compensation be found and can members vote on a remuneration report.</p>	<p>The rights of a proxy in compliance and in accordance with the Corporations Act, with proxies able to speak and vote at the meeting. If there was a vote at this year's AGM, the proxy would be able to vote. But given there's no vote this year, the proxy appointment supports the asking of questions at the meeting. So, free to ask questions.</p> <p>With respect to the question around Board compensation, this is published in our annual report which is available on our website and is in compliance with both the Corporations Act and our constitution. The average non-executive director remuneration is around about \$160,000 a year.</p>
<p>I gather you don't have too much to do with Optus, which is very fortunate.</p>	<p>We do have a relationship with Optus, and we did have an outage the other day based on the Optus outage at our call centre. But that was resolved for us relatively well. But we are having a look at that.</p>
<p>Also, I notice that you're a fellow of the Chartered Institute of Accountants. Have you considered dealing with companies other than the big four to get your audits done? There's over \$500,000 there, so a medium sized firm might do the job just as well and with less conflicts.</p>	<p>One of the main reasons we stay with the big four is because of the breadth and depth of experience they have in banking and in particular, the international connections. Now, we know Australia is generally a couple of years behind the US and the UK in emerging regulation compliance technology and new better ways of banking. Quite frankly, you need somebody with very strong international connections to give you easy access to that.</p> <p>It would be a lot more expensive if we had to do all that ourselves. So, we have considered it, and we think in the context of the value add, we get to knowledge, know-</p>

Questions	Responses
	<p>how and insights dealing with one of the big four is quite valuable.</p>
<p>My main question is around the closure of the Cairns branch of the Great Southern Bank that occurred a couple of years ago. What steps are there to reopen a branch there, as the alternative of Australia Post provides limited services.</p> <p>We have done a bit of research and a similar bank, Bendigo Bank, has five branches in the Cairns area from Gordonvale to Smithfield, Edmonton, Cairns Central, Westcourt which is a very big branch. They have their head office there. Also, there is Suncorp with two offices there, and RACQ even have a banking office.</p> <p>So, I think given we're a customer focused client, it would be good to have a branch there. There are quite – and it is 150,000 or 180,000 people and not denigrating Rockhampton, it has a branch there as well.</p>	<p>If we do close branches, we don't take the decisions lightly. We really try and make sure that it's not going to unduly impact our customers and members.</p> <p>We did close a branch in Cairns two years ago. When we looked at the number of customers actually utilising that branch it was very small. So, we have about 460,000 members across Australia, and we have to keep allocating resources to where those members are most utilising our services.</p> <p>Typically, that is a lot of the metropolitan areas, typically digital online, and it is always hard decisions to make because often we've been in those areas for a long time. Often, it does impact a smaller number of customers. But it's that continual balance of where we have to put resources to serve this growing customer base that unfortunately less and less people are using the branch facilities.</p> <p>So, there's no easy answer and you talk about in terms of our branch network itself, we only have about 30 branches across Australia now. We think it's probably about the number that we'll stay at, and we will move from time to time as populations move.</p>
<p>I would like to ask how many branches have actually been opened and how many have been closed in the last 12 months, Australia-wide? I'm aware of one being closed in Morayfield recently, maybe in the last 12 months.</p> <p>Now, that area there is projected to be the area in Queensland which is going to have the third largest growth in the next 20 years. There's going to be hundreds of thousands of people moving into the area north of Brisbane, Caboolture, North Lakes. I know you've got a branch in North Lakes, but there are a lot of people perhaps elderly people who live in that area and I'm thinking about places like Bribie, in particular, with a</p>	<p>This year we closed Morayfield, Gladstone and Canberra branches and we refurbished or relocated Dandenong in Victoria and Newcastle in New South Wales and Maroochydore in Queensland. Given our scale and capital constraints, every year we try and relocate or refurbish three or four branches.</p> <p>In terms of locations specifically, we look at the foot traffic going through those branches, and then leases come up and we have to make a decision in terms of the resources available to the organisation. We will continue to invest in the branch network, but we will probably close some branches that are underutilised as well, and we will open in areas of high population growth.</p>

Questions	Responses
<p>very high proportion of elderly people who really have to do personal banking. They're not aware of and can't use online banking. So, they have to travel further to get to a branch to conduct their business and you're a customer focused bank.</p>	
<p>The liquid asset to deposit ratio is a measure of a bank's ability to deal with a bank closure or any other situations like that which the credit risk management people did not foresee, or sometimes they have foreseen but they haven't been quick enough to anticipate and protect themselves.</p> <p>So, part (a) of the question is, for the GSB, what is the current ratio or probably at the end of the financial year, ratio which you have now in your books of liquid assets to deposits, part (a) for the bank, part (b) for the whole Group.</p>	<p>We have a measure called MLH, Minimum Liquidity Holdings which is one of the key ratios. The other ratio is our capital adequacy ratios. So, they're two measures that we really focus on. Our MLH is above 15% at my last recollection. Now, that gives us a buffer, so in short we've got excess liquidity. So, our liquidity position is very, very good. We also have a good capital adequacy ratio well above our prudential buffers. So, we're about, let's say, 14.5%. So, we're in good shape on the balance sheet.</p> <p>You are quite right in terms of liquidity. It's an important measure for a bank, but there's also too much liquidity and that impacts your returns and so it's a fine balance. But at the moment, and certainly for the last two or three years, we have erred on the side of more liquidity rather than less.</p> <p>We're quite conservative, and I think we should be.</p> <p>So, I think I'd add to that conservatism, we see that in most of our measures. So, even a measure in terms of our credit quality, and there's a measure called 90-day delinquencies for home lending. We are 0.24%. The industry average is about 0.8%. So, again, it just shows how conservative we are. Secondly, the Board and the executive take this very seriously. So, even this month, and it's part of our annual process, we have a funding plan, we stress test the bank often in terms of liquidity and those sorts of things. So, we take it very seriously.</p>
<p>I think I mentioned it last year. I've talked to a few people and they're members, but they still don't realise you can deposit and withdraw from post offices. Now, I don't know if everyone here knows that, do they? Do they?</p> <p>Well, what gets me is that should be our first priority because that – when</p>	<p>Noted, we need to double down our efforts to communicate because we actually pay quite a large fee to Australia Post.</p> <p>We do communicate with members, but obviously, we probably need to do a little bit more.</p>

Questions	Responses
<p>the banks are closing down in these little towns, we should be really sending emails to all the members, and say, don't forget, you can bank at the post office. Deposits and also withdrawals.</p> <p>I've got some better stories than that to tell you, but I'll have to do it some other day when I come and see you. But at the moment, you're busy now. But look, you're missing out on a lot of stuff here. You've got to get to those little country towns that are closing down, and the post office is always there.</p> <p>An email out to every member would be lovely.</p>	
<p>I was just wondering why the meeting is so early this year? Usually, it's later. 11.00am would probably be a better time.</p>	<p>When we debriefed after last year's AGM, we noticed that the number of our customers that attend the AGM tends to reduce every year. So, we thought maybe a morning meeting would be a preferable time and we thought we would experiment with that.</p> <p>A couple of members did suggest a morning meeting as well.</p>
<p>I've got praise for the branch staff, every branch I've been to, they're wonderful. Not a lot said about them. Everyone whinges when something goes wrong, but I've found the staff wonderful all the time in the branches.</p>	
<p>I noticed you'd subcontracted out the meeting agenda and so forth for the AGM. I'm just wondering whether if you're looking at cost saving, the staff at head office could organise that?</p>	<p>We try and do things in the most efficient way, and at this stage, that's the most efficient way for us.</p>
<p>Following on a little bit from the questions around maybe branches and things, but NPS, net promoter score, I'm interested to hear how the bank did last year, and what's the goal for this year? I know CBE is trying to go plus 30 from a lower base. So, what are the strategies around NPS?</p>	<p>From a Board perspective, it is a metric we monitor at every Board meeting, and in fact, it's a key corporate KPI.</p> <p>Now, just in terms of the latest numbers, the net promoter score is in the 40s which is good. So, typically, we are well above the big four banks and we aim to be in the top quartile of all banks in terms of net promoter score. So, that's as an overall experience and then we break it down too. So, we</p>

Questions	Responses
	<p>measure net promotor score for a contact centre, our branches, and our key product areas.</p> <p>We measure in two ways. Firstly we use an external panel to research a large number of customers. So, the sample size is big.</p> <p>Then secondly, we have an internal voice of customer NPS. So, typically, if you have an interaction with us, you'll get asked for a score. That is also very strong as well in the 40s. We even do that with our hardship calls. So, the Chairman talked about 20,000 payment plans that we've put together over the last 12 or 18 months, but as part of that, we want to make sure that not only have we solved the problem, but have we solved it in an empathetic way, would you recommend us? Not that you would want to recommend hardship. But we do take it very seriously, and we should because we're customer owned.</p>