



2015

Credit Union Australia Ltd

---

**MUTUAL  
SUCCESS**

Your Success is our Success



# Credit Union Australia Ltd 2015 Annual General Meeting

**Alan Beanland**  
CUA Chairman

Mutual  
success

# Introduction

---

## Board

Alan Beanland  
*- Chairman of the Board*

Nigel Ampherlaw

Paul Bedbrook

Deborah O'Toole

Michael Pratt

Wayne Stevenson

## Management

Rob Goudswaard  
*- Chief Executive Officer*

Steve Chugg  
*- Chief Operating Officer*

Sue Coulter  
*- General Manager, Business  
Transformation & Technology*

Philip Fraser  
*- CEO, CUA Health Limited*

Sonia La Penna  
*- General Manager, Human Resources*

Matthew Lobdell  
*- Head of Strategy*

Jason Murray  
*- General Manager, Products & Marketing*

Scott North  
*- Chief Risk Officer*

Andy Rigg  
*- General Manager, Sales*

Tony Taylor  
*- Chief Financial Officer*

Nicole Pedwell  
*- Company Secretary*

# Items of business

---

1. **Chairman and CEO Presentations**
2. Financial Statements and Reports
3. Appointment of Directors

your success  
is our success

# What we said last year

---

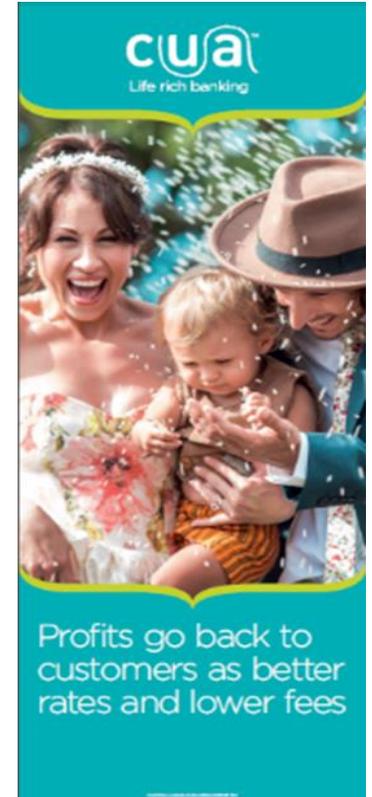
- More change and more competition in financial services will mean that CUA will continue to transform to be:
  - more competitive
  - lower cost
  - more technically advanced
  - more attuned to our customers.
- Regulatory imposts can be expected to increase.
- During the year CUA will take on a new CEO who will continue to drive the journey towards creating a truly competitive alternative to the listed banks.
- Your Board has a compelling vision for CUA, but above everything is a commitment to deliver Life rich banking to members and customers.

# What we have delivered

Theme fits well with our long-term mission – “to help our customers to enrich their lives through delivering consistently better value banking because profits go back to customers.”

## Competitive

- Record year for home loans growing 2.45 times average
- Strong deposits growth with retail deposits up 14.7%
- CUA Health continues four year growth trend and 4<sup>th</sup> fastest growing fund in FY15
- Improved personal loan online application process
- Concentration on delivering multi-channel experience for customers
- Removal of membership payment to facilitate online membership process



# “Mutual Success” – Your success is our success



**Australian Banking and Finance Awards 2015:**  
‘Australian Financial Institution of the Year - Non Big Four’ and ‘Mutual of the Year’

**Mozo Experts Choice 2015:** ‘Best Value Full Feature Home Loan’ and ‘Best Value Variable Home Loan’ for CUA Fresh Start Variable Home Loan

**Money Magazine Consumer Finance Awards 2015:**  
‘Credit Union of the Year’

**CANSTAR Awards 2015:** CANSTAR five star rating for outstanding value for CUA Fresh Start Variable Home Loan, CUA eSaver Plus, CUA Youth eSaver

**Australian Lending Awards 2015:**  
‘Best Non-Bank’ and ‘Best Mutual’

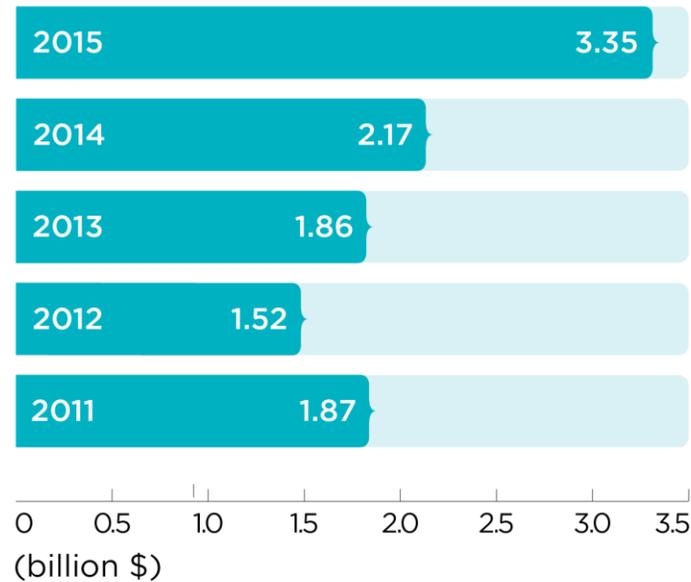
Independent verification of competitiveness

# Outcomes equal relevance

Our success is measured not by profits distributed to shareholders but by our relevance to customers.

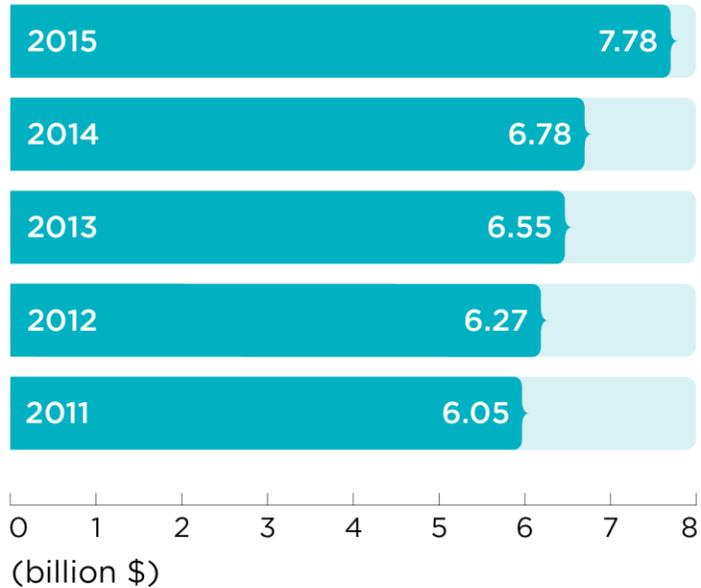
## LOANS SETTLED

Loans settled increased by 54.9% to \$3.35 billion



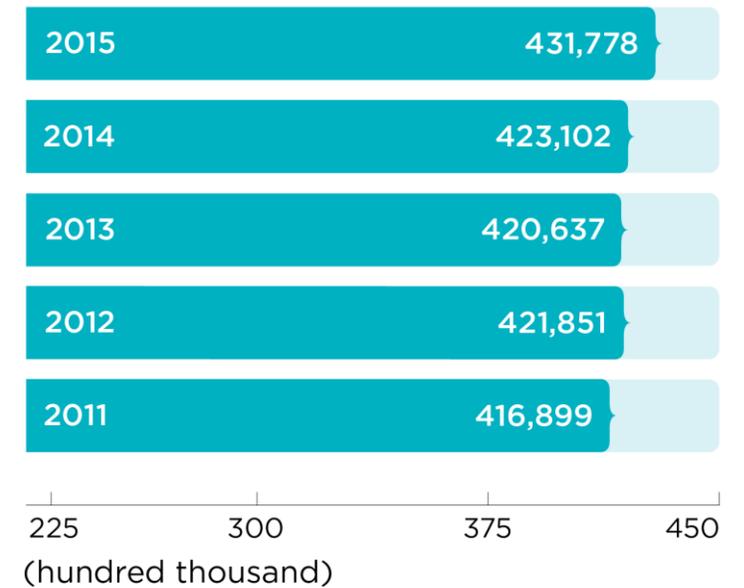
## DEPOSITS

Deposits increased by 14.6% to \$7.78 billion



## CUSTOMER NUMBERS

Customer numbers increased by 2.0% to 431,778



# Customer focus equals relevance

## Deliverables in FY2015 included:

- 100+ enhancements to core banking system with many aimed at improving CUA Online Banking experience
- Working to replace Telebanker and ageing technology
- Nearly \$500K delivered to communities to support causes important to you
- Continued investment in 'Life rich banking' branding throughout branch network



# CUA in FY2016

---

## Seriousness of headwinds becoming more apparent as we move further into FY16:

- Sharemarket volatility increasing due to China's continuing economic adjustment process and the speculation around US Federal Reserve's decisions on interest rates
- International deflation pressures increasing related to oil price decline
- Home grown economic pressures relating to the end of the mining boom, political instability and an increasingly active regulator seeking to restrain a booming investor housing sector
- Contracting cash rate has been a negative influence on margins.

## CUA in FY2016 (cont'd)

---

But CUA well placed to continue its growth journey with Board's emphasis on a customer segment led strategy with following initiatives designed to bolster competitiveness:

- Deliver a CUA owned and supported credit card in 2016
- Further emphasis on customer retention
- Online home loan initiatives to improve the home lending customer experience
- Additional technology based innovation recognising increasing customer comfort with banking utilising mobile devices.

The Board remains a strong supporter of mutuality and the true value proposition this delivers to customers.

# Items of business

---

1. **Chairman and CEO Presentations**
2. Financial Statements and Reports
3. Appointment of Directors

your success  
is our success

# Strategic Themes

---

**Relevance** More customers that feel like they matter to CUA

**Sustainability** Leaving CUA better than we found it

**Foundations** Strong roots - efficient systems and processes

**Mutual Sector Proponents** Making the most of mutuality

**Inorganic Opportunities** New ways to reach more customers

# Relevance More customers that feel like they matter to CUA

Improve customer satisfaction through consistent delivery of Life Rich Service Heartbeat

**Our Life Rich Service Heartbeat**



I care, I create, I contribute by showing that:

- 1. You genuinely matter to me.**  
Because you want me to treat you as an individual and understand your needs. You value personal service, and come to us to escape being treated as a number.
- 2. I take ownership and keep you updated.**  
Because you want me to own your story. You want me to look out for your best interests and proactively find new ways to help you. Regular communication is important to you, and you expect me to keep you updated at key points in your journey.
- 3. You can trust me to get it right.**  
Because you want the right solution, delivered with confidence and in a style that suits you.

# Sustainability

Leaving CUA better than we found it

---

## Margin Management

- Balancing the focus on delivering value to customers today with the long term sustainability for CUA

## Satisfaction

- Customers
- Staff

## Sales Productivity

- 'Enrich' sales training
- Improved sales tools with iPads and WiFi in all branches

# Foundations Strong Roots - efficient systems and processes

---

## Deliver Major Projects

- Credit cards
- Clearway

## Digital

- Mobile app refresh
- Online banking – 6 weekly updates
- New website design

## Process Efficiency

- Lending process re-engineering
- New lending origination system

## People and Culture

- Create a sustainable, high performing values based organisation
- Leveraging a diverse and changing workforce in a dynamic environment

# Mutual Sector Proponents

Making the most of mutuality

---

## Mutual Sector Collaboration

- Financial System Inquiry (FSI)
- Senate Inquiry
- COBA work streams
- Common Equity Instrument

## Community Engagement

- SIDS & KIDS
- Community Care
- Virtuous circle

# Items of business

---

1. Chairman and CEO Presentations
- 2. Financial Statements and Reports**
3. Appointment of Directors

your success  
is our success

# Items of business

---

1. Chairman and CEO Presentations
2. Financial Statements and Reports
3. **Appointment of Directors**

your success  
is our success

# Appointment of Director

---

To appoint Mr Paul Bedbrook as director of the Company.

His appointment will be for the period commencing at the end of this AGM until the end of the third AGM thereafter.

# 2015 Annual General Meeting



Thank you for your attendance

