

# ANNUAL REVIEW

2022

**50 years of  
investing in  
YOU**

**50**  
YEARS

**bankfirst**





Keysborough Gardens Primary School  
Photo courtesy of School Presence

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Bank First is committed  
to **you.**

Today, tomorrow and for  
the next 50 years.



# Our Story. Our Future.

It was a cold night in

# 1972

A meeting of the Victorian Teachers Union was held in the basement of VTU's headquarters at Bank Place in Melbourne's central business district. A group of 48 Members voted to establish a credit union for teachers and their families. Start-up capital of \$480 – \$10 from each Member – was collected that night and these precious funds were stored in a shoebox.

Our first loan was \$200 to a single Mother - a teacher who needed cash to pay a rental bond on a home for her family.

The focus of our Member-owned entity has always been people. It was never about numbers or bank accounts – it was a group of teachers pooling their funds to help other teachers.

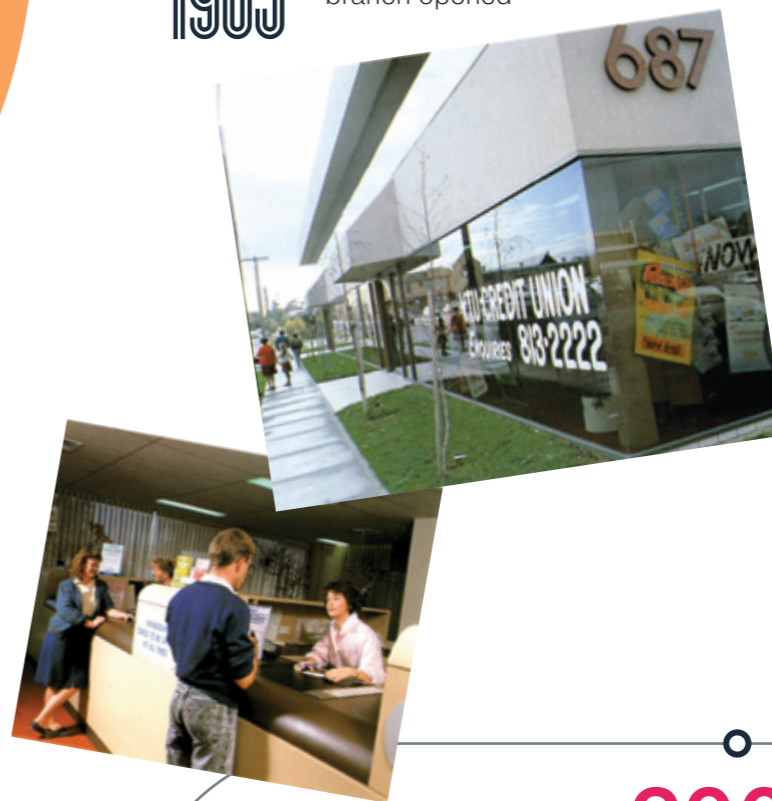
In recent years, our Member base has evolved to include other professions with caring roles - nurses and allied health professionals.

Today, 50 years later, our reason for existing has not changed. We continue to care for those who care for our community.



# 1983

**Moonee Ponds**  
branch opened



# 1992

VTU Credit Union becomes  
**largest credit union** in VIC



# 2000

Internet banking **launched**  
as we continued to innovate  
for our Members



# 2014

**Bank First App** introduced  
changing banking forever



# 50

**YEARS**  
of investing in you

# 2022

**Over 91,000** Members  
Australia-wide



Scan QR code  
for more history





## Board of Directors

Mark Devadason, Bernie Lloyd, Graeme Willis, Judy Crowe, Michael Monester and Jo Dawson



## Executive Management Team

Jodie Ghiloni, Michelle Maugueret, Dirk Ludowyk, Nicky Konstantinou, Alison Hill, Emily McGrath, Michelle Bagnall, Simone Van Veen, Ashley Hood and Ellen Hooper

# Bernie Lloyd

## Chair's Report

Individuals approaching their 50th birthday sometimes find themselves somewhat ambivalent about the occasion - they may see it as the portal to the ageing process so celebration can be tinged with apprehension. For organisations though, such a milestone is usually met with great pride and congratulations: we had a vision, we enacted it and look at what we achieved. So it is for Bank First this year. We hit our 50 year mark and celebrated accordingly. It's rare in the mutual sector for a credit union/mutual bank to stand alone for so long.

Our origin story is humble and inspiring. From the very first meeting in 1972, we've grown to be one of the top 10 Australian mutual banks in size with over \$3.3b of assets under management. Our bond with Members has always been strong and plays into a loan book of high asset quality. Capital strength is essential for a bank with significant aspirations for its future - its next 50 years. Your leadership team, Directors and Executive Management, understand this very well indeed.

As much as we celebrated our anniversary and marvelled at the legacy left by those stalwarts from our past, our face is firmly turned to our future. We have clearly delineated an optimistic three to five year strategic transformation blueprint with 2021/2022 as the foundation year.

Our solid financial results for this financial year are outlined in our CEO's report and I encourage you to read them closely.

Current economic conditions are challenging to say the least, so we all recognise the results as being particularly pleasing. We have goals to improve this year's metrics over the long term but, as a foundation year suggests, there's much to do in terms of growing our digital maturity and capacity as well as fine-tuning our operating model. Our purpose, our reason for being, is very much imprinted in our DNA and our Members need to understand why this bank is proud to care for and serve them.

A strategic transformation platform comes with its own resource needs – financial as well as human – and your Board has contributed to and has oversight of the path we have chosen. To thrive in the economic circumstances facing all mutual banks requires agility, vision and accountability for continuous improvement. Bank First is rising to the challenge and we will keep you up to date with our growth trajectory.

Behind these achievements sits a team of creative, dedicated and hardworking staff led by CEO, Michelle Bagnall. Michelle has a committed and productive leadership team who, in turn, lead their teams to understand the contribution each and every one of them makes to the success of our bank. All leaders, including Directors, understand that a culture which engages and supports, breeds success. I thank all our staff for what they do. You often let us know what it means to you when staff who care show you a way forward through smart and sensible financial decisions. I also want to assure you that the Board listens to your feedback as we navigate our bank forward for the coming 50 years.

Responsible custodianship of Bank First is our Board's moral duty. I thank my fellow Directors for their service, especially Michael Monester who completes his 12 year tenure at this year's AGM.



Our purpose, our reason for being is very much **imprinted in our DNA**



# Michelle Bagnall

## CEO's Report

In a year when the Bank celebrates 50 years, I would like to thank you for being part of our foundation story. We know that our future success depends on our Members and the way we work with you to meet your needs.

You told us that you:

- don't need us to be a bank for everyone;
- want us to be the bank that delivers on its promises;
- want us to be a good corporate citizen; and
- want us to demonstrate our point of difference in our actions.

This is what has driven us during the past 12 months and what continues to influence the choices we make as we continue to invest in your bank for the future.

We're not replacing human interaction with digital – we're offering all Members a way of banking with us, **that suits them**



### So, how do we set ourselves up for the next 50 years?

The key to the future of Bank First is investment in areas that matter most to Members.

We are investing in improving our service experience including in our contact centre, our branch bankers and also with our broker partners.

We are building out a program of technology spend to improve online banking services and our digital offering. To take our bank to the next 50 years, we must be where our Members need us to be, and for many, that's access to 24/7 banking via phone and other electronic devices.

We're not replacing human interaction with digital – we're ensuring that we're offering all Members a way of banking with us, that suits them.

### Our Members

We are acutely aware of the importance of balancing the needs of our loyal long-term Members with the needs of newer Members, especially those just starting out in their careers.

To our Members of the past 50 years, you have my commitment that we take your legacy seriously and we will not rest on our laurels. You are the reason we exist today as a strong and successful bank and it is your legacy that we now build upon.

### Partners and communities

Our partnerships are important to us and we're particular about who we choose to partner with. There must be an alignment of values and cultures as well as genuine opportunities to create value.

A huge thank you to all our partners, who lean into their relationship with Bank First. We have the deepest respect for you and your teams. We are honoured to partner with you.

### Our people

Yes, we're a bank, but it's our people and their genuine care for our Members that is our key point of difference.

Our people are the glue that binds us to our Members. I have a committed Executive Management team, leadership group and broader team who believe in our company and strategy. We're investing in a team which is engaged, empowered and excited about our future.

Your Bank remains in a strong financial position today with a clear focus on our priorities – a program of transformation and growth to take us into the next 50 years.

You are not just a customer to us. You are the reason we exist and we will continue to work hard to justify your continued trust in us.

### Financial highlights

We're in a **healthy financial position**, from a balance sheet and capital perspective.

As a bank, we operate under the same regulatory system as every Australian bank and it's a responsibility that we take very seriously.



↑ **Lending growth**  
up by  
**2.6%**



↑ **Deposits**  
up by  
**6.4%**



**Capital adequacy** of  
**15.76%**  
a solid foundation for  
future transformation work



Strong **liquidity position** of  
**22.1%**



High **asset quality** with  
provision for doubtful debt  
**0.08%**  
of total gross loans



# People and Culture

One of the most significant and positive changes we've seen in our business in the past year relates to our people.

Whether it's recruiting new people, investing in our current staff or creating role clarity for our teams – our people are our greatest asset. We're continuing to align the work of our people with our strategic priorities which creates a clear link between the future of our organisation and how we are building future-focused skills and roles for our staff.

This change alone has had an enormous impact on our productivity and a shift in culture from 'activity-based' to a focus on driving to achieve outcomes with tangible benefits for everyone, including our Members.

At Bank First, we want to be a place where our people can **succeed** and be their **absolute best**.

## What we're doing

Investing in the retention of staff with a focus on also attracting new talent and skill sets. Both from the community owned banking industry and across all industries – we're doing this to ensure we are innovative and well positioned for the next 50 years.

Creating a workplace that reflects the communities we work in and who we serve. We put an 'inclusion lens' over everything that we do.

Continuing to invest in our frontline capabilities and ensuring that our Member-facing staff (our bankers) have everything they need to best serve you.

Simplifying our processes and policies so our people can focus on what matters most, serving our Members.

## Our People

- Have confidence in their leaders and managers.
- Have clarity about their goals and how their work contributes to Bank First company goals.
- Are involved and empowered to make decisions.
- Are critical to the success of Bank First.
- Are excited about our investment in the future.

We want to be a place where our people can **succeed** and be their **absolute best**





# My Bank First Story

We all have a Bank First story.

Why we do what we do.

Why we love what we do.

Why we entrust our banking to Bank First.

From our Board of Directors and Executive team, to every single staff member who contributes to the running of Bank First – we care. We care about our 91,000 Members, we care about each other and we care about our community.

**In our 50th year, we share some of our Bank First stories.**

## Our Team

### Vin Gill

*Branch Manager  
2 years*

I've worked for the majors, and I reached the point where I was looking for a different culture and I've found it here. It may be a cliché but the people here are not numbers – they're people.

### Mitchell Boyd

*Information Security Analyst  
6 years*

I've seen a great deal of change to the business and we only continue to grow. There's a great plan ahead for the Technology Assurance Team in the next few years. It's an exciting place to be.



### Deb Dakin

*Recently retired long-term employee  
22 years*

When I look back at all the changes, what hasn't changed are the people and what we stand for. As a business we need to keep growing and improving but what we stand for must stay the same.

### Nathan Bull

*Member Engagement Team Leader  
20 years*

It's exciting to see our customer base expand with the next generation of nurses and educators and we need to ensure that they can bank the way they want – typically jumping online in their own time and doing everything themselves. But it's so important that while we embrace the new, we don't let go of the hands of our older customers.

## Founding and early Members



### Alan Dash

*Founding Member  
Former Chair*

Making a difference, making their finances easier...that felt fabulous. You knew you were making a difference. Thinking back over the past 50 years, it gives you a great warm feeling in the heart.

### Peter Leonard-Kanevsky

*Founding Member  
Inaugural Chair*

I feel very thankful that I've been fortunate enough to participate in the development of an organisation that puts people first and foremost ahead of profits. I think the organisation is one of the most worthwhile things that exists in the State of Victoria.

### Shane and Rena Cotter

*First home loan borrowers*

We just think that the services Bank First provides are second to none. Even when we ring up and have a query...it's always a welcoming and friendly voice.







# Partners and Communities

We partner with communities in the education and health sectors. Our partnerships are important to us. They're about more than a cheque and a handshake. The significance of our partnerships in local communities is deeply embedded in our culture. Our staff get involved. It's all about making a difference.

For Bank First, our partners are those who care for others. Our bank was borne out of caring for people. Our first loan was a \$200 rental bond for a Melbourne teacher – a single Mum who couldn't get a loan from a traditional bank to rent a home for her family.

**That was 50 years ago.**

Today, we're building on that legacy with a commitment to extend our Bank First Member base. We stay steadfastly loyal to our traditional education base but recognise that the nursing and allied health sectors are obvious partner 'communities' for us. Carrying on our tradition of caring for the finances of the people who care for others in our community.

By banking with us, you are reinvesting in your community.

Our **Bank First Community Fund** supports a range of programs and initiatives in the education and health sectors. Our staff take this community engagement one step further and volunteer their time to support our partners.



2021

26 partnerships – \$490,000

56 scholarships – \$115,500



# Our Impact

## Caring for those who care

### Partner: Alfred Hospital

Alfred Health has been committed to nursing education since 1871, developing some of the most experienced nurses in the country. In late-2022 our inaugural nursing scholarship recipient will be announced during Alfred Week. Fully funded by Bank First, this scholarship will advance nursing practice through clinical observation, research, education and leadership experiences, to share innovative ideas and concepts to Nursing at Alfred Health.

### Partner: St Vincent's Hospital

Bank First has supported St Vincent's Hospital's nurses with five scholarships. The St Vincent's Staff Scholarships Program supports the hospital's post-graduate nursing staff by creating opportunities for future leaders in healthcare. Our five inaugural scholarship recipients work in the fields of medical, emergency and cardiac nursing.

## Teaching Initiatives Program (TIP)

This is the 29th year of our Teaching Initiatives Program (TIP). During this time, we've provided more than **\$780,000** to **600-plus schools**.

Our **2022 People's Choice** winner was Essex Heights Primary School which has an innovative Mathematical Garden – taking math studies out of the classroom and into the playground.

**2022**  
**\$32,552** to **18 schools**

Right: Relationship Officer Brian Leo (right) pictured with Principal George Perini.



## Feeding families

### Partner: The One Box

Every week, the team at not-for-profit The One Box, pick fresh fruit and vegetables from Aussie farms. They source local bread and milk and work with local schools to supply essentials to families in need. Not just once, but for the entire school year. An initiative we are proud to support.

Our support, to date, has resulted in the distribution of **1853** boxes of fruit, vegetables and other grocery items to Victorian families.

### Partner: State Schools' Relief (SSR)

For the past five years we have helped purchase and distribute more than 2000 iPads for Victorian specialist school students. The technology is used by non-verbal students to help them communicate with their teachers, carers, friends and families. That's a **\$200,000** investment in our young people.

In 2021, **410** iPads were provided to specialist school students in **51 schools** across Victoria.

Right: Coburg Special Developmental School

## Pinch-a-shampoo for those in need



## Sustainable teaching

### Partner: Sustainability Victoria

Victoria's largest sustainability awards program, the ResourceSmart School Awards, recognises schools and individual teachers who are leading the way in environmental sustainability. We sponsor the 'Primary School Teacher of the Year' and 'Secondary School Teacher of the Year' categories.

## Giving students a voice



### Partner: Pinchapoo

The Hospital Hygiene Program ensures every Victorian public hospital emergency department has hygiene packs for patients. Our staff volunteer their time to help pack products every year. In 2021 hospitals across the State received **10,535** Bank First sponsored hygiene packs.

Left: We're proud to partner with Pinchapoo founder Kate Austin - Australia's number one not-for-profit hygiene supplier.





## Head Office

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