



bankofus.com.au
1300 306 716

Us is a
plus



Bank of us.
Tasmania | Community | Customer



A year in numbers



Our people are **highly engaged**
Overall 2023 engagement score increased 2% to

86%

Prompted awareness of the Bank of us **brand** increased to

91%

(2021 82%)

88%

of Bank of us customers **would recommend** us to family and friends

Our owner-occupied home lending market share increased by 34% to

10%

7

Retail stores statewide

Giving **Tasmanians** a choice as to how they do their banking with us.

Welcome

to the
Bank of us 2023
Year in review

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From the Chair & CEO

We're pleased to report a very strong year of record growth. Our loan book has shown fantastic growth and we welcomed a record number of new customers. The MyHome shared equity program has built momentum which we believe will grow over the next few years. We have delivered an exceptional profit result this year, thanks to a strong housing market and higher interest rates.

The highlights

- Assets grew 14% to \$1.55Bn
- Record inflow of 3,840 customers to 33,467 active customers
- We wrote a record \$401M in new loans, 12% growth on the previous year.
- Loan book grew by \$140M to \$1.26Bn
- After tax profit of \$9.4M

This profit was achieved during a unique economic cycle and while we don't expect to immediately repeat this result, we remain confident in the Tasmanian housing market and the performance of our loan book.

Partnerships

We work with like-minded Tasmanian organisations so we can create more value for Tasmanian communities. We're partnering with:



St.LukesHealth



Wilson Homes



CGU Insurance



Master Builders Tasmania

The relationships we've built enable us to grow our business and provide innovative banking solutions for Tasmanians.



Significant initiatives

- MyHome – built momentum since launching July 2022.
- Fraud monitoring upgrade to help protect customer funds.

Industry environment

Inflationary pressure saw the Reserve Bank increase the cash rate 11 times over the last 12 months. While we acknowledge the multiple interest rate increases were painful for borrowers, demand for housing in Tasmania remained strong. There was reward for savers as interest rates rose. We have been operating in an exceptional economic period as the world recovers from the pandemic and we expect inflation to ease over the next 12 months.

Future strategy

We're staying true to our purpose of getting more Tasmanians into housing. We're also embracing our Tasmanian-ness. As the only 100% Tasmanian owned bank, we're proud to be local, we know our communities and we know what Tasmanians want. We're saying goodbye to the Bank of useful ideas and taking a new approach to help improve the financial literacy of Tasmanians. We want to help build resilient, sustainable communities, empowered by financial well-being.

Conclusion

We thank our customers for their ongoing support and our people for their dedication to deliver banking that benefits Tasmanians. Our customer measures continue to be excellent and remain a key point of difference in a competitive market.



Helen Galloway
Chair



Paul Ranson
CEO



Financial performance

For the year ended 30 June 2023

Photo: Jess Oakenfull - Brand Tasmania



Financially, Bank of us continues to perform strongly with an improved profit, high loan portfolio and deposit growth.

After tax profit

was up by 83% to

\$9.4M

(2022 \$5.1M)

The increase was primarily driven by strong loan book growth and RBA cash rate increases. A revaluation of our investment properties also favourably contributed \$0.8M.

Total assets

grew by \$195M or 14% to

\$1.556Bn

(2022 \$1.362Bn)

This was due to growth in loans and a decision to carry higher liquidity to manage a strong pipeline of loans approved but not yet funded at 30 June 2023.



Net loan portfolio
grew by \$140M or 12% to

\$1.269Bn

(2022 \$1.129Bn)

A significant achievement in a highly competitive and challenging environment. The loan book growth was underpinned by excellent loan retention and further bolstered by being the exclusive provider of the Tasmanian Government's MyHome shared equity program.

Net assets

increased by \$10.0M to

\$96.6M

(2022 \$86.6M)

Capital adequacy on a risk-weighted basis increased from 15.5% to 16.4%. This was mainly due to impacts of APRA's revised capital framework, taking effect during the year, with strong loan portfolio growth and increases in liquidity being sustained by retained earnings. Capital adequacy remains well above APRA's prudential requirements and the Board's preferred minimum holding level.



Loan approvals

for the year were

\$401M

(2022 \$363M)

Loan approvals were a record result, increasing by \$38M on last year's record of \$363M.

**A business
milestone record!**



Funding increased

by \$173M to

\$1.437Bn

(2022 \$1.264Bn)

The year ended with a strong liquidity position. Total funding of retail deposits, wholesale deposits and the RBA term funding facility increased by \$173M to finish the year at \$1.437Bn with total liquidity at 16.2% (2022: 15.0%). We expanded our treasury instruments by issuing \$27.5M of Floating Rate Notes for the first time during the year.



**Excellent quality
loan book**

The quality of the loan book is excellent in composition and continues to perform extremely well with low levels of delinquency at 0.32% (2022 0.15%). Loans under hardship arrangements remain low relative to the total loan portfolio at \$5.9M (2022: \$2.2M).

Our People

Directors



1 Helen Galloway
Chair (BCom BIS FCPA GAICD)

2 Scott Newton
Director (BBus L.Ec FAPI CPV GAICD)

3 Robert King
Director (BSc MBA GAICD)

4 Stephen Brown
Director (MBA BBus FCA FAICD)

5 Kathryn McCann
Director (BCom BA)

6 Mark Nugent
Director (BCom CPA AICD)

Our People

Executive Team



1 **Paul Ranson**
Chief Executive Officer

2 **Matthew Ciezki**
Chief Financial Officer

3 **Jill Jetson-Shumbusho**
Chief People and Customer Officer

4 **Natasha Whish-Wilson**
Chief Risk Officer

5 **Nick Bird**
Chief Information Officer

We welcomed a new Chair, Helen Galloway and thanked director Scott Newton for his time at the helm. Helen joined the board in 2019.

We also welcomed new intern director, Emily Caswell. We're committed to providing opportunities to Tasmanian professionals to develop their governance skills and build the pipeline of directors in Tasmania.

We continue to invest to build a strong culture around our people. We undertook research to find out what our people like most about working with Bank of us and where we can improve. We also undertook salary benchmarking to ensure that our remuneration is competitive in the market. Our annual culture survey delivered a higher engagement score than the previous year.

Saying goodbye to...

Gerald White

We said farewell to our Chief Financial Officer, Gerald White who retired after 10 years service.



Saying hello to...

Matthew Ciezki

Finance Manager, Matt Ciezki has been promoted to Chief Financial Officer, CFO.



Impact



We want to continue to make a difference in the lives of Tasmanians, our communities and the environment and will do this through the delivery of our new Impact Strategy.

Our strategy is informed by our new impact framework. The framework has oversight of the performance of our strategic pillars- Impact, People, Customer and Business.

Our strategic plan for the next 5 years will focus on 3 key impact areas:

Contribute to improving financial literacy in Tasmania, with a focus on our customers

Help more Tasmanians into housing

Make a difference in the lives of people, communities, and the environment

Each year we will report on our progress. We will highlight:

The great things we've done

The things we're getting better at

And what steps we need to take to improve



Getting Tasmanians into homes with MyHome

We're celebrating 1 year of MyHome.

As the exclusive lender to the Tasmanian Government's MyHome shared equity program, we've supported 420 Tasmanians into housing over the past 12 months. Since our beginnings in 1870, housing finance has been our focus and our results this year show we've remained true to our purpose.

MyHome assists eligible home buyers to build or purchase a home to live in as the costs are shared with Homes Tasmania. Visit our website to find out more.

Key statistics:

162 Properties purchased

131 were existing properties

31 House and land packages

Properties

97 in the South

39 in the North

26 in the North West

We're saying goodbye to the Bank of *useful* ideas

As we transition our focus, we've made a decision to dissolve our current community strategy, which includes the **Bank of useful ideas community initiative**.



After 4 years, we've been able to support some fantastic projects. From a reading challenge in Burnie through to a beautifully painted toilet block in Rosny, we're proud to have supported ideas that have benefited the local communities we operate in. We look forward to sharing more about our new focus in the year ahead.

A small step in our journey to have a lighter environmental impact.



New Eco Visa Credit and Debit Cards

Made from 90% plant materials

We introduced our new Visa Debit & Credit cards- made from a corn based material rather than plastic.



Investing in safety and security

Photo: Moon Cheese Studio - Brand Tasmania

We know that our customers want a bank that is safe and secure.

In our recent customer survey, **97%** of customers said it was an important attribute when considering a financial institution.

We're all vulnerable to the global crime wave of fraud and scams. As scammers become increasingly sophisticated in their tactics, we need to coordinate our efforts to stop them.

At Bank of us, we're sharing more information about scams and how our customers can protect themselves by practicing good personal security measures like:

- Keeping personal information private,
- Healthy password practices and
- Being alert to suspicious messages, calls and emails.

Protecting our customers funds

This year we undertook a significant project to migrate our payment services to a new platform. This included an upgrade to our fraud monitoring system, enhancing protection for our customers.

Our external fraud monitoring team are monitoring customer accounts 24/7 and if they detect suspicious activity, they get in touch.

Our fraud protection measures have saved more than

\$500K

of customers funds from scammers in less than 12 months.

We'll continue to invest in technology and infrastructure that makes banking safer and more secure for our customers. We all need to remain vigilant to combat the threat of scams and fraud.



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