

Changing lives.

2019 Corporate Report.



Beyond Bank
AUSTRALIA

Our purpose.

To create and return value and through this we change lives.



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Welcome.

We are Beyond Bank Australia, one of the largest customer-owned banks in Australia. As a customer owned bank, we've been putting people before profit for over 60 years.

Our vision is to be the leading customer-owned financial services group, renowned for enriching the lives of our customers and their community. Quite simply, the best local bank.

Our purpose is to create and return value and through this we change lives.

We are also proud to be Australia's first B Corp certified bank. B Corps use their business as a force for good by balancing profit and purpose.

We are dedicated to creating value through mutually beneficial partnerships. By working with like-minded individuals and organisations, we aim to create more good together.

It's why we are the other way to bank.

2019 Corporate Report.

This year we have prepared our first Corporate Report in conjunction with our Annual Financial Report.

This report outlines who we are as a mutual bank, our values and purpose.

It covers our performance for the period 1 July 2018 to 30 June 2019 in relation to people, profit and planet. The report also highlights our impact based on the B Impact Assessment framework for governance, our people, customers, community and environment and it links to the 17 United Nations Sustainable Development Goals.



“We're focussed on building a sustainable business to create a better tomorrow.”

Robert Keogh, CEO Beyond Bank Australia

Our performance highlights.



91%

customer satisfaction



5.1%

lending growth

\$6.2b

Assets
under management



Donated over \$650,000

in community reward payments



*internal assessment

140
impact score



17.43%
Capital adequacy ratio

Over \$2.4m
Foundation grants



Over 9%
NPAT reinvested into the community



7.8% ↑

wealth management clients



25,500

salary packaging customers

Message from our Chair and CEO.

Banking for good.

There has never been a better time to be a customer-owned bank and we are excited about the role customer-owned banks have to play for people who want a different banking experience — one that they can trust is centred around them.

Our customer-first approach, one of our core values, is based on a foundation of co-operative endeavour and our purpose is to change lives.

Our focus has and will always be on our customers. As a proud B Corp bank, we believe in using business as a force for good by being the best bank for our community.

Importance of good governance.

It is the Board's responsibility to provide oversight of the strategic direction of the bank, to ensure risks are effectively managed to protect our customers' money and to make decisions that are financially sound.

Good governance is critical to fostering a thriving business environment. We are managing for the long term and in the best interests of our customers and communities around Australia.

Our culture is really special, and it is a delight to see it living in each of our people. We want everyone to see how Beyond Bank is different, by doing what's right for our customers. Financial services are a fundamental driver for prosperity in society and it is our job to help customers and communities to grow.

People before profit.

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was a sobering look into the world of the finance industry and its failings towards so many customers.

Despite a number of challenges facing the financial services industry — including increased scrutiny and regulation surrounding the Royal Commission, combined with a historically low

interest rate environment — we ended the year in a comfortable position with growth in both customer deposits and lending, while profitability was only slightly down from the previous year.

In 2019, we continued to focus on delivering an even better customer experience through our branches, call centre and digital experience.

We are very pleased to announce that we achieved a customer satisfaction rating of 91% for the year, an outstanding result that highlights our commitment to our customers and the dedication and capability of our people.

Another highlight was the collaboration with key stakeholders to create an inclusive branch in the ACT for people living with special needs.

As a result of our strong performance, we are able to invest in technology that improves customer experience. Our mobile banking app and online banking have been awarded the best in our sector by Canstar.

And we continued to invest heavily in our community through our Beyond Bank Foundation and community programs with more than 9% of our profits after tax going towards supporting important causes across our regions.

Changing lives.

In an ever-changing world, we believe it's important now more than ever to stay true to our values and vision to enrich the lives of our customers. Our focus is on creating and returning value to customers and communities and through this we change lives.

To our customers and communities, thank you for your ongoing support. And to all of our staff, we sincerely thank you for your ongoing efforts, passion and commitment to our purpose.

Ms Sam Andersen
Chair,
Beyond Bank Australia

Mr Robert Keogh
Chief Executive Officer,
Beyond Bank Australia



Our story.

Looking back.

Beyond Bank Australia has a long and proud history that started with a meeting around a kitchen table. From these humble beginnings we were formed over 60 years ago by people who were being left behind by a banking system that did not meet their needs.

They saw a future where a new way of banking would change the lives of everyday Australians by creating prosperity for all. As a cooperative they used their savings to fund loans for other members to help improve their financial wellbeing.

Over the years our organisation has continued to grow and expand, assisted via mergers with over 40 credit unions across Australia. And in 2013, Beyond Bank Australia was born when we acquired the banking licence to become a customer-owned bank.

Today, Beyond Bank has a national footprint and is one of the largest customer-owned banks in Australia with more than \$6 billion in assets under management and over 240,000 customers. We proudly still operate with the same values and purpose on which we were built.



Merger Milestones

2006	2008	2010	2011	2013	2013	2016	2017
Community CPS Australia formed after merger of CPS Credit Union SA and ACT	United Credit Union, ATO Employees Credit Union, Polish Credit Union	Companion Credit Union	Wagga Mutual Credit Union	Alliance One Credit Union	Beyond Bank Australia – Mutual bank & name change	Country First Credit Union	MY Credit Union

The purpose of our business.

Our purpose as a customer-owned bank is to ‘create and return value and through this we change lives’.

It’s a bold purpose, but it is one we stand behind and one that resonates with our people. As a customer-owned bank, we understand our role and the responsibility of our decisions — decisions that have the potential to make a profound impact on the lives of our customers and their communities through wealth generation and prosperity.

We change lives through economic empowerment and financial wellbeing, helping to put our customers on a path to financial independence.

We assist those hoping to buy a new home, which is still considered the main contributor to wealth creation and financial security.

With many households facing record levels of debt and low levels of savings, we help our customers save for the important things in their lives such as their children’s education, a car or holiday. We also help them plan for their retirement or help to protect them and their families financially when life doesn’t go to plan.

By also helping to reduce debts and avoid payday lending, we help our customers worry less about money so that they can focus on the things they care about the most.

It is these broader challenges in our community that also speak to our purpose: to create real change and impact in our communities so that together we are in a position to prosper.

Our purpose helps deliver on our vision to be the best local bank that enriches lives.

At Beyond Bank we believe it’s not about the money you make as an organisation, it’s about what you do with it that counts.



“ I purchased my first house. Surprisingly it didn’t take long to save for my deposit — once I had my initial discussion with the team at Beyond Bank, they put me on a savings plan and within six months I purchased my first home. ”

Taylor, first home owner

The benefits of customer ownership.

From the very beginning our organisation was built on the principles of cooperation, fairness, equity, democracy, social responsibility and caring for others.

Our customers are our owners and everything we do is to benefit them and their communities.

The Board of Directors represents our customers and our constitution reflects our values of customer and community — it is embedded in our DNA.

Beyond Bank is managed by our executive team and is supported by over 600 staff across Australia.

Our business is designed for purpose. We operate to create and return value for our customers through strong capital growth and by reinvesting profits back into the bank to benefit customers.

Customer benefits include:

Focus on your financial wellbeing.

Outstanding customer service.

Easy access to your money.

Full suite of products and services.



Competitive interest rates.

Low fees.

Have your say in our future by voting for our Board of Directors.

Support for your community.

This circle of mutual prosperity flows through our communities and is further supported by our work in the not-for-profit sector and how we give back to help those in need. If our customers and communities are doing well, then our business does well in return. It's how our bank, our customers and our community support each other to thrive.

We are guided by the International Cooperative Alliance Principles and are members of both the Customer Owned Banking Association (COBA) and the Business Council of Co-operatives and Mutuals (BCCM).

The International Cooperative Alliance principles are; Voluntary and Open Membership, Democratic Member Control, Member Economic Participation, Autonomy and Independence, Education, Training, and Information, Cooperation among Cooperatives and Concern for Community.

As a certified B Corp we are building on the principles of cooperation. By using our business as a force for good we are working to benefit all stakeholders including our people, customers, our suppliers, the environment and the community.

Strategic priorities.

The world of financial services continues to change rapidly. We cannot sit still. We must continue to evolve and innovate to shape the financial services industry of the future so that it meets the needs of our customers and society.

In this fast-moving environment, we continue to review our approach and have increased our focus on business purpose and values.

The values we share.

Our values are the foundation of our organisation that help to shape our culture.



Mutuality.



Community.



Customer-first.



Integrity.



Sustainability.

Our commitment is one of balance.



People.

We value the contribution of our people and the support of our customers by helping to make our communities better places to live and work.



Profit.

We aim to be a sustainable business that balances profit and purpose.



Planet.

We strive to reduce our environmental footprint by using resources efficiently, reducing consumption, and helping our customers and people to do the same.

Our communities.

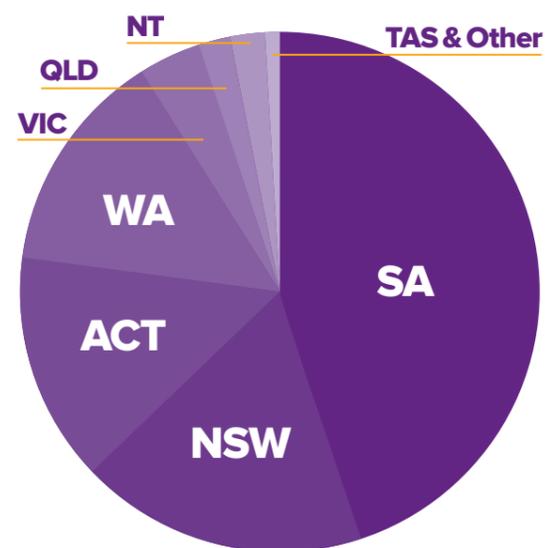
Beyond Bank has a nationwide footprint with a local perspective. We operate corporate offices and branches across four metropolitan areas and three regional areas.

We offer personal and business banking, banking services for the community sector, salary packaging, wealth and financial planning services and insurance.

Our customers can choose how they interact with us, in a way that best suits their needs — whether that's via our local branch network, call centre or through our award-winning internet banking and app.

In 2019, we expanded our footprint in the Riverina with the opening of a service centre in Albury, NSW. Following our move in 2018 into the Sydney market, we also moved to a new branch location in Parramatta.

Customers by region.





Our approach to inclusive communities.

Every community is different, and we understand that communities are made up of people from different backgrounds and cultures with different interests and beliefs.

Yet despite these differences, communities thrive through connections and relationships. At Beyond Bank we celebrate the diversity in our communities, which is why our approach is to foster inclusive communities. We don't just support local communities; we are part of the local community.

We encourage and support our people to be connected, active and engaged in our communities, seeing the world through the eyes of our customers. That's how we can build relationships, understand local needs and better serve our customers.

Case study: Inclusive branch design.

Our Canberra City branch was co-created with our community partners in the disability sector to be accessible to all. We've gone beyond physical access by consulting with a range of people with lived experience to create a space where people with cognitive issues such as dementia, autism or down syndrome also feel at ease.

The branch has been purpose built to accommodate the special needs of those living with a disability with subtle changes to textures, colour, signage, flooring and bench tops to make it warm and inviting.

Carl, 21, who is living with autism was pleased with the designated meeting room that is sound proofed with dimmable lighting. "Noise, not just the volume but the amount of it can also be stressful."

With feedback provided from the community at various stages along the design process, the final result has been a resounding success.



Community development.

Our community team.

In 2013 we developed a community strategy focused on creating shared value.

We think one of the best ways we can help strengthen local communities is to support the wonderful people and organisations in our community who are focussed on helping others.

We have a dedicated community development team across our regions which works with the community sector to build mutually beneficial relationships. The team is committed to driving positive outcomes for the sector.

This includes providing banking products that deliver a social benefit such as our community reward savings account and salary packaging services for not-for-profit employees.

It also includes a range of important programs in the areas of sustainability, corporate volunteering and financial literacy. Our approach has been recognised as industry leading and Beyond Bank is a multiple winner of the Best Corporate Social Responsibility Program in Banking at the Australian Retail Banking Awards.

The Beyond Bank Foundation.

The Beyond Bank Australia Foundation was established in 2007. It was formed as another way for our bank to give back to the community and as a way we could focus on some of the greatest challenges facing society.

Funded by an annual contribution from the bank's profits, the Foundation has contributed towards investments totalling more than \$25 million to programs and community groups across a range of causes.

The Beyond Bank Australia Foundation Board is chaired by Mr. David Nichol with Ms Rebecca Richardson and the Bank's CEO, Mr Robert Keogh as Directors.

The current focus areas of the Foundation include affordable housing, aged support, financial wellbeing and disability support. These were selected because of the unique position we are in as a financial organisation to make a profound and genuine impact.

2019 Beyond Bank Foundation initiatives.

Over the past financial year, the Foundation has contributed over \$410,000 to 17 initiatives across Australia. In addition, the Foundation was also able to offer financial assistance to the NSW Hunter and Riverina regions to assist with drought relief.



Case study: Anglicare SA.

A shortage of crisis accommodation and affordable housing means homeless parents and their children are often housed in motels, creating dislocation from schools and support networks.

In 2018, we announced a three-year partnership to provide funding to support Anglicare SA's Turning Point program. Turning Point provides safe, stable short-term accommodation for homeless single-parent families with young children. The program also focusses on supporting people to access stable and permanent housing.

Since launching the program in 2016, Anglicare SA has supported 54 families, who were homeless or at risk of homelessness. Through this partnership, we are helping to support families in crisis and break the cycle of homelessness.

Focus area: Housing affordability.

Housing affordability is a major issue and concern for many Australians. When people are excluded from home ownership, they miss out on its many benefits including a sense of belonging, prosperity and financial wellbeing.

We are supporting Australians experiencing these challenges by partnering with organisations that provide support to the homeless as well as those seeking to become home owners.

Together, our impact includes providing lower-income families with opportunities to stay connected to their communities, facilitating pathways to home ownership, rental assistance and support services for those in need.

Compass Housing	Hunter Valley
Through the Beyond Bank scholarship program, Compass Housing is providing young people living in social housing with an opportunity to follow their talents and passions.	
Anglicare SA	SA Metro
By partnering with Anglicare SA's Turning Point program, we are able to provide crisis housing support to young families typically fleeing the effects of domestic violence.	
YWCA Canberra	ACT
We are supporting women on low incomes through an innovative solution that helps match them with affordable rental properties.	
Foundation Housing	Western Australia
Through Foundation Housing and United Way WA, we aim to provide a mentoring program that provides a pathway from social housing to home ownership.	
Hutt Street Centre	SA Metro
Via a partnership that extends eight years, we are providing critical support to people in Adelaide experiencing homelessness.	
Community Housing Industry Association	National Focus
By supporting the peak body for community housing in Australia, we aim to see more Australians have access to safe and affordable housing.	
Leeton Community Op Shop	Riverina
Support was provided to develop a commercial kitchen that provides a meal to those seeking support in a warm and accepting environment.	
Police Citizens and Youth Club (Griffith)	Riverina
We partner with PCYC Griffith to help local youth, by providing them with the basic necessities and ongoing support at a critical time in their lives.	

Case study:
Maroba Caring Communities.

This year we announced a partnership with Maroba Caring Communities in support of their Wellness Program for older Australians.

The program seeks to provide a healthy approach to ageing through activities like art classes, music and memory sessions, gym sessions and regular social outings. These activities will help improve social connectedness and personal wellbeing while fostering positive relationships.

Focus area:
Support for older Australians.

As the population ages, older Australians are facing many challenges. Finding services and support can be difficult. The Foundation provides support for programs that promote financial and social inclusion, physical and emotional wellbeing, access to information and technology, and a better banking service.

We are on a pathway which seeks to re-imagine banking in order to help change lives and create an exciting tomorrow for older Australians.



Whyalla Aged Care	SA Regional
Our partnership with Whyalla Aged Care has resulted in the creation of an Aged Care hub that is designed to offer a 'one-stop shop' for aged support services in the region.	
COTA SA	SA Regional
Through this partnership we aim to break down the barriers to social connectedness and improve the wellbeing of older Australians living in regional South Australia.	
Maroba	Hunter Valley
Our support enables the older residents to participate in the Centre's wellness programs.	
Meals on Wheels NSW	Sydney
By partnering with Meals on Wheels NSW, we provide support to frail older people as well as younger people with disabilities and their carers.	



Case study: Aspect.

Through an Australian-first research project with Autism Spectrum Australia (Aspect), we hope to gain a better understanding of the nature and extent of barriers to financial literacy for people living on the autism spectrum.

We believe managing your own money is important to everyone as it creates financial independence and the freedom to make your own decisions. We look forward to working with Aspect to better understand this issue and to help make positive changes.

Focus area: Support to those living with a disability.

The disability sector has faced major disruption in recent times with significant changes to funding models.

We are working with a range of disability support organisations to help provide services that build social inclusion, independence, personal confidence and self-esteem, develop life skills and communication, and support employment readiness.

We are excited about building a better bank for people with a disability, their families, carers and the many great organisations in our community who add so much to building a better and more inclusive society.

Nulsen	Western Australia
Our support of the Nulsen Youth Patron Program fosters social wellbeing and harmony by engaging with local school students to actively improve the quality of life for people with disabilities.	
The Mai-Wel Group	Hunter Valley
Via Mai-Wel's highly successful Get Started program, we aim to help young people with disabilities to better prepare for the world of work and the opportunities that exist after school life.	
Aspect	Sydney
We support a vital research program that aims to foster financial autonomy and long-term independence for people on the autism spectrum.	
I am Here	Hunter Valley
Via the Beyond Care Program, we provide vital everyday necessities for people living with acquired brain injuries.	
Ningana	Riverina
We provided support to purchase essential equipment that is used to deliver Ningana's Transition to Work and Community Participation programs for people with disability.	

Business sustainability.

Financial performance.

In 2018–19, we were able to steadily grow our loan portfolio by 5.1%, which was above overall financial system growth. Customer deposits grew by 7.2% which contributed to total operating income growing by 4.2% to \$153.1 million.

In what was a challenging period for the financial services sector, net profit for the period (after tax) was below budget at \$19.4 million, a decrease of 23.6% when compared with 2017–18. However, this result included several exceptional transactions; these included an impairment expense of \$4.282m in relation to the Goodwill and Intangible assets held by Eastwoods Wealth Management Pty Ltd, and a \$0.518m reduction in income due to the accounting treatment required under accounting standard AASB15 Revenue.

However, it was pleasing to see strong growth in customer-owned reserves to \$509.1 million, an increase of 4.6% on 2018.

Overall, the year was successful in terms of growing our asset base, particularly via lending and returning value to customers, while simultaneously increasing our customer-owned reserves and the underlying surety of the organisation. These results were achieved despite the reduced net profit and while managing the challenging low interest rate environment.

For further information regarding our financial performance, please refer to our 2019 Annual Report.

Performance highlights.

Total assets under management
\$6.2b
(2017/18 \$5.8 billion)

Net profit after tax
\$19.4m
(2017/18 \$25.4 million)

Cost to income ratio
75.3%
(2017/18 73.8%)

Lending growth
5.1%
(2017/18 7.1%)

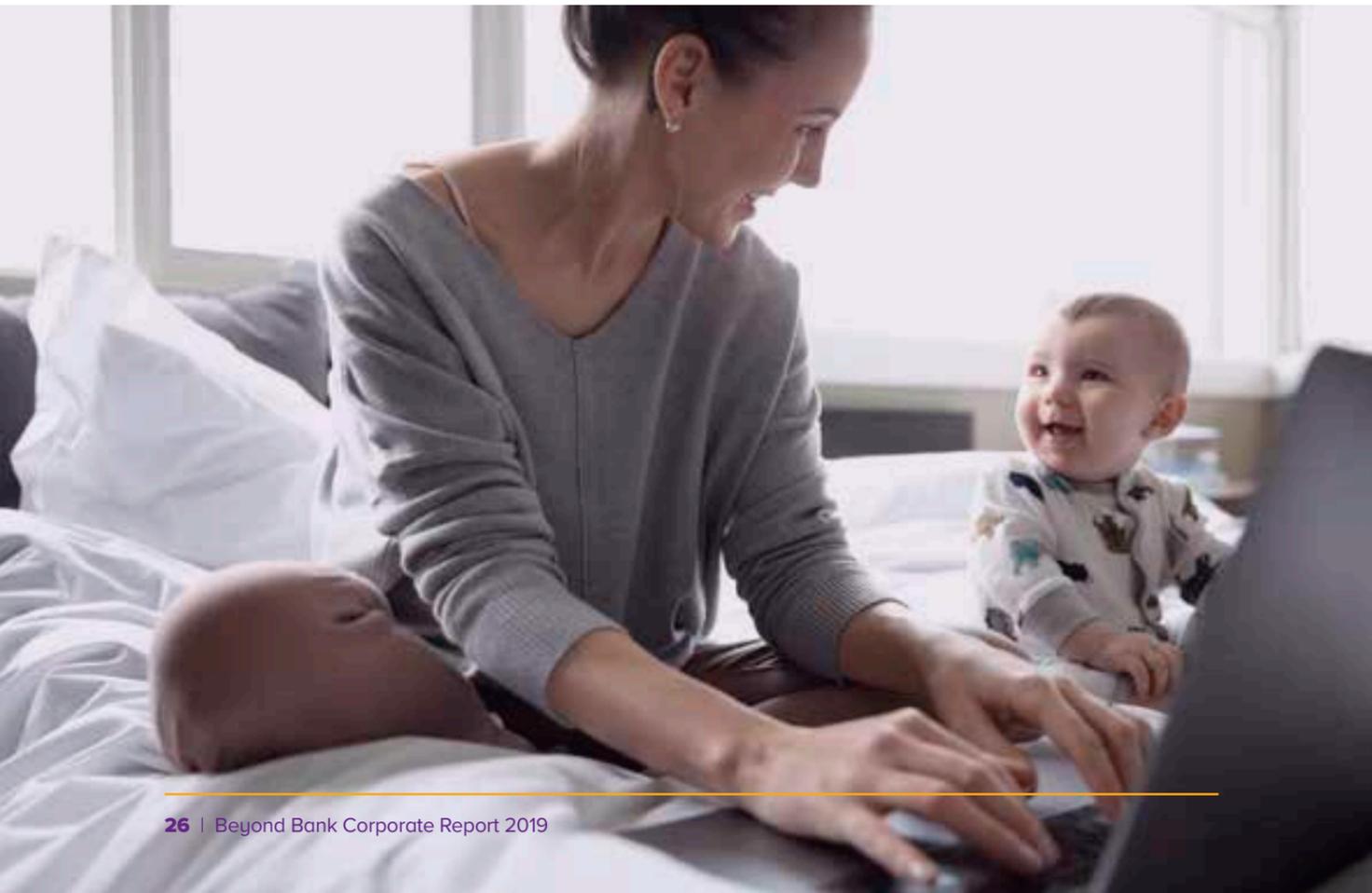
Customer owned reserves
\$509.1m
accumulated profit owned by customers
(2017/18 \$486.9 million)

Deposit growth
7.2%
(2017/18 2.1%)

Loan delinquency
0.65%
% of total loan portfolio 30 days or more in arrears
(2017/18 0.54%)

Capital adequacy ratio
17.4%
prudential strength
(2017/18 17.3%)

Total liquidity
13.1%
% of liabilities
(2017/18 13.3%)





“We want to make sure that the impact we have is meaningful, sustainable and aligned to our overall business objectives so we can make a real difference and change lives.”

Robert Keogh, CEO Beyond Bank Australia

Impact.

At Beyond Bank we put people before profit.

As a purpose-driven organisation, not only do we want to ensure we create and return value for our customers and our communities, but we want to do it in a way that helps change lives. We want our business to make a difference, to contribute to the greater good in our society and to change people's lives for the better. We want our business to have a positive impact.

To demonstrate this commitment to using our business as a force for good, we're proud to be a certified B Corp.

B Corp – The Good Business Certification.

B Corp businesses are part of a growing global movement that aims to redefine what success in business looks like. Not only are B Corps working to improve the sustainability of their operations across governance, people, customers, community and the environment, but they embed this within their business model — using their business as a force for good.

Beyond Bank became certified as a B Corp in 2015 and was the first bank in Australia to join the global movement. In 2017, we successfully recertified after a rigorous internal review of our business model. Our next recertification is due in 2020.

As a B Corp, we meet the highest standards of social and environmental performance, accountability and transparency. We measure what matters and work to ensure our bank benefits all stakeholders — not just our customers and community, but our people, our suppliers and our environment. We are continually building on our cooperative values to ensure they are relevant for the world we live in today.



B Corp Impact Score.

To become a certified B Corp, we underwent a rigorous assessment process to measure the social and environmental impact of our business. This assessment was then externally verified by B Lab, the not-for-profit organisation behind the B Corp movement. At our recertification in 2017 we achieved a score of 98.

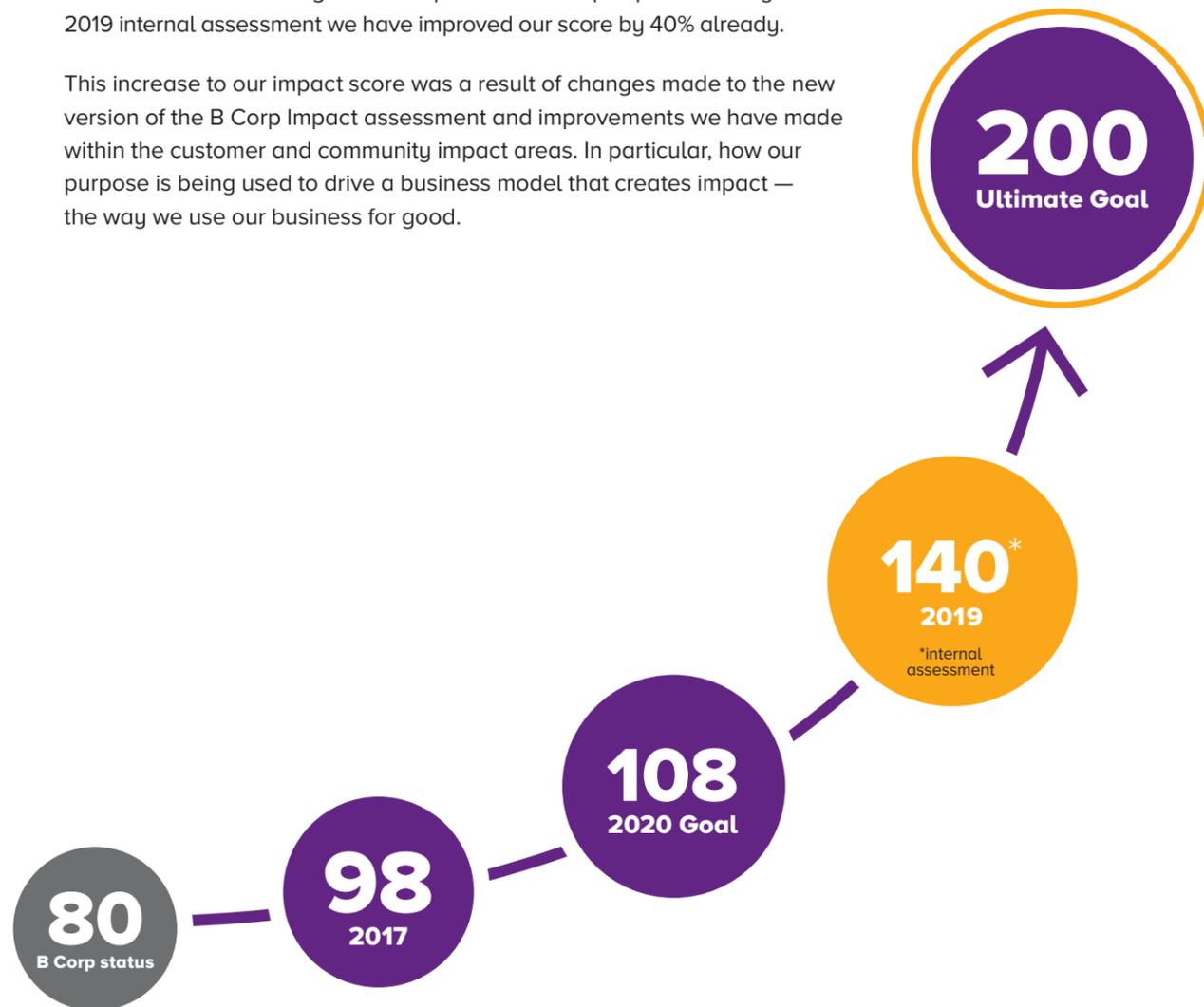
A key challenge for us has been to keep up with changes to how B Corps are measured and what best practice looks like, while continuing to embed purpose into our business model.

Our B Corp score helps us to measure what matters and the positive impact our business has on all of our stakeholders. When we increase our impact, we increase the benefits to our stakeholders. Our impact helps to make a difference and change the lives of more people in our community.

Overall B Corp Impact Score.

Our 2020 recertification goal is to improve our B Corp Impact score by 10%. Based on our 2019 internal assessment we have improved our score by 40% already.

This increase to our impact score was a result of changes made to the new version of the B Corp Impact assessment and improvements we have made within the customer and community impact areas. In particular, how our purpose is being used to drive a business model that creates impact — the way we use our business for good.



*Score based on internal assessment to track progress prior to recertification in 2020.

The Sustainable Development Goals (SDGs).

The United Nations 17 sustainable development goals and corresponding targets are a global call to action to transform our world. The 2030 agenda for sustainable development aims to address the world's greatest challenges — to balance people, planet and prosperity to shift our world onto a more sustainable and resilient path.

The impact we are measuring through our B Corp certification supports the achievement of the 17 SDGs.



Governance.

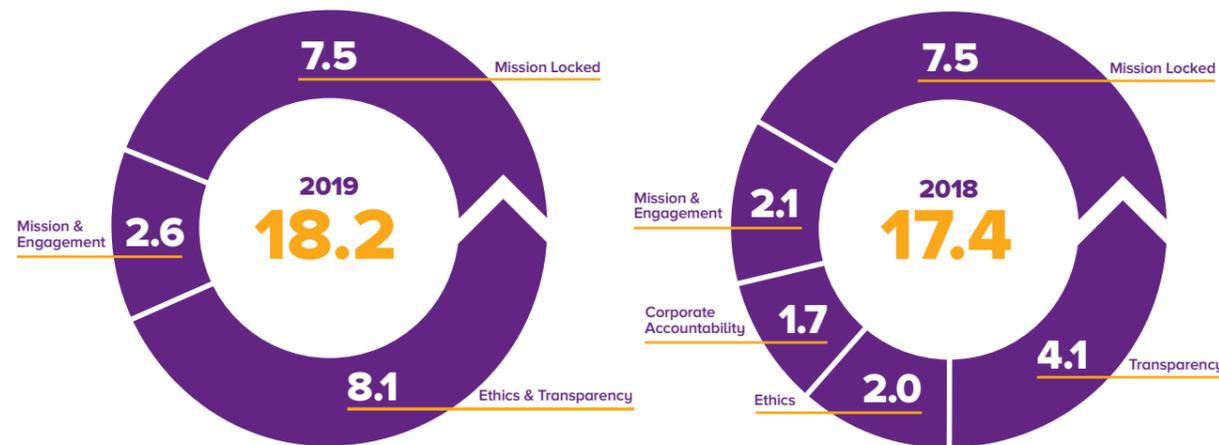
Ethics • Accountability • Transparency

At Beyond Bank, good corporate governance and cooperative endeavour is the foundation on which our business has grown.

Our B Corp Impact Score is assessed on our commitment to preserving our mission (or purpose), our ethics and the overall accountability and transparency of our practices and policies.

We improve our impact when we engage our stakeholders, focus on our purpose and continue to ensure our business is governed in an ethical and transparent way.

B Corp Impact Score.



Sustainable Development Goals.

The positive impact we have in governance helps to contribute to the following global goals.



Our performance.

Our key improvements related to governance include:

- **Mission Locked:** by reviewing our purpose and what we are in business to achieve.
- **Transparency:** Increased through the delivery of our 2018 sustainability report which aligned to the B Corp Impact assessment framework and SDGs.

FY19 initiatives

Review opportunities to engage stakeholders on social and environmental performance.

FY19 performance

In progress The focus on redefining our organisational strategy meant we postponed the review of stakeholder engagement this year.

We involved stakeholders in the redesign of our inclusive and accessible Civic branch in Canberra.

Not achieved We launched a Voicebox initiative to engage with our people as a way of seeking their feedback and ideas.

We received feedback from our customers via a survey which includes how satisfied they are with our bank.

FY20 plan

Continue to focus on our customers and broaden our stakeholder engagement efforts across key groups and initiatives.

Align our corporate and sustainability reporting with the Global Reporting Initiative (GRI) standards.

● Achieved
 ◐ In progress
 ○ Not achieved

“It was 24 months ago my health declined, I started feeling out of control financially. The bills were mounting up. Beyond Bank staff were so understanding and provided the right advice when I needed it the most and for that I am very grateful. Now, fortunately, my health has improved and I have made it through knowing my bank genuinely cared about a positive outcome for me.”

Jenny, financial wellbeing



Case study: Customer-owned banking.

As a customer-owned bank, we always put our customers first through responsible and ethical banking. Responsible banking practices ensure that we are setting our customers up for success by only lending to them what they can afford.

If any of our customers do experience financial hardship, we provide support to help them through a difficult time in their lives whether it be personal loss, tragedy, ill health, unemployment or a family breakdown.

Case Study: Cybersecurity and our customer data.

Ensuring the safety of our customers' data and information is of utmost importance to us. It is something we take very seriously and are always working to ensure we have the right protections in place.

Each year the Office of the Australian Information Commissioner (OAIC) releases information on reported data breaches. In Australia, financial institutions were the second most targeted industry.

Our government regulator Australian Prudential Regulation Authority (APRA) has also issued a set of standards that all banks must adhere to that relate to our information security practices.

At Beyond Bank, we continue to review and innovate to offer our customers the best possible security including such things as digital protections to ensure customer passwords have the right level of complexity.

Our people.

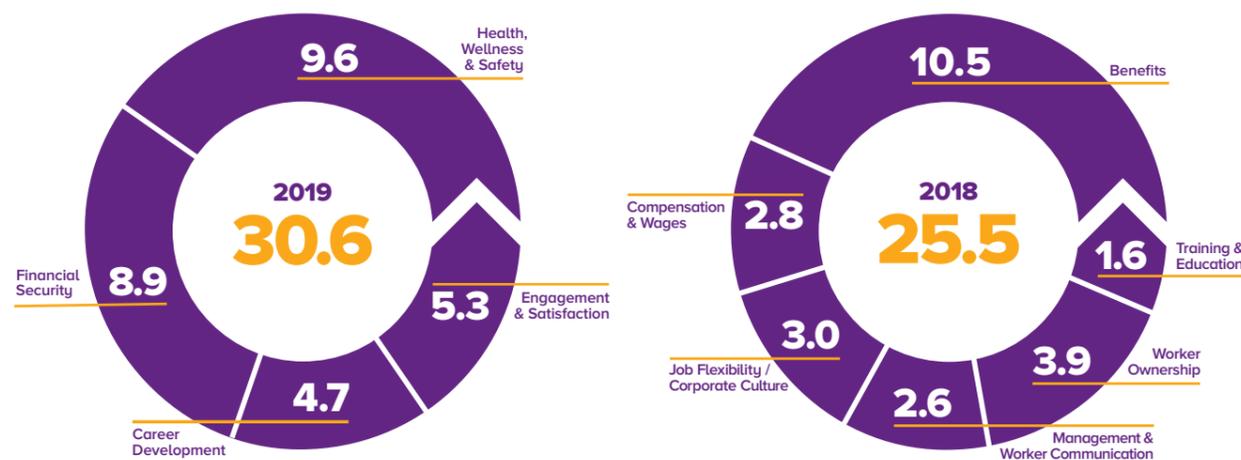
Culture • Fair • Engaged

Our people are at the heart of everything we do; every day they drive forward our commitment to help change the lives of customers. We are committed to supporting the wellness of our people and setting them up for success both professionally and personally.

Our B Corp Impact Score is assessed on our relationship with our people, their financial security and wellbeing and how we promote a workplace culture that brings out the best in people through engagement and development.

We improve our impact when we treat our people fairly and set them up for success so that they can prosper both at work and outside of work.

B Corp Impact Score.



Sustainable Development Goals.

The positive impact we have on our people helps to contribute to the following global goals.



Our performance.

This year we improved our workplace for our people by 4.9 points. We attribute this to increased opportunities we have developed for staff to help them advance in their careers, as well as measures taken, such as our remuneration review, to strengthen their financial security.

Our key improvements related to our people include:

- **Financial security** — commenced the renegotiation of our enterprise bargaining agreement.
- **Wellness** — continued running initiatives through our dedicated wellness committee that helped support the mental and physical wellbeing of our employees.
- **Career development** — sustained initiatives such as our Leadership Impact program which builds the capability of senior leaders in areas like self-awareness, managing performance and coaching.

This year we continued to focus on increasing gender diversity. Here we have been taking a close look at our recruitment practices to ensure they are inclusive and that we are sourcing diverse talent.

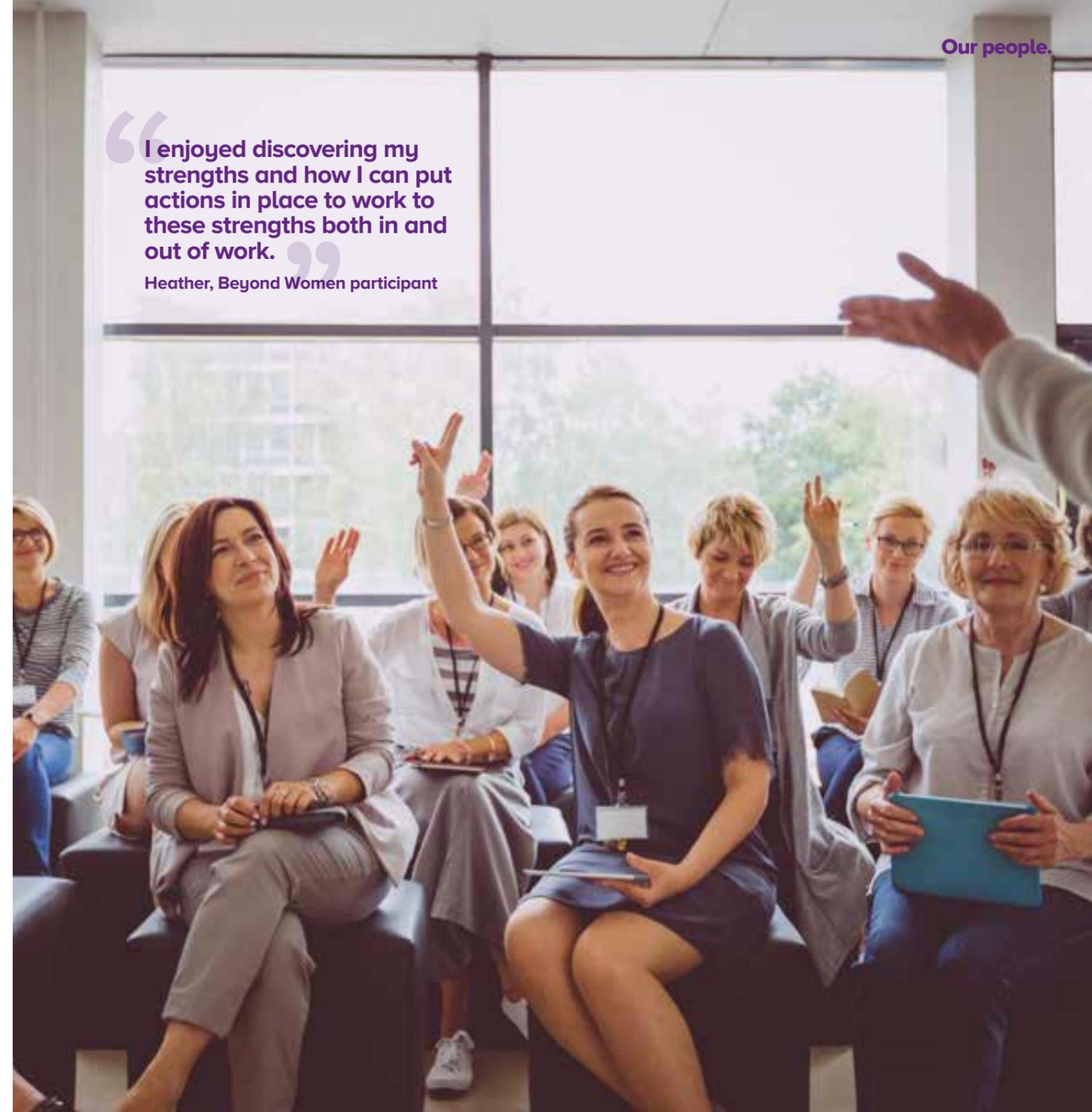
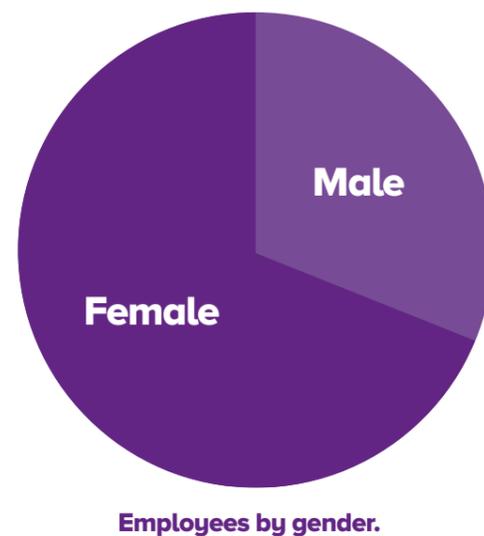
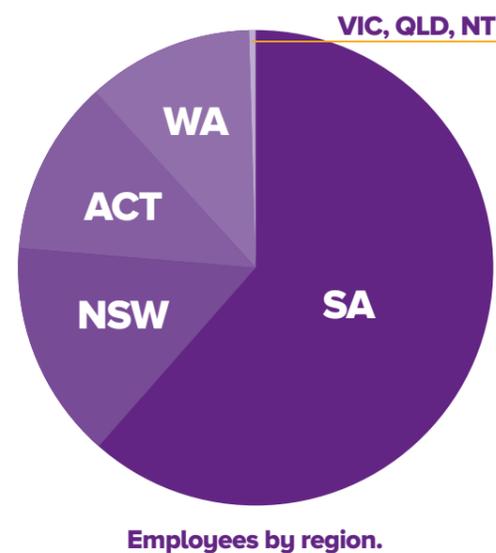
The renegotiation of our enterprise bargaining agreement provided us with an opportunity to connect with our staff in every branch and office, and to sit down and listen to their concerns across topics from remuneration and hours of work to our resourcing and facilities. This feedback will assist us to update the terms for our next agreement to be finalised next financial year.

We also introduced a new wellness program, Unlock Your Potential, an eight-week mindfulness program designed specifically for our call centre staff. The program provides hints and tools on how to manage stress with majority of participants reporting improvements in how they engaged with other colleagues and customers. Our employees also experienced other benefits such as improved decision making, a better sense of self-awareness, and decreased stress and anxiety.

FY19 initiatives	FY19 performance	FY20 plan
Launch a number of healthy mind sessions across our business.	● We held healthy mind sessions across the business which were well-received.	Become accredited as a 'Healthy Minds' organisation to demonstrate our commitment to addressing the positive wellbeing of our employees (physically and mentally).
Pilot a health assessment program to support good mental and physical health.	● We piloted a health self-assessment which led to the introduction of a new employee health portal called My Wellbeing, a resource to help understand and improve wellbeing for our people.	Conduct a wellness survey across our organisation to understand what is important to our people.
Further our aspirations to be a more inclusive organisation that supports vulnerable people within our society.	⦿ We have been exploring how our inclusive agenda can extend to employment in our regions.	Continue working with our community partners to build the diversity of our workforce.
		Introduce a new staff engagement tool to facilitate quick and regular feedback among managers and their teams.
		Help our frontline employees with coaching to enhance quality conversations with our customers.

● Achieved ⦿ In progress ○ Not achieved

People highlights.



“I enjoyed discovering my strengths and how I can put actions in place to work to these strengths both in and out of work.”
Heather, Beyond Women participant

Case study: Beyond Women Program.

We are committed to diversity and inclusion and developing our people. The Beyond Women program has been developed to build confidence, develop strengths, and build assertiveness and leadership skills among emerging female leaders. We had 50 women attend the program across our regions and received positive feedback from participants.

Customers.

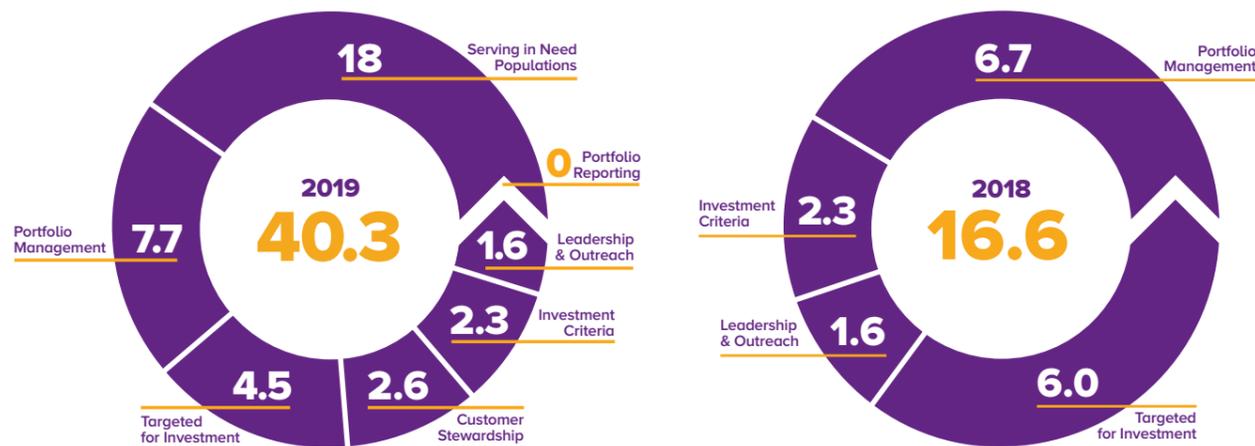
Value • Benefit • Wellbeing

As a customer-owned bank, we always put our customers first. We reinvest our profits back into our business to benefit our customers by delivering better products and services.

Our B Corp Impact Score is assessed on how our products and services reach and benefit customers and communities in need or are designed to help solve a social or environmental issue.

We improve our impact when we support our customers by putting their needs first and by providing banking services that benefit society.

B Corp Impact Score.



Sustainable Development Goals.

The positive impact we have on customers helps to contribute to the following global goals.



Our performance.

This year we have improved our B Corp Impact Score by 23.7 points. We attribute this significant increase to being measured on how we serve customers who need us the most.

Our key improvements related to customers include:

- **Serving in-need populations** — This relates to our support for customers living in rural communities, those on low incomes, senior Australians and those living with a disability as well as supporting purpose-driven enterprises such as not-for-profit organisations and other B Corp businesses.
- **Customer experience** — We continued to improve our internal systems to ensure quality and efficiency, including refurbishing our branches and introducing a new cloud-based phone system to provide an improved experience over the phone. We introduced new features to our award-winning mobile app such as round2save. This feature makes saving easy for our customers by rounding up each transaction to the nearest dollar and transferring it to a savings account.
- **Customer stewardship through better rates and service** — We regularly review our rates to ensure we remain competitive and deliver value for our customers. We also continue to improve and simplify our product suite to ensure we are offering the best possible products. We also celebrate and reward our loyal customers who have banked with us for over 20 years by offering them life membership with greater benefits. Our life-members received an extra \$1.7m in interest as a result of these benefits.

In 2019, our average customer satisfaction rating exceeded our target of 90%. We also helped grow our customers' wealth by increasing the number of savings accounts opened and by helping customers become home owners.

FY19 initiatives	FY19 performance	FY20 plan
Review ethical banking policies and practices.	① We have always operated ethically; however, further progress is required to inform the development of our approach with regard to specific policy settings.	Continue this review including our approach to inclusive communities. Initiate a new Board Customer Committee that is focused on customer outcomes.
Explore product options that incorporate social and environmental benefits.	① Our Products team is exploring an opportunity for a new banking product which benefits local community organisations.	Investigate green lending or other sustainable finance opportunities.
		Join the Responsible Investment Association of Australasia (RIAA) related to our wealth management services.

① Achieved ② In progress ③ Not achieved



Customer highlights.


Home lending growth
33.1%

Life member* term deposit balance growth
35%
*Customers who have banked with us for 20 years or greater.

Total number of community customers
2,730

Customer balance growth (loans and deposits)
6.1%

Customer satisfaction
91% 

Growth in mobile App users making payments via OSKO
47.9%

Wealth management client growth
7.8%

Total customers
240,615

Mobile App customer growth
26.7% 

Growth in interest paid to customers
4.9%


Business lending
\$34.3m

Growth in number of savings accounts
3.9%

Case Study: Open banking.

Open banking is a model where banks and other financial service providers are required to share customer data, but only as directed by the customer. Our customers will therefore be able to decide which financial institutions, third-party apps and other companies can have access to their information and how it can be shared.

Open banking will bring a range of benefits to our customers such as:

- Greater visibility over their spending and savings through access to data.
- Easier-to-share financial information with their accountant or other financial service provider.
- Increased transportability of their banking history when moving providers.
- Better access to financial data for decision-making.

We have established an open banking project to help prepare our customers become stewards of their data. This will include consideration of consumer protection, data security, competition and choice.

Open banking will become available to our customers from July 2020.

Community.

Inclusion · Local · Giving

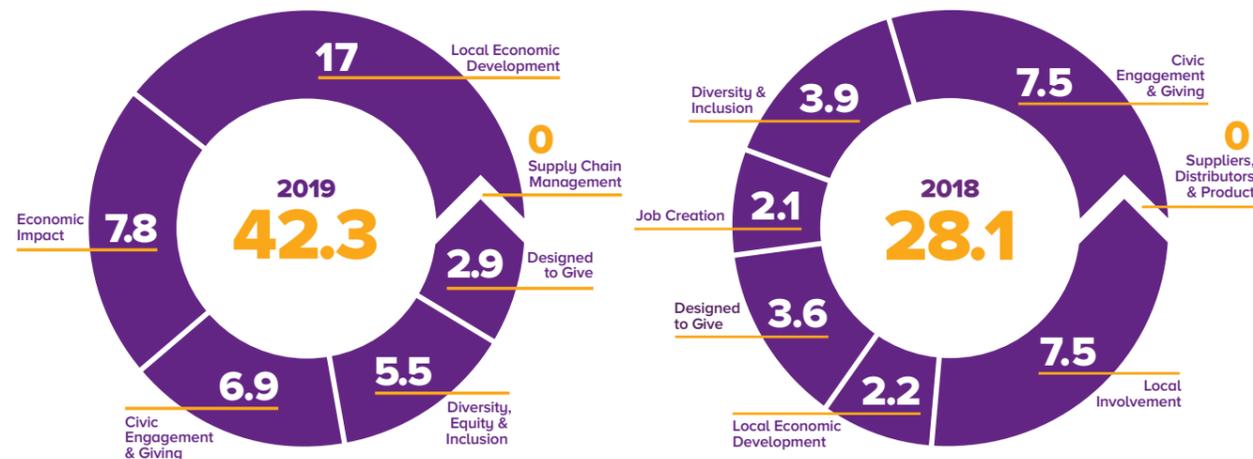
Community is in our DNA; it is part of who we are as an organisation. We exist to support our customers and their community, because we are all stronger together.

We invest into the communities where our customers live, work and raise their families, supporting local projects and services that help build better, more connected and inclusive communities.

Our B Corp Impact Score is assessed on our involvement in the local community. This includes our charitable giving, how we support local business and how we are fostering a diverse and inclusive workforce.

We improve our impact when we help our communities to thrive by supporting the local economy and giving back.

B Corp Impact Score.



Sustainable Development Goals.

The positive impact we have on the community helps to contribute to the following global goals.



Our performance.

This year we saw our score climb to 42.3 compared to last year's 28.1, which was boosted through our performance relating to local economic development. Our score also increased through improvements to the way we measure our community impact through our Employee Volunteering program.

Our key improvements related to community include:

- **Local economic development** — We helped strengthen local economies through having a banking footprint in parts of regional Australia, serving customers in these locations, and providing grassroots support to local community groups. We also supported our salary packaging customers in over 700 not-for-profit organisations. Our work in this area assisted community workers to increase their take-home pay to reduce inequality between the private and public sector so they have more money to spend on things they value.
- **Design to give** — We have also grown the support we give to our community partners through our Community Reward Account program, this year giving over \$650,000 in bonus payments to not-for-profit organisations.
- **Diversity and Inclusion (D&I)** — We have held activities such as our In Conversation with D&I presentation series to increase employee awareness of D&I issues related to their work.

We have been exploring how we can deepen our existing partnerships and those which align to our Foundation focus areas of affordable housing, helping older Australians and ensuring those with disabilities have the financial freedom and independence they need and deserve.

FY19 initiatives	FY19 performance	FY20 plan
Refresh our Employee Volunteering program.	● We reviewed and implemented a renewed Employee Volunteering program across the business.	Continue to embed volunteering as a key part of our organisational culture.
Undertake a social impact project related to our community programs.	○ This initiative is currently being reviewed prior to progressing.	Review the way we engage our employees and customers in fundraising for the community partners we support.
Develop an adult financial education program.	● We conducted some initial scoping and partnership outreach to inform planning for this initiative.	Continue to progress the development of an adult financial education program.
Review supply and procurement practices to incorporate sustainable procurement principles.	● We are in the process of developing a procurement framework which will influence how we incorporate sustainability into our procurement practices.	Continue to progress sustainable supply and procurement practices.

● Achieved ● In progress ○ Not achieved

Community Highlights.



3,021

hours volunteered by our people.

Over \$25m

reinvested back into community since 2007 through programs and initiatives funded through our Foundation.

9%

of our net profit after tax to supporting community programs and partnerships.



3,870

community partners and organisations across Australia.



Case Study: Beyond Money.

Our Beyond Money program educates primary school students across Australia on the fundamentals of earning, saving and spending. Its goal is to boost financial literacy from an early age.

During the year, 137 new teachers signed up to deliver Beyond Money in their classrooms to 4,231 students. As a unique program that is linked to the Australian curriculum in several key areas, the benefits to the financial literacy levels of young Australians are significant.

Environment.

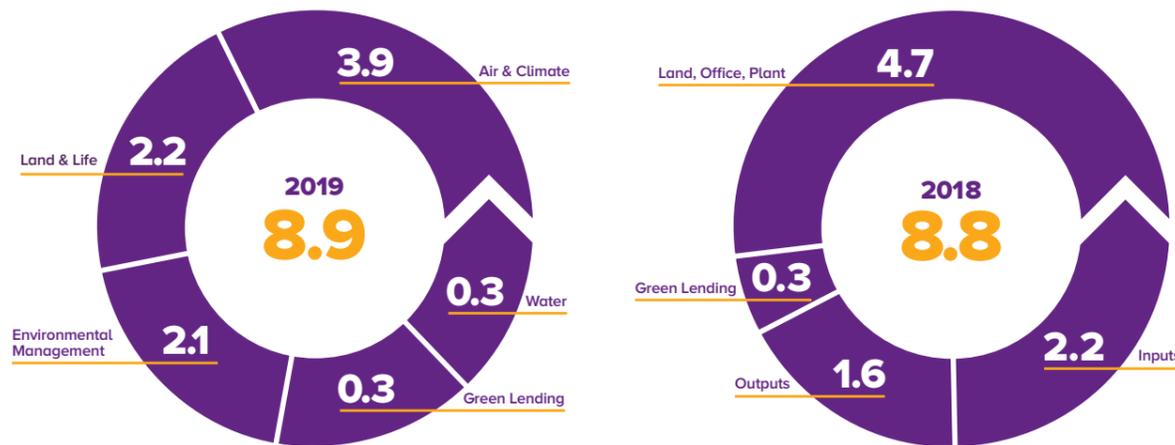
Quality · Balance · Tomorrow

Our people and our communities are only as healthy as the environment that sustains them. Taking effective action against climate change, using our resources efficiently and minimising our environmental footprint is how we create a better future beyond today.

Our B Corp Impact Score is assessed on the environmental management and performance of our operations as well as the environmental impact of our supply chain and how we create impact through green lending products.

We improve our impact when we use resources wisely and reduce our carbon footprint so that we contribute to a healthier environment.

B Corp Impact Score.



Sustainable Development Goals.

The positive impact we have on the environment helps to contribute to the following global goals.



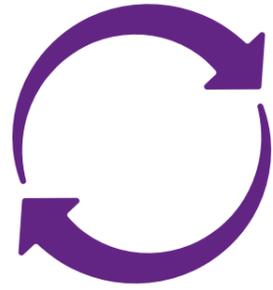
Our performance.

This year our impact score recorded an increase associated with our business monitoring and recording a specific greenhouse gas emissions reduction target. We measure our greenhouse gas (GHG) emissions that we generate through electricity use in our branches and corporate offices, fleet vehicle fuel consumption, office paper use and work-related flights.

FY19 initiatives	FY19 performance	FY20 plan
Reduce GHG emissions across our operations by 20% from FY14 baseline year.	○ GHG emissions were reduced by 16% from baseline, just short of reaching our target of 20%.	Reduce FY20 total GHG emissions by 5% from FY19 baseline year.
Implement energy efficiency projects and review renewable energy opportunities.	⓪ Energy efficiency opportunities such as LED lighting were incorporated into branch and office refurbishment projects.	Develop and implement a climate change action plan focused on energy and GHG emission improvements across our operations.
Install solar panels on our head office in Adelaide.	● Completed by the landlord of the building for common areas.	Conduct a review of waste management practices across our SA sites initially, in conjunction with Green Industries SA.
Develop a sustainability standard for our properties and facilities.	○ This is still in progress.	Finalise a sustainability standard incorporating other social measures such as inclusion.

● Achieved ⓪ In progress ○ Not achieved

Environmental highlights.



Close the Loop e-waste recycling of printer ink and toner cartridges.

57.8kgs



Total energy consumption (electricity use across our operations).

8,039GJ

The National Greenhouse and Energy Reporting scheme (NGER) is used to measure our greenhouse gas emissions based on the following categories:

NGER Scheme	Definition	Performance
Scope 1 emissions	Direct emissions associated with an activity such as fuel used in vehicles.	191 tCO ₂ e
Scope 2 emissions	Indirect emissions associated with electricity consumption.	973 tCO ₂ e
Scope 3 emissions	Other forms of indirect emissions such as paper usage and flights.	713 tCO ₂ e
Total GHG emissions		1,877 tCO ₂ e

Emissions are measured in tonnes per carbon dioxide equivalent.





Thank you.

We would like to thank you for entrusting us with your financial wellbeing. By choosing us for your banking needs, you are supporting us to be a force for good.

Your feedback is important to us. What would you like to see from our bank and what issues are important to you?

Your ideas, questions and comments regarding this report and how we can further improve can be directed to community@beyondbank.com.au.

Glossary of terms and acronyms.

Assets under management

The total resources controlled by the bank, both on and off-balance sheet.

AFSL

Australian Financial Services Licence authorises licensees to conduct a financial services business, as regulated by ASIC.

APRA

Australian Prudential Regulation Authority.

ASIC

Australian Securities and Investments Commission.

BCCM

Business Council of the Cooperatives and Mutuals.

B Corp or Certified B Corporations

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

B Corp Impact Score or B Corp Impact Assessment

A global measurement tool used by business to measure its impact on its workers, community, environment, and customers.

B Lab

B Lab is a non-profit that serves a global movement of people using business as a force for good. B Lab's initiatives include B Corp Certification, administration of the B Impact Management programs and software, and advocacy for governance structures like the benefit corporation.

Capital adequacy ratio

A ratio used to measure the prudential strength of a financial institution. Prudential strength is calculated as total retained earnings and other equity divided by total assets, weighted to reflect the relative risks associated with our operations.

Community reward program

This program provides specialised banking products to community organisations and not-for-profits as well as their staff, volunteers and supporters. The Beyond Bank program also provides the organisation with another way to fundraise.

Customer-owned bank

Customer-owned bank means we provide consumer banking services such as credit cards, home loans or personal loans, savings accounts, and term deposits, but is owned by its customers. Customers have voting rights on constitutional matters affecting the customer-owned bank. Profits are reinvested back into the products and services rather than being distributed in shareholder dividends.

Customer owned reserves

The accumulated profit owned by customers.

COBA

Customer Owned Banking Association.

Cooperative

Cooperatives are people-centred enterprises owned, controlled and run by and for their customers (or members) to realise their common economic, social, and cultural needs and aspirations.

GHG

Greenhouse Gas.

Housing affordability

The term 'housing affordability' usually refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes. The concept of housing affordability is different to the concept of 'affordable housing', which refers to low-income or social housing.

Liability

A debt or obligation to another party, eg. a savings account held on behalf of a Beyond Bank Australia customer.

Loan delinquency

Is the measurement of our customers with a loan in 30 days or more in arrears.

Members

Our members are our customers.

Mission Lock

Companies that protect their mission and ability to formally consider stakeholders in decision making through their corporate structure or corporate governing documents. Being a cooperative helps and having customers & community recognised in our constitution.

Mutuality

We will seek to do business with liked-minded customers. Collective endeavour will result in everyone sharing the rewards of collaboration.

NGER

The National Greenhouse and Energy Reporting scheme.

OAIC

Office of the Australian Information Commissioner.

Purpose

Our intention as a business is defined by our purpose. Our purpose is to create and return value to our customers and communities, through this we change lives.

SDG

The United Nation Sustainable Development Goals.



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Branches

Branches located across the Australian Capital Territory, New South Wales, South Australia and Western Australia.

Beyond Bank Foundation Limited

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Environmental Sustainability

Beyond Bank Australia cares about the community and is committed to environmental sustainability. This leaflet has been printed on Monza Recycled, manufactured by an ISO 14001 certified mill, and contains 99% recycled fibre and elemental chlorine free pulp. All virgin pulp is derived from well-managed forests and controlled sources.



