

Board Pack

Bank First Mutual Bank
Non-Executive Director

October 2024



Context

Bank First, previously known as Victoria Teachers Mutual Bank, was established to support educators with accessible and tailored financial services. Over time, the organisation evolved to include healthcare professionals, positioning itself as a trusted banking partner for individuals working in critical service industries. With a focus on member-first principles, Bank First remains committed to its founding ethos of offering ethical, community-focused banking.

As a mutual bank, Bank First is entirely customer-owned, meaning its profits are reinvested to benefit its members rather than external shareholders. This enables the bank to offer competitive products like home loans, credit cards, savings accounts, and investment options that are aligned with the specific needs of its members. Bank First also actively supports community initiatives, providing financial backing for projects that benefit educational and healthcare institutions. Their dedication to social responsibility and sustainability further strengthens their reputation as a purpose-driven financial institution.

In addition to its core banking services, Bank First has integrated digital and modern banking technologies to enhance its member experience. It offers mobile and online banking platforms that enable seamless account management. Bank First also prioritises financial literacy and well-being, offering tools and resources to help members make informed financial decisions, thus empowering its community to achieve financial stability and growth.



Bank First - Context

The challenge

The primary challenge that Bank First aimed to solve was providing accessible and tailored financial services to educators, who were often underserved by traditional banking institutions. The founders recognised that teachers and education professionals had specific financial needs that mainstream banks did not fully address, particularly with competitive rates, understanding job security, and the cyclical nature of their income. The services later expanded to include healthcare professionals, aligning its offerings with the unique needs of individuals in these critical service sectors.

The current challenge that Bank First is facing involves navigating its five-year transformation plan while maintaining financial stability, optimising its operations, and complying with regulatory requirements. The current strategic plan can be found [HERE](#).

The response

In response to its current challenge, the bank is investing in technology upgrades, including core banking rehosting and data cloud migration, to improve operational efficiency and enhance member experiences. Additionally, Bank First is prioritising compliance with regulatory requirements like CPS 230 while maintaining financial stability and growing its member base. By aligning these initiatives, the bank aims to strengthen its position in the industry and ensure long-term sustainability without relying on external shareholders.

Promise

At Bank First, they are invested in their customers.

As Bank First is owned entirely by their customers, they exist to financially empower people to realise their dreams – not to make money for shareholders.

Since 1972 they have helped over 200,000 Australians with their banking needs; from managing their money and saving for a rainy day, right through to purchasing their first home and planning for retirement.

Driven by care and compassion, Bank First is committed to providing a better banking experience to all the people and occupations that drive a better community.

From the products and services they offer, through to their dedicated customer service staff, they pride themselves on putting their customers first.

Commitment

As part of their commitment to the customer owned banking sector, they follow the Customer Owned Banking Code of Practice, which is their promise that:

1. We will deliver banking services in the interests of our customers.
2. We will obey the law.
3. We will not mislead or deceive.
4. We will act honestly and fairly.
5. We will offer products and services that are fit for general purpose.
6. We will deliver services with reasonable care and skill.
7. We will contribute to our community.



Bank First Values

Bank First's Values are integral to who they are. Their values underpin everything they do, embodying the essence of the organisation.



We care

We listen to our customers and do all we can to meet their needs. We support our people to be their best.



We learn and grow

We are passionate about building our collective knowledge. We actively seek to be agile and great.



We empower

We enable our people and customers to achieve the best outcomes by being consistent and present.



We do it for the customer

We stand out by being authentic and honest. We are proud to do the right thing for our customers.



Current Board



Bernie Lloyd, Chair
BA, DipEd, MEd, Dip Financial Services (AMI), FAICD

Bernie brings to the Board extensive educational experience in rural and metropolitan schools as a classroom teacher as well as executive manager. Her leadership expertise resides in long-term strategic planning, building capacity in teams and sustaining and expanding growth in organisations.

She has coached individuals and teams and facilitated workshops for aspiring leaders with an emphasis on building positive environments which sustain and empower. She understands the interdependence between schools and their communities and how high levels of trust enable productivity. Her governance experience includes school councils and executive roles with VASSP (Victorian Association of State Secondary Principals). She led the Victorian chapter of Principals Australia for three years. Bernie joined the Board as an Intern in 2010, was elected by the Members in 2011, and was appointed Chair of the Board in 2015.

Bernie is also a Director of You thrive, a rural foundation which provides support and opportunities for young people to build agency and capability.



Graeme Willis FAICD, FCIBS, SF Fin

Graeme is a Senior Fellow of the Financial Services Institute of Australasia, Fellow of the Australian Institute of Company Directors, and a Fellow of the Governance Institute of Australia. He has completed a Management Development program at the Harvard Business School.

He has had a career of over 40 years in banking and finance and held many senior Board and executive management positions with major European and Australian banks. He is an independent Non-Executive director of the RACV and Chairman of Australian Settlement Ltd. Graeme joined the Board in May 2013 and commenced as Chair of the Risk Committee in January 2015.

Current Board



Stephen Cornelissen

BN, MHA, Grad Cert Leadership and Catholic Culture, PG Dip Strategy & Innovation (Oxford), FAICD

Stephen is an experienced health care executive who has worked in a range of roles in hospitals, aged care, community organisations and central bureaucracy in both metropolitan and rural settings in Australia and New Zealand. Stephen is currently CEO of Australian Red Cross Lifeblood. Stephen is passionate about improving health outcomes through good public health and service provision as well as driving organisational performance through embedding an organisation's mission and values into its fabric and advancing a shared culture of passion, learning, accountability, and continual improvement.

As a Fellow of the Australian Institute of Company Directors, Stephen has held a number of Non-Executive Company Director roles.



Judy Crowe

BA, Dip Ed, Dip SS, Dip Admin, Dip Psych, FACEL, GAICD

Judy Crowe has had a long-term commitment to education, fulfilling many roles, including twenty years as a principal in three Victorian secondary schools. She spent twelve years as Principal of Melbourne Girls' College and completed a three-year term as the President of the Victorian Association of State School Principals in early 2018. She also served on the Council of Deakin University and the National Executive of the Alliance of Girls' Schools.

Judy co-founded and previously chaired Ourschool Ltd, an organisation to develop alumni networks in Victorian state schools. Judy joined the Bank First Board in August 2018, graduating from the Australian Institute of Company Directors in preparation for this role.

Current Board



Jo Dawson
B.Comm, MBA, CA, FAICD

Jo is a non-executive director and corporate executive with over 30-years experience in the financial services sector. She is a Chartered Accountant and Fellow of the Australian Institute of Company Directors. During her career she has held senior positions with Deloitte in both Australia and the US, and National Australia Bank within the areas of insurance and funds management.

Jo is also a non-executive of Centuria Capital Group (ASX: CNI), Pacific Current Group Ltd (ASX: PAC), AMA Group Ltd (ASX: AMA), PSC Insurance Group Ltd (ASX: PSI) and Independent Trustee Director and Chair of the Investment Committee of Vision Super. Jo joined the Board in August 2014.



Mark Devadason
BSSc, MAICD

Mark has had a geographically diverse 30-year commercial banking career with broad based leadership roles in Wholesale and Consumer Banking, Human Resources, Corporate Affairs, Sustainability and Country CEO roles in Japan and Thailand. Mark is a Non Executive Director of ASX listed Beonic and serves as Chair of a global children's charity

Mark is also an Executive Coach and Mentor for Stephenson Mansell Group. He graduated from the University of Bristol, UK with a Bachelors degree in Philosophy and Economics and has completed various leadership courses at Oxford, Insead and the London School of Economics. Mark lives in Sydney. Mark joined the Bank First Board and Risk Committee in March 2020. Mark chairs the Governance, Culture, Risk and Assurance Committee.

Current Board



Simon Terry
B.Com (Hons) LLB (Hons)

An experienced Non-Executive Director and Board-level Executive, Simon has a solid track record in high growth regulated organisations, particularly in financial services, healthcare and education. Simon is a former CEO at HICAPS and played an active role as a previous council member at Haileybury College, during a period of growth, innovation and heightened regulation in the education sector.

Simon is a graduate of AICD and The University of Melbourne.

Bank First – Chief Executive Officer

Michelle Bagnall
MBA (w/ Distinction), GAICD, FFin



Michelle is the Chief Executive Officer of Bank First and brings over 25 years of financial services experience in Australia and internationally. Prior to joining Bank First in February 2021, Michelle was CEO of RACQ Bank and held senior positions at Suncorp, National Australia Bank, The Royal Bank of Scotland and Insurance Australia Group. She is driven by a deep respect for people and passionate about the powerful combination of people leadership, partnership and organisational competencies.

Michelle is a member of FINSIA, a graduate of AICD and has completed an MBA (with Distinction). She has previously held Executive Director positions on the Boards of a superannuation trustee at Suncorp, and the Board of RACQ Financial Planning Pty Ltd. On a personal level, Michelle directs her energies toward issues related to women, education, equality, inclusion, and empowerment.

Governance

Structure

Bank First, originally known as Victoria Teachers Limited, is a public company limited by shares and governed by the Corporations Act 2001.

As a mutual entity, Bank First is focused on member-first principles, offering financial services to its members, particularly those in education and healthcare. It is regulated by the Australian Prudential Regulation Authority (APRA) and operates under the Banking Act 1959 (AGM-VTL-Constitution).

Composition

Bank First's Board of Directors consists of both elected and appointed members. The majority of directors are elected by the members, while a limited number may be appointed by the Board itself.

Tenure

Directors serve for terms of up to three years and are subject to re-election by members.

Board Meetings

Board meetings are typically held in person, at 117 Camberwell Road, Hawthorn East. Board Committee Meetings are scheduled as part of the Annual Board Calendar however they can be more flexible to adjust for Committee membership.

Meeting Dates

Board Meetings Calendar 2025:

- 28 February, 9-1pm
- 30 April, 9-1pm
- 24 June, 1-5pm and Board Dinner
- 21 August, 9-1
- 18 September, 1-5pm
- 19 November (AGM) Evening
- 27 November 1-5pm and Board Dinner

Remuneration

Directors are remunerated with an annual base fee of \$80,000 including superannuation allowance. Directors are also reimbursed for reasonable out-of-pocket expenses incurred in attending board and related meetings.



The opportunity – Non-Executive Director

The primary aims of this position are to collectively govern with other Non-Executive Directors to:

- cultivate a sense of group responsibility with commitment to excellence in governance;
- determine the appropriate culture for the organisation and model behaviours that both reflect and promulgate the desired culture;
- employ the CEO to manage the organisation;
- ensure governance requirements of good working relationships with all stakeholders;
- ensure that the organisation has processes that enable compliance with all internal and external governance requirements;
- establish and improve procedures and policies to safeguard the organisation's resources, reputation, and public credibility;
- establish the organisation's purpose, values and strategies;
- identify and monitor Quality and Risk across the whole of the organisation;
- monitor performance against KPIs, outcomes and other criteria established from time-to-time by the Board;
- Uphold the following fiduciary duties including the duty
 - to act in the interests of a company as a whole;
 - not to act for an improper purpose;
 - of care and diligence;
 - to retain discretion;
 - to avoid conflicts of interest; and
 - not to disclose confidential information.

Duties and expectations of Non-Executive Directors:

Each Board member must:

- act in a financially responsible manner;
- act in the best interest of Bank First;
- ask for clarification of matters not fully explained;
- attend and contribute to Board meetings and meetings of committees on which they serve;
- critically read and assess all agenda documents before each meeting;
- declare any conflict of interest.
- ensure care, transparency, and diligence in decision making;
- ensure compliance with the Bank First Code of Conduct, and all matters prescribed by law;
- ensure critical review of proposals to the Board;
- maintain confidentiality;
- seek assurance of compliance with internal and external policies;
- strive to attend all meetings, and notify an apology when unable to attend; and
- undertake diligent analysis of all proposals placed before the Board.

Directors are expected to have an awareness of relevant developments in society, legislation, the not-for-profit sector, and impacts on those who are disadvantaged to enable them to fulfil their responsibilities.



Key selection criteria – Non-Executive Director

Specific skills and experience:

- **Oversee the Risk Management Framework:**

Ensure that the organisation has a comprehensive and effective risk management framework that identifies, assesses, and mitigates risks. This includes both financial and non-financial risks, such as operational, regulatory, data related and strategic risks.

- **Ensure Regulatory Compliance and Governance:**

Ensure the organisation complies with relevant legal, regulatory, and industry standards.

- **Guide Strategic Risk Discussions:**

Lead the board's discussions on how risk aligns with strategic objectives. To ensure that the board views risk management as an enabler of business growth, not just a compliance obligation. This includes evaluating emerging risks and opportunities.

- **Monitor Key Risk Indicators and Controls:**

Work with the Chief Risk Officer to ensure monitoring of key risk indicators (KRIs) and ensure that the appropriate risk controls are in place.

- **Engage with Management:**

Act as the key liaison between the Risk Committee and the full board, providing regular updates on the organisation's risk profile.

Style:

As a Board Member, specifically responsible for risk you will:

- Lead the strategic integration of risk management as an enabler of innovation and growth, ensuring the board views risk as a tool to unlock opportunities, not just mitigate threats.
- Strengthen operational resilience and IT security frameworks, working with the Chief Risk Officer to solidify the three lines of defense and safeguard the bank against delivery and transformation risks.
- Bring risk to life for the board, fostering a dynamic and engaged risk culture where regulatory compliance and risk management are seen as key drivers of business transformation.
- Proactively navigate complex and evolving regulations, simplifying the approach to ensure efficiency while maintaining a high standard of compliance and governance.
- Engage in strategic, independent debate, contributing to a collegial board environment with diverse perspectives, while driving risk discussions that align with the mutual bank's broader objectives.
- We want you to love risk.



Further information

Website

<https://www.bankfirst.com.au/>

Annual reports and financial statements

<https://www.bankfirst.com.au/about-us/corporate-information/reports>

Strategy

<https://peopleforpurpose.sharepoint.com/:b/s/PeopleForPurpose/EU0aodRMwkhOpr8rKl0lGO4Bg7X5qBnKZryglpHU3Zjg5Q?e=c2flQb>



For more information



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