

member news

SOUTHERN HIGHLANDS & TABLELANDS

A Message from Tanya

Welcome to Winter News 2022. I hope you find our June newsletter informative and interesting.

Celebrations

Did you know that BDCU will soon celebrate a historic anniversary? In 2023 BDCU turns 60!

Our Members and local community are at the heart of BDCU - always have been and always will be. We've been driven to create positive community impact since 1963 when Berrima District Credit Union (BDCU) was first established by a group of co-workers from Southern Portland Cement who identified an urgent need to provide financial and community support to each other. Fast forward through nearly 60 years of evolution, and we continue to be an organisation driven to create opportunity and choice for our members and local community.

We would not have achieved this significant milestone without your continued support. When you bank with us you're investing in our local community. We use our profits to provide sustainable, purpose driven local banking, and we contribute to positive social impact projects right here in the Southern Highlands and Tablelands.

We look forward to celebrating our significant milestone together, and will keep you informed of our upcoming events to mark the occasion.

Challenges and Evolution

Subsequent to the challenges presented by bushfires and COVID, the last 12 months have seen BDCU focus on the resilience and rebuilding of our members and community. Our team, despite many of the challenges coming right to

their doorstep, have been dedicated in their work with members, each of them rising up to provide support well beyond BDCU's financial services. We are proud and thankful for their ongoing dedication to you; dedication that makes BDCU such a unique organisation to do business with, or to work for.

To ensure that BDCU continues to evolve to meet future member and community needs we recently undertook a comprehensive review of our operations - to examine not only the ways we service our members and community, but to also identify new and better ways of doing business, ways that are more aligned with the needs of all our members. Over the last three years technology has evolved at speed, and the ways our members interact, or want to interact with us, or utilise our services, has significantly

changed. As a business we need to adapt to ensure we continue to serve all our members in a sustainable way.

As a result of our review of member cash usage, patronage of branches and other ways of banking, Mittagong centre will not re-open. This is not a decision we have taken lightly. Funds associated with maintaining the centre will be redirected to enhance member services and experience across our broader network. Our Mittagong team remains dedicated to our organisation; the Business Banking team has relocated to Bowral and is increasingly mobile, and our other team members have been redirected to areas where they can support greater member needs.

As discussed in our April 2021 newsletter, BDCU's Board and Executive Team continues to review the renewal of our franchise agreement with Bendigo Bank; identifying ways we can leverage our existing relationship to introduce even greater capability to our banking platform, services, and technology, while also continuing to deliver on our commitment to personalised member relationships and support, and greater social outcomes for our community. We are nearing completion of our review and will provide more information in the coming month as discussions with Bendigo Bank progress.

Growth in Loans and Deposits

Despite the challenges facing our members and community over the last three years, growth in the balance of BDCU Alliance Bank loans and deposits continues to be positive.

Since 30 June 2019 our loans and deposit portfolio has increased by 27% or \$141 million; a staggering increase of 94% or \$318 million since we became an Alliance Bank. As at 31 May 2022 the balance of our loans and deposit portfolio totalled \$657 million.

This strong portfolio position is testament to the ongoing support we receive from members for localised

banking services, and to the passion, service and commitment our BDCU team bring to their roles each day.

As the Southern Highlands and Tablelands change and expand we look forward to introducing BDCU's personalised and purpose driven banking to a new wave of locals joining our community.

Interest Rates

After many years of historically low interest rates the Reserve Bank of Australia announced increases to the RBA cash rate in May and June 2022, bringing the new cash rate up to 0.85%.

BDCU has always taken a balanced, fair and considered approach when reviewing interest rates, and we will continue to do so as the RBA responds to market forces.

As a result of the May 2022 RBA announcement, some variable rate borrowers may see an interest rate increase of 0.25% p.a. from 1 July 2022. In relation to the recent June 2022 announcement, we will continue to review the cost of funds over the coming months, however at this time we expect variable interest rates will increase by 0.50%p.a. on 1 August 2022.

We understand this may be the first interest rate increase many of our borrowers have experienced. If you are experiencing financial difficulty please do not hesitate to contact us to discuss how we can support you. Our Lending and Credit Team is available in-centre or on 4860 4000 if you would like to discuss or review your loan.

The RBA announcements also provide opportunity for improved returns on deposit funds, a positive outcome for our deposit holders after such a long period of diminishing returns. Our team are taking a proactive view of deposit rates, with term deposit rate increases recently announced. Increases for at-call savings accounts, particularly our Bonus Saver, Retirement Account and My Community Account, are expected in the near future as

the market starts to price in cost of fund changes.

Community Giving

The last twelve months have certainly seen many challenges for our region and the BDCU team have been proactively reaching out to support our community.

Through a \$10,000 donation to the Bowral District Children's Foundation, BDCU continues to support the health and wellbeing of children and youth across the Southern Highlands.

In August 2021, BDCU participated in the Vinnies Community Sleepout raising \$2,434 for local homelessness support, and our team is committed to supporting Vinnies again in August this year.

In September 2021 we allocated the final round of the My Community Program Grants, with a total of \$14,000 distributed to 30 local organisations and community partners.

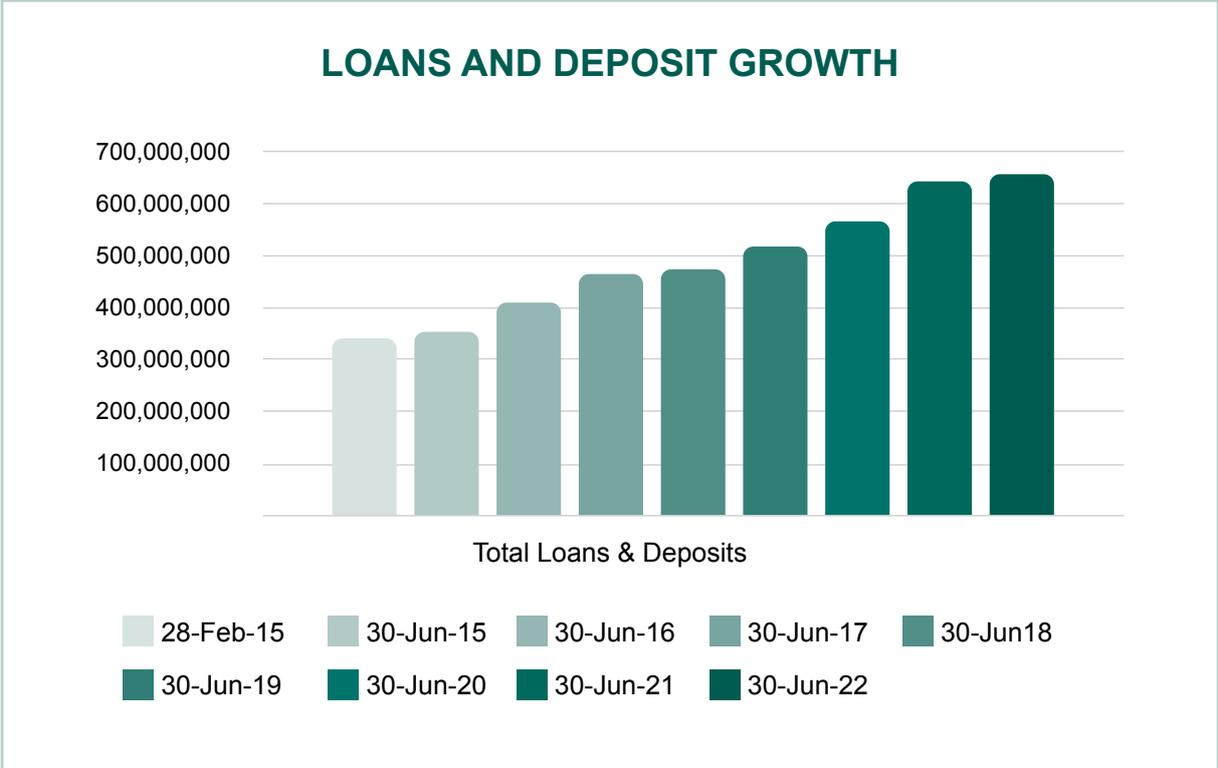
In November 2021 we announced the new BDCU Community Grants Program, a program designed to support impactful social outcomes across the Highlands and Tablelands. During January 2022, \$21,000 was allocated to three local community organisations. We would like to take this opportunity to acknowledge all the organisations who applied in our inaugural round of funding. The level of application was high and the final allocation was challenging for our Grants Committee. You can read more about the program later in this newsletter.

Thank you for choosing BDCU. Your continued support enables positive opportunities to be created for many across our community.



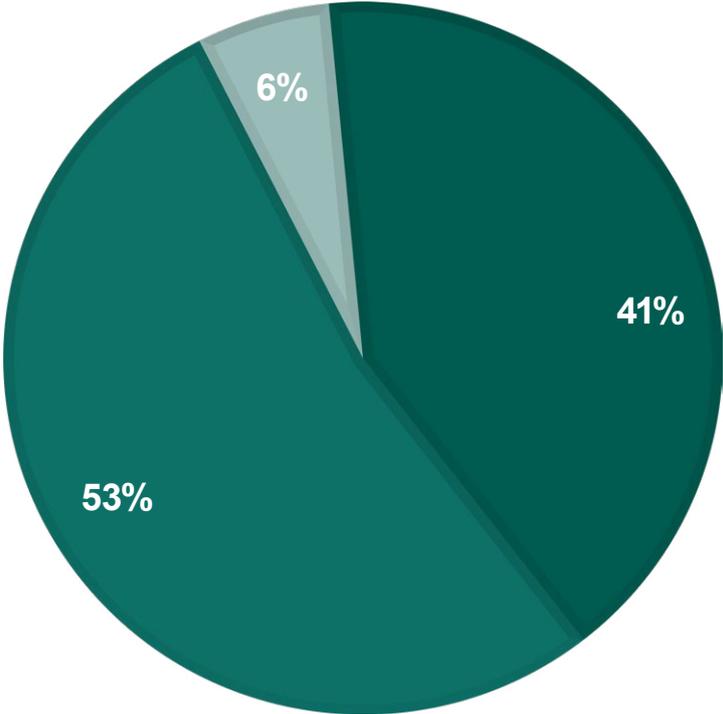
Kind regards
Tanya

Snapshot - BDCU Alliance Bank Loans and Deposits



PORTFOLIO OVERVIEW - LOANS AND DEPOSITS

Loans
 At Call Deposits
 Term Deposits



Meet the Team Moss Vale

The team at Moss Vale are passionate about their members. We sat down for a chat with David, Suzanne, Kathy and Chris about what they think makes BDCU different and what they love about each day.

We know our members really look forward to seeing you all – why BDCU for you?

We're proud of a place where members feel welcome and can get professional service.

I love helping people, being able to work with a member to assist them in achieving their financial goals – there is no better feeling. Great people

What is so special about MossVale Centre?

Everyone is so welcoming. You feel at home here. We love the day-to-day interactions with our members and being able to give back to our local community.

Moss Vale is an awesome place to work, all our staff and members are considered family and friends, the community is very special, they are very giving and generous. The Moss Vale community are always happy to assist in any community activity and very supportive of all causes.



What do you think makes BDCU different?

The team, the customers, helping the community. We're owned by our members. BDCU strives to make a difference to our local communities and it is a privilege to be a part of the team.

What do you like about living in regional Australia?

We live in a beautiful region with a great lifestyle and love the ability to purchase local produce, meats and wines off farm or at the farmers markets locally. The sense of community is amazing.

What is something members may not know about you? (We'll let you decide who answered what!)

With more than 30 years in the Banking industry I still love my job, living local (questionable on those cold days) and dogs.

I love the Star Trek Enterprise series.

In my spare time I love riding and working our horses on cattle. Most weekends would see my husband and I travelling to a rural country town to compete on horseback.

Creating Social Impact - The Collective Impact

Supporting social initiatives is at the heart of BDCU, in fact it's part of our DNA. We are committed to supporting initiatives that have broad reaching, positive and enduring impact on our community.

Each newsletter we provide an update of the social initiatives we are undertaking to support our local community through BDCU and The Collective Impact. From corporate

volunteering to the installation of AED's in our Centres and across our community; the initiatives are diverse but important.

If you have ideas on how we can get involved with volunteering or making a positive social impact, we would love to hear them. Our team are well known for rolling their sleeves up and getting stuck in so please email us on info@bdcualliancebank.com.au.

The infographic on the next page highlights some of our activities over the 12 months.

A full report will be distributed later this year.

Social Good Projects & Activities

BDCU Community Grants Program

Allocated more than

\$35,000 

in grants June to December 2021

Do Good this Christmas

Donations of more than

500 presents

for children wrapped by BDCU team. BDCU team provided support at the Community Christmas Drive Through.



Heart of the Nation

Partnered to install defibrillators in all BDCU centres

Vinnies Winter Sleepout

BDCU matched staff donations for a total of

\$2434

Staff Volunteering

163 Staff Volunteering Hours

(despite lockdowns & restrictions!) with OzHarvest, Meals on Wheels and others



BDCU Winter Warmer Appeal

553 jackets, jumpers and blankets to Mission Australia



The Great Pie Drive 2021

in-centre activity generated

\$1500 in sales



for Meals on Wheels Southern Highlands

World Vision

\$1700 of jams sold

in the Bowral Centre contributed to World Vision's FY20/21 total sales of \$4517



100 locally sourced gifts

for frontline staff at Bowral and Goulburn hospitals in appreciation of monumental Covid-19 efforts



Donated \$10,000

to the Bowral District Children's Foundation

Ways to Bank

Fast Payments using OSKO!

Did you know you can transfer money immediately to friends, family or business?

Using Osko you can send and receive money in less than a minute.

It's fast and easy to use, and already part of your internet banking, all you need is a PayID or BSB and account number.

When transferring money using our mobile banking app or online banking, simply select Osko in the transfer type field.

Don't forget if you are paying someone for the first time the system will require a onetime password for your protection.

PayID - Never forget your account number again!

Remembering your bank details is enough to give anyone a 'goldfish' moment. With all the numbers in our lives, who can remember their BSB and account numbers?

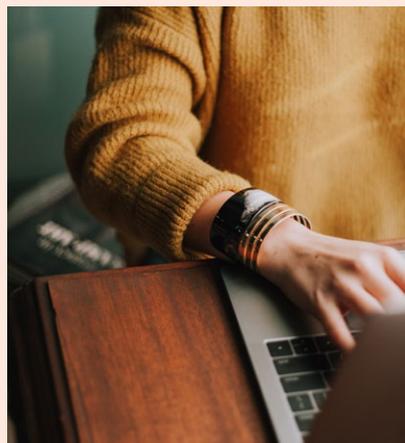
When someone wants to pay you, or you want to pay someone else, forget exchanging BSB and account numbers - share your PayID instead.

That's where a PayID can help.

A PayID is something easy to remember - like your mobile phone number [or email address] — that you register with BDCU Alliance Bank and we link to your account. Then when someone needs to pay you, you simply give them your PayID instead of your BSB and account number. If you're a local business you can add your PayID to your invoices, making the management and administration of your receivables easier.

To pay someone else using their PayID, simply log-in to BDCU's online banking or app where you have the option to use PayID through BDCU's 'pay others'.

PayID and faster payments. Simple as. When you enter a PayID, our system will automatically show you who the PayID is registered to, so you can check before you confirm the payment.



PayID is designed to work seamlessly with our Osko service.

If you've ever worried about sending money to the wrong account, PayID can help. Use a PayID with a service like Osko and the name of the person who owns that PayID is shown before you approve the payment. All you have to do is to confirm it's the right person.

To register simply log in to your internet banking select My Preferences and manage Pay ID.

BDCU Community Grants Program

In January 2022, BDCU announced three successful recipients of the inaugural BDCU Community Grants Program.

The BDCU Community Grants Program was established in 2021 to replace the previous My Community Program, and seeks to support high impact projects in our regions with a focus on Health, Education and Social outcomes.

Three organisations from across the Southern Highlands and Tablelands were selected from the significant number of high calibre applications received, to share in more than \$21,000.

The successful applicants were selected by the assessment committee comprising BDCU staff, local members and community representatives.

Congratulations to Meals On Wheels Southern Highlands, BDCU Goulburn

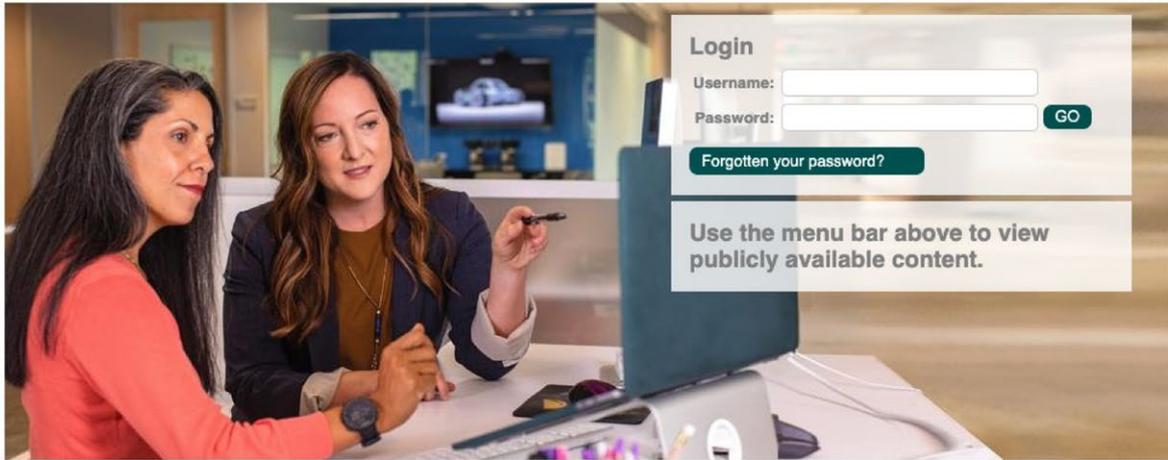


Hospital Fundraising Inc., and the Bowral Butterflies Netball Club who were allocated funds by the committee. The successful organisations demonstrated outcome-focused projects that will benefit the community in a meaningful and sustainable way.

The calibre of applications was extremely high with applications

received from 13 community organisations, and the final decision was extremely hard for the committee. The second round recently closed in May 2022 and the committee meet again in July 2022 to assess the latest round of applications.

Good luck to all applicants.



Staying Informed

Each month BDCU distributes a Collective Impact Newsletter. This covers everything from informative content about the financial outlook, to useful information on how to prepare yourself financially for your next life stage.

As a BDCU member this is now available as a complimentary service to you. To register simply email info@bdcualliancebank.com.au and we will add you to the email distribution list.

You also will receive enhanced premium access to the BDCU Financial Knowledge Centre which is hub of useful and insightful resources.

You can find out more by visiting
bdcu.financialknowledgecentre.com.au

An example of one of our latest article's which is particularly relevant in the current market is shown below.

3 ways to stress test mortgage repayments

Written and accurate as at: Jun 09, 2022 (article reproduced courtesy of iress.com)

If you have a decent buffer, you may not be fazed by the recent increase in interest rates. Perhaps it won't impact your monthly budget all that much.

However, with more increases expected in the coming months, there are a few reasons why it may be a good idea to get on the front foot and start stress testing higher mortgage repayments now.

Why? The first reason is forced saving. When you have higher mortgage repayments to cover, you're going to have no choice but to find the money to pay them.

Stress testing can be a great way to put some extra money aside, whether it be for a contingency fund, home improvements, mortgage repayments buffer, or your retirement.

It can also give you more time to re-engineer your finances if you need to. And perhaps most importantly, knowing you are in a good position to meet your future mortgage obligations can help give you more peace of mind.

One way to deal with uncertainty is to consider a number of possible scenarios and be prepared with a plan.

Here are 3 steps to putting your mortgage repayments to the test:

- 1 Run the numbers**
 While no one knows exactly to what extent interest rates will rise, various economists have predicted they may reach anywhere between 1.5 and 3.25 per cent by the end of 2023. With this in mind, consider using the calculator on BDCU's Loan Repayment Calculator to run the numbers to see how your mortgage repayments could be affected in these potential scenarios.
- 2 Start living with higher mortgage repayments**
 Knowledge is power, but only when it is used (and applied) appropriately. With this in mind, consider stress testing potential future commitments now. This will give you an opportunity to assess whether you have enough room to move comfortably or whether

you need to make adjustments to your finances. If you find yourself falling short after you've taken care of your mortgage; review your monthly budget and put your spending under the microscope, especially (but not limited to) areas of discretionary spending - small tweaks can make a big difference. You might find BDCU's Budget Planner useful for this.

Depending on your existing loan arrangements, you could also consider calling the BDCU team to discuss your options around refinancing or restructuring your loan.

Doing this could reduce your interest rate and monthly repayments, and leave you with more money to live on, or alternatively direct the surplus towards your mortgage (and subsequently pay it off in a shorter period of time).

3 Use the money you set aside productively

Depending on your circumstances, there are a few ways you could put your surplus money to good use. For example:

Adding to your super: Making concessional contributions through salary sacrifice (or personal deductible contributions), or making non-concessional contributions directly into your super can go a long way

to boosting your savings for retirement. Salary sacrifice (or personal deductible contributions) can also help to reduce the personal income tax you pay.

Reducing the interest payable on your mortgage: If your mortgage comes with an offset account, you could consider putting in your additional surplus cash to help further reduce your outstanding loan amount and therefore offset the amount of interest you pay. Similarly, if you have a redraw facility, using any additional surplus money to make a lump sum repayment may reduce the interest you pay over the lifetime of your loan.

Paying down other debts: If you have an outstanding personal loan or credit card debt, it's likely you're paying much more interest on it than your mortgage. With this in mind, consider using your additional surplus cash to tackle these higher interest rate debts first to possibly save you more in interest.

Adding to your emergency fund: When you're dealing with higher mortgage repayments, it may be a good idea to have some extra money set aside to cover unexpected expenses.

As always, your best course of action depends on your own circumstances and financial plan.

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