

#BetterBanking



JANUARY 2016 NEWSLETTER



Police
Credit Union
Better Banking

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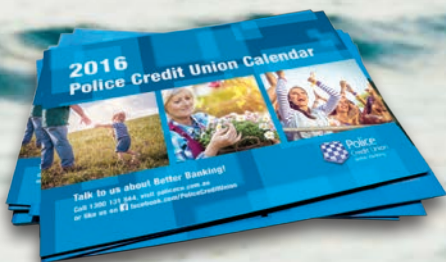
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DON'T FORGET TO VISIT A BRANCH
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THE **2016 CALENDAR**



01

A WORD FROM OUR CEO & CHAIRMAN

We are pleased to inform Members that, in our 45th year of operation, Police Credit Union remains in great shape and has achieved yet another successful year of strong performance across all measures.

Thanks to the great team at PCU we recorded an after tax group profit of \$3.6 million which represents a 16% increase on the previous year. This profit contributed to an increase in Member Reserves of 6% to \$63.4 million. Total Combined Assets for the group increased by 7.2% to \$946 million, which includes off balance sheet securitised loans, financial planning funds under advice and insurance premiums.

Whilst financial prudence is a critical priority for Police Credit Union, we are not a business that focuses on achieving excessively large profits like the banks. However, a sound financial base allows us to invest 100% of our profits back into the business to continually improve services to Members, and deliver on our goal to provide a customer experience that is second to none.

To this end, we achieved a focussed balance in the delivery of outstanding successes in non-financial or softer measures that are critically relevant to the substance of our culture and the delivery of superior service outcomes for Members, our People, and our Community and Environment.

Summary of Non-Financial Key Performance Outcomes

Non-Financial Performance Indicator	Police Credit Union 30 June 2015	Strategic Target Achieved
Member Satisfaction – Police Credit Union	93.2%	✓
Products per Member	4.79	✓
Member Value for the 12 month period	\$235.76	✓
Employee Satisfaction Index	86.34	✓
Average Significant Risk Score	41.4	✓
Community Contribution as % of Total Assets	0.47%	✓
Reduction in Carbon Emissions	9.08%	✓

We proudly remain values-driven, focussing on excellence in customer service, honesty in our practices, integrity in our decisions, best practice governance and risk management practices as well as the achievement of balanced and financially prudent outcomes.

We achieved a record-high member satisfaction rate of 93.2%, an increase in average products per member to 4.79 and Member Value for the 12 month period to 30 June 2015 of \$235.76 per Member, representing more than 284% of

the strategic target. As part of our pledge to operate in an environmentally sustainable manner, we are committed to reducing our carbon emissions by at least 5% each year, targeting a carbon neutral position by 2020. We are proud to have achieved a 9.08% reduction in our carbon footprint in 2015, well ahead of the planned target. This is testament to the outstanding team of dedicated and talented people at PCU who have worked tirelessly for the benefit of Members.

The Credit Union continues to develop and enhance its product and service offerings to ensure we remain increasingly relevant to our Members. We have and continue to invest heavily across our digital and social media platforms, and looking forward, we are planning to invest substantially to participate in the New Payment Platform to enable immediate and 24/7 funds transfer for Members commencing in late 2017.

We are particularly proud of our achievements given that we are operating in difficult and challenging economic conditions. This is a time when consumers remain cautious about their finances, and we face intense competition from both the major banks and the many other financial institutions which saturate the lending market. Despite these challenges, we are determined to help our Members achieve their financial aspirations by offering a highly personalised, flexible, Better Banking experience – unlike any other.

We take this opportunity to acknowledge Peter Graham who, after 32 years of dedicated and exemplary service, retired from the Police Credit Union Board after the 2015 AGM. On behalf of the Board, Management, Staff and Members we sincerely thank Peter for his enormous contribution to the success of Police Credit Union since 1983, and especially between 1998 and 2005 when he was Chairman.

We remain indebted to him for his unwavering passion and outstanding commitment to this organisation.



Peter Ross Graham

With Peter’s retirement we are pleased to inform you that we also welcomed a new Appointed Director to the Board, Ms Kathryn Presser, whose term commenced at the conclusion of the 2015 AGM. The Board undertook an extensive selection process and is confident that Ms Presser will be an invaluable addition to your Board. Ms Presser is currently the Chief Financial Officer and Company Secretary of Beach Energy. Kathryn has over 25 years’ experience in corporate financial and strategic accounting roles and is a qualified chartered secretary. Kathryn brings to the PCU Board an important skillset which is centred on strategic and financial governance.



Kathryn Presser

In the years ahead we expect our operating environment to continue to present challenges. Slow economic growth, rapid evolution of technology and an increasingly astute, connected and empowered consumer will continue to impact our business and we must, in turn, adapt and change to address these influences.

Looking forward and integral to our strategic focus, our ‘Better Banking’ promise envisages more of the successes that we have outlined in this report. Innovation, simplicity, agility, adaptive governance and a commitment to developing better products and services for our Members will underpin our future success.

The success of Police Credit Union is ultimately dependent on our People. In a complex operating environment we have

remained resilient, positive and innovative in our thinking. This year’s strong result and our ability to continue to meet the financial needs of our Members through delivering a superior, personalised service comes as a consequence of the exceptional work ethic and commitment of our team. We acknowledge and thank the Management Team and Staff for their enormous contribution, commitment and loyalty during the period, resulting in an outstanding year of performance.

Congratulations to Directors Peter Alexander and Michael Standing in their recent re-election to the Board. We thank all Directors for their diligence, support, camaraderie and unity throughout the period and for their leadership and enduring commitment to our core values and strong governance principles that have sustained our continuing success.

For more information, visit www.policecu.com.au/annualreport to view the 2015 Annual Report online, or visit one of our branches to obtain a hard copy.

On behalf of the Board, Management and all Staff, we sincerely thank you, our Members, for your continued partnership, advocacy, support, trust and loyalty that you have invested in us. We take this opportunity to wish you and your families a safe and happy festive season and a prosperous, healthy and fulfilling New Year.

Alex Zimmermann
Chairman

Costa Anastasiou
Chief Executive Officer



Like to win \$250?

Did you know you can visit our Facebook page to find out how we’re delivering Better Banking to all South Australians and Territorians?

Did you also know that you could **win a \$250 MyLimit Visa Prepaid Card?**

Simply Like our page during January 2016 and tell us what ‘Better Banking is...’ to you.

To enter please visit facebook.com/PoliceCreditUnion



02 A BETTER COMMUNITY

At Police Credit Union we are committed to playing an active role in the conservation and sustainability of our community. We are very proud of the support and sponsorship we provide a range of clubs and associations that give back to our community in a variety of ways.

A highlight of the year for us, and all South Australian's, is without doubt the Credit Union Christmas Pageant. This year, as we celebrated our 20th year partnering the Credit Union Christmas Pageant, 340,000 people lined the Pageant route to welcome Father Christmas to town.

At Police Credit Union our staff and family members participated in the festivities. From starring on a float, to keeping the crowd entertained as clowns, to being a volunteer, the Credit Union Christmas Pageant is one of the happiest days on our calendar... and this year it was even more special as our 'Poccu' finally got to get out and about to meet the public.

Canoe for Kids is one of our initiatives designed specifically to raise money in support of the Blue Light Police Link Program. The charter of this program is to spend time with kids who are in hospital, create a distraction from their illness and teaching them community safety messages.

Police Credit Union are delighted to say we raised a whopping \$7,000! Our team paddled 42km from Purnong to Mannum and certainly did us proud.

If you've visited the port at Port Adelaide since February 2014, you would've noticed the 1864 clipper ship 'City of Adelaide'. One of only two surviving composite clipper ships and the most important existing historic ship in Australia, you can take an intriguing look onboard to visualize the passenger experience.

Police Credit Union are proud to be associated with such a unique and important part of our history.

To find out more about our community involvement, visit policecu.com.au/community.

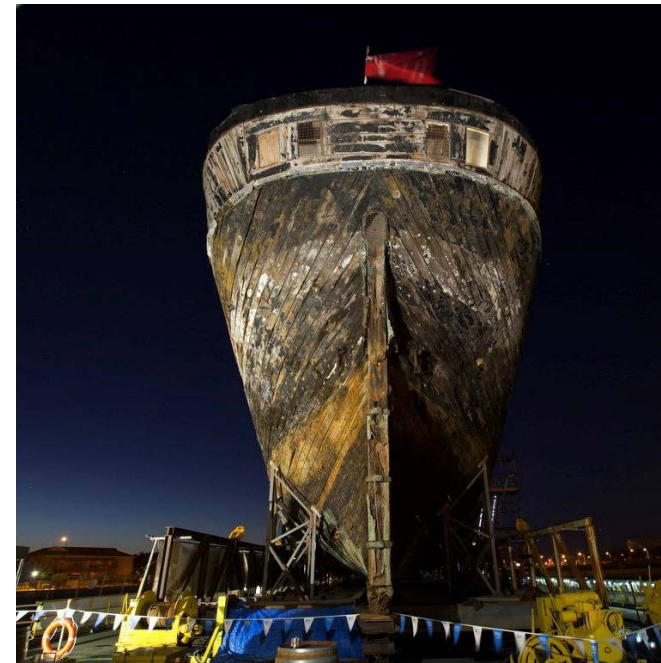


Princess Naomi and Prince Jeremy on the Pageant Royal Family float in the 2015 Credit Union Christmas Pageant.



Poccu was busy high fiving many happy children on Pageant day.

The 2015 Canoe for Kids team after crossing the finish line with a whopping \$7,000 being raised to support the Blue Light Police Link program.



The proudly standing Clipper Ship 'City of Adelaide'.

PAYWAVE - FRIEND, NOT FOE

03

PayWave has been getting some bad press since its introduction, and it can be difficult to determine fact from fiction when they are both coming from a trusted source. The greatest risk presented by payWave is that it can make it slightly easier to use a stolen card. That's it. This is no different to the risk of small transactions through any other stolen card, and still preferable to the theft of cash.

THE FACTS:

- payWave is based on NFC (near-field communication) not RFID (radio frequency identification) technology – the chip is a computer actually involved in the transaction, not just information that can be copied.
- payWave is safe – transaction controls limit the number and amount of payWave transactions that can be completed each day. Transactions cannot be accidentally duplicated.
- payWave is secure – most data on the chip is encrypted, with only some information already embossed on the card actually available. It is technically possible for someone to read this information from a payWave chip, but it is not enough to attempt to copy the card or complete fraudulent transactions.
- payWave is as secure as the current EMV chips – fraudsters have not been able to duplicate these chips, even after thirty years in circulation.
- payWave is convenient – complete routine transactions quickly, with no need for a PIN.
- Option to 'Opt out' of payWave – if you would prefer to 'Opt Out' of Visa payWave functionality, please call 1300 131 844 or visit your local Police Credit Union branch.

PayWave is ultimately the most secure way to use your card (much more secure than the old magnetic stripe!) and you can save on time and transaction fees by using it.

WIN \$500

When you talk, we listen.

Tell us what you really think by completing our Member Survey. It will only take 5 minutes and you can go into the draw to win \$500!

Visit policecu.com.au/membersurvey

Trader is Police Credit Union Ltd (PCU), 17-23 Carrington Street Adelaide SA 5000. Entry is open to all members of PCU, excluding staff members of Police Credit Union and associated companies, and their immediate family members. The competition commences 02/01/16, and ends 29/02/16. The first eligible entry drawn wins \$500 to be deposited into the nominated Police Credit Union account. Prize will not be provided as cash. Competition will be drawn at 11am on 07/03/16, at PCU. The winner will be notified by phone and/or by mail within seven (7) working days of the draw. Terms and Conditions apply.





04 AGED CARE MAKE THE RIGHT RETIREMENT LIVING CHOICE

Many of us save and plan for retirement, with our main focus on ensuring we have enough money to live the type of lifestyle that we want. Although this is an important aspect of planning ahead, another key consideration is planning where we will live during our retirement.

The answer to this question will depend on a number of factors, the major one being your ability to live independently. Knowing what options are available will help you or your loved ones to move into the next phase of retirement. By planning ahead, you can lessen the impact of a situation that can be emotional, stressful and uncertain.

THERE ARE THREE CATEGORIES OF RETIREMENT LIVING:

Retirement villages

Retirement village living offers those aged 50 or over a convenient lifestyle and a community. They offer flexible services so, as your needs change, you can adjust the services that you receive. The services and costs vary. Sometimes upfront payments may be required as well as ongoing fees and exit fees. Accommodation options may include independent living units and serviced apartments. Serviced apartments generally have one or two bedrooms and some daily living assistance.

Home and community care

If you prefer to stay in the comfort of your home, but require support, there are a number of services available. You can get assistance with domestic chores such as cleaning and laundry, personal care, meals, home maintenance and modification, nursing care and transport assistance. This help is available through federal government subsidised services or private businesses that offer home care services. Costs for home support services and home care packages vary according to each provider but if the provider is approved to receive Commonwealth funding then there are limits on the amount they can charge. Before you can access these services, you need to be formally assessed.

Residential aged care

If you can no longer live at home, perhaps due to illness or an emergency, residential aged care may be the next step. Living or staying in an aged care home provides 24-hour nursing care. The operation of aged care homes, including the maximum costs that you may have to pay, are regulated by the Australian Government. If you are living in a retirement village but are then assessed as needing residential aged care, you may be able to move to aged care accommodation that is located in the same retirement village - making moving much easier. However, you may need to make a separate accommodation payment.

Don't wait until your health starts to fail, or when your mobility starts to deteriorate as there may be a waiting list. Wherever you choose to live, as you require more support the costs will increase. If you want to know more, then speak to your Police Credit Union Financial Planning team on 1300 131 844 as they can help you understand and plan for the complexities of aged care.



A VOLATILE 2015 05

During 2015, after reading or hearing about the 'fall of Greece', China devaluing the yuan, low interest rates to remain, and the impact this had on the Australian Share market, many Investors and Retirees became very concerned.

Yes, if you look at the tables below, you can see that the Australian Share market hit negative territory. However, if you have a well-diversified portfolio, for example your Super fund, you would still be in positive territory. It is important to understand what your Risk Profile looks like, and invest accordingly.

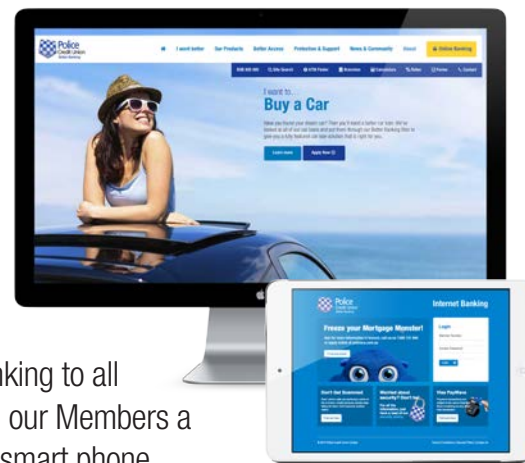
Quarter ending 30/9/2015	1 Year (% pa)	5 Year (% pa)	10 Year (% pa)
Australian Shares	-0.66	+6.29	+5.22
Listed Property Trusts*	+20.8	+13.64	+2.04
International Shares	+18.24	+15.43	+5.63
Fixed Interest	+6.91	+6.64	+6.41
Cash	+2.47	+3.51	+4.61

Source: Morningstar. Indices used are: Cash — AusBond Bank Bill; Fixed Interest — AusBond Composite 0+ year; Australian shares — S&P/ASX 300 Accumulation; International shares — MSCI World AUD Net Return; Listed property trusts — S&P/ASX 300 A-REIT Accumulation. Data as at 30 September 2015. *Listed property trusts index only available from June 2001.

Call Police Credit Union on 1300 131 844 today and arrange an appointment with a financial planner. The initial consultation is complimentary and obligation-free.

06 A BETTER DIGITAL JOURNEY

At Police Credit Union we're very proud to deliver Better Banking to all South Australians and Territorians. A big part of this is giving our Members a seamless digital banking experience on their PC, tablet and smart phone.



We recognise that technology is continually changing and keeping up with it is more like a journey than a destination. What we did on our desktop computers five years ago, we do on our smart phones today. In another five years time, we might all be doing our internet banking on our watches...or with another device yet to be invented. It's a journey that we're looking forward to helping you navigate...better.

As the first part of our Better Digital Journey, Internet Banking has recently undergone some changes. We added features to make it easier to use and give you more control over how it looks. Along with a better looking, more informative login screen, once you're inside you can now drag and drop the various sections to where you want them, see what transactions you've made but haven't hit your account yet with Pending Transactions and find things easily with a better navigation system.

A NEW WEBSITE. IT'S A PART OF OUR BETTER DIGITAL JOURNEY.

Early in 2016 we will be launching our new website. We are currently in development making the site better with a fresh new responsive design that will give you a seamless, faster experience across your PC, tablet or smart phone. We're busy making the information about our products and services better, designing the navigation to be more intuitive and adding to an already impressive set of tools and calculators. The new application form that we introduced in 2015 will also be a part of the new website making it even easier for you to apply for a loan for that new house, car, holiday or whatever else you are dreaming of!

If you want to know more about our Better Digital Journey please visit policecu.com.au/BetterDigitalJourney

07 LOW RATE. NO STRINGS.

New Year. New Card. Better Savings.

Everyone wants to start the New Year better! Whether that means making better choices, doing better things, or of course, finding better ways to save. Well what better way to start 2016 than by switching to a low cost credit card that can help you save! Introducing the extralite credit card. Extralite is miles ahead of the Big 4 banks so called "low-rate" cards. We offer an 11.99% ongoing rate, which has absolutely no strings attached!

Other advantages of the extralite credit card include:

- No transaction fees for your purchase
- No annual fee
- Get to 44 days interest free
- Every transaction is protected with Guardian Fraud Protection Service

So make a better choice this new year and give us a call on 1300 131 844 to find out more about the extralite credit card!



PLAN AHEAD FOR A HASSLE-FREE CARAVAN HOLIDAY

08

As the weather warms up and you start to think about hitching up the caravan for that long-overdue holiday road trip, be sure to check that everything is in good working order before you take to the road.

Whether you are a regular caravan user or venture out just once a year, safety is paramount. Take the time to perform some basic checks a week or two before you leave: it could mean the difference between having a trouble-free trip and being stranded by the roadside in some remote location.

If tyres appear damaged, make sure they are checked by a qualified professional before setting off. Wheel bearings, brakes and tow hitches all need to be checked and greased properly before your vehicle will be ready to travel.

Remember to walk around the caravan with a checklist that ensures all caravan or trailer lights are working, the caravan is securely coupled to the vehicle and the caravan load is correctly balanced front to rear and side to side.

Cupboards, refrigerators, windows and other interior fittings need to be secured and all hinges and locks should be checked to ensure they are still in good working order.

Importantly, gas bottles and fire extinguishers should also be checked to ensure they are not past their use-by date and are compliant.

It's also crucial to brush up on driving techniques, particularly if you haven't towed a heavy vehicle for some time. To improve

your safety and that of fellow road users when towing a caravan or trailer:

- Allow for extra length and width when entering or passing traffic;
- Maintain an increased distance between you and the vehicle in front for longer stopping distance;
- Pull over regularly so other vehicles can overtake safely.

Wherever you roam in Australia, having adequate and up-to-date caravan insurance* will provide added peace of mind should the unthinkable happen.

Police Credit Union also offers a range of insurance designed to protect your car; from comprehensive cover, through to third party property damage with or without fire and theft cover.

Speak to our friendly staff about the cover that is right for you by calling us on 1300 131 844 or drop into your local branch.

09

ALWAYS COVER YOUR PIN

IT'S THE SINGLE MOST EFFECTIVE THING YOU CAN DO TO PROTECT AGAINST FRAUD

IMPORTANT INFORMATION ABOUT CARD FRAUD

HERE ARE A FEW MORE TIPS TO KEEP YOU PROTECTED:

- Always shield your PIN when using an ATM or EFTPOS terminal. Use your free hand to cover the keypad while you enter your PIN.
- Be aware of your surroundings and look out for anybody standing too close to you.
- When travelling overseas always use ATMs in busy areas. Stay alert and do not accept assistance from anyone.
- Memorise your PIN. Do not write it down and do not store it in your mobile phone, even in a disguised format.
- Select a unique PIN. Never use obvious information such as your telephone number or date of birth.
- Never provide your PIN to anyone for security or login purposes. Change it immediately if you suspect that someone knows your PIN, including a friend or family member.
- Police Credit Union will never ask for your PIN, and we will never ask you to confirm security details via email.
- Always remember to remove your card from the machine.

Remember, if your card is lost or stolen, it is crucial that you notify us immediately to ensure you do not lose money. Call 1300 131 844 within Australia during business hours, or +61 2 8299 9101 whilst overseas or outside of business hours. We recommend you keep a record of this separate to your phone and wallet/purse.

SCAM WARNING

Scam activity is continually increasing in sophistication. Many phone and email scams can now seem quite legitimate – but their intention still gives them away. Remember: if you lose money to a scam you remain liable for these transactions! Be alert to the following signs of a possible scam:

Sign	Example
Computer or internet problems	"This is Steve from Microsoft support, calling to let you know we've detected several viruses on your computer."
An offer of money or prizes	"This is Sharon from Centrelink, calling to advise you that you are owed \$5,000 in unpaid benefits."
A fee to obtain money or prizes	"In order to receive the money you are owed, I just need you to transfer \$100 to our account to cover some fees."
A request for personal information	"Our customer records for you appear to be incomplete. Would you mind taking the time to answer a few identity questions?"
A time limit	"This must be actioned immediately..."
A threat	"... or your account access will be suspended and all payments forfeited."

If you suspect a scam, stop contact immediately (hang up the phone, delete the email). If you are concerned that the contact was legitimate, call the organisation on their publicly-listed number. If you know anyone who may be vulnerable to a scammer, share this warning with them. Scam awareness is the best scam protection! For more information and examples, visit scamwatch.gov.au or policecu.com.au/guardian.



PROTECTED BY
GUARDIAN
Fraud Protection Service

If you suffer a financial loss as a result of a fraudulent transaction, we will credit your account with the amount of the loss, provided you have not directly contributed to the fraud and that you have notified us promptly of the fraud.*

If you notice any unusual transactions on your account, please contact us immediately on 1300 131 844.



10

BEANS - A BETTER SAVINGS ACCOUNT!

Beans is a savings account that rewards kids and teens. It teaches kids how to save and allows them to buy things with their own money.

A Beans savings account can teach your kids and grandkids the value of money, and the value of things they want. Beans is a better savings account for kids and teens, because all of the features are geared towards helping them achieve their dreams more quickly.

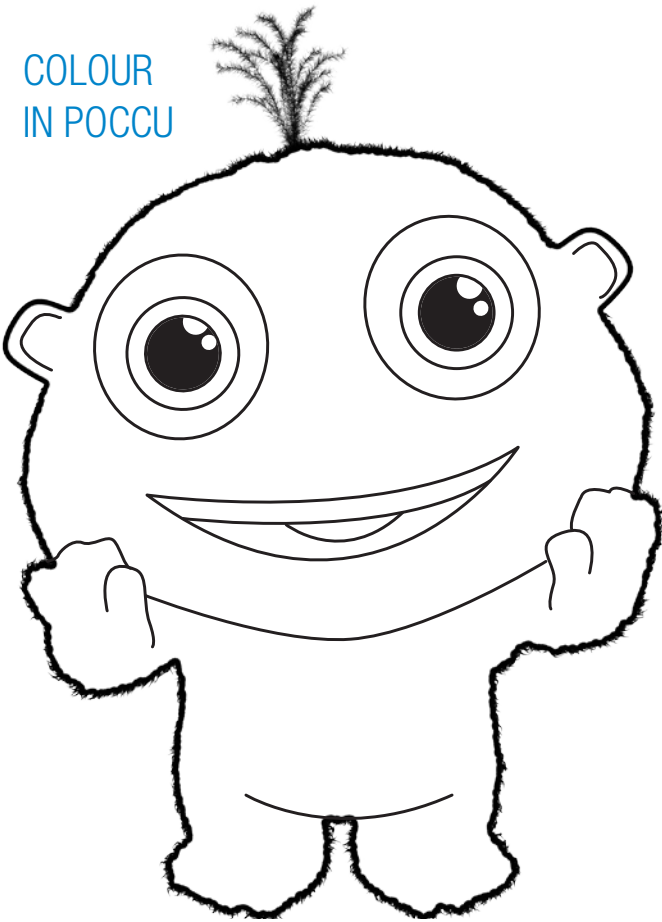
Some of the key features of a Beans savings account are no monthly account keeping fees, no minimum balance, plus bonus interest when you deposit a minimum of \$10 and make no withdrawals each month.

FIND THE WORDS

Can you find the ten words that are hidden in this puzzle?

B	E	A	N	S	B	I	K	P	M
Q	T	I	D	R	E	A	M	H	O
I	U	B	E	T	T	E	R	F	N
L	S	A	V	I	N	G	K	D	E
K	H	N	T	C	A	L	P	T	Y
I	S	K	O	F	D	E	O	N	S
D	Z	I	R	U	Y	B	C	X	P
S	W	N	B	N	W	T	C	I	I
O	U	G	P	Q	V	U	U	L	J
M	I	L	P	A	G	E	A	N	T

COLOUR
IN POCCU



FIND POCCU AND GO IN THE DRAW TO WIN \$50!

Have you met our new mascot Poccu?

Tell us how many times Poccu appears throughout this newsletter and you could WIN \$50 or 1 of 3 Poccu plush toys!

Member number: _____

Name: _____

Contact number: _____

How many Poccus did you see? _____

Cut out this entry form and return it to us by 31 January 2016 in branch or post to (no stamp required):
Police Credit Union
Reply Paid
PO Box 6074 Halifax Street PO
Adelaide SA 5000

*Actual liability will be determined on a case-by-case basis according to the ePayments Code where that code applies. You will not be liable where it is clear you have not contributed to the processing of unauthorised transactions by breaching any of the guidelines above.

Trader is Police Credit Union 17-23 Carrington Street, Adelaide SA 5000. Competition starts 01/01/16 and finishes 31/01/16. Total prize value is one (1) x \$50.00 deposited into your nominated Police Credit Union account and three (3) 'Poccu' plush toys. Competition will be drawn at Police Credit Union on 9/2/16 at 11am. Winners will be notified by phone and/or mail within seven (7) working days of the draw. Terms and Conditions apply. The information provided herein does not take into account your personal needs, objectives and financial circumstances. Please consider your circumstances before deciding if the product is right for you.

Unhappy with your home or investment loan?



Easy Fixed!

3.99%

P.A. FIXED FOR 3 YEARS

5.03%

COMPARISON RATE

Competitive 1, 2, 4 and 5 year fixed terms also available!

If you're unhappy with your home or investment loan, there's never been a better time to refinance. Your home loan interest rate and repayments won't change no matter what happens to the market, and you can even make additional payments without penalty.[^]

Call 1300 131 844, visit a local branch or enquire online
policecu.com.au/fixed-rate-home-loans

Police Credit Union Ltd 30 087 651 205 AFSL/Australian Credit Licence 238991. Terms, Conditions, fees, charges and lending criteria apply. Full details available on application. Minimum loan amount is \$20,000. At the end of the fixed rate period your loan will automatically revert back to our Standard Variable Rate. Comparison rate shown is current as at 10/12/15 subject to change and based on a secured \$150,000 loan over 25 years and valid for applications made in South Australia with an LVR equal to or less than 80%. WARNING: This comparison rate is true only for the examples given and may not include all fees and charges. Different terms, fees and other loan amounts might result in a different comparison rate. Offer subject to change. [^]Maximum \$20,000.00 pa without penalty.

1300 131 844

policecu.com.au



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