

2017 Annual Review



2016/2017 Financial Year



39,857
members



31,415
internet banking users



5,630
banking app users



17.52%
capital adequacy

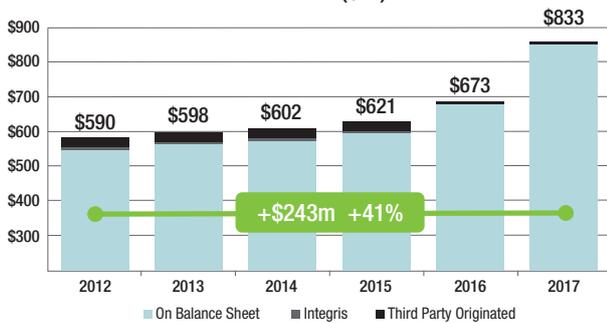


\$754,304,808
in member home loans

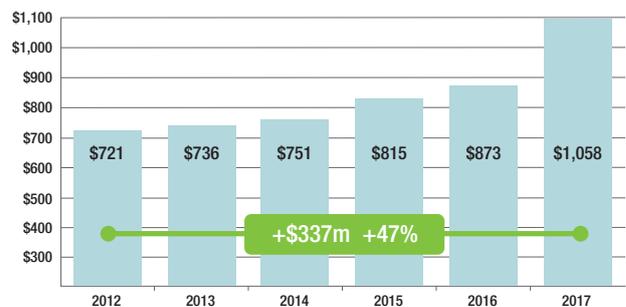


\$308,808
sponsorship & donations

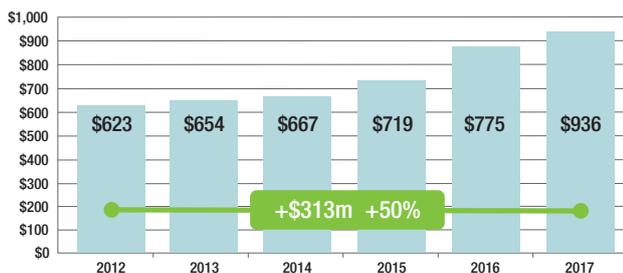
Loans (\$m)



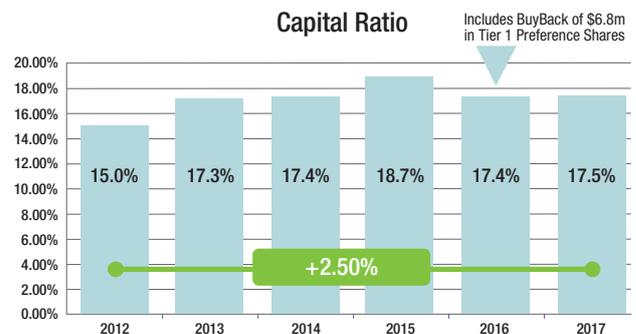
Total Assets (\$m)



Deposits (\$m)



Capital Ratio



Unity Bank



Reliance Bank



Bankstown City
Unity Bank



Chair's Report

One Billion Dollars in Strength

During the year we passed the \$1 billion dollars in assets milestone and are now looking after the financial wellbeing of 40,000 members. This milestone could not have been achieved without the tremendous support we receive from our members and the dedicated service and genuine care that our exceptional staff provide.

While the larger banking institutions continue to demonstrate an inability to meet community expectations, we remain very focused and committed to fulfilling our role as a member owned banking institution that puts the interest of members at the forefront of everything we do. Unfortunately, we have been impacted by a number of the measures Government and regulators have put in place in response to poor corporate behaviour by the larger institutions, which is extremely disappointing. Items such as capping investment loan growth to 10% and restricting interest only loans has simply locked in the market share of the major banks and also allowed them to generate greater profits through re-pricing. In many ways, they have been rewarded for poor behaviour while institutions such as ours are being punished despite not contributing to the problems around questionable lending practices.

In spite of these developments your bank continues to perform strongly and maintains industry leading capital backing, a quality loans portfolio in excess of \$800 million, and a comprehensive and competitively priced product range that caters for the needs of our members.

During the year we held a Shell Employees' Credit Union social function which was very well supported and it was pleasing to see long serving members enjoy the evening with long term friends.

Exciting Developments

We were very pleased to be one of the first financial institutions in the country to offer Apple Pay, Android Pay and Samsung Pay. These payment initiatives are designed to improve the payment experience for those members who prefer using their smart phones for as many activities as possible. Launching these innovations is a clear demonstration of our commitment to provide members with the latest digital offerings.

In addition to these initiatives we also successfully launched Australia's first Tech Hub that provides access to the latest digital technology. Gunthers Lane located in our Bathurst premises allows the community to gain first-hand experience with items such as 3D printing,

Artificial Intelligence, Augmented Reality, Virtual Reality along with the latest smart phones, tablets and desktops. It is especially pleasing to see a broad section of the community utilising the facilities including local schools, the business sector, professional groups, community organisations and families.

During the year we commenced work in preparing our bank to participate in the New Payments Platform (NPP) which is scheduled to be launched early in 2018. The NPP will be the most significant development within the payments system we have experienced in recent history and will allow for real time transfer of funds, 24 hours a day 365 days a year from the convenience of your phone, tablet or desktop.

Member Survey

To ensure we continue to retain a clear understanding of our members views and thoughts we regularly conduct a survey to gauge how we are tracking in terms of the adequacy of our product range and the service we provide. Pleasingly we received over 1,000 responses to our most recent survey from a cross section of our membership and the key results were:

- Endorsement of our decision to change from a credit union to member owned bank
- Strong service ratings from all members especially those under 35
- Increasing number of members using online services to conduct their banking



Bank Branding

Our members overwhelmingly supported the change of name to Unity Bank which we launched on the 1st March 2017. This was an historical moment for our member owned banking institution and the Board, management and staff greatly appreciated the support and encouragement we received from our members as we worked through making the change. We took this opportunity to modernise a number of our branches, upgrade our webpage and extend our Call Centre hours.

As we promised our change of name would not change our values and principles which remain deeply enshrined in placing the interests of our members first.

Bankstown City Unity Bank

Our merger with Bankstown City Credit Union (BCCU) was a great success and we were delighted to welcome their members to our mutual bank family. BCCU has a proud history of looking after their members and the communities they serve and we are determined to continue building upon this wonderful legacy. Through our new bank branding, Bankstown City Unity Bank, we have plans to expand our activities within the community and to encourage more residents and small businesses to bank with an institution they own.

Reliance Bank

Our business in the Central West of NSW continues to go from strength to strength with excellent loans and membership growth. This has allowed us to build upon our community support activities, which are substantial, and our plans are to continue to work closely with the community leaders to ensure that Bathurst and the surrounding region fulfils its potential.

Our Partners

One of the most pleasing developments during the year was the establishment of our partnership with the Electrical Trade Union (ETU) of Victoria. The ETU are one of the most progressive and well respected unions in the country and represent over 20,000 workers throughout Victoria. The leadership of the Union have assisted us greatly and we are looking forward to providing banking services and financial advice to their members.

We continue to seek out ways in which we can improve our service to the industries we serve and plans are currently being developed.

The support we receive from the Maritime Union of Australia and the Mining and Energy Division of the CFMEU is greatly appreciated and we continue to work collaboratively to ensure their membership receive banking services that improve their financial wellbeing.



Maritime Super and Mine Wealth and Wellbeing are important partners of Unity and we remain committed to building upon what has been a mutually beneficial relationship. The sharing of offices, sponsorships, staff, products and expertise has been of great benefit to our respective members and we are continuously looking for new opportunities to enhance our services to members.

Supporting the Communities We Serve

One of the many pleasing activities of a member owned banking institution is our capacity to support our members within their workplace or communities they reside in. This support increases as more members join our bank and this year we have been able to add to the considerable list of events that we assist through sponsorships and participation. Our Bankstown Credit Union merger has seen this support extend to several groups including the Bankstown District Amateur Football Association, Bankstown Basketball Association, Fairfield Hospital, Canterbury – Bankstown Local Business Awards, Youth Off the Streets and Share Care.

Our financial support throughout our membership amounts to well over \$300,000 and when you also add the contribution our staff make in supporting many of these activities you can be assured that your bank is fulfilling its role as a trusted partner.

Board of Directors

Our merger with Bankstown City Credit Union (BCCU) allowed us to welcome two additional directors to our Board, Raad Richards, the previous Chairman of BCCU and Darren Gossling. Both Raad and Darren bring a wealth of experience to our Board and we are looking forward to the contribution they will make as we enter the next phase of our bank's development.

Our Board recognises that our director numbers through recent mergers has reached a level where a reduction is warranted and as has always been the case the Board have resolved to address this matter over the next 12 months in a constructive and collaborative way.

Acknowledgments

The past twelve months has certainly been a momentous one for your bank with our name change and merger with Bankstown City Credit Union both being significant undertakings in their own right. So to complete both successfully is a credit to our team of loyal and dedicated staff who went above and beyond what would normally be expected of them. In a clear sign of the trust and strength of our relationship with staff we also finalised our Enterprise Bargaining Agreement in a constructive and consultative manner which resulted in unanimous support for the new three year agreement.

On behalf of the Board and our members I would like to pass on our sincere thanks and gratitude to all our staff for their contribution in making 2016/17 another memorable year for Unity Bank.

I thank my fellow directors for their counsel, support and dedication, as their responsibilities and duties increase each year as we grow and develop our business.

Finally I would like to pay special recognition to you our members, as your support, encouragement, along with the trust you place in us to look after your financial needs is what drives all of us to ensure your bank continues to grow from strength to strength.



Mick Doleman
CHAIR

Banking on the go... Anytime, Anywhere

- Easy, secure, fast way to pay using Apple Pay[#], Android Pay^{™+} and Samsung Pay[^] on your smartphone.
- Access your accounts 24/7 through online banking.
- Download the mobile banking app for quick access to accounts via your smartphone or tablet.
- Visa Debit and Credit Cards providing international access to your account.
- A range of savings and investment accounts including a Bonus Saver account.



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[^] Devices compatible with NFC point of sale terminals for contactless transactions include Samsung Galaxy Note 5, Galaxy S6, Galaxy S6 edge, Galaxy S6 edge+, Galaxy S7, Galaxy S7 edge, Galaxy A5, Galaxy A7, Galaxy S8 and Galaxy S8+. All devices are compatible with MST point of sale terminals for swipe transactions except for Galaxy S6, Galaxy S6 edge and Gear S2.

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