

UNITY BANK LIMITED

Minutes of the Annual General Meeting of Members held at The MUA Training Rooms, Ground Floor, 365-375 Sussex Street, SYDNEY, at 3.00pm on Wednesday 27 November 2019.

Attendance There were 61 members present.

Welcome The Chair Mr Mick Doleman presided and declared the meeting open. He welcomed the members present along with special guests, Jim Donovan (former Director of the Bank), Madeleine Mattera of Grant Thornton (our External Auditor), Mr John Levis (Australian Commercial Marketing), Guy Cuthbertson (Youth Off the Streets), Nathan Donato (MUA Sydney Branch Official), Dave Taylor (CEO, G&C Mutual Bank), Rosanna Argall (Deputy CEO, G&C Mutual Bank), Craig Kennedy (Managing Director of Cuscal), Mike Lawrence (CEO of COBA), Mr Matt Banning (CEO of Westfund), Barbara Ryan (retired staff member), Matt Irvine (ex Director), David Conroy (ex Director), Sidney Pike (R&F Waterside), Roberto Merlos (ILWU Credit Union) and his wife Nelly.

Directors Garry Keane, Mark Watson, Ray Shina, Mich-Elle Myers, Darren Gossling, Grahame Kelly, Raad Richards and Marc Worner were introduced, along with Associate Directors Joanne Masters and Sharon Sewell.

Mark Genovese (CEO) and Danny Pavisic (Deputy CEO) were introduced.

Apologies were accepted from Associate Director Paddy Crumlin, John Coombs (former Chairman of the Bank) and his wife Gwen, Darren Hooper (GM, Central Coast Unity Bank), Bill Giddins (our Returning Officer), Julian Kennelly (Chair, G&C Mutual Bank), Claire Gilmartin (Grant Thornton), Peter Robertson (CEO, Maritime Super), Harry Mitchell (CEO, Mine Super), Matt Chan (Daniels Bengtsson), Troy Gray (State Secretary, ETU Victorian Branch), Tony Maher (General President, Mining and Energy Division of the CFMMEU), Dave Noonan (National Secretary, Construction and General Division of the CFMMEU), Graeme Osborne (South Western District of the CFMMEU), Will Tracey (Deputy National Secretary, MUA), Warren Smith (Assistant National Secretary, MUA), Kevin Dupe (CEO, Regional Australia Bank), Mike Fenech (CUFFS), Glenn Davis (Maritime Super), Glenn Wood (MUA), Bruce Phillips (ex Director Central Coast Credit Union), Tara Mills (ex Director Central Coast Credit Union), Sue McKinnon (ex Director Central Coast Credit Union), Sam Kassir (Kassar Financial Services), Bill Parasiris (Western Sydney University), Martin Klumpp (Bankstown District Cricket Club), Mark Condi (Bankstown Sports Club), Peter Rophail (GM, Bankstown-Lidcombe Hospital), Gary Murphy (CEO, Central Coast Council), Members Margaret Lawrence, Beth Rose and Bruce Winter.

The apologies were received and accepted.

Previous Minutes

The Chair advised the meeting that the Board has previously adopted the Minutes of the 2018 AGM and invited questions from members

There were no questions.

Chair's Address & Director's Report

The Chair, on behalf of the Board of Directors, presented the Directors' Report to the Meeting:

Proposed Merger with G&C Mutual Bank

Earlier in the year, we entered into a Memorandum of Understanding with G&C Mutual Bank to assess the merits of both organisations merging in 2020. After analysis, it was determined not to pursue the merger but focus on continuing to grow and develop our Bank. We still have a very good relationship with G&C Mutual Bank at a senior level and continue to work closely with them.

Innovation

We have continued with our commitment to providing members with access to the latest developments with offerings that include the "Pays" (Apply Samsung and Google Pay), access to the New Payments Platform (NPP) which allows money to be transferred between bank accounts within seven seconds and an excellent banking App with newly added features on a regular basis.

Member Challenges

The increased criminal activity, particularly on-line fraud, with vulnerable people being targeted, is very worrying. To assist our members from being victims of such crime we have continued to provide advice on how members can protect themselves and how to identify fraudsters.

Due to record low deposit rates, our retirees have seen their interest income reduce causing significant hardships for some members. We have tried to limit the impact as much as possible by balancing the needs of both our borrowers and depositors when adjusting our interest rates.

We will provide whatever support we can to assist our members during these difficult times.

Reliance Bank

Our members in the Central West have been living through one of the worst droughts on record. We support several farming sector communities through our branches and agencies in the Central West and ensure that we provide assistance where we can by supporting events and activities and through our ongoing advice and understanding of the challenges these members face.

Our Partners

The importance of our partnerships with trade unions, industry superannuation funds, community organisations and local councils take on greater significance as general business conditions become more difficult. The banking business we receive through our partnerships is greatly appreciated.

Retiring Director

Marc Worner's term as Director expires at the conclusion of today's AGM. Marc was instrumental in overseeing the merger with Gosford City Credit Union and has made a significant contribution on the Board since the day he commenced. He will be well remembered and I wish him all the very best in the future.

Retiring Staff

During the year, two of our long-term staff members announced their retirements after 30 years of service.

Denise McNicol serviced our Victorian members for over 30 years during both the good and difficult times with the maritime industry. The respect Denise has in the community is second to none and she is a prime example of the staff we love to have in this organisation.

Jenny Wiles was with us for over 30 years and joined us through the Reliance Merger. Jenny played an instrumental role in 8 mergers within her position in Human Resources, making staff feel welcomed into the Unity Bank family and adapt to the workplace changes.

50th Anniversary

I take my hat off to the pioneering men and women on the wharves who put their money together to form a credit union to look after working men and women in the workplace. This entity was established 50 years ago on 11th March 1970 at Sydney's Town Hall, where over 2000 waterside workers attended a meeting and resolved to start a credit union as it was impossible to get credit from the banking sector due to their employment status. This Bank has played a vital role in the growth and financial security of thousands of wharfies and their families.

We will be celebrating this historic event during 2020, with Reliance Bank, Shell Credit Union, Power Credit Union, Newcom Credit Union, Collie Miners Credit Union, Gosford City Credit Union, , Bankstown Credit Union and Central Coast Credit Union all being recognised. A short film will be created which we will share with our members.

Royal Commission

The report into the Royal Commission concluded earlier this year and it is pleasing to report that the Industry Super Funds, Credit Unions and Mutual Banks, came out of this unscathed.

COBA

Since Mike Lawrence's appointment as CEO of COBA, that organisation has grown in its credibility, intensity and influence in Canberra and elsewhere. Mutuals need an industry body to represent and work with us to get economies of scale, to help our voice being heard in the hallways in Canberra, especially with the Big 5 constantly receiving all the attention.

We have a job to do of informing people that it is in their best interests to be served by Unity Bank and the Mutual Sector as a whole.

Chief Executive Officer's Address, Financial Statements & Auditors Report

CEO, M Genovese, advised he will address the current operating environment, the challenges the Bank is facing and how the Bank is responding to the challenges:

The 2018/19 financial year was one of the strongest years for the Bank on record. This is very pleasing and was assisted by the recent disclosures on poor conduct of the major Banks which has resulted on customers moving their business to institutions like us who have good values and principles. Overall, the entire Mutual Sector grew quite strongly last financial year.

We recorded strong loans and deposit growth and achieved a surplus that allows us to grow the business and reinvest back into the business to keep up with technologies.

Due to ending last financial year in a solid position, we are well placed to deal with the 3 interest rate reductions that have occurred and are doing our best to ensure this has a minimal impact on members.

The following statistics were noted from the 2018/19 financial year:

- The Bank wrote 2,528 loans at a value of \$209m.
- There were \$13.6m transactions processed.
- The Call Centre received 65,000 phone calls.
- The Bank has grown over the last 10 years from \$438m to \$1.2b, equivalent to 170% growth.
- The Bank achieved 10% loans growth and 12% deposit growth.
- Out of 40,000 members, the CEO did not receive one phone call, email or letter of complaint from any member. This proves that our staff are doing a great job looking after our members.

In the next 12 months, the Bank will be focusing on getting prepared for the next stage of growth. This includes upgrading our IT infrastructure, the core banking system and phone system. A lot of time is also being spent on preparing for Open Banking, which is government related legislation that will come into full effect in 2021. This will allow individuals' data to be shared with other institutions. Members will receive more information on Open Banking closer to the time.

We are also looking to improve our services with our key partners and are currently working towards creating a business banking package which will allow trade unions to conduct all of their banking services with us.

We are actively involved in the Community and spent close to \$400k in the 2018/19 financial year. This involves providing sponsorship at community, industrial and regional events. We are also the proud sponsor of the Bathurst Regional Show, Central Coast Show and the Collie Show.

Gunthers Lane, our technology hub in Bathurst, continues to be busy providing a free service for members and the community to help educate them on technology.

As the Chair said earlier, we have had issues around fraudsters with several of our members being targeted. We have spent and continue to spend a lot of time educating our members, specifically those over the age of 60, to be wary of any unsolicited call or on-line requests for information.

Our strong relationship with Youth off the Streets (YOTS) continues with us regularly providing support for activities in Bankstown. YOTS is headed up by Father Chris Riley, with him and his team assisting in young people getting their lives back on track.

Collie Miners Credit Union, who we merged with 6 years ago, held their 50th Year Anniversary event a few weeks ago, which was attended by the CEO, Senior Management and staff. Also in attendance were 2 original directors of that Credit Union aged 96 and 88 years old.

CEO, M Genovese, thanked the Chair, M Doleman, for his ongoing support, acknowledging that the relationship the Management and staff have with the Board is built upon mutual respect. He then went on to thank his Management team and staff who are extremely committed to the Bank and go above and beyond for each other and the members.

Auditor's Address

Madeleine Mattera, our External Auditor from Grant Thornton, presented the 2018/2019 Financial Statements and Audit Report advising that the audit was conducted in accordance with the Corporations Act, Accounting Standards and APRA Prudential Standards. It is an unqualified report and is a true and fair view of the Bank's financial position.

It was unanimously RESOLVED to adopt the Financial Statements and Auditors Report for the 2018/2019 Financial Year.

Item 3a- Re-appointment of Director – Mark Watson

The item to consider, and if thought fit to pass, is that Mark Watson be re-appointed as Director until the end of the 2022 AGM. 59 valid proxies received.

	<i>Proxies</i>	<i>Meeting</i>	<i>Total</i>
For	47	61	108
Against	2	0	2
Abstain	0		0
Chair Discretion	10		10
Total	59	61	120

%

Total For	118	98
Total Against	2	2
Total	120	100

RESULT	<i>It was resolved that Mark Watson be re-appointed as Director until the end of the 2022 AGM.</i>
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General Business

The Chair opened the meeting for general business.

Chair, M Doleman, advised that Madeleine Mattera, from GT, has been our External Auditor for the past five years. This will be M Mattera’s last AGM as, under the Auditing standards, External Auditors must rotate every 5 years. The Chair thanked Madeleine personally and on behalf of the Board for her professionalism and her diligent approach in ensuring that all audits were conducted in the most appropriate way.

The Chair went on to thank the members present at the AGM. We never take for granted how well respected the Bank is amongst the members and it is a constant job for Management and Staff to ensure we are delivering what is needed to our members.

Everywhere around the country, Managers of Branches or Regions, with the support of staff, ensure that our Bank is front and centre in the communities where they live and work. Without the loyalty and commitment of our staff, we would not be where we are today.

The Chair went on to thank the Board, who through 8 mergers, have never lost sight of its culture or ethics. There are great synergies between the directors from various areas and they all have the same one single philosophy of placing Members First.

The Chair went on to thank the CEO, Deputy CEO and entire Management team advising that the Board greatly appreciate the contribution they make to the Bank’s success.

Being no further general business, the Chair thanked everyone for attending and officially closed the meeting at 4.05pm.



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Chair