

Annual Review

2015-2016



General Manager's Report from Ross Moulton

This year represented one of the most significant in our history, when our

members approved the merger of Unicredit, with Teachers Mutual Bank, resulting in the creation of UniBank on the 1st August 2015.

The aim of the merger was to secure a successful and sustainable future, as part of an organisation with strong values and member focus. We believe that in joining to be part of the Teachers Mutual Bank group, this has been achieved.

Following merger, we have been able to invest in a range of improvements. In addition to being able to continue to provide competitive deposit and loan rates, we have introduced new products; enhanced our online banking capabilities; renovated our branches; and increased our staff training & development; all to enable us to better serve our members.

During the year we have also grown our member numbers and both our deposit and loan balances. This growth will enable us to continue to invest for the benefit of our members.

We are also pleased to have been able to increase our contribution to the University sector, supporting a wide range of events and awards.

We understand that we operate in a highly competitive market, where consumers have a wide choice of financial services providers. It is therefore important that we continue to move forward, providing products and services that match the changing needs of our members.

We thank all of our members for their continued support and look forward to another successful year ahead.

Ross Moulton
General Manger

This year and for the third year in a row, Teachers Mutual Bank Limited has been recognised as a World's Most Ethical Company¹ by the Ethisphere institute².

Only four banks in the world were recognised with this award in 2016, and we're one of them! The Bank continually benchmarks itself against industry leaders from around the world and this year was up against 131 companies from 54 industry sectors in 21 countries. UniBank is proud to be part of such a fantastic organisation, and is committed to supporting the Bank's position as a leading ethical and sustainable business.

**Who says
banks can't
be ethical?**

Only four banks in the world are a World's Most Ethical Company¹ - and we're one of them!

**WORLD'S MOST
ETHICAL
COMPANIESTM**
WWW.ETHISPHERE.COM

UniBank is a division of Teachers Mutual Bank Limited, a 2016 World's Most Ethical Company.

Learn more
unibank.com.au/wme

UniBank

Our members

At UniBank we believe the tertiary education sector and those involved in it (whether working, studying or already graduated) are extremely important to our community and our future. Everything we do has this belief at its core.

Since 1964 UniBank has been providing outstanding personal service and a competitive range of financial options to members of the tertiary education sector, and today we remain committed to helping our members save money, build wealth and enjoy financial well-being throughout their lifetime.

We never forget that it's our members who benefit from our financial performance. That's why we always put you first.

We are committed to building our membership and attracting new members from the staff, student and graduate communities and their families through campaigns, events and referrals.



The appointment of two Business Relationship Managers this year who are regularly available on-campus to help members and prospective members with any banking and financial queries they may have, has helped us build stronger connections and support the unique needs of those in tertiary education.

A thanks to our valued members

Your support and continued loyalty keeps us growing. It allows us to continue our commitment of supporting the tertiary education community and provide you and your families better options and ultimately, a better way of life.

Our commitment to providing exceptional products and services is as strong as ever and we will continue to respect and honour our commitment to put you, our members, first.

**Thank
you!**

The merger and member benefits

After a comprehensive strategic review of Unicredit operations in 2014 and careful consideration of the various alternatives, the Unicredit Board concluded that joining forces with another strong and equally dedicated party was the best path forward to securing a successful and sustainable future. At a Special General Meeting held in July 2015, Unicredit members voted in favour of a merger with Teachers Mutual Bank Limited.

The merger has allowed us to continue our ongoing commitment to the tertiary education sector in Australia, and has provided a number of fantastic benefits for our members over the year.

New Products & Product Enhancements

- Credit Card³
- Reward Saver Account⁴
- Cash Management Account⁴
- Deeming Account⁴
- First Home Buyers Loan⁵
- 100% Offset⁶ on all Fixed Rate Home Loans

Improved Online & Digital Experience

- New Website
- New Internet Banking⁷
- New Mobile Banking⁷
- Mobile Wallet - Android Pay⁸ (Tap & Pay for Android Mobile Phones)
- Online Applications (Memberships, Credit Cards³, Loans⁵)

eStatements

- Including monthly email notifications when statements are released

Renovated Branch Offices

- Nedlands/UWA
- Curtin University
- Murdoch University

Investment in Staff

- New Member Services Officers
- New Business Relationship Managers and Support Officer
- Training & Development

Board Representation

- Unicredit's former Board Chair, Emeritus Professor Bill Ford is now a Director on the Teachers Mutual Bank Limited Board, representing UniBank.

Advisory Committee

- UniBank's Advisory Committee is a group of nominated members who meet regularly to provide guidance and support on matters impacting UniBank.

Broker Channel

- UniBank home loans⁵ are now available through the national Broker network. This provides UniBank with the opportunity to attract more university graduates to the Bank through our competitive home loan products.

Student Banking

- UniBank has invested further in the university student market with the launch of a targeted student banking offering, and is committed to ongoing development and delivery of innovative and tailored products and services for students.

Our people

We strive to create an engaged workforce by having fair and equitable policies in place that enhance the working environment so that ultimately our staff are able to provide better service to our members. We have a strong reputation for caring for staff and attract and retain high quality employees with our flexible work practices, strong leadership programs, generous remuneration and attractive benefits.

Mature Age Worker Program

As part of the Federal Government's Corporate Champions Program, we've implemented a Mature Age Worker Program to assist employee's transition to retirement.

Through a combination of in-house seminars and practical advice, the program is designed to assist employees in successfully transitioning to retirement, reducing the stress associated with this life changing decision and ensuring that they are aware of all the options available to them.

Health and Well-being

Along with our employee's safety, we believe in focusing on their broader health and well-being. We provide a number of wellness initiatives including an Employee Assistance Program through Optum, an independent professional counselling organization, and bi-monthly massages and annual flu immunisations.

Promoting Flexibility

We aim to enrich the lives of all employees by providing opportunities for work/life balance including one paid rostered day off (RDO) every month for most full-time staff, job sharing and other flexible work practices, and 10 weeks paid maternity leave, 2 weeks paid paternity leave and 14 days paid personal/carer's leave.



Education and Professional Development

Our culture is clearly defined by education, and aligned with this our employees are encouraged and supported to further their education, develop a career path and gain new skills.

Diversity

We pride ourselves on being an employer of choice for women (EOCFW) and have policies and practices in place supporting women across the organization, achieving positive outcomes for both women and the business.

Looking ahead

As we approach 2017, we are excited about the opportunities the future holds for our members and for the organisation.

The last year has been filled with new challenges and great success. We have indeed achieved a lot in such a short period of time.

In the coming year we'll be developing new programs and refining existing ones. We'll be focusing on improving our services and growing our membership, while working with the tertiary education community and our business partners to deliver all we can.

This year we have a number of initiatives to deliver to our members to help make your banking experiences easier, and to help you build wealth and enjoy financial well-being throughout your lifetime including:

- Continual improvements to our website and internet banking⁷ service
- Launching a new Mobile Banking App⁷
- Launching an online presence through social media such as Facebook
- Building our presence on university campuses
- Developing and delivering new and exciting products

Our Business Relationship and Mobile Lending teams will help us provide convenient and "on-campus" financial support for university staff and students on a daily basis.

Our home loan distribution agreements with mortgage brokers will help us service more university graduates and their families than ever before.

We're constantly looking for new ways to help. We'll be working with our contacts and partners within the university community to identify opportunities to engage with and give back to the sector in the form of sponsorships, academic awards and other support.

We'll be investing in better business processes to provide members with easier ways to manage their accounts, apply for products and services, and wherever possible, work paper-free!

And we'll continue to focus on university students and engage with them online with smarter ways to access to our products and services. Helping students when they need it the most as they strive toward a bright financial future is our goal.



Sustainability

At UniBank, profit has a purpose. We are committed to creating a brighter future - for our members, the tertiary education community, the planet and the people on it.

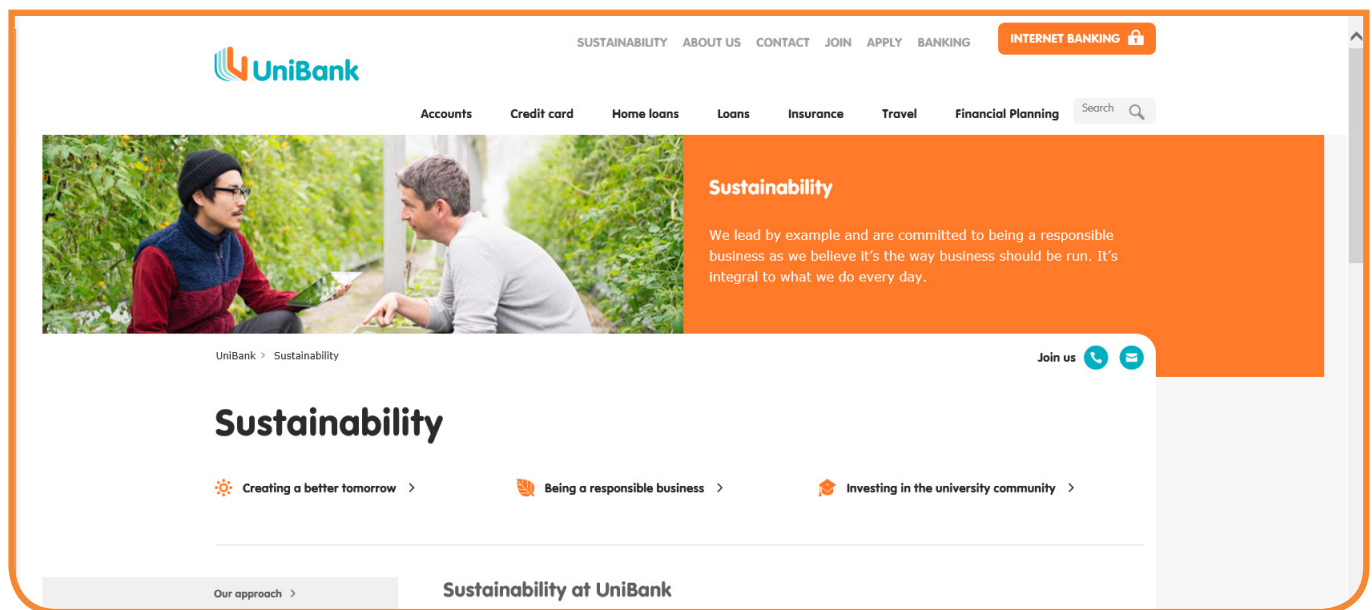
Sustainability is a core business value. We believe that as a business we have an obligation to our members and our community to operate in a socially responsible way. Sustainability is at the heart of what we do and is deeply embedded into all facets of the organisation.

We continue to strive to be an ethical and sustainable business leader, and benchmark ourselves against industry leaders from around

the world. Our ethos is to show that sustainability and profitability are not mutually exclusive.

Visit our Sustainability pages at [unibank.com.au](http://www.unibank.com.au) today to find out more about our approach to and current initiatives in Sustainability and Corporate Social Responsibility.

<http://www.unibank.com.au/sustainability>



UniBank is a division of Teachers Mutual Bank Limited

Membership eligibility applies to join the bank. Membership is open to citizens or permanent residents of Australia who are current or retired employees, students and graduates of Australian Universities, or family members of existing members of the Bank

1. The World's Most Ethical Company assessment is based upon the Ethisphere Institute's Ethics Quotient™ (EQ) framework.
2. The Ethisphere® Institute is a global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust and business success. More information at <http://www.ethisphere.com>
3. Membership eligibility applies to join the Bank. Fees and charges and lending criteria apply. Credit Card terms and conditions available online or from any of our offices.
4. Conditions of use – Accounts and access document and Fees and charges brochures are available online or from any of our offices. You should read both of these documents before deciding to open accounts and access facilities issued by the Bank. Any advice provided here does not take into consideration your objectives, financial situation, or needs, which you should consider before acting on any recommendations. For further information call 1800 864 864 or go to unibank.com.au
5. Membership eligibility applies to join the Bank. Fees and charges and lending criteria apply. Consumer Lending terms and conditions available online or from any of our offices.
6. Terms and conditions for the mortgage offset facility are set out in our Consumer lending terms and conditions and Conditions of use Accounts and access. For more information refer to the FAQ section under Offset facility at unibank.com.au.
7. You should consider whether this service is appropriate for you before acquiring it. For additional information on security please refer to our Security Guide for electronic transactions available online. Access is subject to availability and maintenance. We test mobile banking to ensure compatibility with the majority of popular devices used by members but cannot guarantee that it will be compatible with all devices and operating systems. We do not charge you for accessing your accounts using your mobile. Internet data charges and call charges may be incurred through your mobile service provider - check with your Internet Service Provider or mobile phone service provider for more details. A 3G or Wi-Fi connection is needed for the mobile banking and map features.
8. Android, Android Pay, and the Android Logo are trademarks of Google Inc.