

Merger of Unity Bank and G&C Mutual Bank

Embargoed for Release at 3.00 pm, Thursday 7 September 2023

On behalf of our respective Boards, we are very pleased to announce that G&C Mutual Bank (G&C) and Unity Bank (Unity) will be joining forces. G&C and Unity have a long history of working together cooperatively and sharing resources to build a stronger and more sustainable mutual banking alternative. A merger between our two organisations will deliver further benefits to members, while harnessing our shared values and our absolute commitment to providing fair, ethical and competitively priced banking services.

It is now around 4 years since G&C and Unity last gave active consideration to a potential merger between the two Banks. Although the Boards of both organisations ultimately resolved not to proceed with a merger at that time (partly due to the onset of COVID), both parties nevertheless acknowledged that the underlying rationale for a merger remained compelling and undertook to maintain close contact and to re-visit the merger opportunity at an appropriate time.

After several months of confidential discussions, the Boards of Unity and G&C have now signed a Memorandum of Understanding (MOU) which sets out an agreed timetable under which the two organisations plan to merge. The merger provides an exciting opportunity to combine the strengths and proud histories of the two organisations in a “merger of equals” which will allow us to offer improved products and services for our combined membership base.

The merger will create one of Australia’s largest nationally operating mutual banks with projected assets as at the merger date of around \$4 billion, a network of 28 branches and a full suite of digital services. The increased scale and cost synergies from the merger will allow the merged organisation to fund further innovative products and community support initiatives.

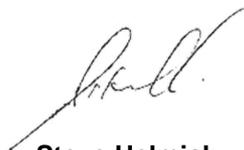
The merger is great news for Unity and G&C staff, as there will be no branch closures and all employees will be offered a role in the merged organisation with the added benefit of improved career and development opportunities.

Further details about the merger and the implementation timetable will be communicated to members over the coming months. Key points to note are summarised in the attached Q&A and include:

- ✓ Subject to the required regulatory processes, we anticipate having the merger approved by members by the end of 2024.
- ✓ The Board of the merged organisation will comprise an equal number of Directors from the Unity Board and the G&C Board. The initial Chair of the merged Bank will be drawn from the transferring G&C Directors and the initial Deputy Chair will be drawn from the transferring Unity Directors.
- ✓ The CEO of Unity, Danny Pavisic will become the initial CEO of the merged Bank, and the CEO of G&C, Rosanna Argall will become the Deputy CEO. After 12 months from the effective merger date, Rosanna will assume the long-term CEO role.
- ✓ All trading names currently used by G&C and Unity will be retained in the period immediately following the merger, with the intention that Unity Bank will become the merged organisation’s name.
- ✓ There will be no change to the pricing or features of products held prior to the merger by G&C and Unity members.



Mick Doleman
Board Chair, Unity Bank



Steve Helmich
Board Chair, G&C Mutual Bank

About Unity Bank

Unity Bank commenced operations in 1970 as the Waterside Workers of Australia Credit Union to serve maritime workers and their families, and over the last 10 years has further evolved merging with 8 other credit unions with a mixture of community and industrial members. It currently has an asset base of \$1.7 billion and 21 branches across Australia.

About G&C Mutual Bank

G&C Mutual Bank was established 64 years ago and has since grown to be one of Australia's strongest member-owned financial institutions. From its origins as the Public Works Department Credit Union servicing public sector employees, G&C's business has evolved through the course of 18 mergers and several name changes. It currently has an asset base of \$1.7 billion and 7 branches and provides a comprehensive and award-winning range of financial services throughout metropolitan and regional markets.