

# A message from the Chair.

Ownership is core to our values. Every account comes with a share, a say and benefits from our profits.



I would like to thank all of our customers who supported the bank over the past 12 months and over our 56 year history. The results we have achieved would not be possible without your support.

As Australia's only member of the Global Alliance for Banking on Values (GABV), we seek to align our responsible approach to banking with your expectations to invest in the communities where we operate, act responsibly towards the environment and provide access to banking for people who may otherwise be financially excluded.

Despite the challenging market conditions, we have performed strongly against financial, social and environmental goals.

Our key financial highlights include: reaching \$3b in assets, delivering a profit of \$25.4m and growing customer owned reserves to \$342.7m. These funds are collectively owned by our customers and the profit is reinvested into the Bank to provide competitive products, quality service, fairer fees and better interest rates. During the year our customers were collectively \$25m better off compared to banking with Australia's big four banks.

Importantly, we achieved these results by growing our business and managing costs without offshoring jobs or lowering the level of service and benefits we deliver to our customers.

Indeed, we were very pleased that Canstar Cannex awarded **bankmecu** Best Value Customer Owned Bank for 2013.

I would like to share some of our achievements over the past year with you:

- Our 2011/12 annual report won the Australasian Reporting Award "Special Award for Online Reporting – Private" and the inaugural "Special Award for Integrated Reporting".
- Merging with Fitzroy & Carlton Community Credit Cooperative Limited and developing a Community Finance Centre.
- Growing our Conservation Landbank to 928 hectares and purchasing 1,860 tonnes of carbon offsets.
- Investing 3.9% of after tax profits, \$1.03m through our Community Investment Program in the areas of community resilience, housing, environment and international development.

We face the year ahead with great optimism, recognising that it will be challenging as interest margins come under further pressure from potential decreases in the official cash rate, continuing low demand for credit and an easing in the growth of the Australian economy.

In this environment the need to achieve efficiencies across the business and increase levels of productivity have never been greater.

We're also working to further enhance customer engagement, make banking more accessible for our customers, find ways to further support the customer owned banking sector and advance the development of cooperative and mutual enterprise throughout Australia.

**bankmecu** is excited to be the host of the annual meeting of the GABV in Melbourne during March 2014. This will see the CEOs for the world's leading values based banks and credit unions come together to discuss and plan strategies for developing the global banking on values movement.

We encourage all customers to download our new iPhone app (Android coming soon), follow us on Twitter and like us on Facebook. And each month we'll be in touch with our Central eNews so you can keep up to date with what's happening with your responsible bank.

I would like to thank all customers, Directors, management and staff for their valued contributions.

A handwritten signature in black ink, appearing to read 'John Baistow'. The signature is fluid and cursive, written in a professional style.

**John Baistow, Chair**