**Proposed Transfer of Banking Business - Frequently Asked Questions (FAQs).**

1. **What is being proposed?**
2. MCU Ltd will transfer its banking business to Queensland Country Bank in early 2021.
3. **Why is the transfer occurring?**
4. Over the past ten years, the banking environment has become increasingly difficult for small credit unions such as MCU. The ongoing low interest rate environment has limited the ability of many credit unions to generate sufficient revenue in order to afford the necessary regulatory and technology costs.

The Board of MCU identified these challenges a number of years ago and have explored a range of options for the future of the organisation.

We have now reached the unanimous conclusion that a transfer of our banking business to Queensland Country Bank (Queensland Country) is the best way forward for the organisation, our Members and the community.

1. **Will there continue to be a banking service provided in Maleny?**

A: Yes, Queensland Country Bank will operate a branch service from Bunya House offering banking and health insurance services. Queensland Country Bank will lease the top floor of Bunya House from MCU Ltd.

**Q: Will I become a member of Queensland Country Bank?**

A: Queensland Country Bank is a mutual organisation, like MCU, and is therefore owned by its members. In transferring the banking business, MCU members will be allocated a member share in Queensland Country Bank.

1. **What will happen to MCU staff?**
2. MCU permanent staff will have the choice of working for Queensland Country Bank or may take a voluntary redundancy. Queensland Country has undertaken that it will not make permanent staff forcibly redundant as a result of the transaction.
3. **Will a branch be retained in Maleny?**
4. Yes, Queensland Country will continue to operate a branch in MCU’s current location.

Queensland Country is committed to providing members with a full range of modern banking services and view full-service branches as an important element in delivering high levels of customer services and satisfaction. They operate 28 branches throughout Queensland, from Stanthorpe in the south to Weipa in the north and west to Mount Isa. In a number of locations, Queensland Country is the sole remaining provider of face-to-face banking services.

1. **Will Queensland Country assume ownership of Bunya House?**

A. Bunya House will remain an asset of MCU Ltd and will not transfer to Queensland Country. Queensland Country will become a tenant and will continue to operate a branch in the building.

1. **Will the Maleny Charitable Trust remain in place?**
2. The existing Community Foundation will also remain an asset of the Maleny community and its trustee will remain unchanged.
3. **How will the transfer of MCU’s banking business be authorised?**

A. The transfer of the banking business to Queensland Country Bank will be approved as a resolution of the MCU Ltd Board.

1. **Will any MCU Board members assume a place on the Board of Queensland Country Bank?**

A. No. The current Board of Queensland Country Bank will remain unchanged. MCU Board members will receive no additional benefits over and above what is available to all members.

**Q. Will MCU Members benefit from the transfer of the banking business?**

A. Yes. All MCU Members will be allocated a Member share in Queensland Country Bank, making them a part-owner of the organisation.

Our analysis of the products and services offered by both organisations indicates that MCU Members are likely to have access to a more competitive range of banking products and services following the transaction. This will include access to a modern internet banking service; a banking app; and access to ApplePay and Google Pay digital wallets.

**Q: Will MCU Member Investment Shareholders (MIS) be paid out?**

A: Yes, MIS holders will paid out at face value. This will occur 30 days from the effective date of the transfer of the banking business.

Q. **Previous sale proposals presented to the MCU Membership allowed for a cash payment to Members. Why will such a payment not be made under the current transfer proposal?**

A. Like MCU is now, Queensland Country Bank is a member-owned organisation where each customer is a part-owner of the organisation. This is an operating model that has served MCU well for many years and is a structure that Queensland Country is committed to retaining in the future.

An important part of the member-owned banking model is that accumulated profits are reinvested back into communities. As part of this transaction, and in lieu of a payment to Members, the Maleny community will instead retain ownership of Bunya House and the Maleny Charitable Trust as a community resource. This will ensure the Maleny Community continue to have influence and control over the funding of local projects that matter most to members of the community.

Q. **When is the transfer of the banking business likely to take affect?**

A. Due to the age of MCU’s banking system, and a looming contract expiry, we are working to transfer the banking business first quarter 2021. Subject to regulatory approval, the two organisations are working to have a single banking system by 28 February 2021.

**Q. Does Queensland Country offer business banking services?**

A. Yes. Queensland Country is able to provide a range of business banking services including lending for small businesses. These business banking services will be offered in Maleny.

**Q. Does Queensland Country Bank provide any additional services other than banking?**

A. Yes, Queensland Country also offers private health insurance through a subsidiary company. Queensland Country Health Fund provides Members with quality, value for money private health insurance and this service will be made available to MCU Members following the transfer of the banking business.

Queensland Country also partners with the Insurance Australia Group to offer home, contents, motor vehicle, landlord and other types of general insurance.

Q. **Will operating hours change following the transfer of banking business?**

A. The most significant difference you will notice will be the ability to contact Queensland Country Bank’s Queensland-based contact centre from 8.30am to 12.30pm on Saturday mornings.

There are no immediate plans to change the operating hours of the Maleny branch.

Q: **Where does Queensland Country Bank invest its funds?**

1. Queensland Country invests excess funds with other Authorised Deposit Taking Institutions (ADIs) that are regulated by the Australian Prudential Regulatory Authority. Investments may take the form of bank accounts, term deposits, bank bills, certificates of deposit and debt securities. In line with prudential standards, at least 75% of investments must be lodged with ADIs that have a long-term credit rating of two or above.

Q: **Does Queensland Country Bank invest in the fossil fuel industry?**

1. While Queensland Country operates some lending for small businesses, the majority of their assets are loans to consumers for homes, motor vehicles and other personal purposes.  Their organisation has no equity investments in the fossil fuel industry.

**Who is Queensland Country Bank?**

Queensland Country Bank (Queensland Country) is a full-service provider of banking and insurance products and services. With a head office located in Townsville, and a network of 28 branches that stretch from Stanthorpe in the South; west to Mount Isa; and north to Weipa, the organisation’s vision is to be **the** bank for Queenslanders.

With over 100,000 Members and assets exceeding $2.9 billion, Queensland Country has sufficient scale to offer a competitive range of banking and insurance products and services, while retaining a unique focus on putting its Members and their communities at the centre of all the decisions the organisation makes.