

		<p>Moved: That the Minutes of the Special General Meeting held on 21 June 2011, as tabled, be confirmed.</p> <p style="text-align: center;">P Whitelaw/C Parker</p> <p>The motion was then put and carried.</p>
3	<p>Chairman's Address</p>	<p>The Chair gave a comprehensive address to the Meeting which included the following highlights:</p> <p>P Whitelaw noted the continuing change in the financial landscape in Australia in response to global and local conditions. He said that since the commencement of the GFC, banks have initially taken market share from other players in the financial sector, particularly Mutual Banks, Credit Unions and Building Societies – the mutuals, although mutuals had taken back a modest share of the market.</p> <p>He said that banks continued to maintain good operating margins by focusing on business and corporate lending, as opposed to closely scrutinised variable mortgage lending associated with residential housing that QTMB and other mutuals principally provide.</p> <p>Despite the mutual sector not achieving the same level of margin gains as those with a more diversified business model, P Whitelaw said that the mutuals had performed well during the most volatile periods in recent history due to their quality of assets and capital position.</p> <p>The Chair advised that although QTMB had performed well, there were emerging trends that will create challenges going forward with tighter funding conditions, higher funding costs inhibiting loans growth coupled with margin compression clearly impacting on profitability.</p> <p>The Chair highlighted some financial achievements for the 2010/11 financial year as follows:-</p> <ul style="list-style-type: none"> • Capital Adequacy Ratio of 17.4% • Profit Before Tax \$12.34M • Financial Reserves \$103bn • Loans Portfolio Growth 4.7% • Savings Portfolio Growth 7% • Impairment Expense of \$0.3M <p>The Chair also highlighted other achievements such as:-</p> <ul style="list-style-type: none"> • Introduction of the Rate Tracker Home Loan which was awarded the Best of the Best Award for Innovation by Money Magazine and the Innovation Excellence Award from Canstar Cannex • The highly successful “Staffroom for Improvement” initiative that awards one Queensland school with a \$30,000 staffroom makeover. • The significant change of the QTCU brand and the overwhelming 95% support of voting members to change the name to QT Mutual Bank Limited. <p>The Chair acknowledged the overwhelming support and loyalty bestowed by the members to enable the change to a mutual bank which ultimately translates to a more prosperous future for the organisation and in turn will lead to improved products and services. He also was appreciative and recognised the efforts and hard work of QTMB staff who have demonstrated their flexibility and willingness during the year. P Whitelaw also thanked the CEO, Mike Murphy for his unwavering commitment to QTMB and his fellow Directors for their contribution and dedication.</p>

		<p>The Chair advised the members of the passing of Noel Ross in December 2010. He said that Noel served on the Board as both a Director and Deputy Chairman for more than 20 years and contributed significantly to the strategic direction of the Credit Union during his service.</p> <p>In closing, the Chair said that the organisation's financial performance continued to improve in 2010/11 and confirmed QTMB's position as a strong financial institution. He said that by becoming QT Mutual Bank, it will undoubtedly facilitate much needed growth opportunities which will ultimately result in improved member services and products.</p> <p>In conclusion, he said that the additional costs preparing the organisation for the exciting future with marketing campaign costs and technology upgrades will have an effect on the profit figure for next year.</p> <p>Finally, the Chair said that the organisation's commitment to the principles of mutuality will remain unwavering as it strives towards providing innovative and competitive products for all its members. The year ahead will be exciting as the bank explore opportunities previously out of reach.</p>
4	Receiving and Adopting Financial Documents	<p>Moved: That the Financial Report for the year ending 30 June 2011, the Directors' Report and the Directors' Declaration attached thereto, together with the Auditor's Report thereon be adopted.</p> <p style="text-align: right;">M Murphy/A Djachenko</p> <p>The CEO, Mike Murphy, gave a comprehensive address to the meeting which included the following:</p>
	CEO's Address	<p>Financials</p> <p>In referring to the financials in the Annual Report, M Murphy said it was with some degree of sadness that he was presenting the last financial report of Queensland Teachers' Credit Union. However, QTCU has always been a pioneer and that tradition has continued with QTCU becoming one of the first mutual banks to operate in Australia. He further added that although QTCU had changed its status, the commitment to providing exceptional service as well as fulfilling the financial needs of the members through the development and delivery of innovative products and services will remain unchanged.</p> <p>Looking back on 2011, M Murphy said that the credit union, now a mutual bank, continued to thrive and grow and generated positive results in an extremely challenging marketplace.</p> <p>He advised that the Operating Profit before Tax was \$12.3M and \$8.73M after Tax, an increase of 22.4%. However, he said that this result is unlikely to be repeated in years to come, especially next year due to the significant investments made in branding and technology that will underpin the bank's future strategies.</p> <p>He said that while growth was disappointing, it was acceptable given the extremely competitive environment and it was in line with the growth experienced by most ADIs other than the major banks.</p> <p>M Murphy advised that the organisation has been successful in maintaining its competitive positioning with the standard variable housing loan rate of 7.67% lower than the banks' rates which range from 7.67% to 7.86%. In addition, QTMB is the only financial institution which offers a housing loan that tracks the movements in the official cash rate set by the RBA. However, M Murphy said, even with the extremely competitive price and features, the loans portfolio had only risen by 4.7% to \$982M during the year.</p>

M Murphy also highlighted the following results:-

- Total Assets \$1.18 billion – a growth of 4,6%
- Total Reserves \$103.3M
- Capital Adequacy Ratio 17.4%
- Return on Average Assets before Tax 1.07%
- Cost to Income Ratio 73.5%

M Murphy said that the organisation's success in 2011 would not have been possible without the support of the members, employees and the Board of Directors. He thanked the Directors for their guidance and support of the Credit Union's vision and direction, especially in relation to the move to become a mutual bank. He said that the Board was united in its stance and passionate about the opportunities in becoming a mutual bank.

M Murphy also thanked the team of outstanding executives, managers and employees who deliver exceptional service to the members each and every day for their commitment and loyalty.

M Murphy advised that the member satisfaction survey results had increased to its highest level for many years and that this result, together with the overwhelming support of the move to QT Mutual Bank, indicates that the organisation was fulfilling the needs of its members and delivering on our purpose and promises.

In referring to QT Mutual Bank, M Murphy advised that on 1 October 2011 Queensland Teachers' Credit Union changed its name to QT Mutual Bank (QTMB) – one of the first mutual banks in Australian history. He highlighted that, for a humble credit union from small beginning, it was a bold move but one that will certainly provide opportunities to become a real challenger to the conventional bank. The new name holds the thread to the QTCU heritage as does the new brand mark but will always be a people first organisation.

He added that it was not only an opportunity to embrace a new name and look, but to show all Queenslanders who we are and what we're made of and as a mutual bank we can play a pivotal role in keeping the banking sector fair by offering competitive interest rates on loans and savings, innovative products and services and be a real alternative to the big four banks.

M Murphy advised of some of the new and innovative products and services that will be introduced:-

- Enhanced Teachers' Life Package
- Fee free transaction accounts
- Upgrades to internet banking and mobile banking
- Credit Card
- Branch Strategies

M Murphy showed the meeting the two television advertisements currently being screened throughout Queensland, an advertisement that will be screened in the new year and an advertisement that will be screened in relation to a proposed new home loan feature.

Future

Looking to the future, M Murphy said that 2012/13 will be a positive year of transformation based on the fact that the organisation had already commenced investing heavily in two strategic areas, technology and brand. He said that these significant investments will have impact on the 2012/13 results but they will set a platform for brighter and more prosperous years ahead.

		<p>Looking to 2013, M Murphy said that most forecasters were expecting a flat economic environment with spending and borrowing restrained and interest rates remaining relatively low. He said that these conditions, along with greater regulatory burden, will continue to pose challenges however he remained confident that the organisation's substantial strategic and financial strengths will prepare it to continue to compete and service its members well.</p> <p>In conclusion, M Murphy sincerely thanked the members for their loyalty and ongoing commitment to the organisation and looked forward to continuing the mutually rewarding relationship for many years to come.</p> <p>Questions and Comments from the Floor</p> <p>The Chairman then asked for questions or for members to raise any other issues.</p> <p>A question was raised in relation to the one-off windfall Cuscal/VISA dividend.</p> <p>M Murphy advised that Cuscal, the credit union governing body, sold its interest in VISA and as a shareholder in Cuscal, QTCU received a special dividend.</p> <p>A question was raised in relation to Note 32 payment of dividends. M Murphy advised that this related to QT Financial Planning which is a subsidiary of QTCU. The dividend was paid in relation to QTCU's 25% shareholding.</p> <p>The motion was then put and carried.</p>
5	<p>Appointment of Director Peter Whitelaw for an additional term</p>	<p>Moved: That pursuant to clause A4-4(2)(a) of the Constitution, Peter Geoffrey Whitelaw be appointed as a Director of the Company for a further 3 year period from the close of the 2011 AGM to the conclusion of the 2014 AGM.</p>
6	<p>Appointment of Director Kay Trowbridge for an additional term</p>	<p>Moved: That pursuant to clause A4-4(2)(a) of the Constitution, Kay Yvonne Trowbridge be appointed as a Director of the Company for a further 3 year period from the close of the 2011 AGM to the conclusion of the 2014 AGM.</p>
		<p style="text-align: right;">C Parker/D Spence</p> <p style="text-align: right;">C Parker/A McGruther</p> <p>In speaking to the motions, the Company Secretary, C Parker advised the meeting that the under the Constitution the Board may determine the number of Directors that comprise the Board from time to time and currently the Board has determined that until further resolution, the Board should comprise a total of 7 Directors and that all Directors' position should be Elected Directors' position.</p> <p>C Parker advised that the term of office for two Directors, namely, P Whitelaw and K Trowbridge both expire at the conclusion of the 2011 AGM and therefore two vacancies were declared. C Parker said that nominations were called for the two vacant positions.</p> <p>C Parker said that at the close of the advertised nominations period, only two nominations were received, and these were from P Whitelaw and K Trowbridge. She went on to say that the Independent Returning Officer had confirmed that both nominees met the eligibility clause criteria set out in the Constitution and that the Board's Nomination Committee had assessed both nominees as fit and proper under APRA's Prudential Standard 520 – Fit and Proper and Appendix 6 of the Constitution.</p> <p>C Parker advised the meeting that given the number of candidates was equal to the number of positions to be filled, it was a requirement of the Constitution that the General meeting may appoint each candidate as a Director by passing a separate resolution at the AGM. She also confirmed that the Board of Directors, with the exception of P Whitelaw and K Trowbridge, who did not vote, recommends unanimously that the Members vote in favour of the Resolutions.</p>

7	Directors' Remuneration	<p>In closing, C Parker advised the meeting, details of the credentials of both candidates in support of their re-election for a further term.</p> <p>The motions were then put and carried.</p> <p>Moved: That the Board of Directors be allocated a quantum of \$368,500 (inclusive of superannuation) for the period commencing at the conclusion of the 2011 AGM and concluding on the date of the 2012 AGM; AND That the apportionment of the quantum of Directors' remuneration be at the discretion of the Directors.</p> <p style="text-align: right;">J Fisher-Stamp/K Cunningham</p> <p>In speaking to the motion, J Fisher-Stamp advised the meeting that the proposed maximum limit of \$368,500 represented an increase of 7% for the forthcoming year. He outlined the processes that had been undertaken, including referencing independent and credible research and survey reports. In particular, J Fisher-Stamp said that the McGuirk 2011 Mutual Financial Board Remuneration Survey was referenced to review comparative data of credit unions and building societies of similar size throughout Australia and that the 7% increase was aligned to the lower quartile of remuneration when compared to credit unions and mutual financial organisations of a similar size.</p> <p>J Fisher-Stamp advised that the recommendation was discussed and debated by the full Board who resolved unanimously to recommend to the Members the proposed increase of 7% which was considered reasonable and appropriate having regard to the prudent management of the organisation, the results achieved and the ever increasing regulatory and compliance responsibilities of a Director.</p> <p>J Fisher-Stamp also highlighted the number of meetings, both Board and Committees, that Directors were required to attend as well as strategic planning reviews, executive and technical briefings in addition to the commitment to ongoing structural professional development.</p> <p>J Fisher-Stamp said that the maximum limit of \$368,500 proposed will allow the Board the flexibility, if necessary to supplement skill gaps or deal with particular issues of complexity if they arise.</p> <p>In conclusion, J Fisher-Stamp highlighted that the organisation has had a successful year in its overall financial performance and commended the motion for adoption.</p> <p>K Cunningham seconded the motion in support of the proposed increase to Directors' remuneration. He stated that he appreciated how times had changed since the formation of the credit union by a small group of teachers and the responsibilities of Directors associated with the management of a financial institution.</p> <p>The motion was then put and carried.</p>
8	Condolence Motion for Mr Noel Ross	<p>Moved: That this Annual General Meeting expresses its sadness at the passing of former Deputy Chairman, Mr Noel Ross, and records its deep appreciation for Mr Ross' excellent contribution over many years.</p> <p style="text-align: right;">L Schuntner/C Harris</p> <p>In speaking to the motion, former Chairman, L Schuntner advised the meeting that he and Noel were both elected to the Board of Queensland Teachers' Credit Union in December 1985 and for most of the 23 years from that date until Noel retired in 2008, had worked closely together as Chairman and Deputy Chairman respectively.</p>

<p>9</p>	<p>Closure</p>	<p>L Schuntner went on to say that Noel was the very epitome of integrity and honesty and that these attributes were not just reflected in pretty words spoken at some opportune time but they were clearly evident in all his actions and deeds.</p> <p>Noel was never motivated by self interest or materialistic desire. His sole motivation was to see that decisions were made in the best interests of the members. Although Noel had a quiet manner, in the Boardroom, it was often Noel who stepped forward and displayed the sense of responsibility and indeed courage necessary to perform the vitally important duties of a director.</p> <p>L Schuntner recalled, in debate, Noel would stick to his guns, which required a lot of courage, even when the popular and prevailing view was different. His moral compass never wavered and his guiding principle was well encapsulated in Shakespearean words which he would quote from time to time: "To thine own self be true and it must follow, as the nigh the day, thou canst not then be false to any man".</p> <p>L Schuntner advised that Noel was also on the Teachers' Union Health Board for 25 years and for much of that time, he served with distinction as Chairman or Deputy Chairman. He was awarded Life Membership of the Qld Teachers' Union in 1995 for long and distinguished service at Branch level and as a Union Executive member for 18 years. He was a member of the Board of QSuper (or its predecessors) as the Union's nominee for 15 years. He was a Returning Officer in State electorates and City Council wards in many State and Local Government elections.</p> <p>In conclusion, L Schuntner, on behalf of the Board, Management and members, conveyed his deepest sympathy to Audrey and the family and in recording appreciation for Noel's immense contribution to this organisation.</p> <p>Carmel Harris agreed with L Schuntner's remarks and said that she was impressed with Noel's involvement with the Teachers' Union Health.</p> <p>Neil Doherty suggested that Noel's involvement and contribution to the organisation be archived in dedication to Noel and his family.</p> <p>The Chairman thanked the members for attending the Annual General Meeting. The meeting closed at 6.55 pm.</p>
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