



October 2010

money matters

No fee home loans

Safer online shopping

Don't be a donkey

Win film & theatre tickets

A photograph of a young man and woman smiling and looking upwards. The man is in the foreground, and the woman is behind him. They are both smiling broadly. The image is framed by a large, light green circular graphic that has a scalloped edge at the top.

**it all comes
back to our
members**

Don't be a donkey

Many Australians are still being duped into acting as money mules.

Anyone can be targeted, but often the mules are caught up in the scam after placing an advertisement or internet listing - or respond to an advertisement.

A money mule is someone who unwittingly deposits funds into their account, without knowing that the money has come from a stolen identity or hacked internet banking account. They may also innocently present a counterfeit cheque. The scammers then have a variety of ways of getting their cut of the proceeds, and are nowhere to be seen when the police come knocking to claim the money back. Mules can be used to mask local transfers, as it's very easy to trace funds within Australia, but it can get a lot more difficult for authorities once the funds leave the country.

While money mules are often recruited with job advertisements for 'accounts officer', 'money transfer agents' and other similar titles, 'working from home', there is an even more innocent way that you can be implicated in this crime. If you advertise something for sale, or a home for rent, you might receive an over-payment, or a deposit which needs to be returned.

Even if the payment is not reversed quickly or the cheque clears automatically, it may still be part of a crime. This fraud may only be uncovered after you have transferred the overpayment, fee or commission overseas - leaving you holding the bag!

It is important that members do not accept funds from unknown or untrustworthy sources, and do not transfer funds overseas to people that you don't know and trust.



It's not hard to protect yourself from all types of scams - it really just comes down to common sense, no matter the tactic used. Don't give away your account information to anyone you don't trust, and remember the old rule: if an offer seems too good to be true, it probably is.

further info: www.scamwatch.gov.au

Win Free Tickets to Lotterywest Festival Films

The best of contemporary cinema from around the globe, light up the outdoor screens at Somerville and Joondalup Pines, from November to mid-April this summer. Featuring an excellent line-up of award winning films, direct from international festivals, prepare to be entertained, stimulated, provoked and enchanted throughout the 140 night season under the Perth summer stars. Come early with a picnic or choose from the wide selection of food available at the venue.

Somerville Auditorium, UWA - Joondalup Pines, ECU

Mon 29 Nov 2010 - Sun 17 April 2011

Every night except Christmas night

Program details: www.perthfestival.com.au



Win one of five double passes to the Lotterywest Festival Films at UWA or Joondalup ECU.

To enter, simply complete your details below and return to your Unicredit branch before November 22, 2010 or post to: Festival Films Comp, Unicredit, PO Box 3200, Nedlands WA 6009.

Name

Member No

Or click on the news item link at www.unicredit.com.au and email through your details.



Conditions of entry: 1) Competition open to Unicredit members excluding staff. 2) The judges' decision is final. 3) Competition closes 22 November, at 4pm. Privacy disclaimer: Unicredit respects your privacy, and will not use your personal details for marketing or other purposes.

It All Comes Back to Your Home Loan

Unicredit members have access to a great range of flexible home loan products - all backed with low fees and personal service. This flexibility can save you a great deal of money over the long-term.

Unicredit is a mutual banking organisation, which means all profits are retained to benefit all members. These benefits are channelled back to our home loan members in 4 ways:

Better personal service

Unicredit members are provided a personal lending consultant, who can tailor your lending for the lowest possible cost and best flexibility for future plans. As a member organisation you can trust our motives, and know that we will be there for the long-haul.

Better standard variable rates

Our loans can't be simpler or more flexible. Just refer to our website to see how much money you can save, compared to the banks. We don't play games with our members or use promotional products and complex loan structures to obscure long-term rates and fees. Our aim is to be fair to all members - no matter who you are or what amount you borrow.

Better flexibility

Life is never simple, so we make sure that our loans are flexible enough to deal with your changing financial needs. Unicredit's best rate is on a simple standard variable product, which allows extra repayments at any time - and then, unlimited free redraws when you want to use those funds. This flexibility can save you hundreds of dollars - by replacing the need for personal loans and credit card debt for the whole family. We provide the personal service and flexibility to make this easy.

Lower costs

While the banks often try to lock you into your loan with hidden and deferred costs, at Unicredit we keep everything as simple as possible.

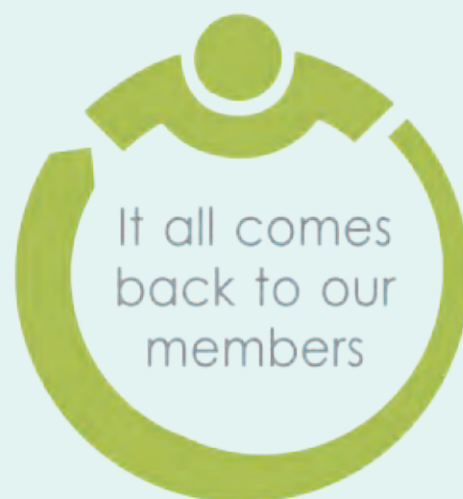
As a member of Unicredit, you have a big-head start in getting the best home loan deal.

Unicredit Home Loans - NO! Fees*

	standard	now
Establishment	\$ 200.00	\$ 0
Property Valuation	\$ 184.50	\$ 0
Security Lodgement	\$ 183.25	\$ 0
Settlement cheques	\$ 24.00	\$ 0

SAVING YOU \$ 591.75 on standard loan costs

We'll pay all your standard loan costs (up to \$600). This will cover the entire cost of mortgaging most existing properties under \$1m in the metro area, leaving you just to cover the Government Landgate costs.*



Unicredit Home Loans

- No Ongoing Fees
- No Fee or cap on loan redraws ²
- Free split with Fixed or Equity Access
- No ATM Fees on any ATM in Australia ¹

Unicredit's professional Lending Service in Nedlands, can customise your home loan exactly for your needs - and without fees.*

There are no ongoing fees for a Unicredit home loan and we'll even provide a Visa Access card which can be used to withdraw cash at any ATM in Australia with no Direct ATM fees and no maintenance fees. ¹

For information on Unicredit's flexible home loans: phone the Nedlands Lending Centre on 9389 1011 or refer to: www.unicredit.com.au



* Unicredit will waive up to \$600 of standard loan establishment costs on new standard variable home loans with loan funding greater than \$150,000. Government fees such as Landgate title search and registration still apply. Offer subject to change and expires on 31/12/10.

1) Unicredit members with a home loan over \$150,000 will not pay Direct ATM fees on any ATM in Australia. Visa & Overseas ATM withdrawal fees apply.

2) Minimum loan redraw \$1000.

Abridged Financial Statements as at 30 June 2010

INCOME STATEMENT

	2010 \$		2009 \$	
	Group	Society	Group	Society
INCOME				
Interest on loans	5,596,595	5,596,595	5,889,100	5,889,100
Interest on investments	2,113,676	2,089,686	3,035,616	3,018,891
Fees and commissions	1,441,748	545,977	1,395,585	540,703
Bad debts recovered	592	592	4,792	4,792
Dividends	41,551	41,551	84,845	84,845
Total Income	9,194,162	8,274,401	10,409,938	9,538,331
EXPENDITURE				
Interest on deposits	4,194,363	4,194,363	5,532,835	5,532,835
Interest on borrowings	6,224	6,224	6,060	6,060
Bad debts written off	148,478	148,478	84,541	84,541
Depreciation and amortisation	174,528	168,001	202,710	199,666
Employee benefits expenses	1,779,659	1,282,716	1,996,386	1,483,905
Occupancy expenses	168,113	159,683	165,208	157,307
Other administration costs	1,605,147	1,523,978	1,515,494	1,420,907
Total Expenditure	8,076,512	7,483,443	9,503,234	8,885,221
OPERATING PROFIT	1,117,650	790,958	906,704	653,110
Income tax attributable to operating profit	(314,101)	(216,093)	(214,098)	(138,020)
Operating profit after income tax	803,549	574,865	692,606	515,090
Retained profits at beginning of period	527,685	-	350,169	-
Total available for appropriation	1,331,234	574,865	1,042,775	515,090
Aggregate of amounts transferred to reserves	(574,865)	(574,865)	(515,090)	(515,090)
Retained profits at the end of period	756,369	-	527,685	-

BALANCE SHEET

	2010 \$		2009 \$	
	Group	Society	Group	Society
ASSETS				
Cash and liquid assets	2,513,007	2,512,512	3,087,649	3,087,154
Due from other financial institutions	36,000,000	36,000,000	42,163,332	42,163,332
Investment securities	2,490,966	2,490,966	-	-
Accrued receivables	3,308,103	2,265,932	1,763,995	1,245,628
Loans and advances	96,663,596	96,663,596	91,377,908	91,377,908
Other investments	355,678	455,678	355,678	455,678
Property, plant and equipment	3,370,588	3,357,338	3,402,960	3,386,106
Intangible assets	540,819	540,819	614,352	614,352
Financial assets	-	-	-	-
Deferred tax assets	270,265	268,420	242,999	240,232
Total Assets	145,513,022	144,555,261	143,008,873	142,570,390
LIABILITIES				
Deposits and borrowings	129,731,443	130,214,049	128,059,333	128,494,288
Payables and other liabilities	1,974,626	1,324,866	1,787,783	1,452,298
Financial liabilities	290,956	290,956	518,188	518,188
Tax liabilities	365,463	344,032	234,175	236,714
Provisions	336,158	323,351	410,975	398,168
Total Liabilities	132,698,646	132,497,254	131,010,454	131,099,656
Net Assets	12,814,376	12,058,007	11,998,419	11,470,734
EQUITY				
Reserves	12,058,007	12,058,007	11,470,734	11,470,734
Retained profit	756,369	-	527,685	-
Total Equity	12,814,376	12,058,007	11,998,419	11,470,734



Chairman's Report

On behalf of the Directors, I am pleased to present the 46th Annual Financial Report of The University Credit Society Ltd, for the year 2009/2010.

Following the turbulence of the 2008/2009 year, the past 12 months has seen a gradual improvement in consumer confidence in financial markets, with official interest rates returning to a relatively neutral setting of 4.25% by June 2010. Unicredit's continued stability in this changing post-GFC period has enabled attractive rates, low costs and high service standards to be maintained for our members.

In the last year, we made the decision to double our free ATM network, by partnering with NAB - a decision which returns real ongoing cost savings to our members. Unicredit now provides its members one of the largest free ATM networks in Australia, at no additional cost. This, together with our low member maintenance fee and free counter service, resulted in Unicredit being awarded a prestigious 5 star rating by Canstar Cannex as "outstanding value" for both of our transaction accounts: On-Call Savings and Visa Access.

Unicredit's home loans continue to offer low-cost, flexible loan structures at very competitive rates - maintaining a Canstar four star rating throughout the year.

Unicredit is participating, for the first-time, in a national advertising campaign, promoting the benefits that mutual banking organisations, like ourselves, are able to provide to their members. You may have seen the TV commercial or web banners proclaiming "It all comes back to our members". We hope that an increased profile and understanding of member-owned financial institutions will assist our members in continuing to spread the word, that there are better options than the banks.

Being financially sound continues to be the most important objective for Unicredit. It is therefore gratifying to report that The University Credit Society has recorded yet another year of solid financial results, with many positive achievements, as can be seen from the following performance highlights:

- Consolidated operating profit before tax for the year ended 30th June 2010 was \$1,117,650. This result enabled the Credit Society to further strengthen its reserves to \$12.8m.
- Capital adequacy at 30 June was 17.13%, well above the required prudential standard of 10%.
- The Board's policy of conservatively managing liquid assets was reflected in liquidity of 18.66%, well in excess of the 9% required by prudential standards.
- Member deposits during the year increased by 1.31% to \$129.7m and total assets by 1.75% to \$145.5m. Loans to members grew by 5.92% to \$96.8m.
- Tertiary Travel, Unicredit's fully-owned subsidiary company, had another very successful year, with sales increasing to \$11.2m.

These results reflect the continuing support of Unicredit's product and services by the membership, and the ongoing attention given by the Board and Management to member service, relevant products and control of costs.

Unicredit's mutual ownership structure ensures that everything we do benefits our members. If you also have loans or deposits with other organisations, we hope this turbulent period has convinced you of the benefits of banking with a local organisation that you can trust. I'd encourage all of our members to take the time to sit down with their lending consultant or discuss with their branch, how Unicredit can benefit them over the long term.

In closing, I again extend my thanks to the staff of Unicredit and Tertiary Travel for their efforts during the year, which is much appreciated. To Frank Lincoln, Deputy Chair, and to all the other Directors, my thanks for your contributions to yet another successful financial year. Finally my special thanks to our valued members, without whom Unicredit would not exist. We look forward to your continued support of your credit society.

Bill Ford
Chairman, Board of Directors
The University Credit Society Ltd.



Annual General Meeting Notice

The 2010 Annual General Meeting of The University Credit Society Limited will be held at 80 Broadway, Nedlands on Wednesday 24th November 2010 at 5pm. Members are encouraged to attend. Light refreshments and finger food will be served following the meeting.

The agenda for the AGM is as follows:

- Apologies
- Confirmation of 2009 AGM Minutes
- Presentation of the Report of the Board of Directors
- Presentation of 2009/2010 Audited Accounts and Auditor's Report
- Election of Directors in accordance with the Society's Constitution
- Director's Remuneration
- General Business



Safer Online Shopping with Visa Access

Card innovation and security is paramount at Unicredit, and we are pleased to announce a major enhancement to your online shopping security, with Verified by Visa.

Many online retailers have chosen to participate in a new Verified by Visa program. When you shop at these websites with your Unicredit Visa Access card, Visa will evaluate the transaction risk and may choose to ask additional security questions, to ensure that it is you making the purchase.

For your convenience, this enhanced version of Verified by Visa will work behind the scenes, so in most instances you won't be interrupted on your way to the 'checkout'. But where Visa considers that there is a risk that someone else may be using your card number, the website may ask you additional security questions.

When making an online payment at a secure Verified by Visa retailer, you may now be asked for:

- **your member number,**
- **date of birth,**
- **or the exact name embossed on your card.**

All Unicredit Visa Access card holders are automatically registered for the scheme. For members who were previously registered for Verified by Visa through Unicredit, you will no longer require your Member Registration Number (MRN) or Personal Assurance Message to shop at Verified by Visa websites.

These three questions are all you should ever disclose and only on secure websites. Never disclose your card PIN or internet banking password to anyone at any time. Unicredit, Visa or anyone associated with us, will never email you asking for your personal information, or send you a link to go to a website to disclose this information. If you receive emails of this nature, then they are fraudulent.

For your online shopping security it is still vital that you only ever disclose your details and card number when shopping at sites you trust completely, and are within a secure purchase page (marked as https rather than http in the address bar with the padlock symbol on the right).

Further information is available from the Unicredit website or by phoning (08) 9389 1011.



Welcome to Member Services...



Corinne, pictured with her boy Harley (2½)



Carol



Lisa and Zak (4 months) are going great.



Cheryl



Introducing Unicredit Lending Consultants Michael Rosario & Anna Foskett



Hazel from Murdoch has become a Nan for the third time... Nate Robert (born in May, 8lb 4oz), pictured with big sister Luca, taking it all in her stride.

Taxing Super Death Benefits

For some Australians, superannuation is starting to challenge the family home as the main asset of their estates.

People are living (and working) longer, which also means there is more money going into their super. As the population ages, it will become increasingly common for death benefits to be paid to non-dependants, usually the adult children of the deceased. If most of the payment comprises a tax-free element, no tax is payable, however, if most of the payment comprises a taxable element, up to 30 per cent tax could be deducted, which can be a significant amount for beneficiaries.

Here is a simple example

Eric, a widower, is 63 and has \$1 million in superannuation, all of which is 'taxable'. Unfortunately, Eric suffers from a terminal condition. This allows him to withdraw the full amount prior to his passing and, as he is over age 60, the entire amount would be tax-free. In this situation, no tax would be payable, even when it is passed to his beneficiaries. However, if he were to die unexpectedly, the benefit would be paid to his adult children and \$165,000 would be lost in tax (15 per cent plus 1.5 per cent Medicare levy).

Plan for a solution

As with most things in life, planning can help. For those that are eligible to contribute to super, there are strategies that allow you to convert the taxable component of your super to a 'tax-free' component. These strategies however, need to be implemented sooner rather than later, particularly if large sums of money are involved.

People who can no longer contribute to superannuation, and have large taxable components in their superannuation, face a dilemma. The tax-free environment of a superannuation pension is too valuable to ignore, but any subsequent death benefit may come with a significant tax liability. On the other hand, cashing out and investing outside superannuation may create an ongoing income tax liability. Over the long term, this could lead to a larger tax bill.

To ensure your beneficiaries are not faced with any nasty super surprises after you have gone, contact Unicredit on (08) 9389 1011 to make an appointment with a Bridges financial planner.



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Black Swan State Theatre Company presents

Madagascar

by JT Rogers

Directed by Kate Cherry. Featuring Rebecca Davis, Greg McNeill and Amanda Muggleton.

Madagascar is the haunting story of a mysterious disappearance that changes three lives forever.

At three different points in time, three people find themselves in the same hotel room in Rome. Slowly, their individual stories unfold: their relationship to each other, what this room means to them, and why they have been called to it to slowly reveal themselves. As their stories spill out and weave back and forth, the strands join to form one gripping and disquieting tale.

"... thoroughly entertaining and thought-provoking" Del Mar Times

Playhouse Theatre
23 October - 7 November, 2010

Bookings through BOCS: (08) 9484 1133
or www.bocsticketing.com.au



Win a double pass

Go to Unicredit's website news before October 15 and click on the email link to send through your name and member number.