

QNEWS

OCTOBER 2015



An announcement
from our CEO

Member announcement

Opening the door to an
investment property

Annual General Meeting

An announcement from our CEO, Scott King

Dear Members,

Today represents the start of a new journey to establish us for growth, build on our strengths and provide more benefits back to Members.

Our Members play an important role in our future direction and I'm excited to be sharing with you more on this opportunity.

A New Name

For several years we have been considering options to overcome confusion around Membership eligibility and its impact on growth and how best to position our organisation for the future.

In 2012 we removed the word 'staff' from our trading name to make clearer that membership didn't require employment with Qantas Airways. A few years on, research still reveals that 90% of people think they can't bank with us, slowing growth and our ability to invest in new products and offerings to make banking easier.

We've also found that the use of 'Credit Union' in our name is an impediment to growth. Independent research shows that financial institutions with 'bank' or 'banking' in their name rank more favourably than 'Credit Union' on a range of statements including 'meets all of my banking needs', 'provides a good deal', is 'safe and secure', 'competitively priced products' and 'eligibility to join' - and that 'Credit Union' is becoming an outdated term.

Several years ago Government reforms paved the way for larger Credit Unions to apply to use the word 'bank' in their name, introduced as a way to increase competition and provide a real alternative to the major banks.

Australia has now welcomed 10 Credit Unions who have made the move to include 'bank' in their name while proudly remaining Member owned - more are also in the process of doing the same.

We believe it's vital we take every opportunity to position QCU for strength and growth into the future, which is why we are taking the next logical step to include 'bank' in our name. For this to happen we must first change our legal name.

“ With a new name we know how important it is that we establish a balance of our rich heritage and our future direction, which is why we're proud to announce our proposed new legal name, Qudos Mutual Limited, which will allow us to apply to trade as 'Qudos Bank'. ”

Qudos is a twist on 'kudos' meaning praise, reward and recognition - which we felt was a great reflection of our mutual culture and how we can continue to differentiate ourselves from the major banks, offering something unique to our Members. By incorporating the Q in our name we have yet another way we can retain a piece of our history, which I'm very pleased about.

Still 100% Member Owned

Our name may be different, however who we are and what we stand for won't change.

We will continue to remain 100% owned by our Members and each time you bank with us you will continue to receive the same friendly and personal service you always have.

Next Steps

Your AGM pack provides more information about how you can help start this process by voting for a change to QCU's legal name to 'Qudos Mutual Limited'. This change will allow us to apply to the Australian Prudential Regulation Authority (APRA) to use the word 'bank' and if approved use it in our preferred trading name of 'Qudos Bank'.

A **'yes' vote** will allow us to apply to trade as **'Qudos Bank'**.

A **'no' vote** will mean we cannot apply to trade as 'Qudos Bank' and may result in us trading as **'Qudos Direct'**, the next preferable term based on our research.

Why Vote Yes?

A yes vote will help provide the opportunity to facilitate future growth and strength, which is vital to providing Members an expansive product range, interest rates that are comparable with or beat the banks and improvements to technology to make banking easy. A yes vote is a vote for our future.

We understand that you may have some questions, so we have included the below key FAQs and a full FAQs version in your AGM pack. In addition you can also call a dedicated line at our call centre on 1300 747 747 between 7am and 7pm, Monday to Friday.

We have a bright future with big things to come and we're looking forward to you being part of this journey with us.

Yours sincerely,



Scott King

CEO
Qantas Credit Union



FAQs for Members

Please note that we have included the full FAQ listing in your AGM pack.

Why not still call ourselves a Credit Union?

Recent independent research shows that financial institutions with 'bank' or 'banking' in their name ranked higher than 'Credit Unions' on a range of statements including 'meets all of my banking needs', 'provides a good deal', is 'safe and secure', has 'good customer service', 'competitively priced products', 'eligibility to join' and provides 'market leading technology'.

The reality is that even though we outperform the banks on many of these statements, the perception is that financial institutions with 'bank' or 'banking' in their name have an advantage of being widely understood and that 'Credit Union' is becoming an outdated term.

Also, KPMG's 2014 Financial Institutions Performance Survey shows that those operating as customer owned banks are also displaying a diverging pattern of higher growth with total assets growing 4.1 percent in 2014.

Are we demutualising?

No, we will not demutualise or list shares on the ASX. If that were to ever happen, Members would need to vote in favour of demutualisation under our Constitution.

Our culture and mutuality remains a core part of who we are so by changing our legal name to Qudos Mutual Limited, we are reinforcing our commitment to remain a mutual organisation 100% owned by our Members.

Why are we changing our name?

For several years the Qantas Credit Union Board has been considering options to overcome confusion around Membership eligibility and growth, and how best to position the organisation for strength and growth into the future.

So when Qantas Airways raised with us that it was time for us to consider a new name our Board saw this as the next step to remove the impediments to membership growth by removing Qantas and including 'bank' in our name.

What happens if Members vote yes?

If Members approve the proposed change of name it will allow us to apply to the Australian Prudential Regulation Authority (APRA) under section 66 of the Banking Act 1959 for consent to use the word 'bank' in a new trading name (i.e. Qudos Bank).

We cannot apply to APRA for consent to use the word 'bank' if it continues to have the phrase 'Credit Union' in our name.

What happens if Members vote no?

If we are unable to achieve 75% approval from the Members who vote, we cannot apply to APRA to use the term 'bank' in our preferred trading name of 'Qudos Bank' and may result in us trading as 'Qudos Direct', the next preferable term based on our research.

The opportunity to include 'bank' in our trading name is preferred and fully supported by the Board and Management team to unlock our opportunity to grow and ensure we can continue to return benefits back to Members in the form of better rates, low or no fees and investment in technology.

Will we still have a relationship with Qantas Airways?

Yes, our relationship with Qantas Airways will continue to remain important as we look to retain our heritage and maintain our ties for the future.

Qantas employees make up 24,000 (25%) of our Membership so our branches and ATMs within Qantas areas and airports are an important part of our business. We will proudly continue to support our Qantas Members through related charities, clubs and events as we have over many years.

“ A yes vote will help provide the opportunity to facilitate future growth and strength, which is vital to providing Members an expansive product range, interest rates that are comparable with or beat the banks and improvements to technology to make banking easy. A yes vote is a vote for our future. ”



Our 90 Day Low Cost Home Loan Sale[^] is our best offer yet!

With so many great features you could save thousands over the life of the loan, so you could pay your mortgage off sooner!

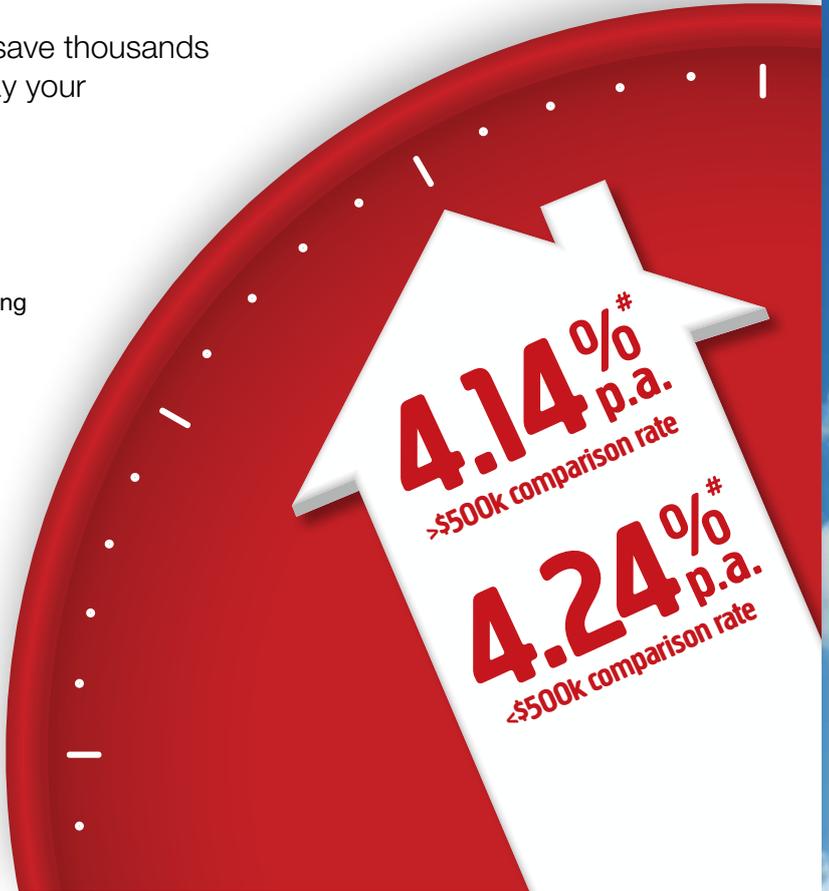
Everything you need in a home loan:

- ✓ Free offset account
- ✓ Instant redraw available within your online banking
- ✓ Unlimited extra repayments at no cost - pay your loan off sooner
- ✓ Repayment holidays - when your repayments are in advance¹

Hurry these rates won't last!
Sale ends 10 November 2015*

Speak to a lending specialist today

- ☎ Call us on **1300 747 747**
- 📍 Visit **qantas.com.au**
- 👤 Drop into your nearest branch



Rates are subject to change and are variable in accordance with the terms and conditions of the loan. Normal lending criteria and fees and charges apply. Terms and conditions apply and are available upon request. #WARNING: This comparison rate applies to the example or the examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan. A loan of \$150,000 monthly repayment frequency and a term of 25 years have been used to calculate our comparison rates. ^Available for all new home loans over \$150,000. Excludes switching and variations. *Applications must be received by the 10 November 2015, and settled by 8 February 2016. This offer can be withdrawn by QCU at any time. 1. Repayment Holidays are not available on interest only loans. Applications are subject to QCU's approval.

Meet Your Lending Specialists

If you're looking for a better deal on your home loan visit your nearest branch and meet with one of our Lending Specialists. With years of experience, our friendly team are here to help you choose the best home loan to suit your needs.

Book an appointment today!

- ☎ Call us on **1300 747 747**
- 📍 Visit **qantas.com.au**
- 👤 Drop into your nearest branch



Marcelle Hakim



Katie Reeve



Nancy Hsu



Sashin Nath, Kimberley Boot, Rose Ilett and Kujhit Kodali



Our NEW Mobile Banking App!

The highly anticipated improvement on our current mobile offering is set to launch before the end of 2015. Our new App will be compatible with most Apple and Android devices (mobile & tablet), providing a streamlined and easy to use interface.

You'll have access to new functionality including:

- Account dashboard
- Personalise your accounts - upload a photo, alerts and preferences, select default account for quick balance
- Quick balance – view your favourite account before logging in
- Search for transactions - download transaction history and email receipts for payments or transfers
- Setup a PIN login to secure your App
- Enhanced swipe and tap functionality
- Enhanced ATM and Branch locator

Once available, you'll be able to download it from the Apple App Store and Google Play.

We have also developed a App Tour which will guide you through the functionality.

Keep an eye on our website, facebook page and twitter for news on the launch of the Mobile Banking App.

Opening the door to an investment property?

Buying an investment property isn't that different from buying your family home, however there are some additional considerations. Here is a checklist to help you purchase a good solid investment property that will grow in value over the years.

Start here!

Before you even hit the open houses, you will need to contact your financial institution to find out exactly how much you can borrow or afford to buy. You should take into consideration your income, the rental income and tax advantages with a built in buffer for the unexpected. Once you're pre-approved you can start looking for an investment property in your price range.

Location, location, location

This is just as important for investment properties as it is for your family home. Look in suburbs with a good history of capital-growth. Does the investment property have access to reliable public transport and good schools, close to amenities and lifestyle choices such as cafes and recreational facilities? Research any local plans too for new roads, transport and schools etc. This will ensure your investment yields great returns in the future. All these features make your investment property more desirable to renters.

Can you add value to the property?

Adding value to a property converts into capital gain. New kitchens, bathrooms and a tidy outdoor area could add thousands to the value of your property and provide you better short term rental return. Does it have the potential for knock down and rebuild, town houses or a subdivision?

Is the investment property low maintenance?

Look at the condition of the plumbing, electrical, building work and the state of appliances such as air conditioners, hot water, oven, swimming pool – anything that may require repair or maintenance in the short and long term. Your pre-purchase building inspection should highlight any areas of concern. Although units are easier to maintain they do have body corporate fees which you need to factor into the purchase.

Rental target market

Your investment property should attract more than one type of renter such as families, singles, and downsizers – increasing your chances of renting the property and reducing the vacancy rate. Buying an investment property takes time and research.

At Qantas Credit Union we have lending specialists who can provide you with information on a range of loans, competitive interest rates, and money management tools to help with your investment property.

Speak with a lending specialist today

-  Call us on **1300 747 747**
-  Visit **qantascu.com.au**
-  Drop into your nearest branch

Member Experience

Leilani Tamayo, NSW

Member since 1996



“ I unexpectedly purchased a property, just three days before departure for a four month stay in Spain. As you can imagine, financial arrangements, liaison with my solicitor during settlement, etc. had to be organised.

I spoke to Ben and left everything in his very capable hands. There was not a hitch in the whole process, even my solicitor was extremely pleased with Ben's assistance. Ben is a real asset to the Credit Union. He continues to assist clients in a kind, congenial and efficient manner. ”

I was helping my daughter move into a new place when I received a call from a friend about an apartment that had just gone on the market. They recommended I view it immediately as it wouldn't last long. We rushed to view it within ten minutes of the call and loved the place! It was going to auction the next day so I put in an offer.

Luck was on my side as no one bid at the auction, only two silent bids had been made, mine and another. I won the bid the following day!

I was due to board a plane to Spain the next day for 4 months, how would I place a deposit?

I visited Ben at Qantas Credit Union's Hunter St. branch and introduced him to my solicitor. I left everything in their hands, and between them they ensured my accounts were in order, and the finalisation of the sale went ahead while I was in Spain caring for my grandchildren. When I called Ben from Spain I was pleased to hear everything had been taken care of, there wasn't a hitch, not one! I've never had that kind of service anywhere.



Personal Banker: Ben Longthorn
Hunter Street Sydney

“Travel sooner with up to 30,000 bonus Qantas Points!”

Earn up to 30,000 bonus Qantas Points* when you apply between 1 September and 31 December 2015.

Earn 5,000 Qantas Points when your card is issued, plus make an eligible purchase[^] with your card every month for the next 5 months and earn an additional 5000 Qantas Points per month*.

F R E Q U E N T
F L Y E R



QANTAS
Credit Union



Normal lending criteria applies. Terms and conditions are available upon request. *You must be a member of the Qantas Frequent Flyer program to earn and redeem Qantas Points. Membership and the earning and redemption of Qantas Points are subject to the terms and conditions of the Qantas Frequent Flyer program available online at qantas.com/terms. Qantas Points accrue in accordance with and subject to the Qantas Credit Union Visa Platinum reward Terms and Conditions issued by Qantas Credit Union available at qantas.com.au/rewards. A joining fee may apply, however, Qantas Credit Union has arranged to provide Qantas Frequent Flyer membership with the joining fee waived to Qantas Credit Union members who are not already a Qantas Frequent Flyer member and who apply at qantas.com/joinffqscu. This offer is non-transferable and not available in conjunction with any other offer. Qantas Frequent Flyer membership and each application is subject to approval by Qantas. [^]Eligible purchases do not include cash advances, interest, balance transfers, fees and charges or traveller's cheques and foreign currencies - these do not earn Qantas points. For the full list of exclusions, please refer to the Visa Platinum Credit Card Conditions of use at qantas.com.au. If you don't make an eligible purchase with your card, you forfeit your bonus Qantas Points for that month and all remaining months. Qantas Staff Credit Union Limited trading as Qantas Credit Union ABN 53 087 650 557 AFSL/Australian Credit Licence Number 238 305 is the issuer, offer or an administrator of the Qantas Credit Union Visa Platinum Reward Card and is a credit provider and credit licensee under National Consumer Credit laws.



Shop with Confidence

With Visa's Zero Liability policy, you won't be held responsible for fraudulent charges or unauthorised purchases made with your card or account information*. This means you can use your card to shop with total confidence, as you will be protected against unauthorised use.

Haven't received merchandise or services paid for with your Visa Debit or Credit Card? Or unsure about a transaction on your account? Please let us know as soon as possible (within 90 days of the transaction) so we can advise your next steps and whether we can lodge a claim on your behalf.

QCU has a wide range of security measures in place to help protect your personal information and accounts. As a Member you can also play a part in protecting your details and making sure your accounts stay safe and secure. Regularly check your statements and ensure you notify us immediately if any transactions seem suspicious.

* Visa's Zero Liability policy covers Australian and New Zealand-issued cards and does not apply to ATM transactions, transactions not processed by Visa or certain commercial card transactions. Cardholders should notify their issuer promptly of any unauthorised Visa use. Please consult your issuer for additional details.

Here's a few extra hints and tips to help safeguard your account:

- Sign your Visa Credit Card immediately;
- Memorise your PIN;
- Never write your PIN on your Credit Card or store it in your wallet;
- Don't lend your Credit Card to anyone;
- Never share your PIN with anyone;
- Don't choose a PIN that is easily identified with you, e.g. your birth date, an alphabetical code which is a recognisable part of your name or your car registration;
- Try to prevent anyone else seeing you enter your PIN into an ATM or EFTPOS device;
- Never leave your Credit Card unattended, e.g. in your car or at work;
- Immediately report the loss, theft or unauthorised use of your Visa Credit Card by calling 1800 621 199 (24 hours toll free) or 1300 747 747 (during business hours).

For further card security tips please visit qantascu.com.au

FREE Seminar!

Redundancy & Retirement Planning Seminar, Sydney

Qantas Credit Union in conjunction with ClearView will be holding a complimentary Redundancy & Retirement Planning seminar.

Places are limited!

Date: Tuesday 27 October 2015

Time: 6pm

Address: Level 2, 420 Forest Road, Hurstville

To reserve your seat register online at qantascu.com.au or call us on **1300 747 747**.



All Financial Planners are Authorised Representatives and provide advice under the authority of ClearView Financial Advice Pty Ltd, ABN 89 133 593 012, AFSL 331 367. QCU receives a commission for referrals to ClearView. You should consider the relevant Product Disclosure Statement (PDS) before investing in a product. Please refer to the Qantas Credit Union Financial Services Guide (FSG) and ClearView's Financial Services Guide for more information.

Announcing 2015 AGM

This year's Annual General Meeting will be held on:

Date:

Wednesday
25 November 2015

Time:

5pm

Venue:

Novotel Sydney
Brighton Beach
The Grand Parade
Brighton-Le-Sands, NSW

To register please contact:

Helen James on

(02) 9582 3231 or

hjames@qantascu.com.au



OUR LOWEST HOME LOAN RATES EVER!

We've never had a better line up.

Home Loans & Personal Loans

Qantas Points Home Loan Sale[^]

| Loan Amount | Rate p.a. | Comparison Rate p.a. ^{1,2} |
|--------------------|-----------|-------------------------------------|
| \$150,000 and over | 4.39% | 4.39% |

For new loans funded from 12 August 2015

Low Cost Home Loan Sale[^]

| Loan Amount | Rate p.a. | Comparison Rate p.a. ^{1,2} |
|---------------------------------|-----------|-------------------------------------|
| \$150,000 to \$499,999.99 | 4.24% | 4.24% |
| \$500,000 to \$1 million & over | 4.14% | 4.14% |

For new loans funded from 12 August 2015*

Qantas Points Home Loan Package

| Loan Amount | Rate p.a. | Comparison Rate p.a. ^{1,2} |
|------------------|-----------|-------------------------------------|
| \$150,000 & over | 4.64% | 4.64% |

Low Cost Home Loan Package

| Loan Amount | Rate p.a. | Comparison Rate p.a. ^{1,2} |
|---------------------------|-----------|-------------------------------------|
| \$150,000 to \$249,999.99 | 4.59% | 4.59% |
| \$250,000 to \$499,999.99 | 4.49% | 4.49% |
| \$500,000 to \$749,999.99 | 4.49% | 4.49% |
| \$750,000 to \$999,999.99 | 4.44% | 4.44% |
| \$1 million & over | 4.39% | 4.39% |

Fixed Rate Home Loans

| Term | Rate p.a. | Comparison Rate p.a. ^{1,2} |
|-------------------|-----------|-------------------------------------|
| 1 Year Fixed Rate | 4.39% | 4.48% |
| 2 Year Fixed Rate | 4.39% | 4.47% |
| 3 Year Fixed Rate | 4.49% | 4.49% |
| 4 Year Fixed Rate | 4.49% | 4.49% |
| 5 Year Fixed Rate | 4.49% | 4.49% |

On expiration of the fixed rate period, the interest rate reverts to the variable rate Low Cost Home Loan Package tier for a loan amount of \$250,000.

Personal Loans

| | Variable p.a. | Comparison p.a. ^{1,3} |
|-------------------------------|---------------|--------------------------------|
| Special Secured Personal Loan | 7.09% | 7.09% |
| Unsecured Personal Loan | 11.64% | 11.64% |

Qantas Points Car Loan

| Loan Amount | Rate p.a. | Comparison Rate p.a. ^{1,3} |
|---------------------------|-----------|-------------------------------------|
| Fixed Rate Loan - Secured | 8.59% | 8.59% |

Savings & Investments

Qantas Points Saver

| On Call Savings | Rate p.a. |
|-----------------|-----------|
| All balances | 2.00% |

Qwealth Term Deposits⁵

| Term | Rate p.a. | Minimum amount |
|-----------|-----------|----------------|
| 3 months | 2.80% | \$5,000 |
| 6 months | 2.90% | \$5,000 |
| 12 months | 2.90% | \$5,000 |

Term Deposit Rates

| Term | Rate p.a. | Minimum amount |
|------------------|-----------|----------------|
| 5, 7 & 11 months | 2.65% | \$10,000 |

DIY Super Saver⁴

| Base Interest Rate | Bonus Rate p.a. | Maximum Rate p.a. |
|--------------------|-----------------|-------------------|
| 1.75%p.a. | 1.00% | 2.75% |

For more information please visit our website at qantascreditunion.com.au

Important information:

All interest rates current as at time of printing, subject to change. Normal lending criteria and fees and charges apply. Terms and conditions apply and are available upon request.

[^]Available for all new home loans over \$150,000. Excludes switching and variations.

*Applications must be received by the 10 November 2015, and settled by 8 February 2016. This offer can be withdrawn by QCU at any time.

1. Warning: Comparison rates apply only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees and cost savings such as fee waivers are not included in the comparison rate but may influence the cost of the loan. A monthly repayment frequency has been used to calculate the comparison rates.

2. A loan amount of \$150,000, a monthly repayment frequency and a term of 25 years have been used to calculate the comparison rate on our home/investment loans.

3. A loan amount of \$30,000, a monthly repayment frequency and a term of 5 years have been used to calculate the comparison rate on our personal loans.

4. Bonus rate applied when investment is \$10,000 or more and no withdrawals are made in a month. For Self-managed Superannuation Funds only.

5. Only available in Qwealth Superannuation Master Trust. Interest at maturity only.

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Apply Now:  Call us on 1300 747 747

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