

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

SMALLER BANKS SECTOR

Unity Bank

UBA04QON **Dr MULINO:** I just want to follow up on a couple of the chair's questions on AMLCTF. It was interesting that you've had one face-to-face visit, and it is good to see the regulator visiting to discuss some of your capabilities. I just had a question around how much you've invested in recent times in AMLCTF and what the trend is there.

Dr. MULINO: Taking this on notice is fine. Would you be able to provide a bit of a sense of how much investment you put in by dollar and head count and how that's trended? Could you get back to us on notice in terms of how much you spend on cybersecurity and how much that's costing the bank—in the last financial year, just to give us an indication, and, if you can give us numbers for the past couple of years, that would be good to give us an idea of tracking and the consequences of that.

Answer: In the 2019/20 financial year, Unity Bank spent over \$751,093 on AML/CTF Processes and supporting fraud management. In 2020/21, the Bank spent an incremental \$117,824 or (+16%) to end at \$868,000.

The Bank expects similar incremental costs moving into the 2021/22 year.

Our estimate of direct and indirect headcount is that resources increased from approximately 1.3 full time equivalent in 2019/20 to 1.9 in 2020/21.

In relation to cyber security, in the 2019/20 financial year, Unity Bank spent over \$473,047 on Cybersecurity. In 2020/21, the Bank increased spending on Cybersecurity by 44% to \$682,679. This was an incremental spend of \$209,632.