



Impact Report

January to June 2020



Bank with us. Bank on us.

Welcome

Foreword from our
Chairman, Alan Hughes



For over 35 years Unity has been supporting organisations and businesses that share our values to create a better society. Our pursuit of safe but sustainable growth is reflected in our financial strength as our capital and liquidity ratios exceed the requirements of our regulators.

Unity offers a person-to-person service supplemented by digital tools. Our customers have entrusted Unity with over £1 billion and these balances continue to grow even during these uncertain times.

Against a challenging backdrop of the Covid-19 pandemic, Brexit disruption and historic low interest rates, Unity is focussed on activities that benefit society, locally and nationally.

We wholeheartedly believe that banks have a crucial role in assuring a sustainable future which is just and fair for all in society, and we are proud to share with you our performance for the first half of 2020.

Introducing our Impact Framework

Unity is committed to helping small and medium sized UK businesses to grow; creating training and employment opportunities, enabling the provision of health care services and providing housing for vulnerable people.

Throughout the remainder of 2020 we will continue aligning our activities to the United Nations Sustainable Development Goals while increasing our focus on environmental sustainability and supporting the UK's commitment to Net Zero Carbon by 2050.

We support organisations to develop and improve facilities and services across these key themes, contributing to the following Sustainable Development Goals.



Health &
Wellbeing



Community Spaces
& Services



Education, Skills
and Employment



Financial
Inclusion



Environment



Business update from our CEO

Margaret Willis, CEO

A time for resilience and Unity

The six months to 30 June 2020 have been unprecedented socially, economically and emotionally. The Covid-19 outbreak has naturally caused a great deal of concern and we have worked hard to support our people and our customers to navigate these challenging times. Our thoughts go out to all those who have been affected by the virus. Customer satisfaction continues to be our priority and we appreciate all customer feedback.

We were particularly pleased to hear from those of you who complimented the service you have received from our customer service centre. We thank customers who used internet banking as a primary method of communication. This released telephone capacity at critical points and enabled us to support those customers with more complex needs.

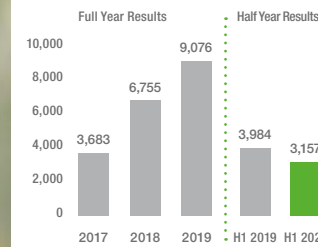
We're here to help you through challenging times

In the first six months of 2020, our loan book grew by over £50m as we continue to lend to like-minded organisations and attract new banking customers. Higher volumes have increased loan interest, overall interest income was however lower as the Bank of England reduced rates to historic lows. Careful cost control has mitigated some of the lost income. The Bank's loan book is yet to see any significant signs of credit deterioration, we remain vigilant given the impact of the economic situation and how this may be affecting our customers. Loan provision at 30 June 2020 was increased to reflect this. The bank is financially strong and operationally resilient with a proven record of safe and sustainable growth.

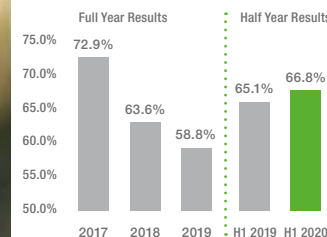
The Covid-19 outbreak is having far reaching implications and the outlook is highly uncertain. We will continue to monitor the implications on our business and adapt at pace focusing on the long-term needs of our customers, employee well-being and the best interests of our shareholders.



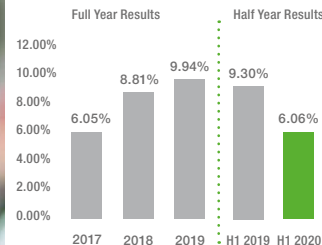
Profit before Tax (PBT) (£k)



Cost income ratio (%)



Return on Equity (ROE) (%)



Our Customers

Our UK based Customer Service team, supported by Relationship Managers located across the breadth of the UK, is building strong banking relationships with a diverse range of organisations who are stimulating local economies and responding to the needs of their communities.

Centre for the Acceleration of Social Technology (CAST)

CAST is an **innovative tech** organisation who work across the not-for-profit sector in partnership with well-known names such as Comic Relief, the National Lottery and NCVO, advising on and developing digital solutions which embed

digital design across products, services and strategies. As a **charity** themselves, they are wholly committed to their social purpose and selected Unity as their banking partner as a result of its focus on improving the lives of individuals and communities.

Royal Philatelic Society London (RPSL)

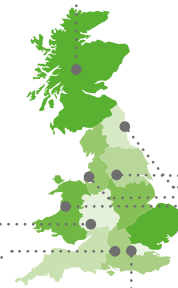
RPSL are a global **membership organisation** established in 1869. As the world's leading philatelic society they are performing an important role of providing a global repository and assuring cultural heritage.

RPSL have valued Unity's long-term commitment, understanding, trust and flexibility as their banking partner since 2015/6.

Educational Institute of Scotland (EIS)

The Educational Institute of Scotland (EIS) is the largest **teaching union** in Scotland. In addition to an ongoing commitment to seeking improvements in teaching salaries and in conditions of service, the Institute has developed a

central role as one of the most respected voices in education in Scotland. EIS's long-standing relationship with Unity Trust Bank has been formed through a deep understanding of their business and the high quality of customer support provided.



Blue Flames

Blue Flames is a **Community Amateur Sports Club (CASC)** which provides facilities for the local community. Their relationship with Unity has supported them through both short-term challenges and long-term strategies and is highly valued.

Community Owned Renewable Energy LLP (CORE)

CORE is a **£40m investment programme** which turns operational, ground mounted solar farms in England into community owned assets, maximising the financial, environmental and social impact within the community. As a

social enterprise, CORE place huge importance on working with ethical partners and chose Unity for our knowledge of the sector and double bottom line focus on achieving commercial success whilst driving positive social outcomes.

Calderdale Home Care (CHC)

CHC are an **employee owned organisation** who are committed to delivering outstanding care to their customers by employing, training and supporting the very best people. Their strong sense of purpose and commitment to lead on quality of service rather than profit are at the heart of the business, and CHC chose Unity as their banking partners in recognition of these shared values.

Windmill (MG) Ltd

Windmill secured funding from Unity to upgrade a number of properties which will house people referred by Streetwise, a charity which helps the homeless. As an established **social housing provider**, Windmill chose to work with Unity because their ethics and objectives are aligned.

Valleys Kids

We enabled Valleys Kids, a **charity** which provides community development, education, arts and recreation services to children and families living in poverty in South Wales, to put the finishing touches to its new £2m eco-learning residential centre.

Unity in the Community

Unity has pledged increased support throughout the exceptional circumstances of Covid-19



£5.5k

Donations to good causes & fundraising



Unity continues to commit a minimum of 3 days paid volunteering for each employee

Support for The Big Issue

Unity supported The Big Issue's Emergency Appeal Fund to help street vendors who couldn't sell its magazine during the coronavirus crisis, by buying a three-month subscription for each of our employees.

Narhex Foodbank volunteering and donation

After volunteering with Narhex in January, Unity were delighted to be able to provide further support to the food bank charity to enable them to purchase warehouse equipment to manage increased demand.

Music for Youth (MFY)

MFY aims to inspire and nurture the next generation of youth and Unity is proud to celebrate their 50th Birthday by sponsoring the Digital Festival: ELEVATE.

Health & Wellbeing

Positive physical and mental health and wellbeing for all, regardless of gender, ethnicity, disability, age or religion

People's health and wellbeing has never been more important than the first half of 2020 following the outbreak of the COVID-19 pandemic. Unity has been working with Care Homes around the country that provide critical front-line care to some of our most vulnerable members of society. We've been proud to support their ongoing provision as well as providing funding for those homes that are expanding their operations.

Case Study: Mahogany care home

Unity provided a £450,000 loan to refinance the purchase of a 51-bed care home in Wigan, Lancashire.

Mahogany Care Home is a purpose-built facility that provides personalised nursing, residential, respite and dementia care packages for residents with temporary and long-term needs.

It invests in a wide range of training for its 44 staff, and in December

2019 it was rated 'good' by the Care Quality Commission in all five key performance areas.

Nadarajah Bernard Suresparan, Director at Mahogany Care Home, said: "This is the first time I have worked with Unity and they were extremely helpful in assisting me with finance."

3 GOOD HEALTH AND WELL-BEING



49

Day care spaces



383

Bed spaces created and renovated

Community Spaces & Services

Creating services and spaces which are accessible to all and improve overall quality of life

There is an increasing reliance on community facilities which serve the entire population. Unity continues to support the provision of social and affordable housing for communities which typically have a proportion of under-privileged and disadvantaged individuals and families.

We are working more and more with community pharmacies; a critical service that takes pressure off stretched GP services whilst providing a valuable focal point, especially as a point of contact for isolated people.



19

Community facilities maintained or created

11 SUSTAINABLE CITIES AND COMMUNITIES



699

People supported with housing and care

Case Study: A G Bannerman

A loan from Unity enabled Mark Feeney of A G Bannerman to take over a chain of five retail pharmacies in Glasgow, Kirkintilloch and Dunblane.

Retail pharmacies are engaged more than ever in providing healthcare services and Mr Feeney's stores are

located in areas which have some of the highest rates of deprivation and alcohol and drug misuse in Scotland.

Mr Feeney said: "NHS Scotland has been promoting the 'Pharmacy First' approach to help reduce the need for a GP appointment. Unity has been very supportive of the pharmacy sector and the work we do to help improve the health of our communities."



Education, Skills and Employment

Skills, training and education which provides greater access to inclusive, meaningful, quality employment



Helping young people to have access to support and learning enables them to make better decisions about their future careers and to find routes into employment, which ultimately improves social mobility.

Unity also actively supports organisations offering adult education and return to work schemes which build confidence through volunteering, work experience and community activities.



409

Jobs protected or created



16

Apprenticeships, work placements and training



Case Study: Southwark Playhouse

A 300-seater theatre and community resource will open in Southwark in 2021 thanks to a £920,000 loan from Unity. Southwark Playhouse stages

several productions a year and engages with 5,000 children through a free-of-charge innovative youth programme.

The charity works closely with schools, Southwark Council and local organisations to improve educational achievement and also provides a range of adult workshops.

Artistic Director & CEO Chris Smyrniotis said: **“The financial support we received from Unity Trust Bank at the beginning of this project gave confidence to other backers and we were able to reach our target. Unity’s support unlocked everything for us and helped make this project happen.”**

Financial Inclusion

Access to fair and affordable financing through Responsible Finance intermediaries



Many smaller businesses and community organisations are unable to access traditional finance and find it hard to secure the investment they need.

By partnering with Responsible Finance Intermediaries, Unity is providing affordable finance which enables these organisations to grow, generating positive social, environmental and economic impact.



207

Borrowers accessing Unity funding through Responsible Finance intermediaries



£12.5m

Total money lent

Case Study: Business Enterprise Fund

A £7.5m funding package from Unity Trust Bank enabled a not-for-profit social enterprise to support more

than 150 businesses during the COVID-19 pandemic.

Business Enterprise Fund - an accredited lender of the Government’s Coronavirus Business Interruption Loan Scheme – used the finance to help SMEs across York and the North East.

Stephen Waud, chief executive at BEF, said: **“We have been a customer of Unity Trust Bank for seven years and their support has always been invaluable, but never more so than during the pandemic. Their funding package made a real difference to business owners at a difficult time.”**

Bank with us. Bank on us.



HM Treasury



Contact us today:

www.unity.co.uk

0345 140 1000



Details correct as of 23 July 2020.

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