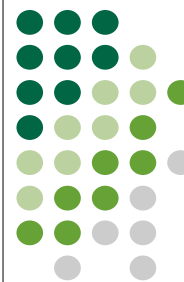


# Australian Credit Unions & Mutual Building Societies

## FACTS AND FIGURES AT A GLANCE



### Size

#### Numbers

- > 107 credit unions
- > 9 mutual building societies

#### Assets and Growth

- > Collectively, our sector has more than \$73 billion in assets.
- > Credit unions' on-balance sheet assets reached \$47.2bn in December 2009, growing by 4.0 % annually while mutual building societies' on-balance sheet assets amounted to \$19.7bn in the same period.

#### Market Share

- > Hold close to 8.5% of the new home loan market and 11.4% of household deposits.
- > Collectively, credit unions and mutual building societies are the fifth largest holder of household deposits in Australia.

#### Population Penetration

- > We serve over 4.5 million members - over 1 in 5 of the total population
- > Population penetration (members as a proportion of the total population) highest in Tasmania (32%), SA (30%), and NSW (28%).

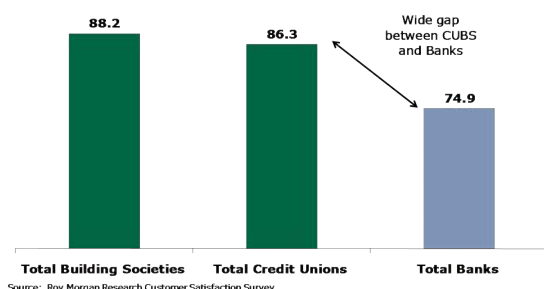


### Size & Strength

- > Over \$73bn in assets
- > Serving over 4.5 million members
- > Fifth largest retail deposit holders collectively
- > High customer satisfaction
- > No conflict of interest between customers and shareholders

## STRENGTH

Customer Satisfaction - April 2010



*“ Our sector consistently outperforms banks in customer satisfaction. ”*

### Competitive Advantages

- > Mutual structure means no tension between servicing members and external shareholders – members are the owners
- > Better placed than most to satisfy key needs of consumers, that is:
  - member focus
  - sense of community / belonging
  - honesty and integrity
  - guidance
  - simplicity
  - competitively priced
- > Strong regional and rural focus

### Strong Regulation

- > All credit unions and building societies are Authorised Deposit-taking Institutions (ADIs), regulated under the Banking Act. We meet the same high standards of prudential regulation as banks with full regulatory oversight by APRA, the prudential regulator.
- > The Government has retained the guarantee on deposits up to \$1 million dollars at Australian credit unions, building societies and banks. The guarantee for deposits over \$1 million has been removed as of Feb 7, 2010.

- > Strong community focus
- > Same prudential regulation as banks



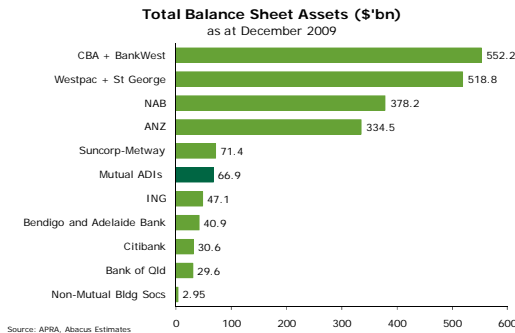
Mutuals have strong community and customer focus.

## Mutual ADIs

There are 107 credit unions and 9 mutual building societies in Australia – ranging from small ADIs through to the largest credit union with over \$7.6bn in assets. Collectively, the industry has more than \$73bn in assets.

Credit unions and mutual building societies are customer-owned – operating under the mutual principles of one member one vote, an equal share in the say of the credit union, and with the purpose of member and community benefit at the forefront of their operations.

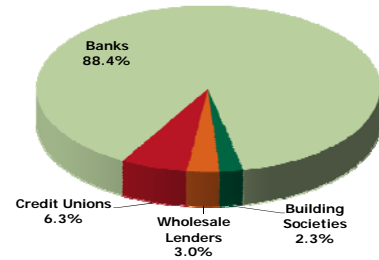
## Market Share



Source: APRA, Abacus Estimates

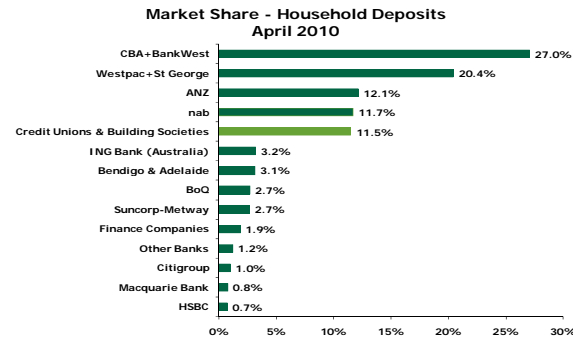
Collectively, credit unions and mutual building societies sit behind the four major banks and Suncorp-Metway in terms of total on-balance sheet assets.

Market Share of New Owner Occupied Loans - number, March 2010



Source: APRA & RBA

Mutual ADIs hold approximately 8.5% of the new home loan market.



Source: APRA, RBA and Abacus

*As a group, credit unions and mutual building societies are the fifth largest deposit gathering force after CBA, Westpac ANZ and nab reaching 11.4% market share.*

## Products & Services

Most credit unions and mutual building societies offer a full range of personal banking services. Credit unions and mutual building societies charge less than the major banks in loan interest rates as shown in the following table.

28-May-10

Standard Variable	Average	Min
5 Majors	7.39	7.24
Credit Unions	7.03	5.99
Building Societies	7.08	6.94

(Source: Canstar Cannex)

Similarly, we offer attractive deposit rates on saving investment accounts and 30-day term deposits as shown in the next table.

31-May-10

TD 10K 3-Month	Average	Max
4 Major banks	3.68	5.00
4 Foreign banks	3.90	5.30
Credit Unions	4.39	5.75
Building Societies	5.13	5.50

(Source: Canstar Cannex)

### Product Takeup

> Our members have 225,500 home loan accounts, 376,500 term deposit accounts and 5.2 m savings accounts

(Source: MMD, September 2009)



### Customer Satisfaction April 2010

CUs: 86.3%  
BSocs: 88.2%  
Banks: 74.9%  
Major Banks: 73.1%

(Source: Roy Morgan Research)

**ATM Accessibility Coverage %**

CBA/BankWest	89.95%
nab/rediATM	88.90%
ANZ	88.50%
Westpac/St George Bank	87.51%



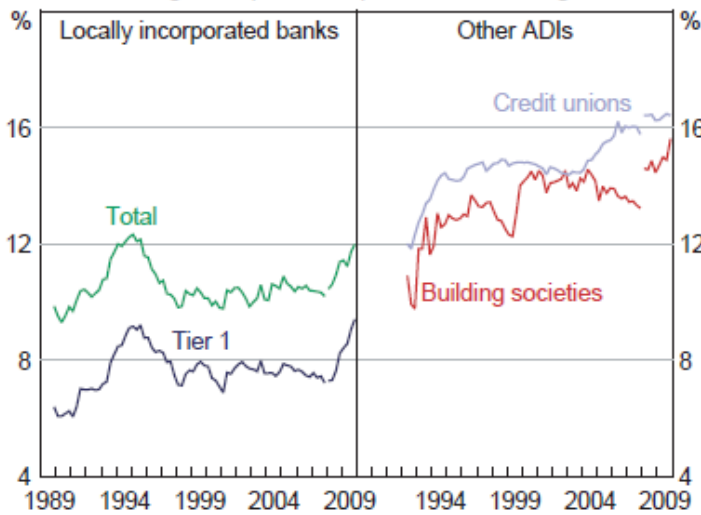
The spread of ATM coverage is important to customers who want convenient service without incurring fees. Canstar Cannex found that nab/rediATM partnership has the second highest accessibility ahead of ANZ, Westpac and St George, widening the accessibility levels for our members.

The mutual sector has the second highest ATM accessibility across the country.

**Solid Fundamentals**

**Authorised Deposit-taking Institutions' Capital\***

Consolidated global operations, per cent of risk-weighted assets



The credit union and building society sectors are also well capitalised, with aggregate total capital ratios of about 16%, as compared with 12% for the total banking system, according to the RBA's latest Financial Stability Review (March 2010).

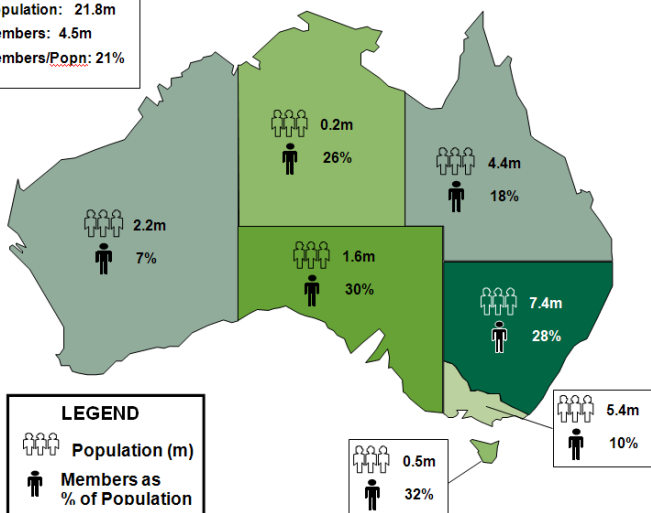


The mutual sector is sound and secure.

\* Break in March 2008 due to the introduction of Basel II for most ADIs  
Source: APRA

**Strong Coverage Across Australia**

- Population: 21.8m  
- Members: 4.5m  
- Members/Popn: 21%



There are 4.5 million credit union and mutual building society members as at June 2009.

With 21.8m Australian population, our overall population penetration reached 21% in June 2009.

Population penetration (members as a proportion of the total population) highest in Tasmania (32%), SA (30%), and NSW (28%).