

# Australian Credit Unions & Mutual Building Societies

## FACTS AND FIGURES AT A GLANCE



### Size

#### Numbers

- > 109 credit unions
- > 9 mutual building societies

#### Assets and Growth

- > Collectively, our sector has more than \$70 billion in assets.
- > Credit unions' on-balance sheet assets reached \$46.8bn in September 2009, growing by 7.1 % annually while mutual building societies' on-balance sheet assets amounted to \$19.7bn in the same period.

#### Market Share

- > Hold close to 8.0% of the new home loan market and 11.5% of household deposits.
- > Collectively, credit unions and mutual building societies are the fourth 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%).

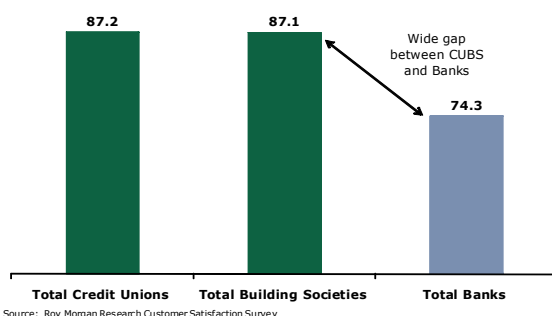


### Size & Strength

- > Over \$70bn in assets
- > Serving over 4.5 million members
- > Fourth largest retail deposit holders collectively
- > Solid customer satisfaction
- > No conflict of interest between customers and shareholders

## STRENGTH

Customer Satisfaction - December 2009



*“ 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



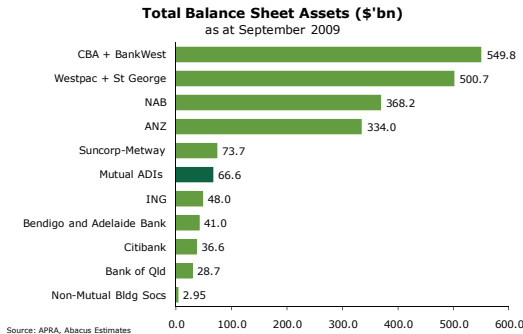
**Mutuals have strong community and customer focus.**

## Mutual ADIs

There are 109 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 \$70bn 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

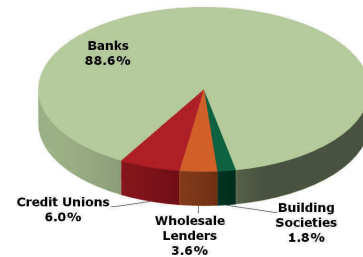


Source: APRA, Abacus Estimates

Source: APRA

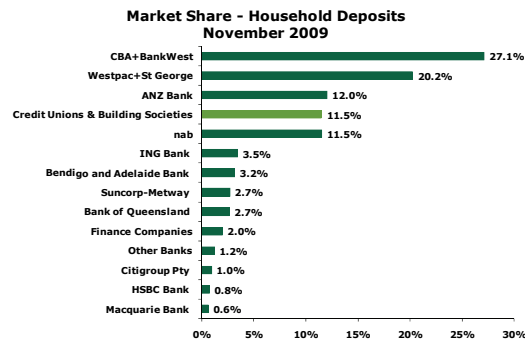
Collectively, credit unions and mutual building societies sit behind the four major banks and Suncorp-Metway in terms of total on-balance sheet assets.

Market Share of New Owner Occupied Loans - number, November 2009



Source: APRA & RBA

Mutual ADIs hold approximately 8.0% of the new home loan market.



Source: APRA, RBA and Abacus

**As a group, credit unions and mutual building societies are the fourth largest deposit gathering force after CBA, Westpac and ANZ reaching almost 11.5% 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.

02-Feb-10		
Standard Variable	Average	Min
5 Majors	6.64	6.49
Credit Unions	6.33	5.84
Building Societies	6.33	6.19

(Source: Canstar Cannex)

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

02-Feb-10		
TD 10K 3-Month	Average	Max
5 Major banks	3.66	5.10
4 Foreign banks	3.71	5.00
Credit Unions	4.14	5.70
Building Societies	5.11	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 December 2009

CUs: 87.2%  
BSocs: 87.1%  
Banks: 74.3%  
Major Banks: 72.4%

(Source: Roy Morgan Research)