

Australian Mutuals

Credit Unions, Building Societies & Mutual Banks

Key Fact Sheet

Size & Strength

- > \$85 billion in assets
- > Serving over 4.6 million members
- > Fifth largest retail deposit holders collectively
- > High customer satisfaction
- > No conflict of interest between customers and shareholders
- > Strong community focus
- > Same prudential regulation as banks

Strong Regulation

- > All credit unions, mutual banks 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.
- > The Government has guaranteed deposits at Australian mutuals and banks.

Competitive Advantage

- > The mutual structure means no tension between servicing members and external shareholders—members are the owners of their ADI.
- > Mutuals are better placed than most to satisfy key needs of consumers, that is:
 - Member focus
 - Sense of community / belonging
 - Honesty and integrity
 - Guidance
 - Simplicity
 - Competitive pricing
- > Strong regional & rural focus

Size

- > **95 credit unions**
- > **4 mutual banks**
- > **7 mutual building societies**

Assets and Growth

- > Collectively, our sector has \$85 billion in assets.
- > Credit unions' on-balance sheet assets* reached \$58.0bn in September 2011, growing by 14.0% annually while mutual building societies' on-balance sheet assets† grew by 10.7% and amounted to \$27.3bn in the same period.

Market Share

- > Hold 8.8% of the new home loan market and 11.1% of household deposits as at November and December 2011 respectively.
- > Collectively, credit unions, mutual banks and building societies are the fifth largest holder of household deposits.

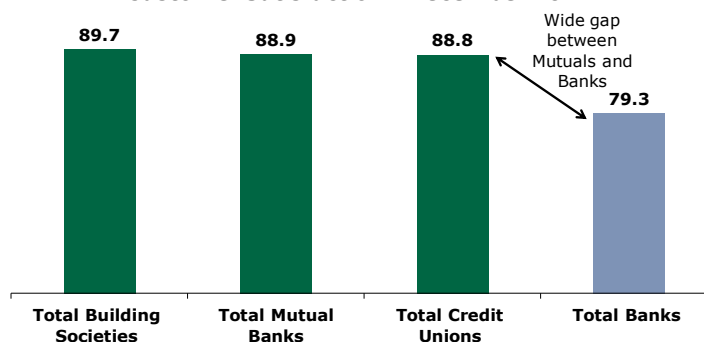
Population Penetration

- > Australian mutuals serve over 4.6 million members - over 1 in 5 of the total population.
- > Population penetration (members as a proportion of the total population) highest in SA (30%) and NSW (28%).

Strength

"Mutuals consistently outperform banks in customer satisfaction."

Customer Satisfaction - December 2011



Source: Roy Morgan Research Customer Satisfaction Survey, 6 months to December 2011, aged 14 and over
 Note: *Total Building Societies' excludes Heritage Bank
 †Total Mutual Banks' includes bankmecu, QT Mutual Bank and Heritage Bank
 *Total Credit Unions' excludes bankmecu and QT Mutual Bank
 †Total Banks' excludes *Mutual Banks

† includes securitised assets of \$600m over Dec 10 & Mar'11

* includes securitised assets of \$2.6bn over Dec 10 & Mar'11

Mutual ADIs

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

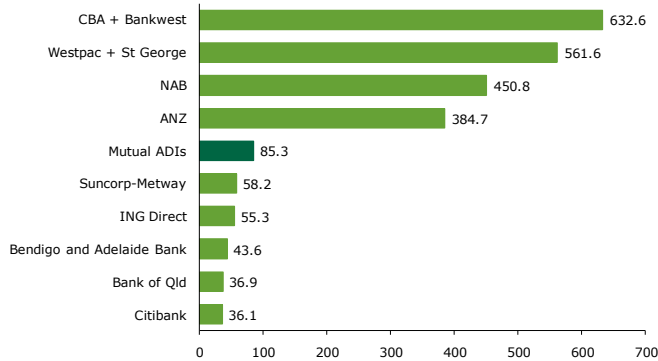


Mutuals have strong community and customer focus.

Market Share

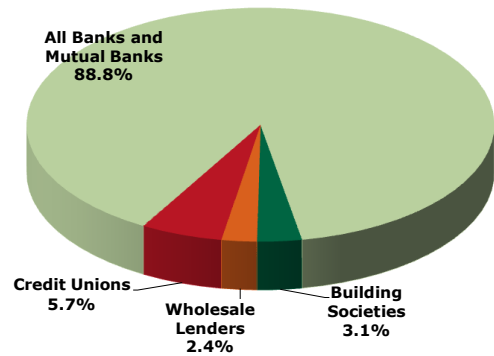
Collectively, credit unions, mutual banks and building societies sit behind the four major banks in terms of total on-balance sheet assets. Mutual ADIs hold 8.8% of the new home loan market.

Total Resident Assets (\$'bn)
as at September 2011



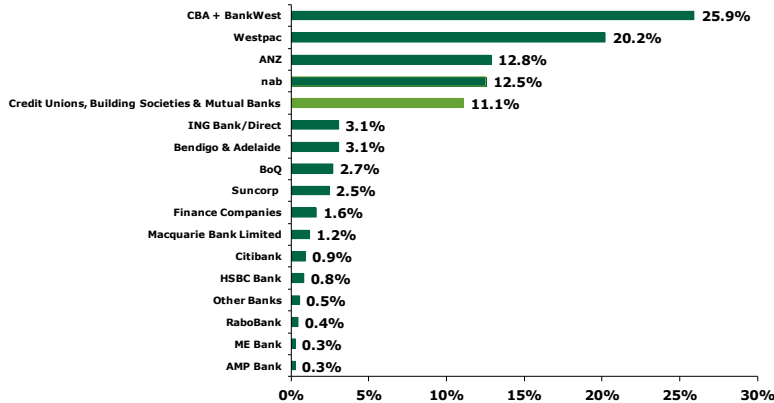
Source: APRA & RBA

Market Share of New Owner Occupied Loans
- number, November 2011



Source: ABS

Market Share - Household Deposits
December 2011



Source: APRA, RBA and Abacus

As a group, credit unions, mutual banks and building societies are the fifth largest deposit gathering force after CBA, Westpac ANZ and NAB reaching 11.1% market share.

Products & Services

The majority of credit unions, mutual banks and building societies offer a full range of personal banking services. Mutuals typically charge less than the major banks in loan interest, while also offering attractive deposit rates on saving investment accounts and 90-day term deposits.

The latest Canstar Cannex comparative rates are shown in the tables at right.

1-Feb-2012

Standard Variable	Avg (%)	Min (%)
4 Major Banks	7.30	7.22
Credit Unions	6.83	6.30
Building Societies	6.83	6.49
Mutual Banks	6.87	6.48

1-Feb-2012

TD 10K 3-Month	Avg (%)	Max (%)
4 Major Banks	5.48	5.50
4 Foreign Banks	4.85	5.70
Credit Unions	5.00	5.80
Building Societies	5.49	5.75
Mutual Banks	5.12	5.60

Source: Canstar Cannex

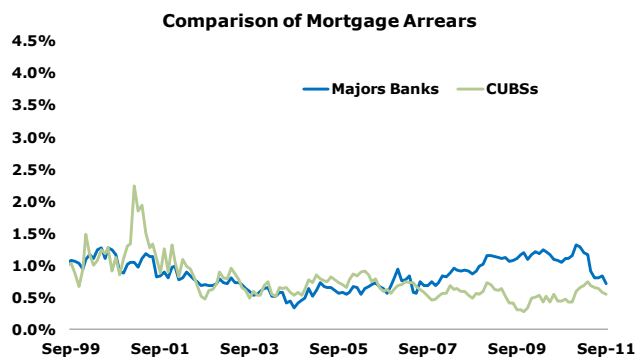
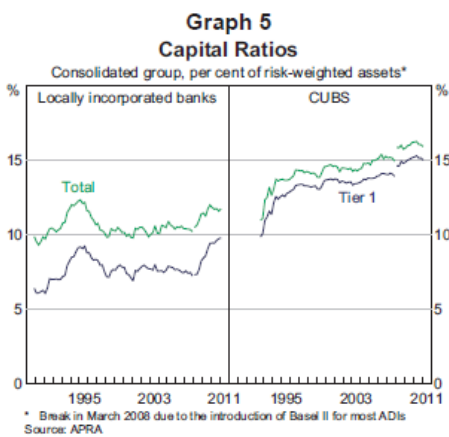
ATM Accessibility @ June 2011	Number of ATMs
CBA/BankWest	3,757
rediATM	3,400
Westpac/St George Bank	2,875
ANZ	2,714

Source: APRA & Cuscal

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

The spread of ATM coverage is important to customers who want convenient service without incurring fees. The rediATM network used by many mutual organisations has the highest accessibility ahead of ANZ, Westpac and St George, widening the accessibility levels for our members.

Solid Fundamentals



Source: Standard & Poor's

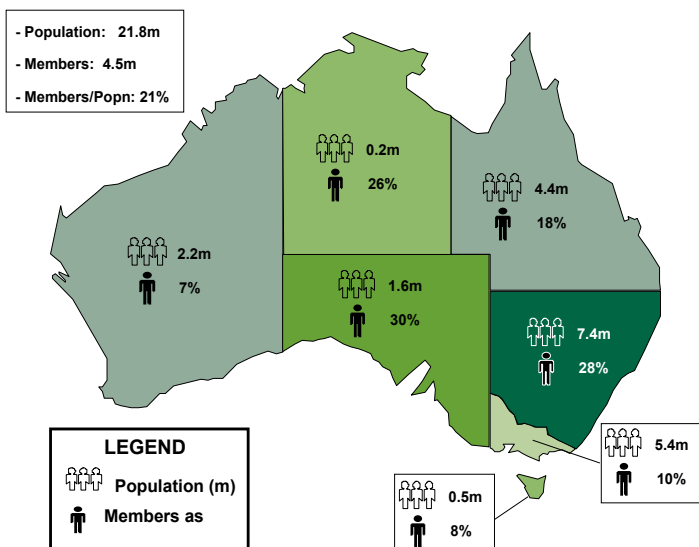


The credit union, mutual bank and building society sector is well capitalised, with aggregate total capital ratios of about 15%, as compared with around 12% for Australian banks, according to the RBA's June Qtr Bulletin.

The sector continues to demonstrate prudent lending practices with respect to mortgage arrears—currently lower than peers as shown in the Standard & Poor's Prime RMBS SPIN Index above.

The mutual sector is sound and secure

Strong Coverage Across Australia



There are approximately 4.6 million credit union, mutual bank and building society members in Australia as at August 2011.

This represents an overall population penetration of approximately 21%.

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