



MEDIA RELEASE

12 September 2008

Credit unions lead market on interest rates

Australia's credit unions continue to lead the way on lower home loan interest rates, according to Abacus – Australian Mutuals, the national industry body for credit unions, mutual building societies and friendly societies.

Data obtained from Cannex this week once again points to Australia's mutual banking sector offering some of the lowest home loan products available.

"According to Cannex data, average standard variable interest rates for credit unions are 28 basis points lower than the big five banks" said Louise Petschler, Chief Executive Officer of Abacus.

"Credit unions and mutual building societies are safe, strong and secure. As mutuals, they focus only on their members. They are responsible lenders and offer a real alternative to the banks."

"Because credit unions don't have to pay dividends to shareholders they are able to keep rates low and reinvest in better services and pricing structures."

Credit unions and building societies are community-owned financial institutions and are a vital part of the fabric of regional communities.

"Members of credit unions and building societies are passionate about their financial institution – we are consistently leading the way on member satisfaction, well ahead of the big banks," Ms Petschler said.

The north coast of New South Wales is served by eight credit unions and mutual building societies, providing over 85 branches in their local communities. Abacus members collectively hold more than \$70 billion in assets under management and serve the needs of more than six million members across Australia.

"We don't have to satisfy the endless demands of shareholders - we're run only for our members. Those members get lower interest rates, fairer fees and better service – including low or no switching fees," Ms Petschler said.

Credit unions and mutual building societies are Authorised Deposit-taking Institutions (ADIs) licenced and regulated by the Australian Prudential Regulation Authority (APRA) to the same high standards as banks. They offer a full range of retail banking and financial services products to their members. Mutual ADIs are also licenced by the Australian Securities and Investments Commission (ASIC) and meet a raft of other regulatory standards.

"Putting the customer first is not a slogan for mutuals – it is why we exist."

For more information:

Abacus – Australian Mutuals

Mark Degotardi

Head of Public Affairs

(02) 8299 9053; (0419) 998 201

Louise Petschler

CEO

(02) 8299 9034; (0408) 239 226

For a full list of Abacus members around Australia go to www.abacus.org.au