

MEDIA RELEASE

15 October 2008

International Credit Union Day October 16th

Credit Unions all over the world will celebrate International Credit Union Day tomorrow, on October 16th. Worldwide Credit Union membership has grown to 177 million along with asset growth of 8.2% over the previous year, to over US\$1.2 trillion.

In Australia, credit unions and mutual building societies have been keeping their members' assets safe as competitive, responsible and prudent lenders for over a century.

More than four and a half million Australians choose credit unions and other mutual banking institutions for conservative, strong and member-focused banking.

The 2008 International Credit Union Day comes at a time where credit unions are well-positioned in the Australian banking sector, with excellent liquidity, low arrears and full governmental backing on their deposits.

Credit unions in Australia are increasingly offering a range of competitive and services. In the year to June 2008, *Abacus – Australian Mutuals* (the industry body for credit unions and mutual building societies) estimates that more than 130, 000 Australians joined a credit union and more than 40 per cent of these new members were aged under 24, reflecting successful efforts of credit unions to craft products and services to meet the needs of young Australians.

Despite intense competition as banks and others seek to replace lost sources of wholesale funds, retail market deposits at credit unions grew by over 10 per cent to \$36 billion dollars over the year ended June 2008¹.

"Australians choose credit unions and mutual building societies for their better rates, fairer fees, responsible lending practices and outstanding member service," said Ms Petschler. "Our deposit books continue to grow as Australians continue to choose mutual banking institutions to look after their hard earned savings, and provide their banking needs."

"In dollar terms, credit unions and building societies have a capital cushion of more than \$5.5 billion, and assets over \$65 billion."

"Our sector's performance as prudent and responsible Authorised Deposit-taking Institutions means we collectively hold a larger share of Australian household deposits than any bank other than the Commonwealth Bank," Ms Petschler said.

For more information, contact:

Louise Petschler, CEO
Abacus – Australian Mutuals
(02) 8299 9034; 0408 239 226
lpetschler@abacus.org.au

Pamela Eldridge, Media Adviser
Abacus – Australian Mutuals
(02) 8299 9024; 0423 843 790
peldridge@abacus.org.au

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¹ APRA Statistics – June 2008 <http://www.apra.gov.au/Statistics/ADI-Quarterly-Performance-Statistics.cfm>