



Abacus
Australian Mutuals

Association of Building Societies and Credit Unions

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Building societies, credit unions: strong and secure

Most deposits in credit unions and mutual building societies are not affected by the decision announced yesterday by the Government to remove the Guarantee Scheme for Large Deposits and Wholesale Funding, which applies to bank funding and deposits over \$1 million dollars.

Deposits at credit unions and building societies up to \$1 million dollars are still guaranteed by the Government under the continuing Financial Claims Scheme.

"The credit union and building society sector is strong, healthy, secure and well-positioned to continue to grow throughout 2010 and beyond," said Abacus – Australian Mutuals CEO Louise Petschler today.

"Having grown their deposit and lending books and maintained their market share of deposits, credit unions and building societies have performed very well through the economic downturn due to their resilient structure, high regulation, and sound, conservative business practices.

"The Australian banking sector sits in an extremely secure regulatory environment, which is vastly different to its counterparts overseas."

The mutual sector, credit unions and mutual building societies, are subject to the same, legally-enforceable regulatory environment as the banks and have strict requirements set by APRA (the Australian Prudential Regulation Authority), ASIC and the *Banking Act 1959*.

Over 4.5 million Australians experience the outstanding customer service and difference offered by member-owned banking. Credit unions and mutual building societies are the fourth-largest holder of household deposits in the country, have 8 per cent market share of the new home loan market, and have over \$70 billion dollars in assets.

"Mutuals like credit unions and building societies meet strict prudential standards and regulatory requirements and have been providing home loans and outstanding member service to Australians for over 100 years," said Ms Petschler.

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For more information, please contact:

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Abacus – Australian Mutuals is the industry body for credit unions, mutual building societies and friendly societies - see www.abacus.org.au