



Credit unions, building societies, mutual banks – the safety of being customer-owned

Protecting your savings



Strict regulation and guarantees protect your deposits.

- > Credit unions, building societies and mutual banks meet the same strict, legally-enforceable standards as banks, set by the Australian Prudential Regulation Authority (APRA) under the *Banking Act*.
- > As Authorised Deposit-taking Institutions (ADIs), credit unions, building societies and banks are subject to close supervision by APRA
- > APRA imposes strict rules on capital, liquidity and risk management on all ADIs. Only ADIs can operate as a bank, building society or credit union. Only ADIs can take “deposits” from retail investors. Non-ADIs are prohibited under the *Banking Act* from using these terms.
- > Deposits of up to \$250,000 in ADIs are guaranteed by the Australian Government under the Financial Claims Scheme.



Healthy, strong balance sheets.

- > Customer-owned banking institutions – credit unions, building societies and mutual banks – have strong balance sheets, with high capital and liquidity ratios.
- > Customer-owned banking institutions have combined assets of over \$84 billion. More than 4.5 million Australians are members, demonstrating the scale and strength of the customer-owned banking sector.
- > We are prudent and responsible lenders. Because we are customer-owned, we are not under pressure to take risks to maximise record returns for shareholders. We put *your* interests first.



Conservatively managed and operated.

- > Credit unions, building societies and mutual banks do not engage in sub-prime lending and do not invest in complex securities based on sub-prime loans.
- > Credit unions, building societies and mutual banks fund more than 80% of their lending from retail deposits.
- > Credit unions, building societies and mutual banks have a long record of prudent and responsible lending.
- > As customer-owned banking institutions, Credit unions, building societies and mutual banks take a prudent and conservative approach to their members’ funds.



A trusted haven for Australian savings.

- > Customer-owned banking institutions hold 11.4 per cent of all household deposits. Collectively the mutual sector has the fifth largest market share in household deposits after the big four banks
- > Credit unions and mutual building societies offer very competitive savings, term deposit and online savings products.
- > As regulated banking institutions, credit unions, building societies and mutual banks are a trusted have for Australian savings.
- > Consumers should make sure they invest in regulated banking institutions and understand the nature of their investment.