

Customer benefit – Value and values

Competitive pricing benefit

bankmecu consistently aims to offer its customers competitive pricing compared to Australia's four major banks. Independent financial services research group, Canstar Cannex, assessed that during 2011/12 **bankmecu** customers were collectively \$20.14 million better off than they would have been with one of the four major banks. This is a decrease in pricing benefits of \$11.03m from 2010/11, which largely reflects the intensity of the price-led competition for deposits by the four major banks.

Annual customer benefit dividend

	2011/12	2010/11	2009/10	2008/09	Difference between 10/11 & 11/12
Customer benefit dividend (millions)	\$20.14	\$31.17	\$31.52	\$24.05	-35%
Average customer benefit	\$155.35	\$231.60	\$220.60	\$210.07	-33%

Quality competitive product and service

	Jun 12	Jun 11	Jun 10
Loans mix			
Personal	1.76%	2.07%	2.94%
Total mortgage variable	79.59%	81.79%	81.18%
Total mortgage fixed	6.96%	5.75%	6.30%
Total revolving credit	3.27%	3.42%	3.88%
Commercial	8.42%	6.96%	5.69%
Deposit mix			
Deposits at call	48.62%	53.29%	53.29%
Fixed term	51.38%	46.71%	46.71%

During 2011/12, staff at the National Service Centre answered 256,749 calls, 83.74 per cent of which were answered within 40 seconds of the customer selecting their option – providing prompt and personal customer service.

bankmecu continued to focus on providing customers with competitive interest rates and fair fees. A fee-free banking option remains available to all customers. During 2011/12, **bankmecu** subsidised the cost of access to payment services to customers by \$716,988.

Social and environmental benefits

bankmecu seeks to avoid any negative social and environmental impacts as a result of investing its customers' money. Nor does the bank invest customer savings in an unethical or socially and environmentally destructive manner. As at 30 June 2012, approximately 90 per cent of all customer deposits were lent to other customers. The remaining 10 per cent of deposits and accumulated cash reserves were predominantly invested across a range of cash securities – term deposits and negotiable certificates of deposit with Australian based Approved Deposit Taking Institutions regulated by the Australian Prudential Regulation Authority (APRA).

As a provider of finance, **bankmecu** is aware of its obligation and opportunity to assist its customers to reduce the consumption of resources, environmental degradation and pollution. The bank included a range of responsible banking features in its loans, which encourage both investors and borrowers to make more environmentally and socially responsible choices.

bankmecu takes a responsible approach to investing its customers' funds into financing loans. As a consequence **bankmecu** experiences one of the lowest levels of impaired loans of any bank, credit union or building society in Australia.

In 2009/10 **bankmecu** set a target to increase the proportion of products and services used by customers with an environmental or social benefit by 10% by 2014/15. The value of environmental and social loans as a percentage of the total loan portfolio has increased by 3% since 2009/10. The number of environmental and social loans as a percentage of the total loan portfolio has increased by 1% since 2009/10.

To date, **bankmecu** has offset 41,263 tonnes of CO₂-e in its Conservation Landbank for the cars it has financed, an equivalent of 10,000 cars taken off the road for one year. **bankmecu** has also committed a biodiversity offset of 78,622 square meters, increasing **bankmecu's** total biodiversity offset commitment to 331,881 square metres.

This year **bankmecu** purchased 2002 tonnes of greenhouse gas emission offsets from Climate Positive, a not-for-profit offset provider, to achieve carbon neutral operations.