

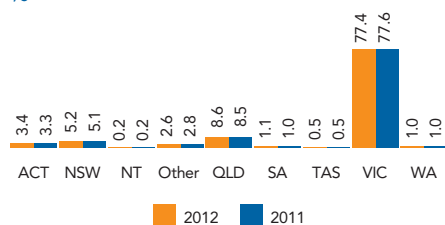
Target market – Customer owners

Customer activity

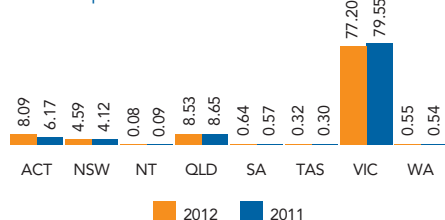
Key performance indicators of customer activity all increased in 2011/12.

Indicator	Target	Definition	2011/12	2010/11	2009/10
Product usage	>3 products	% of account holders with three or more products through bankmecu	73.64%	72.84%	70.91%
Customer retention rate	No target	% of account holders retained over the last 12 months	99.99%	99.36%	99.34%
Customer support value	>\$35,000	Total loans plus deposits/number of account holders	\$36,523	\$33,000	\$28,905

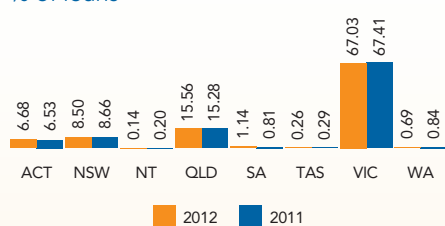
Geographic distribution of bankmecu's customers %



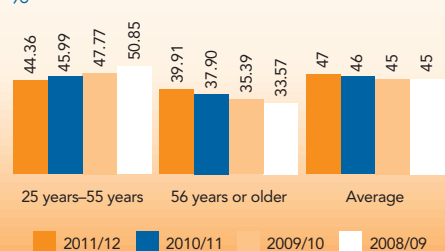
Geographic distribution of business % of deposits



Geographic distribution of business % of loans



Customer age demographic %



Active existing customers and their communities

As at 30 June 2012, there were 129,502 customers – down from 133,865 customers the previous year due to a continuing program to close dormant and inactive accounts. **bankmecu** seeks to maintain only active accounts in order that only those customers who support the bank enjoy the benefits it provides. The large majority (77 per cent) of **bankmecu** customers continue to live in Victoria, with 9 per cent in Queensland, 5 per cent in New South Wales, 3 per cent in the ACT and the remaining customers spread across other states and territories.

Corporate/community sector customers

In 2011/12, the growth in corporate/community customers outpaced that of personal customers, growing from 5,915 to 6,417 customers. The value of loans with these customers grew 31.17 per cent and value of deposits grew 23.29 per cent. The total value of community sector banking increased 23.91 per cent during the year. Customers from the community/social enterprise sector now represent fifteen of **bankmecu's** twenty largest investors.

Socially progressive consumers

bankmecu customers were recently asked about their decision making and attitudes around banking products and services. Ninety-two per cent said they are likely to factor in the reputation of the bank. Seventy per cent indicated renewable energy and the welfare of vulnerable people as important issues. The figure supports **bankmecu** customers being socially progressive and attracted to the bank because of its responsible reputation.

Consumers seeking to switch

During 2011/12, two pieces of research were commissioned to scope and define prospective target audience segments, to explore expectations of a customer owned bank and to test creative and engagement ideas.

Informed by this research **bankmecu** will continue to carve out a niche market position by appealing to specific segments of the community that are open to the bank's value and values proposition. The research has indicated these potential customers are generally younger (between 25 and 45); living in metropolitan areas with middle incomes; are motivated by ethics and community mindedness, and have or are planning to have a family. **bankmecu's** investment in marketing will be focused to these market segments.