

The Manager, Banking Statistics
Australian Prudential Regulation Authority
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By Email statistics@apra.gov.au

20th December 2012

Sir/Madam

Comments on Quarterly ADI Performance Statistics

We refer to your Discussion Paper - Changes to ADI statistical publications dated 20th December 2012.

This letter is to support Proposal 2 (aggregate statistics for mutual ADIs) at an "all mutual ADI" level that does not out sort mutual banks.

We believe 'mutuals' is an appropriate aggregation base that allows like for like comparisons. The basis in fact for this argument is that there is no difference in structure between a building society, credit union or mutual bank.

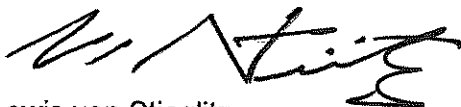
Moreover by treating mutuals as a single group it implicitly resists the impulse to open the door to judgments that rank degrees of soundness based on branding.

In times of stress it is a relatively simple message to say there are the big banks and mutuals, all regulated by APRA with minimum capital and liquidity levels etc. It becomes complicated and potentially dangerous to dilute that position, when there is a sub set that is the same but for a label.

We would also resist the argument that it is useful to benchmark performance of mutual banks alone. If there is no structural differentiator between them and credit unions/building societies, then any difference in performance will be an aberration (possibly individual initiative in one group or the other). Should mutual bank boards require data for their own purposes, it is a simple matter to trade statistics and follow credit ratings and prudential disclosures.

If you have any questions please contact the writer.

Yours sincerely,



Lewis von Stieglitz
Chief Executive Officer