



21 December, 2006

ME receives APRA approval

Members Equity Bank (ME) has announced today it has received approval from the Australian Prudential Regulation Authority (APRA) for the new ownership arrangements involving its owners who are various industry superannuation funds.

In June 2006, the 40 superannuation funds that own ME voted to approve the exercise of its option to acquire IFS. The ME proposal involved a non-operating holding company (NOHC) acquiring ME and IFS, enabling it to separate its activities between banking, funds management and fund services and reducing the likelihood of contagion risk to ME's authorised deposit taking institution. The separation also provides greater flexibility to manage APRA's requirements for exposures to related entities.

There are a number of Australian banks who are looking at implementing a similar type of ownership structure, including NAB and Macquarie Bank. Prior to ME receiving its approvals from APRA, only one other financial institution, HBOS Australia, had received authorisation for a NOHC structure.

ME was established to support the financial needs of working Australians, providing access to low cost, high quality banking products and services. IFS is a provider of specialist financial products, services and support for Industry Super Fund members.

Both ME and IFS have grown very rapidly in recent years and combined funds under management will exceed \$25 billion.

This approval will enable an offering of a broader range of financial services by the Members Equity Group. The financial services to be offered will include:

- Retail Banking
- Business Banking
- Wholesale Funds Management
- Retail Funds Management
- Superannuation Fund Services (including financial planning, super fee comparison service and AUSFund, a rollover funds service)

Chief Executive Mr. Anthony Wamsteker said "industry funds and their members will benefit significantly from the addition of a range of diversified financial services including the leading funds manager Industry Funds Management. The result provides working Australian families with access to a broader product offering, catering for their immediate and future financial needs," he said.

- More -



**MembersEquity
Bank**
The Super Funds Bank

Media Release

ME was established in 1994 as a joint venture between National Mutual, the ACTU and industry superannuation funds. In 2001 Members Equity gained its banking licence and in January 2003, an IFS-led consortium of superannuation funds successfully completed a buy-out of the AXA (previously National Mutual) interest in Members Equity.

The name 'Members Equity' derives from the intention to continue to remain close to the members of super funds and trade unions and to treat all members equally and fairly.

"Similar to ME, IFS was created in 1994 with the objective to provide market leading, low cost, innovative products and services to super fund members.

ends

Media Enquiries

Tony Beck - Executive Manager Workplace Business and Direct Marketing
Ph: 0423 603 322.