

**COMMENTS**

**23 May 2012**

## **Sympathies to Clyne who finds himself in a bind**

Social Business Australia and **bankmecu** extend their sympathy to NAB Chief Executive Cameron Clyne who shared his frustration this week with *Fairfax Business Day* about the challenges of effectively balancing the interests of customers, investors and the government.

Clyne recognised that whatever his strategy on rates and margins, someone is going to 'hit him around the head'.

**bankmecu's** Managing Director Damien Walsh says it's always going to be a no-win situation for investor owned banks like the NAB because this tension is built into the business model.

"I really don't envy the CEO's of the Big 4, they will always make someone unhappy because the interests of their customers who they need to woo to grow the business will often be at odds with those of investors to whom they need to deliver returns," Mr Walsh said.

"As a customer owned bank, there is no such tension – our customers and shareholders are the same person – so I can make decisions without bracing for the hit around the head.

"Our profit is owned by our customers and is invested in providing them a better deal and strengthening our capital position. For example, our standard variable mortgage loan rate continues to be lower than any of the Big 4.

"This is also not at the expense of performance, it is about balancing the needs of people and generating responsible levels of profit" Mr Walsh said.

According to Social Business Australia and the 2012 International Year of Cooperatives Chairperson, Greg Wall there is a large sector of the economy – the co-operative sector – that is not constantly trading off profit against people. That's something we are celebrating in this International Year of Co-ops.

"While there are 328 million individuals in the world who are direct shareholders, there are one billion who are members benefiting from a co-operative enterprise.

"In the wake of the GFC, the world is looking for alternative business models to strengthen economies, generate jobs and support communities – and the co-operative model is that alternative. It's viable, strong and growing" said Mr Wall



**bankmecu's** Managing Director, Damien Walsh is available for comment.  
Media contact: Stephanie De Campo (m) 0432 828 004. Greg Wall

**media notes:**

**International Year of Cooperatives 2012**

Ban Ki moon, United Nations Secretary General has declared Co-operatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility. The United Nations declares international years as a way of bringing attention and action on major issues. In the case of 2012, it plans to raise public awareness of how co-operatives contribute to poverty reduction, employment generation and social integration.

Australia - the land of co-operators

1. Approximately 1,800 co-operatives and 108 mutual banking institutions.
2. The Top 100 co-ops / mutuals in Australia turned over \$AUD14.7b in 2011\*
3. Australia has the third largest mutual banking sector (mutual banks, building societies and credit unions) after the US and Canada.
4. Australian mutual banking institutions hold \$83b in assets and serve over 4.6 million Australians.