



17th October 2008

Circle Welcomes Government Deposit Guarantee

Dear Valued Members,

Circle has welcomed new laws to implement the Australian Government's 100% guarantee for all deposits in credit unions, building societies and banks.

The Government's guarantee, while very unlikely ever to be called on, will reassure Australians concerned by international financial instability.

Our members already know that Circle is a safe and member-focused banking institution.

There will be no cap on the guarantee. However, after 28 November 2008 there may be a fee payable to guarantee individual deposits in excess of \$1 million.

This extra step by the Prime Minister builds on the already strong safeguards in place for Australian banking institutions. It means that every deposit with a credit union, bank or building society now has the full backing of the Australian Government – no matter the amount.

The Prime Minister announced on 12 October that the Government will guarantee all deposits in Australian credit unions, building societies and banks for the next three years.

Credit unions are safe and secure. We have no exposure to the toxic loans seen in the USA, and have very high levels of capital. Because we're member-owned, we don't chase risky business to drive high profits for shareholders. Our focus is on great services for members.

Credit unions and mutual building societies are trusted with more of Australia's household deposits than any bank other than the Commonwealth Bank. With more than 4.5 million members around the country, credit unions and mutual building societies offer a different kind of banking: one that puts members' first.

We would like to thank all our valued members for their support. Circle has been providing you, our valued Members, with a banking alternative for over 40 years.

Yours Sincerely

Bernie Gerlinger

Chief Executive Officer