

## Member Newsletter July 2022



**At Australian Mutual Bank, we believe that businesses have a big role to play in creating a sustainable, equitable and secure future, through leadership and social responsibility.**

The scientific evidence that current patterns of economic growth are putting unprecedented stress on the earth's ecosystems is undeniable. Extreme climate events such as floods, dry spells, heat waves and cold snaps have become very common, with devastating outcomes for human well-being and life generally. Scientists predict that these frequent and more intense extreme weather conditions will continue as a result of rising concentrations of greenhouse gases in the atmosphere. At the same time, environmental degradation increases the risk of pandemics through ecosystem disturbance.

The next ten years are considered the decisive decade for climate action and banks can either be a part of the solution or a part of the problem.

*As a mutual bank, run on behalf of our members, we are committed to having a positive social and environmental impact for the well-being of our members, our planet and for generations to come.*

We strive to reduce our environmental footprint by using resources efficiently, reducing consumption, and helping our members and staff to do the same. We are carbon neutral under the Climate Active certification, for the direct and indirect emissions associated with our operations. At the same time, we avoid the provision of financial support to individuals or businesses whose activities are deemed detrimental or destructive to the environment, or harmful to members of society.

We take great pride in our purpose and our tagline "The ethical alternative" is substantiated by our

B Corp certification which is internationally recognised and reinforces our brand promise to act as a force for good in the world and to always do what is good and right – regardless of whether that is the easiest option.

**Certified**



**Corporation**

**This company meets the highest standards of social and environmental impact**

The "B" stands for Benefit for all. The benefit to workers, communities, members, and ultimately our planet is what drives our actions at Australian Mutual Bank and this has been measured and benchmarked against the highest standards via B Corp's business impact assessment tool.

The recently acquired Global Alliance for Banking on Values (GABV) accreditation is also a big achievement for us this year, as third party verification and transparency are key when it comes to social responsibility. GABV is an independent network of banks and cooperatives from around the world committed to advancing positive change in the banking sector. We believe that joining forces with like-minded organisations will deliver long term benefits for people and the environment.

The key finding of the Member Sustainability survey we have undertaken earlier this year was that the majority of our members consider sustainability initiatives as important, very important or even crucial. We have received excellent feedback regarding our recent efforts, and we will continue to review our approach to sustainability by listening to our members and exceeding their expectations.

# Keep your accounts safe

One in nine Australians experienced personal fraud last year (2020/21)\*, with card fraud, identity theft and scams leading the way.

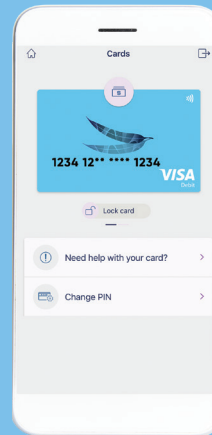
To guard yourself against fraud we suggest that you follow these security tips:

- We recommend that you change your PIN and Access Codes regularly via our Mobile App
- Set a PIN that's not easily guessed – avoid using combinations like your name or date of birth.
- Use the Mobile App to block debit and credit card access
- Don't share your PIN or Access Codes to another person and never lend your cards to anyone
- If you suspect someone else knows your access details, contact us immediately.

\*Source: <https://www.abs.gov.au/media-centre/media-releases/1-9-australians-experienced-personal-fraud-2020-21>

## Did you know you can set up alerts in your Internet Banking?

Our Internet Banking platform allows you to proactively monitor your accounts 24/7.



You can request specific information on account balances, deposits and withdrawals to be sent to you automatically via SMS and email.

Just log into your Internet Banking account, and select Settings and then Alerts from the top menu.

## What is a Target Market Determination?

Navigating the world of financial products can be confusing which is why the Australian Government has passed last year new laws designed to help people better understand what they are signing up for. The laws include a requirement for providers of financial products to produce a Target Market Determination (TMD) for each of their products. A TMD is a written document that describes who a product has been designed for and conditions on how the product can be distributed to customers.

TMDs are part of a broad framework designed to ensure we take a customer-centric approach to the design and distribution of our products.

### Do I need to read the TMD?

It is recommended that you read all the documents provided to you when considering a financial or credit product, including the TMD. When making a decision about a product always consider your needs and budget. Make sure you refer to the Terms and Conditions and any supplementary disclosure documents outlining the relevant terms and conditions provided under that product.

### Where can I read the TMD?

Our TMDs can be accessed on our website by visiting the Disclosure and Reports section available under "About us" (<https://australianmutual.bank/about-us/disclosures-and-reports/>). If you're still not sure whether our products or services are right for you or you wish to enquire about other disclosures, please feel free to contact us.

## Termination of member cheque book and chq deposit book facilities

As advised earlier this year, member cheque book and cheque deposit book facilities have been terminated on 1st March 2022. In order to avoid your cheques being dishonoured, we asked that you stop using your member cheque and deposit book before the 1st March 2022 withdrawal date, and to dispose of your cheque and deposit books securely by cutting them up or returning them to us. As a recompense, and regardless of the number of cheques that you have used in your current cheque book, the last cheque book fee that you paid will be refunded to you in full.

If you would like more information on how you can utilise any of the alternative payment services we offer as a substitute for the member chequing and deposit facility, please don't hesitate to contact us on 13 61 91.

# 7 Tips to raising financially literate kids

Most people agree on the importance of kids learning about money early on in life in order to be well equipped for their future. It's never too early to discuss spending and saving with young children, as they learn habits from a young age, and the earlier you can encourage mindful money management, the better.

## 1. Shopping for groceries

Take your primary aged kids shopping for a small food shop. Establish a set budget and bring enough cash to cover the purchases. Get your kids familiar with the value of different notes and coins if they aren't already. Stay within budget and take the time to show your kids how you decide what to buy. Show them how brands might differ in price as well as volume. Discuss what is better value and perhaps also discuss why you prefer one brand over the other, even if it isn't always the cheapest option. Let your child help you work out what you can afford by counting out the money you have in your wallet and adding up the cost of what you have in your basket. Aim to do this together as an exercise once a month and perhaps share an ice cream or treat afterwards together if you manage to spend under budget.

## 2. Understanding cashless transactions

Many children don't realise shopping online, downloading movies, games and apps often cost money. They see their parents accessing content or making a purchase online, but as there is no exchange of cash, it can be hard for kids to equate this as 'spending'. Help your child to understand by downloading a film with them, showing them how much it will cost on the screen and then explain the money will be taken from your account using a credit card or a debit account. When your monthly account statement is ready for download or arrives in the mail show them so they can see the deduction from your account.

## 3. Pocket money as a learning tool

The best way for kids to understand how to make decisions about money is to have some of their own. If they receive this money in exchange for doing chores they will learn even more. Most of us value the money we earn differently to the money we are gifted or given. Pocket money can be a wonderful way to encourage children to learn about how money can be earned and spent or saved. As an affordable entry point try \$5 at the end of the week if your child makes their bed and empties the dishwasher each day. Discuss the pros and cons of putting aside some of their pocket money into savings over their easy access money box. Discuss long term savings goals (such as a big purchase they will need to save for over several months) and short term savings goals

(something smaller which only needs a couple of weeks' worth of pocket money). Try dividing pocket money into 'money to be saved' and 'money to be spent' to help them understand the difference and watch how the two balances differ over time.

## 4. Understanding value for money

Teach your kids to recognise how similar items can often be priced differently and how to compare deals. Figuring out whether an item is better value than another item is every day maths in action. As an exercise in understanding value give your child some cash (\$10 or \$20 is a good amount for this experiment) to spend on a day trip or while on holiday. Tell them they get to decide what to spend their money on (within reason) so they can learn to determine what is good value. If they spend it all in one go and want something later on in the day, it's a valuable lesson in not spending everything all at once. If they blow it on something which breaks or is boring after a few uses they will also learn a useful lesson. Next time they might be a bit more careful with how they decide to spend their own cash. Help them work out what they can afford and what they can't but let them make the final decision about how to spend their money.



## 5. Understanding everyday costs of living

When your next bill arrives show your kids how much it comes to and then tell them how much you as a family earn over the same period the bill covered to help figure out the cost per day/week/month or quarter that service cost. This helps to teach your child about the connection between work and how it pays for things. Electricity, phone bills and even your water bill are all good ways to demonstrate households have regular bills which need to be paid and that keeping aside funds to pay them is an important part of healthy money management. It might also encourage your kids to turn off the lights when they aren't in their room, and not leave the tap running while brushing their teeth!



## 6. Plan a mini holiday together

Work out the budget and a savings plan to get there. Look up accommodation, flights (if applicable) and any other costs involved and list the expenses. This exercise will assist with understanding budgeting, saving for a future event as well as enjoying the rewards of working toward a financial goal. Allow them to have input into the experience and plans and explain that it is possible that in order to save for this future event some spending in the immediate future will need to be curbed. You could discuss what non-essential expenses could be reduced to save money for the holiday. This is an empowering exercise for kids and gives them money skills through experience plus an experience to look forward to.

## 7. Get saving!

If your school-aged child doesn't have their own savings account now is the time to open one for them. Ideally kids should have an account early on to help them understand the value of saving and begin to build a bank balance from a young age. Australian Mutual Bank has an account especially for kids called the Young Saver Account which is for kids aged 0-under 18 in the adult's name (with a Youth option for kids aged 12-under 18 in the child's name). The 'kids only' account offers a great tiered interest rate, has no account keeping fees and no minimum monthly deposits.

Australian Mutual Bank has won the **RateCity Gold award for Best Kids Savings Account for**

**the Young Saver Account in 2022.** The RateCity Gold awards celebrate banks, lenders and credit unions that offer consistently competitive products to Australian consumers. The winners of the awards score consistently as top performers based on RateCity's extensive methodology. The top 10 percent in each category are awarded a RateCity Gold Award - a signal to consumers that this product is one of the best options in market.

Ideally regular savings patterns should be established during primary school years. Help your child to reach savings goals by explaining how regularly saving small amounts will eventually add up to a larger amount, helping them to eventually reach their savings goal. Allow your child to see the progress of savings in their account by showing them their bank statement when it arrives and give positive feedback as they work toward their personal financial goals.

Teaching our children financial skills early on will empower them to make sensible decisions regarding money, equipping them with skills to last a lifetime. If our kids have a healthy and respectful relationship with money they are more likely to be financially independent as adults which is a win-win for families, communities and the economy.



Alison Gallagher is a freelance writer and resourcefulness expert. She has been featured in various publications including Stellar Magazine, Australian Health and Fitness Magazine, and Cleo Magazine.

## Advance Notice of 2022 AGM

The 2022 Annual General Meeting of Australian Mutual Bank Ltd is scheduled to be held on Wednesday, 23 November 2022.

The meeting arrangements, notice of meeting and voting information will be advised no later than 21 days prior to the meeting.

On a rotation basis some directors are required to stand down at each AGM, and such directors are eligible for re-election. Members may nominate to become a candidate for the election. Nominations will close at 4.00pm on 10 August 2022.

Information for members wishing to nominate can be obtained by contacting the Company Secretary at [secretary@australianmutual.bank](mailto:secretary@australianmutual.bank)

## Rate change information

- Deposit Rates Schedule has changed effective 1st July 2022
- Legacy Deposit Rates Schedule has changed effective 1st July 2022
- Loan Interest Rates Schedule has changed effective 1st July 2022
- Fees & Charges and Transaction Limits has changed effective 27th April 2022

Please visit [www.australianmutual.bank/disclosures](http://www.australianmutual.bank/disclosures) for the latest rates & fees detail.

## THINGS TO KNOW

Any advice or information in this newsletter does not take into account your personal objectives, financial situation or needs and you should consider whether it is appropriate for you. Please review our Terms and Conditions and Financial Services Guide which can be found on the website. Australian Mutual Bank Ltd ABN 93 087 650 726 Australian credit licence 236 476 AFSL 236 476 BSB 611-100.

## GET IN TOUCH

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