



Media Release



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People's Choice reports strong growth at AGM

One of Australia's largest member-owned financial institutions, People's Choice Credit Union, has reported another year of strong growth to its members gathered at the company's Annual General Meeting in Adelaide today.

Positive financial results

Success in residential lending drove strong financial results for the 2017/18 year, with People's Choice recently recognised by Canstar as the best customer-owned lender for first homebuyers in Victoria, South Australia and the Northern Territory for the second year running.

Whilst net profit after tax declined by 2.8% to \$32.161 million, comparative net profit after tax rose by 14.3% to \$37.811 million when adjusted for the write-down of ATM assets and related impacts of industry-wide changes to non-member ATM transaction charges.

Member lending continued to lift despite increasing competition. Total loans and advances rose more than 6% to \$7.3 billion for the year, led by a 6.9% lift in residential lending to \$6.7 billion. People's Choice's ability to offer market-leading personal loans was recognised during the year by being named Money magazine's Personal Lender of the Year.

People's Choice's Financial Planning consolidated its position with a 10.1% lift in funds under management to \$1.87 billion, taking the organisation's total assets under management and advice to \$10.5 billion.

People's Choice Chief Executive Officer Steve Laidlaw said the results, coupled with repeated independent recognition of the credit union's commitment to its members, showed early signs of success for its strategy and focus on improving member experience.

"Our aim is to generate sufficient profits to invest in the future of People's Choice while offering competitive products that stand out in a crowded market and delivering the best service for our members. This year we have had our products and people recognised as leaders in their field, funded major investments in future growth, and welcomed a near-record number of new members across the country," Mr Laidlaw said.

"As a member-owned financial institution, our sole purpose is to act in the best interests of our members for the long term, rather than maximising dividends for shareholders like the major banks. Our 2017/18 financial results show that the model works and can deliver success for our members, year after year," he said.

	30 June 2018 \$ million	30 June 2017 \$ million	Change
Comparative net profit after tax*	\$37.811	\$33.080	14.3%
Net profit after tax	\$32.161	\$33.080	(2.78%)
Member loans and advances	\$7,278.795	\$6,865.623	6.02%
Member retail deposits	\$5,780.459	\$5,407.137	6.90%
Total assets under management and advice	\$10,528.008	\$9,986.657	5.42%

* Adjusted for the write down of ATM assets and related impacts.

Urge for proportionate regulatory change

Mr Laidlaw said that People's Choice and its industry bodies, the Customer Owned Banking Association and the Business Council of Co-Operatives and Mutuals, had been urging Government to ensure that any regulatory changes resulting from the Financial Services Royal Commission are fair and reasonable to the mutual sector.

"The mutual sector has seen some good signs from all sides of Parliament with support of the Hammond Review reforms, but it's wise to bear in mind the Productivity Commission's findings that previous reforms designed to increase competition in the finance sector actually had the opposite effect," Mr Laidlaw said.

"Changes need to be proportionate and recognise the different structure of mutually-owned institutions. Many cases outlined in the Royal Commission pointed to the dangers of promoting shareholder interests and profits at the expense of customers. Customer-owned institutions like People's Choice make no distinction between shareholders and customers – they are one and the same, and we are here to deliver the best outcome for them," he said.

"If this is lost when new laws are framed, we risk undermining the alternative to the major banks that customers already have," he said.

Board updates

Director Anne Skipper AM was re-elected to the People's Choice Board and will continue to contribute to the growth of the organisation with her experience as a specialist in corporate governance.

Retiring Director Terry McGuirk was thanked for his years of services as a Director of People's Choice and of the Customer Owned Banking Association.

"Terry has long been a supporter of the industry and has made a significant contribution to People's Choice," Mr Laidlaw said. "He has helped us grow into a national organisation managing more than \$10.5 billion of assets, and we wish him well."

Interviews with Steve Laidlaw available by appointment

People's Choice is one of Australia's largest credit unions with more than 365,000 members served by branches in South Australia, Northern Territory, Victoria, Australian Capital Territory and Western Australia. People's Choice has more than \$10.5 billion of funds under management and advice and more than 1,000 employees across the country.

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