



**Media Release
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Healthy results and consumer innovation headline solid year for P&N Bank

P&N Bank, WA's local customer-owned bank, has reported a 9.6 per cent increase in net profit after tax (NPAT) closing out a year of solid performance on behalf of its 94,000 customers.

The Bank's NPAT increased from \$11.1 million in FY16/17 to \$12.2 million in FY17/18 with total bank assets increasing 4.1 per cent following sound growth in loans and advances of 5.2 per cent.

CEO Andrew Hadley said he was pleased with the results given the prevailing economic conditions in Western Australia which he believes may finally be trending in the right direction.

"Our solid results provide tangible proof that the strategy we put in place four years ago is driving financial performance while providing the capability to further develop and improve the services we offer our customers," Mr Hadley said.

"It's particularly gratifying that our growth in loans under management of 5.2% was complemented by solid growth in deposits of 4.7%. This demonstrates that our proposition is resonating with both borrowers and depositors.

"We are also heartened by the continued high level of advocacy (NPS +42) and customer satisfaction levels recorded independently, which stand in stark contrast to the widespread customer dissatisfaction with the major financial institutions evidenced through the Hayne Royal Commission."

Digital advances

Mr Hadley said that while he was pleased with the financial results, the most significant achievement over the past year was the rapid advance in the Bank's ability to innovate and roll out digital products and services to benefit customers.

In an Australian first, P&N recently introduced instant digital card technology removing the need for customers to wait up to 14 days for the arrival of a physical card. Together with P&N's new card controls, faster payments, digital wallets and a seamless online experience, no other bank offers this entire proposition to their customers and the take-up has already been significant.

Commitment to channels of choice

Mr Hadley emphasised that the focus on contemporary digital banking services in no way reflects a lesser commitment to service over the phone or face-to-face.

"Our membership spans all age groups and lifestyles with every member deserving the same seamless and exceptional experience regardless of the service channel they use," he said.

"While our digital channels gain in popularity and our Perth-based Contact Centre assists our members six days a week, we remain committed to providing a physical presence for those members who enjoy face-to-face conversations as part of a more personal banking experience.

"This year we have invested in upgrades to two of our existing Discovery Stores in Joondalup and Maddington and have opened a new store at Bull Creek, replacing our Booragoon Branch that closed in 2017."

Our community

As a customer-owned bank, we have a responsibility to provide community support on behalf of our customers and this year we again assisted many individuals, families, small not for profit groups and our four community partners, Lifeline, Variety WA, Alongside and The Fathering Project.

"This included our unique "Helping &s" program, which empowers customers to nominate those in the community who need help," Mr Hadley said.

Summary of FY17/18 Results

- The Bank's net profit after tax (NPAT) was \$12.2 million up 9.6% from the previous year's \$11.1 million.
- The Bank's capital adequacy ratio improved to 15.5% from 14.6% remaining significantly higher than the minimum ratio required by the regulator.
- Total Bank assets increased by \$162.7 million up 4.1% to \$4147 million following sound growth in loans and advances of \$176.4 million up 5.2%.
- Member deposits increased by 4.7% or \$132.3 million to \$2,971.2 million.
- Group profit before tax increased by 22.8% from \$13.7 million to \$16.8 million
- Group net profit after tax increased by 9.8% from \$11.1 million to \$12.1 million, largely due to tight control of operating expenses and sale of non-core assets.
- Group net interest income increased by \$4.2 million up 6.2% to \$72.4 million
- Total Group assets increased \$163.7 million to \$4.12 billion.
- Total Group member funds, including retained earnings increased by \$12.3 million up 4.5% to \$285.8 million.
- Active customer numbers grew at just over 1% to 94,052.

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P&N Bank

- the largest locally owned and operated bank in Western Australia.
- Best Mutual 2017, 2018 RFI Australian Lending Awards.
- is an Approved Deposit Taking Institution (ADI) regulated to the same high standards of security as other banks, by such government agencies as APRA, ASIC, the Reserve Bank of Australia, AUSTRAC and the ACCC.
- is run on a customer-owned banking model. 100% of profits are reinvested for the benefit of those who bank with P&N, its members.
- has 15 branches in WA (plus our Stirling Street Service Hub) and offers a wide range of financial products and services, including home loans, personal loans, term deposits, credit cards, financial planning, insurance and foreign exchange.
- offers all three digital wallets – ApplePay, Samsung Pay and Google Pay™
- is a member of COBA (Customer Owned Banking Association) and the Business Council of Co-operatives and Mutuals (BCCM).