

News Release

Friday, 27 November 2009

Members approve Savings & Loans and Australian Central merger

The members of two of Australia's largest credit unions, Savings & Loans and Australian Central, today voted to merge the two organisations, creating a \$7 billion member-owned financial institution.

Chief Executive of the new credit union, Peter Evers, said the merger has created the largest member-owned financial institution headquartered in Adelaide, with 350,000 members and more than \$7 billion in combined assets under management and advice.

"This is fantastic news for the members of Savings & Loans and Australian Central, who will soon be part of an organisation that can provide an even better member-owned alternative to the big banks," he said.

"Although we're growing in size, we remain committed to our credit union principles of supporting our members and the community.

"Australian Central and Savings & Loans have both been successful credit unions in their own right and the merged credit union will have the size and strength to provide greater value for members, such as providing an improved range of products and services and a broader branch network.

"Now is the beginning of our journey to bring together the best aspects of both credit unions, including developing new products, opening new branches and deciding on a name for the new credit union."

Chair of the new credit union Bill Cossey said that member approval was required to bring the two organisations together.

"There was overwhelming support for the merger, with the vast majority of votes cast supporting the union," he said.

"This merger is a great example of the principles of mutuality that both Savings & Loans and Australian Central have supported. Over the last month, our members were given the opportunity to ask questions about the merger and then vote on their credit union's future."

The merger will legally take effect on 1 December 2009, but Savings & Loans and Australian Central will continue to operate as separate entities for some time.

"The essence of the two credit unions – focusing on our members and delivering outstanding service and products – is already embedded in the new organisation and it is these shared values that formed the basis of this merger," Mr Evers said.

"Obviously, there are differences between the two organisations, such as our banking systems and products, so integrating the two organisations is expected to take around 12 months.

"Members won't notice any significant changes to the way they operate their accounts until the integration is complete. At that time, we'll launch a new brand and name for the credit union.

“Branches will also operate independently for the time being, so Savings & Loans members won’t be able to use an Australian Central branch, and vice-versa, just yet. Of course, that will all change once the integration is complete.

“Between the two credit unions, we have branches or advice centres in all mainland states except Queensland and, in time, our members will benefit from this increased access.”

The positions of more than 85% of staff members have been guaranteed, including all those who directly service members. It is anticipated that there will be a realignment of some managerial and specialist roles within the organisations, and redundancies will be minimal. There will be a strong focus on redeployment and reassignment of current employees.

Both Mr Cossey and Mr Evers stressed that this is a true merger of two very equal member-owned organisations.

FACT SHEET:

Savings & Loans is Australia’s second-largest credit union with 190,000 members, more than 550 staff, more than \$3.7 billion in assets under management and advice and more than 30 branches around Australia.

Australian Central is Australia’s third-largest credit union with 166,000 members, 530 staff, more than \$3.7 billion in assets under management and advice and 32 banking and advice centres.

The combined entity will have approximately 350,000 members and \$7.4 billion in assets under management and advice.

The new credit union’s Chair, Bill Cossey, and Chief Executive, Peter Evers, are available for comment.

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