



23 June 2015

MEDIA RELEASE

SBS Bank delivers record full-year results

SBS Group has reported a record operating surplus of \$26.1 million for the financial year to 31 March 2015, an increase of 18.3% on FY14, and a record net surplus of \$19.4 million, an increase of 24.3% on FY14.

SBS Bank Chairman John Ward said “The record results reflect strong performance across the SBS Group – including Funds Administration New Zealand (FANZ), Finance Now, Southsure, and SBS Bank – in what has been an extremely competitive market, especially in the residential lending sector.”

Competitive interest rates and member exclusive promotions helped drive increased residential lending. This was reflected in total lending advances in FY15 of \$2.39 billion, an increase of 5% on FY14.

SBS Group CEO Wayne Evans said “Over the year we’ve begun to provide members with tangible benefits including exclusive offers and preferential pricing. As a mutual structure, we are owned by our members and as such we are inherently focused on delivering value to them.”

As well as giving back more than \$1 million in rebates to SBS Bank members during FY15, significant work has been done over the past year to position the bank to realise its vision to become *New Zealand’s Member Bank*, both in terms of enhancing the value delivered to current members and continuing to attract the next generation of members, nationwide. SBS Bank has 17 branches across the North and South Islands, together with mobile bankers in Auckland and Christchurch.

SBS Bank members’ equity was \$239 million for FY15, up 4.2% on 2014. Retail deposits were \$2.52 billion, while capital adequacy was at 15.61% up from 13.69% in FY14, and well above the regulatory minimum of 8%.

“Realising SBS Bank’s growth strategy, for the benefit of existing and prospective members, is based around simplifying products, services and processes, providing ongoing tangible member benefits, and leveraging the synergies across the SBS Group,” said Mr Evans.

“With subsidiaries in the consumer finance, wealth management and insurance sectors, there are significant opportunities to leverage synergies across the Group. A strategic alliance between FANZ and Staples Rodway announced in early March 2015 to work together in the wealth management sector, leveraging each other’s strengths, illustrates SBS Group’s commitment to growth in all areas of the business.”

“Looking forward, we are embarking on a journey to transform SBS to enhance the value we generate for members. We are investing in a capital expenditure programme focussed on increasing and strengthening our capability through a brand, technology and branch network upgrade and refresh,” said Mr Evans.

SBS Group’s total assets for FY15 were \$2.86 billion, up 2.7% on FY14, reflecting expansion across the Group.

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