

CANTERBURY EARTHQUAKE HITS

September 4, 4.38am. Nothing really prepares a person, a family, a business for what took place. There are as many stories to tell as there are people in this region, each having a unique experience and each one sharing with the next.



SBS Bank Manchester Street stands strong as it is surrounded by destruction in the Christchurch CBD

Photo: Amanda McErich



The earthquake, which literally “shook our world” in the early hours of Saturday 4 September, has impacted in so many ways. Our city has changed forever. Historic buildings are gone, family homes are damaged or destroyed, neighbourhoods are displaced and many businesses have been forced to close their doors – some indefinitely. It has been a life-changing experience.

Yet from the turmoil comes many a story of strength, of community, of love. It saw neighbours calling on neighbours, many of whom had never met before, offering help, support and whatever was needed to get through. It mobilised volunteers to our severely impacted neighbourhoods, clearing roads and providing emotional support. It allowed us to appreciate those many services we come to expect as New Zealanders – power, water, sanitation. Businesses gave what they could – profits were not important, people were.

Many people put aside their own situation to help those in need. Yes, the community spirit of Canterbury has truly come to the fore. To the people of Canterbury, we are so very proud of you all. To all our members, our families and our friends, thank you for your wishes and your thoughts.

As I look out my window the building across the road is being demolished. On another corner, people are working to strengthen an historic building that has stood in our city for 137 years. The rebuilding of our region will take time. The memories will be with us forever and the resilience and support of others, I hope, will always be remembered.

As a local bank, we are part of our communities. As people, we are the community and, no matter where we are in New Zealand, we all have communities we are proud to call our own.

A personal account from Nicki Bennett
Manager SBS Bank Manchester Street

INSIDE THIS MONTH

- HBS merger
- Tax changes
- New managers
- SBS Star hits \$300,000
- Together we're better
- Member benefits

CANTERBURY AID PACKAGE

Our thoughts remain with everyone who has been affected by the Canterbury earthquakes during this time. We appreciate the hardship and challenges being faced by the Canterbury community so we are offering our members an emergency aid package to help ease some of the financial anxiety.

SBS Bank customers affected by the earthquake are welcome to call our SBS Bank Contact Centre on 0800 502 442, 8.30am to 5.30pm, Monday to Friday to discuss any of the following options or to talk to us about your individual needs.

EMERGENCY FUNDS WITH AN OVERDRAFT FACILITY FOR UP TO 90 DAYS

Up to \$10,000 for SBS Bank home loan customers at the special variable rate of 1.25% below SBS Bank's housing variable rate. The current rate is 4.9%. Approved applications will receive urgent, same-day processing.

ABILITY TO SUSPEND HOME LOAN PAYMENTS FOR UP TO THREE MONTHS

Includes the choice of either adjusting the loan term or adjusting repayments.

NO EARLY REPAYMENT FEES

When repaying a fixed rate home loan where the home is destroyed or has suffered major damage as a result of the earthquake.

NO ESTABLISHMENT OR ADJUSTMENT FEES

When needing to establish or restructure a home loan as a result of the earthquake.

Lending criteria applies. Interest rates are subject to change. SBS Bank terms and conditions apply.

NO WITHDRAWAL OR BREAK FEES

On SBS Bank Term Deposit or Term Fund accounts, assuming hardship is proven. No penalty fee on withdrawals from Incentive Saver account.

SUPPORT FOR CUSTOMERS

We will work with you on personal insurance for claims over and above the Earthquake Commission cover.

Please don't hesitate to contact our team on **0800 502 442** if you have any queries.

SBS INSURANCE CUSTOMERS EARTHQUAKE INFO

For all SBS Insurance customers impacted by the Christchurch earthquake and insured with Lumley.

House and Content Claims

The Earthquake Commission (EQC) provides cover up to:

House – \$100,000 + GST

Contents – \$20,000 + GST

Any loss above that value by the the earthquake is insured by Lumley Insurance, but you should deal with the EQC in the first instance. All insurance enquiries for house and contents claims should be directed to the EQC on: 0800 326 243 or if you are unable to contact the EQC or require urgent emergency assistance due to the severity of your claim please call the Lumley Claims Team on: 0800 002 006

Vehicle Claims

For vehicles, damage caused by earthquake is insured by Lumley Insurance. Please call the Lumley Claims Team on: 0800 002 006

WHAT'S HAPPENING WITH YOUR TAX?

Further alignment of Resident Withholding Tax (RWT) rates deducted from interest earned on savings and investments took place on 1 October 2010 and will again for companies on 1 April 2011. This means the tax you pay on interest earned may change from these dates.

You are not required to do anything as our SBS Bank team have automatically updated the following RWT rate changes, effective 1 October 2010. An automatic update will also be carried out for the further company RWT rate change taking effect on 1 April 2011. The tables below outline the previous rates and the new rates for individuals and companies.

INDIVIDUALS			
Income thresholds	Previous personal RWT rates up to 30 Sept 2010	New personal RWT rates from 1 Oct 2010	
\$0 – \$14,000	12.5%	10.5%	
\$14,001 – \$48,000	21%	17.5%	
\$48,001 – \$70,000	33%	30%	
More than \$70,001	38%	33%	
Default rate if no IRD number provided	38%	33%	
Certificate of exemption is provided	0%	0%	

COMPANIES			
Criteria	Previous company RWT rates up to 30 Sept 2010	New company RWT rates from 1 Oct 2010	New company RWT rates from 1 April 2011
30% (28% from 2012 income tax year)	30%	30%	28%
Default rate if no IRD number provided	38%	33%	33%
Certificate of exemption provided	0%	0%	0%

RWT is calculated and deducted at the rate applicable on the date interest is paid/credited, so interest payments made during the period 1 April 2010 to 30 September 2010 will have the rates up to 30 September 2010 applied. While interest paid on or after 1 October 2010 will have the new rates applicable from 1 October 2010 applied. For companies the further rate change will also be applied to any interest paid on or after 1 April 2011.

The Inland Revenue has a guide with questions and answers on the RWT rate changes, which is available on their website www.ird.govt.nz/forms-guides. If you are unsure of what your own RWT rate should be, we recommend you contact your tax professional for advice.

Please contact us if:

- You know that your current RWT rate is not the correct rate for you and you wish to advise your correct rate

What you need to tell us:

- Your Account Number
- Your IRD Number. Please contact the IRD on 0800 377 774 if you do not know your IRD number
- Your correct RWT rate

How to update your rate

You can call the SBS Bank Contact Centre on 0800 502 442, visit a SBS Bank branch, email us your new RWT rate via info@sbs.net.nz or write to us at SBS Bank, PO Box 835, Invercargill 9840.

GST

A reminder that the 1 October tax changes will include an increase in GST from 12.5% to 15%. This may affect the sponsorship invoices from some of our community sponsorship groups.

98% OF HBS MEMBERS VOTE 'YES' TO MERGER



SBS Bank staff officially welcome the HBS team to the family

Two years after bank registration, it is exciting to celebrate another significant development in SBS Bank's ongoing success and growth with the HBS (Hastings Building Society) merger officially taking effect on 1 October 2010. And it is not only the team at SBS Bank who are thrilled – our new 'family' members at HBS are extremely enthusiastic about what the future will bring."

HBS Bank customer services officer Kelly Brooker says the HBS bunch have been "itching to get going" with the new, improved range of products and services being rolled out through the merger with SBS Bank.

“ I know from the talk here in the Bay, that our members are really eager to have SBS Bank in the region, while retaining our HBS brand. ”

"We're all very, very excited about being able to grow personally and have more career training and advancement opportunities. It is also great to be able to offer even more member benefits through a whole range of new products and services. We know that many of our members have wanted to bring their day-to-day transactional banking to us for some time, so it will be fantastic to help them do that in the future."

"We all feel a part of the SBS Bank family already and we're basically experiencing the rebirth of our building society. It's so fantastic that our organisations are both so family orientated and friendly – we have so much in common."

SBS Bank chairman Acton Smith says the boards of SBS Bank and HBS were delighted with the strength of support from HBS members, who voted 98 percent in favour of the merger.

"We are looking forward to providing Hawke's Bay members and future customers with a full banking service while continuing to ensure that the mutual philosophy and values that both of our organisations share in common will remain within the merged organisation."

WHAT ARE THE BENEFITS?

HBS BANK

- Security of bank registration
- Investment grade credit rating
- Continued member ownership
- Identical values
- Initial interest rate premium
- Increased products and services
- Retention of staff and brand
- Increased investment in community support - \$100,000 p.a. for five years
- Ongoing member benefits
- Improved business systems
- Additional resources
- Branch upgrades
- Increased personal development and training for staff

SBS BANK

- No change to member-owned structure
- Growth of national branch network
- Greater North Island retail network footprint
- Increased assets
- Improved system capability
- Bigger customer base
- Convenience of branches for Hawke's Bay members
- Heightened identity with HBS Bank aligned brand
- Better services to SBS Bank customers in Hawke's Bay
- Exciting project challenge for SBS Bank people

POSITIVE RESPONSE FOR NEW TV AD



Terri Gregory

Since our new SBS Bank television commercial went to air on the major channels in late August, we have had some fantastic feedback.

SBS Bank Tauranga manager Terri Gregory said it was absolutely fantastic to hear the upbeat response during a ladies referral group meeting. "I knew one of them and

she was so excited to have me there so, before I knew it, she had a circle of women around us and started telling everyone about our SBS Bank ad she had seen the night before.

"She walked them through the entire story of 'John' the well-known banker, his adorable son and our strong community bank message of being local and our staff being known by our members. She clearly loved the ad so much and she had a captive audience the whole time – it was absolutely fantastic to be there and hear it."

If you haven't spotted it already, keep an eye out on TV1, TV3 and Prime over the coming months.

WELCOME TO GREG AT SBS BANK BLENHEIM

With 23 years experience in banking and a lifetime of experience on the sporting field, Blenheim local Greg Stretch could say he's been "bowled over" by the great team environment he has been welcomed into as manager of SBS Bank Blenheim.



Greg Stretch

Greg says those 23 years began with former Trust Bank before he moved to another larger trading bank and it was fantastic to be back in the personal style of banking he had started out in.

"The personal approach and community support SBS Bank offers its customers, with Mum and Dad banking and special care and services for non-profit community organisations make it a very enjoyable and satisfying environment to be a part of."

Greg is no stranger to the Marlborough community and has been an active sportsman getting heavily involved with the Marlborough Cricket Association, volleyball, soccer and indoor cricket.

A senior cricket representative in Marlborough since 1986, Greg retired after 12 years as captain in 2008 but continues to actively play. He currently holds the Marlborough Cricket record of 177 representative games and is in his third year as chairman of the association's board, having been a member since 2002.

"As a team player, I'm really enjoying the supportive family environment at SBS Bank and, as the captain here at SBS Bank Blenheim, I really look forward to leading our team forward while continuing to ensure our members benefit in Marlborough."

\$300,000 MILESTONE FOR SBS STAR



We don't know who gets the biggest thrill – our ecstatic prize draw winners or our SBS Bank staff who have the pleasure of ringing up our members and telling them that they have just won an additional \$1000 for their hard-working, non-profit organisation.

Nearly 200 non-profit clubs and societies around the country have now experienced the elation of receiving a good news phone call and the number of winners continues to grow every month when another 10 grateful recipients are drawn.

At SBS Bank we know community is where the heart is so it made us extremely proud to hit the milestone of giving \$300,000 back to our communities in August through our SBS Star prize draws. It is always a highlight of our SBS Star banking package to hear back from all of our elated winners.



Arrowtown Autumn Festival Buckingham Belles

"We are thrilled to have won a \$1000 in the SBS Star prize draw – it is greatly appreciated and the money will be put towards the 2011 festival. SBS Bank truly supports the local community and we are pleased to have a relationship with such a community-focused bank. Thank you SBS Bank."

Arrowtown Autumn Festival co-ordinator Deb Husheer

"On behalf of Blackmount Community Pool Committee, thank you SBS Bank for drawing us as a July winner of your SBS Star \$1000 cash prize. We are very proud to bank with a local bank that generously gives back to community services such as ours. On behalf of the committee and our next generation of great swimmers thank you!!!!"

Blackmount Community Pool Committee spokesperson Louise Powell

"Bethlehem College has had a very close relationship with SBS Bank for some years now and we enjoy the mutual benefits this brings. We have been delighted with the service provided by the staff at the Tauranga office of SBS Bank and are now delighted to be the recipients of \$1000 from the monthly draw for SBS Star account holders. Our Bethlehem College families will be thrilled to see another example of the community focus of the SBS Bank."

Bethlehem College sports director Sharon Rutherford

SCOTT GETS DANCING WITH THE STARS

Three months of intensive rehearsal and our SBS Bank Gore manager Scott Bowden was breaking out moves like he was back in his 1990 Commonwealth Games sprint running hey days when he took to the floor for the Gore Dancing with the Stars fundraising event in September.

Scott was among eight celebrity guests to partner up with dancers from Rachel's School of Dance – a SBS Star account holder – to raise money for their dance events and travel over the coming year.

600 people turned out in support of the occasion and were treated to some fantastic dancing displays, including Scott and Gail Whalley's quickstep to a number from Grease, followed by a Viennese waltz.

Having leading New Zealand ballroom dancer Rebecca Nicholson back in her home town for the event was a treat, but the real highlight was being a part of an event that raised thousands of dollars for such a worthwhile community cause. The experience means Scott is far from ready to throw away his dancing shoes and he and his wife Simonne are now continuing with weekly lessons.



SBS Bank Gore manager Scott Bowden meets with Gore's national ballroom dancing star Rebecca Nicholson

I-BANK PACKAGES LAUNCHED

Following the launch of i-bank legal last year we are now delighted to be able to offer i-bank star, i-bank accounting and i-bank realty, tailored specifically to meet the banking needs of non-profit groups, accountants and real estate agents.

Through our close relationships with our non-profit members and professional organisations we determined exactly what was required of a banking package that needed to manage everyday accounts and client deposits more efficiently. Each tailored i-bank package offers a combination of transactional, trust and investment accounts, options for internet access levels and single or dual signatory functions, depending on the operational requirements of the organisation.

We believe our i-bank packages provide a more efficient, smarter way of managing everyday accounts and client deposits more efficiently without losing that personal touch on which SBS Bank prides itself.

WELCOME TO MATTHEW AT SBS BANK NELSON

Our new Nelson manager Matthew Isbister feels like he's "really come home." That's because it took the move south for him to discover that his great, great, great, great grandparents first arrived in New Zealand aboard one of the very first ship's in Nelson, *Bernicia*.



Matthew's banking experience started with major trading banks after he graduated from Lincoln University with a Bachelor of Commerce and Management Degree 12 years ago. After leaving his home roots in Wellington, he managed bank branches in Auckland's suburbs of Onehunga and Remuera before becoming a senior sales manager, financial consultants.

Matthew says the attraction to join SBS Bank was largely based on our values. "My decision certainly had a lot to do with SBS Bank's community focus, the emphasis on building personal relationships with members and ensuring we provide personal service. Members before profit is another really big drawcard."

The move to the Mainland had been an extremely pleasurable experience for Matthew, partner Janet and their baby daughter Stella. "Everyone's been so friendly and welcoming. I have a fantastic team here at the Nelson branch and there's the added incentive of being able to add to my wine collection and sample many more with the raft of great wineries in the region."

AUTOMATIC PAYMENT FEE WAIVED

To help ease the affects of the 1 October GST increases for our valued SBS Bank members, we have suspended the automatic payment fee for SBS Lite Account holders needing to make alterations to their automatic payments during the month of October.

All sorts of services will be affected by the GST change such as power and gas bills, gym memberships, pay television and telephone bills. Suspending the SBS Lite transactional fee to amend automatic payments provides SBS Bank members with the direct benefit of allowing them to amend all their regular automatic payments without incurring the usual \$3 charge. SBS Classic Account holders already have no fees for this service.



The automatic payment waiver for SBS Lite Account holders will remain in place until 31 October 2010.

MEMBERS ONLY STAND

It is always extremely satisfying to be able to deliver new products and services that have been requested by you, our SBS Bank members.

Following the launch of i-bank star – the online banking package for non-profit organisations, we have five \$25 credits for any of our existing SBS Star non-profit groups who would like to learn more about this new package. All you need to do is call us on 0800 502 442 or pop into your local branch to find out more about i-bank star. Just mention this article and they will pop you into the draw to win \$25 for your non-profit club or society.

We also have five \$25 credits for SBS Star account holders who have already switched to the new i-bank star online banking package. We would love to know what you like about the package, how it may be benefiting your organisation and how we can further develop the package for all of our non-profit organisations.

Please send your feedback to melissa.chilton@sbs.net.nz or post to **Melissa Chilton, SBS Bank, PO Box 835, Invercargill 9840**. We will draw the winners on October 29.

DID YOU KNOW?

- You can save on your monthly bank fees with our new SBS Lite Account.
- SBS Bank can now offer you a pre-paid travel card with a Travelex Cash Passport.

Phone **0800 502 442** or pop into your local branch to find out more about these products.

NEW INVESTMENT STATEMENT

Please find enclosed with this newsletter a new Investment Statement which removes reference to the Crown Deposit Guarantee and takes effect from 12 October. No New Zealand banks have elected to participate in the extended guarantee in line with the direction given by the Reserve Bank of New Zealand (RBNZ) in their Financial Stability Report of May 2010. The RBNZ was clear that there was no need for New Zealand banks to participate in the extension to the guarantee. Further information on this report is available on the RBNZ website. If you have any queries, please feel free to contact us on **0800 502 442**.

WHAT WE'VE BEEN UP TO

At SBS Bank we love rolling up our sleeves and getting involved with our communities. These are just some of the great community ventures we've been involved with in our communities recently.

11 - 27 June SBS Bank Plunket Art Show, *Timaru*

9 - 15 July Waikato Embroiderers' Guild hosts the National Embroidery Conference, *Hamilton*



26 Aug SBS Bank launches i-bank packages offering tailored banking products to non-profit organisations, real estate agents and accountants



August SBS Bank Contact Centre 10th Anniversary celebrations, *Invercargill*

1 Sept 98% HBS members vote 'Yes' to merger with SBS Bank



September SBS Bank Spring Seed Giveaway, *Queenstown*

September Central Otago Blossom Festival Art Exhibition, *Alexandra*



1 Oct SBS Bank-HBS merger as Registrar of Building Societies registers the notice of transfer

3 Oct SBS Bank Hamilton Half Marathon, *Hamilton*

WHAT'S COMING UP

7 Oct SBS Bank celebrates two years since becoming a registered bank

3 Nov Omokoroa Bowling Club, SBS Bank Open Ladies Tournament, *Tauranga*



13 Nov Queenstown Mountain Bike Family Fun Day, Jardines Park, *Kelvin Heights*



12 - 13 Nov Exult Conference for Not for Profit Community Groups, *Tauranga*

25 Nov Omokoroa Golf Club, SBS Bank Golf Day, *Tauranga*



27 - 28 Nov Cromwell Bridge Club, Otago-Southland Pairs and Teams Tournament, *Cromwell*

26 - 28 Nov National Spring Rose Show, *Timaru*



14 - 16 Dec Goldfields Primary School Pantomime, *Cromwell*

19 - 20 Feb Relay for Life, *Dunedin*

BECAUSE TOGETHER WE'RE BETTER



SEED GIVEAWAY

Our Queenstown team was responsible for a growth spurt and hundreds of green fingers in the Lakes Districts with a community-inspired seed give-away to kick off spring. With 950 packets of seeds to share, SBS Bank was able support the Queenstown Harvest Community Garden where locals could set up their very own garden plot. A local gardening book sale also ensured SBS Bank could make donations from the proceeds to the community gardens or the local schools. It is going to be a healthy summer of eating in the Lakes District this year!

WINDSOR BONANZA DAY



Because we love getting involved with our communities, it will be a pleasure to be a part of the Windsor Bonanza Day being held in Invercargill in October. The annual Saturday event showcases the Windsor retail sector with a family fun day offering special in-store promotions, buskers and entertainment. Our SBS Bank Windsor team are thrilled to have Amanda from Pawprintz face painting the kids at the branch throughout the day. Meanwhile our team will be offering banking advice and hot coffee in our true SBS Bank exceptional style.



LOUD SHIRT DAY

Our team at SBS Bank has worked out a great way to commit serious fashion crimes and have a whole lot of fun at the same time – and it is all for a good cause! While our staff around the country were having a fabulous time wowing colleagues and SBS Bank members with their brightest, funkiest and gaudiest shirts, they were also helping deaf kids learn to listen and talk like their hearing friends. That is because we were involved in Loud Shirt Day, which is the annual appeal of The Hearing House and the Southern Cochlear Implant Paediatric Programme.

NELSON SCHOOL BANKING TRIAL



Nayland Primary School children are counting their pennies and trying to save as many as they can after joining with SBS Bank to launch a new school banking programme in October. The project involves selected students being in the banking teller roles. They are then supported by SBS Bank staff in what is a true example of community partnership where everyone, particularly our young people, will benefit in the long run through improved financial literacy and learning about the importance of saving.

MEMBER BENEFITS

INVERCARGILL GOLF CLUB PRO SHOP

15% OFF

Retail goods valued at more than \$100

PLUS Golf cart discounts, and **\$1000** hole in one opportunity



LEVEL 1 RESTAURANT + BAR, KELVIN HOTEL

10% OFF

Evening dining for SBS Bank cardholders



FUNDRAISING EVENTS ONLINE CALENDAR

FREE

Register your SBS Star or fundraising member event details online at www.sbs.net.nz



ADVERTISE YOUR EVENTS IN YOUR LOCAL BRANCH

FREE

Pop details of your SBS Star or member fundraising events on the noticeboard



PROMOTE YOUR CLUB, SOCIETY OR BUSINESS

FREE

Log on to www.sbs.net.nz and register the details of your business or organisation for all to see!



*Terms and conditions may apply to some product offers and discounts offered through the SBS Bank Member Benefits. To find out more visit the Member Benefits section of the SBS Bank website www.sbs.net.nz or phone us on 0800 502 442

FROM THE CHIEF EXECUTIVE: A BRIGHTER FUTURE AHEAD



Many would have thought that the Global Financial Crisis we have all suffered under during the past two years would have been enough ... but then along came the Canterbury Earthquake! And what a tragedy this has been for those living in the area. Many of you will be aware of the physical damage to land and buildings and the impact on many heritage buildings.

However, even for those of us who have visited the area, it is hard to envisage and comprehend the psychological impact the 700+ tremors have had on the people living in the area. Our thoughts are with you all and we remind you we do have a number of temporary relief packages available to those of you directly impacted. Those of us from outside the area have certainly been inspired by the resilience of you all and the great Canterbury spirit being shown in these difficult times.

No sooner had we come to terms with the issues created by the earthquake when Southland was hit by its worst snowstorm and week of wintry weather in more than 60 years. The snow has caused the collapse of the iconic Southland Stadium, which has been a major catalyst for Southland's sporting success over the past 10 years and a primary source of junior sporting development. As one of the major funders of the stadium development, this catastrophe has affected us all here at SBS Bank. Southland sheep farmers have unfortunately also been severely affected by this unseasonal spring weather right in the middle of lambing. Our thoughts are certainly with our farming friends during this difficult time.

On a brighter note, the announcement of our proposed merger with Hastings Building Society in July has meant an exciting and busy few months at SBS Bank. It was extremely pleasing to see HBS members vote so overwhelmingly in favour of a merger, with a massive 98 percent majority. Like SBS Bank, HBS is a mutual building society owned by its customers. We believe the merger will give us a great opportunity in the Hawke's Bay market while enabling us to provide HBS members with access to the much wider range of SBS Bank products and services. We expect the merger to officially occur on 1 October 2010 and you will notice the launch of the HBS Bank logo immediately. However, full integration of the businesses and availability of all products and services is expected to take a further four to five months.

Both SBS Bank and HBS were founded on the values and guiding principles of sustainability through prudence, commitment to mutual benefit, the prosperity of our community and our people making the difference. These important values have been at the heart of building and sustaining two strong, credible organisations and will remain our priorities as we move forward. SBS Bank and HBS Bank will be your 'Local Bank.' Many people within HBS and SBS Bank have been involved in the merger process. However, it is the outgoing board of HBS who deserves to be recognised for having the foresight and courage for making such a discerning decision in these difficult economic times. Thank you to Frank, Ian, Lindsay, Elizabeth, Jacqui, Dave and Warren.

We are also pleased to note confirmation by Fitch International Ratings of our BBB investment grade credit rating. Fitch, in making the announcement advised that we had recorded a sound performance in a difficult operating environment and further stated "SBS Bank generated healthy operating profitability, benefited from solid retail funding while developing alternative wholesale funding sources and maintaining its good asset quality, reflecting SBS Bank's robust risk management." Meanwhile, our competitiveness in delivering value-for-money banking was confirmed when SBS Bank won two categories, for best term deposit (12 months) and best fully featured transaction account (for the second consecutive year) in the 2010 Canstar Banking Awards. This result was highlighted with SBS Bank coming out among the top three banks in nine of the 17 major product categories.

We expect the general economic environment in New Zealand over the next 12 months will be extremely challenging for everyone. However, we will not be relaxing as we work hard to integrate HBS, develop new and exciting products and services and look for new branch opportunities.

Ross Smith
Chief Executive