



*Our first members to draw down an SBS Advance reverse equity loan, Ron and Doreen Somers, pictured with Neil Bramley, Manager Equity Release and Jo Henderson, Banking Consultant Papanui Branch.*

## SBS ADVANCE - WE CELEBRATE LIFE

Our senior members asked for it, and we've just delivered SBS Advance – a reverse equity loan carefully tailored for the increasing numbers looking to fund a more fulfilling retirement and celebrate life.

Available to homeowners aged 60 and over, SBS Advance isn't just any reverse equity loan – as with all of our products and services, it's been developed in strict accordance with our building society's founding principles, which ensure our members' best interests always come first and foremost.

Determined by your age and home's value, borrowing is secured against the property, but your "castle" remains in your hands, under your ownership, with no ongoing fees or obligation to make repayments until you move permanently from your home.

Manager Equity Release, Neil Bramley says SBS Advance, which was launched at the end of July, has raised much interest among members.

"We've been delighted with the response so far from our members. We've also had very good feedback from legal advisers. The trust and security associated with SBS' name provides advisers and their clients with the peace of mind they require and they're very impressed with SBS Advance's structure and its member focus." Neil says.

For those interested, our team will explain SBS Advance to you in detail and help assess whether it's your best option. We respect this can be a significant decision, and we'll encourage you to take the time to seek the independent advice you need to make an informed and considered choice.

Retirement brings freedom – at least, it should. These are precious years, filled with the promise of more time, fewer responsibilities and, for many, the chance to fulfil lifelong dreams. To find out more, give us a call or drop into one of our branches ... SBS Advance might be just what you need to put the "golden" into your retirement years.

### INSIDE THIS MONTH

- | Ross Smith on investor confidence
- | SBS Cromwell spreads it's wings
- | SBS & KiwiSaver
- | SBS Invitational seeks charity applications
- | SBS & Travelex
- | Hamilton Half Marathon - FREE ENTRY



The Cromwell team (from left to right): Sharon Shallish, Jeff Sawers, Megan Haggerty, Nicky Butler and Lynn Manson

## SBS CROMWELL SPREADS ITS WINGS

Our Central Otago members have been experiencing the “SBS difference” for nearly three years now – and such has been the response, SBS Cromwell has just been made a fully-fledged branch.

Former Cromwell sales manager Lynn Manson, who’s been an integral part of our growth in Central Otago, has taken on the new branch manager’s role.

With six sponsorship relationships up-and-running already in the Cromwell, Clyde and Alexandra areas, our Central Otago team has earned quite a name for its community spirit – and locals have returned that loyalty in kind.

“The biggest thank you of all,” says Lynn, “must go to the local community – our reason for being – for their wonderful support and encouragement.”

SBS has enjoyed such a warm reception throughout the area, the Cromwell and Queenstown teams have extended their coverage to include weekly trips to meet members as far afield as Wanaka and Alexandra, so everyone can experience the real banking alternative conveniently.

SBS’ approach has struck a real chord within the farming, horticulture and viticulture sectors too. To keep up with demand, the Cromwell branch is now home to three of our SBS Rural team. Anne Ashby-Neilson, Grant Williams and Diane Bennett are Central Otago’s “partners on the land”, providing individual, innovative and practical financial solutions to the agribusiness sector.

You’ll find SBS Cromwell at 21 The Mall – call in and meet the team for a coffee and a catch up. They’d love to see you.



The SBS Rural Cromwell team: Diane Bennett, Grant Williams and Anne Ashby-Neilson.

## BLenheim’S BIRTHDAY BASH

Our sunny Blenheim branch has just turned one.

Branch manager Brian Dawson and the team marked the occasion with a week of celebrations, catching up with members old and new for morning tea – and even donning aprons for a barbecue.

Our Blenheim crew has enjoyed a fantastic first year and continues to make its mark on the community.

“We’ve been so impressed with the support we’ve received, and it’s been a pleasure supporting them back by getting in behind the community as proud sponsors of the Blenheim Fire Brigade, the Marlborough Golf Club, the Marlborough Tennis Association and, of course, the mighty Tasman Makos,” Brian says.

Everyone is welcome at SBS, so if you didn’t manage to catch up with the Blenheim team during their birthday celebrations, feel free to call into the branch any time you’re passing – there’s always hot coffee and a warm welcome waiting.

## SBS TEAMS UP WITH TRAVELEX

We’ve partnered up with Travelex, a trusted, global name in international payment services so we can offer you SBS International Services.

Our new SBS International Services include Telegraphic Transfers (Wires) and Drafts, as well as Foreign Cheques, enabling our members (who hold SBS Transactional accounts) to send and receive funds around the world with speed, ease and confidence.

Sending and receiving payments internationally can be tricky. If you’re paying for an online purchase, chances are you won’t know the person or company you’re dealing with. Even sending money to friends and family overseas can be a lengthy and fraught process, as funds often pass through a network of banks and, sometimes, several countries.

The safest and quickest methods of transferring money to or from overseas accounts are via telegraphic transfers or drafts. We recommend our members be cautious about receiving foreign cheques as they carry a much higher risk.

The best thing to do is call us on 0800 502 442 or pop into your local branch and we can discuss with you the SBS International Service that best suits your needs.

## TERM INVESTMENT SPECIAL

# 8.60% p.a. Better off!

Term Investment Special **12-24 months**  
INTEREST PAID AT MATURITY

Min Deposit \$5,000 Max Deposit \$250,000

Quotes available for larger amounts.

Rates subject to change without notice. Copies of the current Investment Statement and registered Prospectus are available on request from [www.sbs.net.nz](http://www.sbs.net.nz) and any branch or agency of Southland Building Society.

## SBS AND KIWISAVER

KiwiSaver has well and truly arrived, but many New Zealanders who qualify are holding back, unsure on how best to capitalise on one of the most important and exciting advances in savings and investment.

At SBS we have the answer: Our Lifestages Superannuation Scheme is the perfect KiwiSaver match. You have the peace of mind knowing that, in SBS, you've chosen a trusted, reputable provider, plus an investment programme that already has an impressive track record.

Launched in 1992 to help retired folk manage their exposure to the superannuation surtax, Lifestages was an instant – and enduring – hit, establishing a reputation for minimising risk while still posting strong returns.

Informed and considered choice is vital, given how and where you invest your KiwiSaver funds is likely to be a long-term proposition – the success of which decides the quality of your retirement years. But time is of the essence. In short, the sooner you start saving, the greater the rewards.

For the sake of your future financial freedom, don't put off until tomorrow what you can do now – call our team of dedicated financial advisers on 0800 650 835 today.



## SBS INSURANCE HAS GOT YOU COVERED

SBS Insurance has come a long way in five years, growing from a single-person operation specialising in life cover, to a 15-person team providing the full suite of “must have” protection under the one, trusted roof.

We've recently introduced fire and general insurance, which means our members can now have all key insurance cover – including house and contents, as well as motor vehicle and pleasure craft – delivered with SBS' trademark “people first” ethos.

With these latest product offerings, SBS Insurance can now cover members with:

- | House and contents
- | Motor vehicle
- | Pleasure craft
- | Term life
- | Loan repayment
- | Payment protection
- | Travel

Whatever the cover, with our unique, member-focused structure comes ‘plain speak’, quality policies that are all about providing you with the best possible cover at an affordable price.

We won't do the “hard sell” or sign you up for more insurance than you need. So, if you're looking for quality insurance, delivered with a friendly, personal approach, just call your SBS Insurance team on 0800 002 001

## KIWISAVER FOR KIDS

Did you know you can open KiwiSaver accounts for your children?

Christmas has come early for children this year! For a limited time with SBS Financial Advisers you can open your child's KiwiSaver account with \$50 (normally \$500) and receive the government's \$1,000 subsidy. (Offer extended until 24th December 2007).

For more information call us on 0800 650 835.

# SPONSORSHIP: GETTING IN BEHIND OUR COMMUNITIES



*Kids getting creative at the SBS Buildzone activity during the ILT Kidzone Festival.*

## SBS GETS IN THE ZONE

**Even an icy cold snap couldn't keep thousands of Southland families away from the ILT Kidzone Festival during July's school holidays.**

Flushed cheeks and eyes sparkling with anticipation peeked out from below woolly hats as 7000 children and adults headed to the biggest, brightest and longest ILT Kidzone Festival yet.

Held over five days at Invercargill's James Hargest College senior campus, this year's festival offered 118 educational, interactive and entertaining family activities, including arts and crafts, performances, sport, construction, electronics, puzzles and games, music, storytelling, animals, wheelie bikes and cars, sideshow activities and food creativity. With such a line-up, we weren't surprised to hear of a few "big kids", who don't have children, begging to take their friends' youngsters!

Our building society was delighted to again be fostering the talents of future engineers at the SBS Buildzone, and we're already looking forward to getting in the 'zone' next year.

A big thank you to the organisers and hundreds of enthusiastic volunteers who not only made this educational, entertaining event happen, but have cemented it as a permanent fixture on Southland's school holiday calendar.

## SBS ANTIQUES AND RETRO EXTRAVAGANZA

**Last year's SBS Antiques and Retro Extravaganza, in Nelson reduced one antiques expert to tears, sent at least one couple away with a smile on their faces ... and made the national news headlines.**

The reason? A small piece of 18th century pottery. The owners were taken aback when expert Peter Wedde became emotional at seeing such a rare piece of Thomas Whieldon salt-glazed pottery. Peter valued the ornament in excess of \$100,000.

## SBS MARATHON

**The atmosphere was buzzing with excitement and anticipation as thousands of runners and walkers gathered in fresh conditions outside the Christchurch Town Hall to compete in June's annual SBS Marathon.**

A record 4050 pairs of feet pounded the pavements of the new two-lap course, tracking the same historic route as the 1974 Christchurch Commonwealth Games marathon.

SBS Christchurch branch manager – and long-time competitor – Mark Reid describes the event, which includes a \$40,000 prize pool, spot prizes and medals for every finisher, as "the South Island's favourite festival of fitness".

"With the full marathon, the half marathon for runners and walkers, the 10km fun run and walk, as well as the 2km Kids Mara'fun, this event provides something for everyone of all ages and abilities," Mark says.

In only its third year, the SBS Kids Mara'Fun has fast-tracked its way to huge success, with almost 500 children lining up to give it a go.

As always, 50 SBS members will next year run or walk for free, so look out for entry forms and pencil in the SBS Marathon for June 1, 2008.

Full results for 2007 are available from [www.sbsmarathon.co.nz](http://www.sbsmarathon.co.nz).



The 2008 SBS Antiques and Retro Extravaganza, set down for January 19 and 20 at Founders Heritage Park, is poised to turn up many more hidden treasures when Peter Wedde, Hamish Walsh and Deric Blackler pass their magnifying glasses over yet more antiques and collectibles.

The largest antiques and collectables fair in the South Island, next year's extravaganza is set to showcase a rally of vintage caravans and cars, antique dolls, an historic Arms Association exhibition, vintage and retro fashion, as well as fantastic food and entertainment.

SBS – which itself dates back to 1869 – will once again be a proud sponsor for this extravaganza, proceeds from which go to the Nelson School of Music. For more information, please contact Judy at [extravaganza@xtra.co.nz](mailto:extravaganza@xtra.co.nz) or call into SBS Nelson.



*Mini Mako, Braden Mason (8) with brother Michael and the Makos crew after their 33-10 win over Manawatu at Landsdown Park, Blenheim on 2nd August.*

## SBS TASMAN MAKOS

**As proud sponsor, SBS is once again right in behind the Tasman Makos as they take the field for their second Air New Zealand Cup season.**

But the relationship between our building society and the Makos doesn't end when the game's over – it's just as tight off the field.

In July, the Tasman Rugby Union, in association with SBS, held the "Not So Rich List" fundraising auction, with proceeds going to the Osea Namatalevu Appeal Fund and the Nelson Cancer Society.

Hosted by television personality Jason Gunn, the charity auction raised more than \$16,700. Goodies up for grabs ranged from dates with Tasman Makos players, to Crusaders' apparel and memorabilia from the All Blacks. The highest bid of the evening was a cool \$3200, which came in for an autographed All Black jersey worn by Joe Rokocoko during his 40th test match against France.

Due to the success of the first, a second charity auction was held in Blenheim at the Marlborough Centre in late August, raising a further \$6000 for the Cancer Society.

Competition's been hot, too, among local school children who've been vying to become a "Mini Mako for a Day". A permanent smile's fixed on the faces of those who have run the match ball onto the field (in their very own Makos' uniform) and then watched the game – on the team's bench, shoulder-to-shoulder with their rugby heroes.

To keep up with the play and all the Tasman Makos' news throughout the rest of the season, check out [www.makos.co.nz](http://www.makos.co.nz) or drop into SBS' Nelson and Blenheim branches for more information.

## SBS SWINGS INTO ACTION FOR CHARITY

SBS Invercargill has been working closely with local golf clubs, Golf Southland and the Invercargill East Lions Club to run and sponsor the SBS Charity Golf Invitational since the event's 25th anniversary in 2002.

For SBS, our involvement offers not only the chance to get our building society's name out there and increase awareness of what we do, but also provides us another opportunity to give back to our community.

Each year, the SBS Invitational committee assesses grant applications from Southland-based charitable groups, selecting one recipient for funds raised from the invitational and the Queens Park Wednesday Tournament. Last year's recipient was Southland Enterprises Inc. (seen below demonstrating the equipment they purchased with the \$10,000 raised.)

### APPLICATIONS NOW OPEN

The committee is now seeking applications for next year's SBS Charity Golf Invitational. If you belong to a group or organisation that's Southland based, undertakes charitable work and has a project on the go, then call into SBS Invercargill branch and collect an application form. Applications close on 31st of October 2007.



*The Southland Enterprises team in action with the new conveyor they bought with the \$10,000 raised at last year's SBS Golf Invitational.*

## THE WORLD'S STEEPEST JAFFA RACE

**In July, a 10,000-strong Dunedin crowd witnessed 20,000 individually numbered giant jaffas racing down the steepest street in the world - Baldwin Street.**

A fundraiser for the Malcam Charitable Trust, the race was the highlight of the 2007 Cadbury Chocolate Carnival. It was a lot of fun for the SBS Dunedin team, which was on hand with the branch's balloon-inflating machine, which proved a real treat for the young ... and not so young.

The SBS Jaffa Race Colouring-In Competition was another winner; with the best of the best of Otago and Southland youngsters' creativity on display for the crowds to admire.

*A piece of 18th Century Thomas Whieldon pottery, valued at over \$100,000 at last year's Antiques and Retro Extravaganza.*



## MEMBER BENEFITS: IT PAYS TO BELONG

### SBS GOLD INTERNET BANKING

SBS Gold Internet Banking is a new service that brings you the freedom to independently manage your own day-to-day internet banking online.

With a few keystrokes, you'll be able to load your own bill payments, make one-off transfers and edit existing payments.

One of the benefits of SBS Gold Internet Banking is i-guard, an authentication token assuring you of extra security.

SBS Gold Internet Banking will be available to all SBS members by the end of 2007. If you'd like to register your interest, phone 0800 502 442 or send us a message via our website [www.sbs.net.nz](http://www.sbs.net.nz). We'll contact you closer to the launch and get you signed up ready to go.

### SBS WEB COMMUNITY

Thank you to all those members who've already registered to join the SBS Web Community.

SBS is committed to mutual benefit and this is your opportunity, as members, to promote your business, club, or society to others for free. We're looking to have this web directory live by the end of the year. To register your interest, go to [www.sbs.net.nz](http://www.sbs.net.nz) and click on the "Member Benefits" link. We'll get your details and keep you posted on developments.

### FREE ENTRY FOR MEMBERS COMPETING IN THE HAMILTON HALF MARATHON

The SBS Hamilton Half Marathon is ready to run on October 7 along the banks of the mighty Waikato River.

This event is for all levels of fitness, with the emphasis on enjoyment, as competitors take in the picturesque surroundings. In its fourth year – and offering 21km and 10km walk or run options – the marathon is fast becoming a "must do" on the sporting calendar.

To celebrate SBS' involvement in this year's event, and to encourage participation, we're footing the bill for members' entry fees. If you're an SBS member, simply tick the "Yes, I'm an SBS member" box on the entry form, and drop it into any SBS branch.

For full event details go to [www.hamiltonhalfmarathon.org.nz](http://www.hamiltonhalfmarathon.org.nz)

## SNIPPETS

### SEPTEMBER 21 IS LOUD SHIRT DAY!

Loud Shirt Day is the annual appeal of The Hearing House and the Southern Cochlear Implant Paediatric Programme, two charities dedicated to helping deaf children with cochlear implants listen and speak like their hearing peers.

Everyone is encouraged to wear their loudest, brightest shirt to work and make a donation to give these children a voice. Last year at SBS we pulled out our wardrobes' worst offerings and had a fantastic time shocking everyone we came across with an eclectic range of sartorial disasters. We're looking forward to being "loud" again on September 21. You, too, can join in the fun and help deaf children by simply registering at [www.loudshirtday.co.nz](http://www.loudshirtday.co.nz)

### SBS OMOKOROA BOWLING CLUB

SBS Tauranga is now major sponsor of the Omokoroa Bowling Club, unveiling shiny new signage at the club's open day at the start of September.

Already dedicated to giving back to the wider Tauranga area, SBS sees our bowling club sponsorship as the beginning of a larger commitment to the Omokoroa community. Watch this space for the latest developments from SBS Tauranga.

### SBS GORE HALF MARATHON

The SBS Gore Half Marathon clocked up its 20th anniversary this year, and a glorious May day saw it attract a record number of entrants.

With the introduction of the 6 km and 12 km fun-run/walk, the event appealed to seasoned runners and beginners alike, with many making a family day of it. Congratulations to all who competed and achieved their goals – we look forward to seeing you next year.

## MEMBERS ONLY STAND

We'd like to know what you think of our brand new television advert, screening from the 16th of September. Did you enjoy it?

To give feedback, please phone us on 0800 502 442. To thank you for taking the time to give us your thoughts, 10 SBS members who 'have their say' will be chosen to receive an SBS Gift Pack.



**SBS IN YOUR COMMUNITY** (left to right): SBS Rural's Cromwell Hockey Club show off their new uniforms. SBS member Evan Taylor takes SBS to the world. Cycling in France. St Margaret's Hockey Team visit our Cromwell Branch. Tauranga's Delwyn Smith with Frans Roos and Steve Moyes at the SBS Western Bay Golf Links Club. An avid supporter at the SBS Kids Mara'fun, Christchurch.

## JEFF GRANT - OUR NEWEST DIRECTOR

SBS has recently welcomed Southland farmer, businessman and former MP Jeff Grant to our board. A long-time SBS member, during the past 14 years Jeff has served as director or trustee with 18 organisations, chairing 10.

"For me, SBS has a wonderful story – but it has an even more exciting future," he says.

"I'm really looking forward to working with a passionate team that's made SBS what it is, and playing my part in telling people who don't already know about the building society and what it has to offer."



## WHEN THE BANKS SAID "NO"...

...SBS welcomed entrepreneurial environmentalist Perry Reid with open arms.

An incredibly enthusiastic SBS member, Perry and his grandson Keely have agreed to front our brand new television advertisement and share their story with New Zealand. You've already been introduced to Perry in our 2007 annual report, and now you'll see him on your TV screen from mid-September as he conveys the true spirit, passion and innovation that is the SBS way.

We're pleased to have been able to support Perry's long-held vision for Nature's Wonders, an Otago eco-tourism venture. For more information about Nature's Wonders, visit [www.natureswondersnaturally.com](http://www.natureswondersnaturally.com)



## WHAT'S COMING UP

### 2007

16th September New SBS television commercial launches

21st September Tasman Makos vs Canterbury  
[www.makos.co.nz](http://www.makos.co.nz)  
*Lansdown Park, Blenheim*

21st September Loud Shirt Day  
[www.loudshirtday.co.nz](http://www.loudshirtday.co.nz)  
*Across New Zealand*

23th September Pahoia School Duathlon  
*Tauranga*

24th September SBS / Welcome Bay Law  
Greenwood Park Spring Dance  
*Tauranga*

27th September Tasman Makos vs Otago  
*Carisbrook, Dunedin*

3rd October SBS Omokoroa Bowling Club  
Open Womens Triples Tournament  
*Tauranga*

7th October SBS Hamilton Half Marathon  
[www.hamiltonhalfmarathon.org.nz](http://www.hamiltonhalfmarathon.org.nz)  
*Hamilton*

12th – 16th November SBS Ferrymead's 1st birthday celebrations  
*Christchurch*

17th November Rural Southland Heritage Day  
*Invercargill*

22nd November SBS 4 Seasons Spring Stableford  
*St Clair Golf Club, Dunedin*

November / December SBS Otago Junior Athletics  
Summer Tri Series  
*Dunedin*

### 2008

19th & 20th January SBS Antiques & Retro Extravaganza  
*Nelson*

7th – 9th March SBS Golf Invitational  
[www.sbs.net.nz](http://www.sbs.net.nz)  
*Invercargill*



## FROM THE CHIEF EXECUTIVE: 138 YEARS SPEAKS VOLUMES



### SBS – KEY FACTS FOR INVESTORS

- | SBS is not a finance company.
- | SBS is a mutual building society owned by members.
- | SBS has been successfully trading for nearly 140 years.
- | 96% of SBS loans are secured by real estate in New Zealand.
- | SBS has over \$2.3 billion of assets and over \$2.1 billion of liabilities.
- | SBS has over \$140 million of reserves.
- | SBS has an investment grade credit rating which meets the standard required for a banking licence.
- | SBS has over \$200 million in committed cash liquidity lines.
- | SBS has \$195 million of additional liquidity available through its securitisation facilities.
- | SBS does not pay any commissions to 'advisers' as an incentive to place investments with SBS.

The domino-like fall of a string of New Zealand finance companies has lifted the lid on the unfortunate truth behind many a glossy promotion and promises of suspiciously high returns.

Highly risky investments by these failed companies and some unscrupulous "investment advisers", motivated more by commissions than protecting clients' wealth, have left thousands upon thousands of hardworking Kiwis paying a hefty and heartbreaking price. The sad reality is that many of these finance companies played roulette with their clients' savings ... and lost.

Unfortunately, there may be more to come and even some well managed finance companies could be affected. International financial markets have been in turmoil during recent months, sparking a worldwide credit squeeze that's put the pressure on all companies operating at the high-risk end of the market.

With our 138-year tradition of integrity, prosperity and trustworthiness, it's not surprising SBS is experiencing an influx of existing and new members looking for an investing safe house – a competitive rate of return, underscored by careful and knowledgeable risk management.

SBS is not a finance company. We're New Zealand's largest building society proud to be owned by our members, for our members. We don't lend at the low-quality high-risk end of the market. Members can rest easy in the knowledge SBS is a well-run, prudently-managed organisation, as evidenced by the fact we are currently outperforming last year's record results, and hold more than \$400m in available liquidity.

If there is any silver lining at all in the collapse of these finance companies, it's that many investors are now far more informed about the potential pitfalls and are asking hard questions of advisers and those with whom they plan to entrust their funds.

At SBS, we're fortunate to enjoy a high level of trust and long-standing loyalty from our membership. As always, remember we welcome all of your questions and are here to offer advice and information whenever you need it.

*Ross Smith*