

MEDIA RELEASE

Tuesday, May 30, 2023

SBS Bank full-year result: Helping Kiwis find a place to call home

SBS Bank has delivered a solid result for the 2022-2023 financial year as it welcomed a record number of first home buyers and investment members.

"We've been delighted to welcome 8,531 new members as we focus on providing exceptional value at whatever stage of life you are in," said SBS Bank Group Chief Executive Mark McLean.

"An important part of that growth is the increase in first home lending, with 1,449 first home buyers welcomed in the year to 31 March, 2023, up from 850 the year earlier," Mr McLean said.

The SBS Group, which includes subsidiaries SBS Insurance, SBS Wealth and Finance Now reported an operating surplus of \$51.8 million for the year ending 31 March 2023, a reduction of \$9.5 million or 16% from the previous year.

Mr McLean said that operating surplus declined due to the combined effects of lower interest margin and an increase to credit provisioning to reflect the current economic climate.

Lending rose \$624 million or 14% to \$5.025 billion during the period and member deposits rose \$655 million to \$4.230 billion. SBS Bank's total home lending for the year to 31 March, 2023 increased by approximately 12% from \$3.6 billion to \$4.0 billion - well above the broader industry growth rate of closer to 3.5%.

Member equity increased \$43 million or 9% to \$506 million.

SBS was established 154 years ago to give New Zealanders an opportunity to get a mortgage and own a home, and that continues to be our Purpose today, with our market-leading FirstHome Combo one of the ways we pass tangible benefits back to members, particularly the younger generation getting on the property ladder.

"To look back over the last year and know we have helped 1,449 first home buyers into their very own homes is an outstanding achievement in a period that has presented many challenges for New Zealanders," Mr McLean said.

"This year we demonstrated we offer the best products, services, and rates to our investment members too, particularly with market-leading term deposit rates. We were determined to be responsive and moved as the first bank to offer a 4.00% 12-month term deposit special in June 2022 and we continued to lead the market all the way to 6% in January 2023," Mr McLean said. "We were pleased to reward our investment members with such attractive rates after several years of a low interest rate environment.

"I'm proud of our SBS teams across the country who, despite the tougher operating environment, display strong commitment to our purpose and strategy and to providing great outcomes for our members.

"As we look ahead, our strategic focus is firmly on driving continued growth, with a focus on developing our digital offering to provide better support for our Members in their channel of choice."

SBS Bank Chairman Joe O'Connell said "with prevailing headwinds such as the rising cost of living and interest rates, we are aware of the need to drive efficiencies and strength in our business, SBS is

resilient and has been built to withstand the external pressures. We recognise the uncertainty many Kiwi families are facing with higher living costs and a weakening economic cycle. As a mutually-owned bank, it's our priority to support members and ensure the Group is in a strong position to help you through the challenges, and opportunities, in the year ahead."

Financial overview

Year to 31 March 2023

Operating surplus:	\$51.8M (\$61.3M)
Lending:	\$5.0 billion (\$4.4 billion)
Member deposits:	\$4.2 billion (\$3.6 billion)
Total assets:	\$6.0 billion (\$5.2 billion)
Member equity:	\$506M (\$463M)
<ul style="list-style-type: none">• 8,531 new members welcomed• 1,449 New Zealanders bought their first home with SBS Bank	

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About SBS Bank

Established in 1869, SBS Bank is a building society that has achieved bank registration while retaining its mutual structure. Mutual ownership means SBS Bank is 100% owned by its members (customers) and is uniquely positioned to provide benefits to its members. SBS Bank has 14 branches across the North and South Islands and a full online banking service. Total assets of the SBS Group are \$6.0 billion.

SBS in the community

SBS is proud of our commitment to our communities and the diverse range of organisations we have been able to help through our sponsorship programme. This has included Breast Cancer Foundation NZ, Ronald McDonald House South Island, the Southland Loss and Grief Centre and the Timaru Family Works Food Bank.

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