



MEDIA RELEASE

Tuesday, May 28, 2024

SBS Bank full-year result: Growth helps more Kiwis find a place to call home

SBS Bank has reported another year of solid growth as it has helped a record number of Kiwis into homes.

The SBS Group, which includes subsidiaries SBS Insurance, SBS Wealth and Finance Now, today announced a surplus before tax of \$56.6 million for the year ending 31 March 2024 - an increase of \$5.1 million or 10 per cent on the previous year.

SBS Bank Group Chief Executive Mark McLean says the increase was due to strong lending growth and a one-off gain from the sale of an associate, partly offset by the impacts of margin compression, ongoing investment in the business and an increase in credit impairment expense.

During the year, 6650 new members joined SBS Bank as it welcomed strong numbers of both first home buyers and investment members.

“We are delighted to be the trusted financial partner in the lives of 86,000 members across New Zealand as we grow and succeed as a wholly New Zealand-owned mutual organisation, investing back into New Zealand,” Mr McLean says.

Home lending and deposit growth a highlight

SBS Bank’s total home lending increased by 8 per cent to \$4.3 billion – a multiple of 2.5 times the industry average growth rate.

“Helping 1950 Kiwis step into home ownership through competitive pricing and superior products for first home buyers is an excellent achievement, made possible by the support of our loyal investment members who we were pleased to also reward with market-leading term investment rates,” Mr McLean says.

“As Member deposits grew by 7 per cent, more than 1.2 times the industry growth average, we’ve been pleased to bring home buyers and investors together through our purpose of helping Kiwis find a place to call home.”

Other key points of the result are:

- Total assets of \$6.5 billion were up \$484 million or 8.1%
- Members equity of \$525 million increased \$19 million or 3.8%
- Member deposits grew by \$285 million or 6.7% to \$4.5 billion
- The total capital ratio increased from 13.6% to 16.3%.
- Over \$900,000 distributed through sponsorships and community partnerships

SBS Bank Chairman Joe O’Connell said the bank’s performance was significant in the challenging economic climate.

“Our strong asset portfolio is a testament to the dedication from teams right across the bank from lending through to credit risk management,” Mr O’Connell says.

“We know some New Zealanders are facing pressures in times of rising costs. Strong asset health means we are in a solid position to withstand external pressures and support members facing uncertainty or needing help managing in a higher interest rate environment.

“As a mutual-owned bank, it’s our priority to support all our members, and solid results like these mean we’re in a really strong position to do that.”

Mr O’Connell says SBS Bank was proud to be named Mutual of the Year 2023 at the Cooperative Business New Zealand Annual Awards and Canstar Bank of the Year for First Home Buyers 2023.

“These awards recognise the efforts of our teams right across the bank who work so hard to provide value and great outcomes for our members.”

Financial overview	
<i>Year to 31 March 2024</i>	
Surplus before tax:	\$56.6 million (<i>\$51.8 million</i>)
Lending:	\$5.5 billion (<i>\$5.0 billion</i>)
Member deposits:	\$4.5 billion (<i>\$4.2 billion</i>)
Total assets:	\$6.5 billion (<i>\$6.0 billion</i>)
Member equity:	\$525 million (<i>\$506 million</i>)
Total capital ratio:	16.3% (<i>13.6%</i>)
<ul style="list-style-type: none">• 6650 new members welcomed• 1950 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 \$6.5 billion.

sbsbank.co.nz

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