



MEDIA RELEASE

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SBS Bank announces solid six-month result

SBS Bank has announced a sound profit of \$6.54 million after tax for the six months ended 30 September 2009. This compares with a profit of \$5.36 million for the same period last year, with a key difference between the two results being an improvement in the revaluation adjustments to financial instruments.

SBS Bank general manager finance Tim Loan described the result as extremely satisfying considering the demanding financial environment experienced by banking and financial institutions over the past year.

“Prudence is fundamental in our business management at SBS Bank and it is pleasing to be able to further strengthen our position as New Zealand’s only customer-owned, mutual bank.

“SBS Bank’s operating surplus for the first six months was \$9.65 million, which is in line with the \$9.93 million reported for the same period last year. Customer deposits have grown by nearly \$300m (more than 15 percent) over the past 12 months since bank registration to a total of \$2.23 billion.

“Our objective in this financial year is to consolidate our position as a mutual, by strengthening our balance sheet, protecting the business and looking after our members.

“We have certainly been able to stand by this with total assets increasing \$71.9 million to \$2.61 billion and total lending up \$58 million to \$2.46 billion.

“Furthermore, SBS Bank’s total regulatory capital has increased \$20.4 million with our capital ratio sitting at 13.4 percent – one of the highest ratios for registered banks in New Zealand, which is particularly pleasing.”

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