

The Southland Building Society operates under the brands “SBS Bank” and “HBS Bank”. The name of the registered bank is Southland Building Society (referred to in this document as “the Bank”).

Effective 1 July 2011

What is this?

This Disclosure Statement provides information that you should consider before making any financial decision. The information provided is important and is designed to help you decide which financial adviser to choose. It also details the complaint procedures for the Bank in the event you have any concerns.

What sort of Adviser are we?

The Bank is a “Qualifying Financial Entity” (“QFE”) under the Financial Advisers Act 2008. The Bank takes responsibility for the financial adviser services provided by its staff, each being a QFE adviser. Our advisers must act with care, diligence and skill when providing advice to you.

How are we regulated under the Financial Advisers Act 2008?

The Bank, as a QFE, is licensed and regulated by the Financial Markets Authority in respect of its financial adviser services.

The contact details for the Financial Markets Authority are specified at the back of this document. You can obtain information about financial advisers from the Financial Markets Authority and can report information about the Bank or its advisers to the Financial Markets Authority. You can also check the status of the Bank and other entities on the register at www.fspr.govt.nz.

Details of products advised upon

The Bank’s QFE advisers mostly provide financial adviser services on the Bank’s deposit and redeemable share products and lending products (“the Bank’s products”).

Product Class	Our advisers provide advice on the following:	Provider	Security Type
Investment	Savings, Call, Transactional, Term Investment Premier Bond Lifestages Deposit Portfolio (Cash Pie)	the Bank the Bank Funds Administration New Zealand ("FANZ")	Deposit and Redeemable Share Subordinated Redeemable Share Unit Trust
Lending	Residential (including Welcome Home Loan), Residential Investing, Rural, Reverse Equity Mortgages (Advance), Commercial	the Bank	Credit Contract

Product Class	Our advisers provide information only on the following:	Provider	Security Type
Managed Fund	Kiwisaver – Our advisers only discuss factual information contained in the Lifestages Kiwisaver Investment Statement. Personalised advice is not provided. Personalised advice is available by consulting a FANZ Authorised Financial Adviser	Trustees Executors Limited	Superannuation

Our QFE advisers may also refer customers to specialised Financial Advisers employed by its subsidiaries, including:

Product Class	Subsidiary Advisers provide advice on the following:	Provider	Security Type
Consumer Finance	Personal loans, business finance and retail credit	Finance Now Limited ("FNL")	Credit Contract
Insurance	Bank branded insurance including: House, Contents, Motor Vehicle, Term Life, Loan Repayment, Payment Protection, Funeral, Pleasure Craft and Travel Insurance is administered and managed by Southsure Assurance Limited, a subsidiary of the Bank All policies are underwritten by Southsure Assurance Limited except for House, Content, Motor Vehicle and Pleasure Craft (underwritten by Lumley General Insurance (NZ)) and Travel insurance which is administered by Travel Comprehension and underwritten by Vero Insurance Limited New Zealand	Southsure	Insurance Contract

Managed Funds	Kiwisaver Superannuation, FANZ (Funds Administration NZ Ltd) Lifestages Mortgage Portfolio and FANZ Lifestages Deposit Portfolio (PIE – Portfolio Investment Entity), being products distributed by or promoted by the Bank	FANZ / Various	Managed funds / Portfolio Investments / Unit Trusts
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Each of the above subsidiaries is registered as either a QFE (FNL) Registered Financial Advisers (Southsure Assurance Limited) or Authorised Financial Advisers (FANZ), and would provide separate disclosure statements in respect of advice provided by their advisers.

Fees and Remuneration

No fees are charged by the Bank or its QFE advisers for any advice provided. Fees may be payable in relation to specific advice given by Subsidiaries or their advisers, and any such fees will be disclosed in separate Disclosure Statements prepared by them.

The QFE is the issuer of the Bank's deposit and redeemable share products and lending products and receives its remuneration from carrying out its activities as a Bank.

QFE advisers are employees of the Bank and their base income is paid by salary and is not affected by any products sold. Employees may participate in the Bank's bonus scheme, but this is not linked directly to advice given.

Remuneration for referrals to Subsidiaries:

The Bank benefits from referrals made to its subsidiaries by way of its shareholding in each such subsidiary.

No commissions are paid by FANZ to the Bank on referrals made.

The Bank receives a commission from FNL for successful referrals relating to Personal Loans.

The Bank receives commissions from Southsure Assurance Limited on referrals made by the Bank's advisers that result in written policies relating to House, Contents, Motor Vehicle, Pleasure Craft and Life policies.

Internal complaints procedure

If you wish to make a complaint we have a free internal dispute resolution process which you can access as follows:

Talk to us

Talk in confidence with our Customer Complaints team by phoning 0800 502 442.

Write to us

Write to us by completing the Customer Complaints brochures available in branch or simply contact us on 0800 502 442 and we will post one to you. Alternatively you can email us.

Write: Customer Complaints Team

Southland Building Society

PO Box 835

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Email: customercomplaints@sbs.net.nz **Fax:** 03 211 2324

Dispute resolution scheme

If you have followed our internal dispute resolution process and you feel you are not completely satisfied with the resolution, you are entitled to request a free and independent review by the Office of the Banking Ombudsman.

For more information regarding the Banking Ombudsman, contact any branch of the Bank, call 0800 502 442 or visit www.bankomb.org.nz. Alternatively, you can contact the Banking Ombudsman directly at:

Write: The Office of the Banking Ombudsman

PO BOX 10573

The Terrace

Wellington 6143

Telephone: 0800 805 950 or (04) 471 0006 **Fax:** (04) 471 0548

E-mail: help@bankomb.org.nz

Website: www.bankomb.org.nz

Other licensed services provided by the Bank

The Bank is a registered bank.

Other Interests and Relationships

The Bank has no other interests or relationships that a reasonable person would find reasonably likely to influence the Bank in giving you financial advice. QFE advisers may receive additional bonus payments based on the Bank's performance.

A copy of the Bank's current Investment Statement for Term Investments is available, free of charge from any branch or agency of the Bank or at www.sbs.net.nz. A schedule of our fees and charges may be obtained from any branch of the Bank and is also viewable on our website.

Contact details of the Bank

The principal place of business and contact of the Bank is as follows:

Write: The Secretary

Southland Building Society

51 Don Street

PO Box 835

Invercargill 9840

Email: info@sbs.net.nz

Telephone: 0800 502 442

Fax: 03 211 0754

Contact details of the Financial Markets Authority

Telephone: 0800 434 566

Fax: 64 4 472 8076

Website: www.fma.govt.nz

Write: Financial Markets Authority

PO Box 1179

Wellington 6140