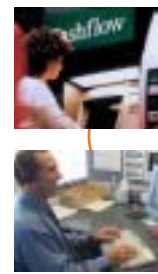


Keeping the customer satisfied



- TSB Bank - 17th consecutive year of record profit, 2003-04 tax paid profit of \$23.1 million, up from \$21.4 million the previous financial year.
- TSB Bank - record level of depositors' funds growth with total funds increasing by \$218 million to \$1.89 billion.

Ross Lindsay

What makes TSB Bank a national leader in customer satisfaction?

Established in 1850 and wholly New Zealand owned, the rise and rise of TSB Bank is a relatively recent phenomenon, and one which basically can be tracked back to the coming of competition to the telecommunications marketplace. This point in time for TSB Bank was the creation of an 0508 toll-free number, and a TelstraClear call centre system to support the growth of TSB Bank Direct.

History will show record growth and profit milestones achieved and record levels of customer satisfaction. Well designed services and support systems, along with a company ethos of 'people first' has led to another tremendous year of achievement for TSB Bank.

CEO, Kevin Rimmington, believes TSB Bank was among the first off the mark to take their telecommunications business to what is now TelstraClear.

"As soon as there was competition in the telecommunications marketplace, we went with TelstraClear. We could see that finally here was potential for us to get serious about actioning our long term goal of national growth through toll-free telephone banking.

"TSB Bank can share credit with TelstraClear for our customer satisfaction awards. We work with and regard TelstraClear as partners in our business. Definitely we share similar philosophies about customer service. If ever they did a survey on satisfaction with telecommunications providers we'd have to say we're one very satisfied, loyal customer of TelstraClear," said Kevin Rimmington. "Our relationship with them is on a completely different level to that of most of our business suppliers. Donna, our TelstraClear Account Director, is regarded as one of our team."

TelstraClear's technology, behind the call centre driving TSB Bank Direct, has led to far greater job satisfaction and productivity among the banking consultants manning the phone lines.

Operationally the TSB Bank call centre taps into what can be described as TelstraClear network 'smarts' with the bank providing the human interface.

A key point of difference which engenders so much TSB Bank customer satisfaction and loyalty, not to mention growth which in the 2004 Annual Report highlights, shows a record level of \$1.89 billion depositors funds.



As much a dichotomy as this sounds, modern telecommunications is enabling TSB Bank to deliver good old fashioned telephone etiquette and service.

Way, way back when Alexander Graham Bell made the world's first telephone call there was a person at the other end to answer him. That's how it is right to this day for the TSB Bank Direct customer calling in during business hours on the toll free number from anywhere in New Zealand. A person will be there to answer them. There's not even the emergency parachute of an automated answering service.

Another insight into TSB Bank's service is the calibre of those answering customer calls. Each is a trained banking consultant fully capable of right there and then addressing a caller's need for assistance or advice on day-to-day banking matters.

Heading this swim against the tide of automated telephone answering and recorded instructions to press one for this and two for that, or zero for the operator, is TSB Bank Direct Manager, Karla Gichard. Karla epitomises the holistic management style evident within TSB Bank.

"Before the upgrade we relied on a call waiting system to alert consultants of incoming calls. As you can

imagine trying to concentrate on the needs of the person on the line while having call waiting chirp in their ear did not enable us to always meet the service standards our customers deserve."

"TelstraClear has helped us overcome this by designing an effective call management and monitoring system. Intrusive call waiting chirps have been replaced by a red queue display board which shows how many calls are coming in and to identify the number of consultants able to answer calls. This helps consultants personally manage the queue and individually contribute to maintaining service."

"At the same time we are able to monitor the number of calls each consultant has handled since starting their shift. We regard this now as a key management tool. As a rule when a consultant has answered a high number of calls before the end of their day we advise them to ease off. When the call numbers become excessive we look to take the consultant off the phone. On the other side, exceptionally slow answering rates can show up an operating or personal problem which we can address before it develops into anything serious. With what we have now we can balance demand and resources in a way we could never have done before. Now we know the peaks and troughs and have implemented strategies to handle them."

Statistically it appears TSB Bank's confidence in their people and faith in the philosophy of going one-on-one

with their customers is very much in the credit column. Consultant availability is running comfortably above the targeted rate."

Further evidence of TSB Bank customer satisfaction can be seen on a structural pillar in the middle of the call centre on the third floor of the TSB Bank Centre in Devon Street, New Plymouth. Covered with hundreds of complimentary letters, it is dubbed by staff 'The Pillar of Praise'. Now we've let the cat out of the bag, we're confident New Zealanders are aware of the fact that Taranaki is something of an entrepreneurial powerhouse. Energy production. Agriculture. Dairy export processing. Movie making. Superyacht building. Shipping. And award winning banking!



Kevin Rimmington

Managing Director/ CEO TSB Bank



"As soon as there was competition in the telecommunications marketplace, we went with TelstraClear. Together we've built a successful nationwide 0508 banking service, with customer satisfaction our primary focus"

For more information contact:
TelstraClear Better Business Team
0508 555 500
www.telstraclear.co.nz

Technology and System Summary



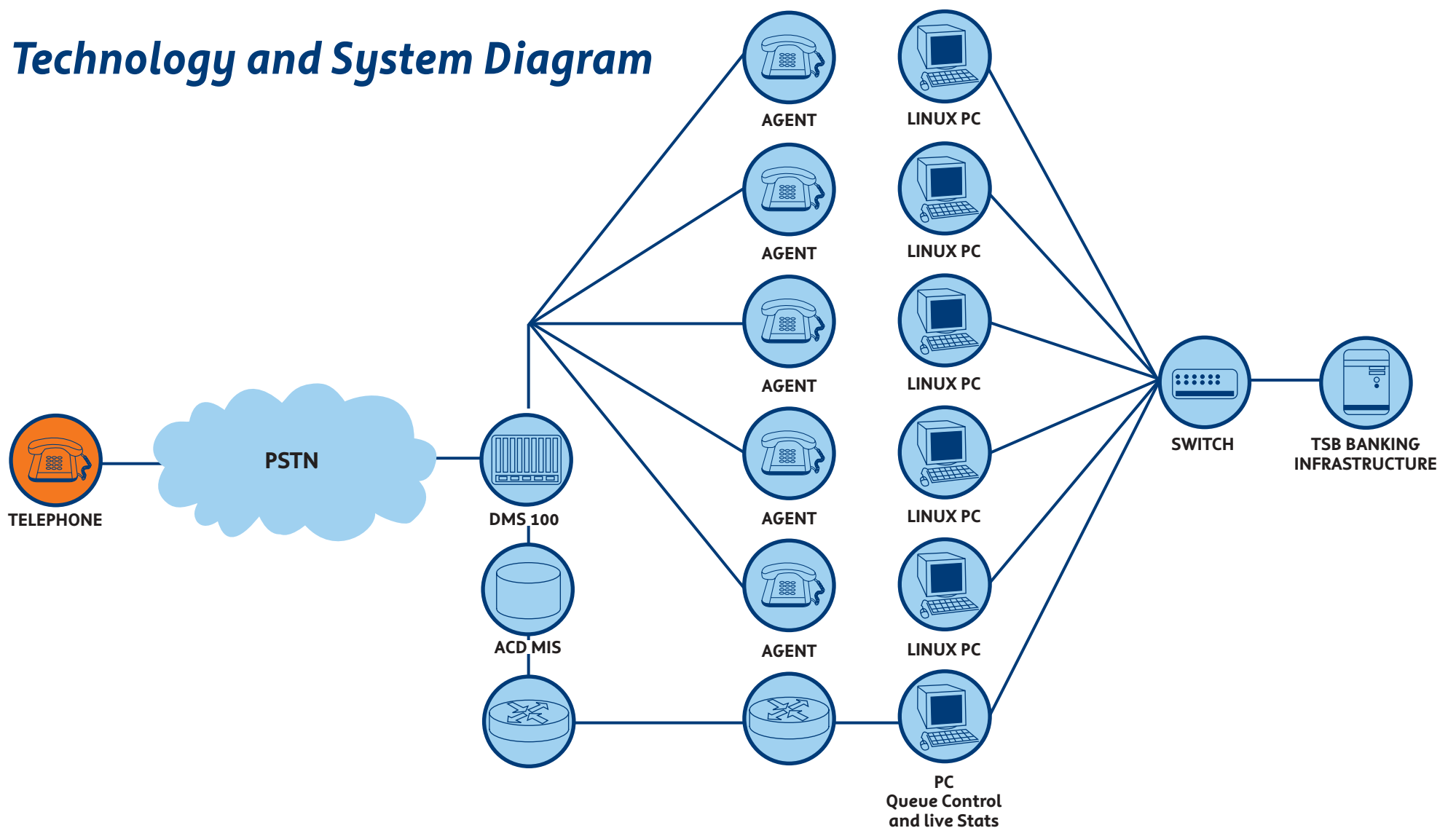
Better banking for TSB Bank customers starts with an 0508 toll-free call that activates an intelligent network to deliver voice and live stats to a banking consultant. A display board provides consultants with information about call queues, and how many agents are on 'not ready'. This helps consultants personally manage the queue, and contribute to maintaining service quality.



Call volume monitoring enables consultant stress management. Individual exceptions (extremely high or low number of calls answered) can be addressed immediately.



Technology and System Diagram



Glossary

- ACD MIS = Call Centre Data Reporter
- DMS100 = Network Control Switch
- PSTN = Public Switched Telephone Network

More info - contact the TelstraClear Better Business Team 0508 555 500 www.telstraclear.co.nz