



## Media Release

For Release: 20 August 2012

### **ANZ New Zealand sustains positive performance**

Australia and New Zealand Banking Group Limited (ANZ) NZ Branch Disclosure Statement for the nine months ended 30 June 2012 was released today, reporting an improved performance for ANZ New Zealand<sup>1</sup>.

Underlying profit<sup>2</sup> for the nine months was \$1,024 million, up 12% on the corresponding period last year. Statutory profit for the nine months was \$965 million.

ANZ New Zealand Chief Executive Officer David Hisco said: "We have built on recent performance with an increased profit, a strong focus on simplifying products and services for our customers, and tight management of costs and risk.

"Lending growth in New Zealand remains subdued as households and businesses continue to repay debt amid a slow economy. The recent cycle of margin growth appears to be ending as term funding costs and competition for deposits increase.

"Growth in our market share in mortgages, particularly in the commercially important Auckland market, is a reflection of our strong focus on customers, ongoing work to simplify products and processes and increased strength in the ANZ brand."

#### **Highlights<sup>2</sup>**

- Underlying profit<sup>2</sup> of \$1,024 million compared with \$916 million in the nine months to 30 June 2011
- Statutory profit of \$965 million
- Reduced cost-to-income ratio
- Strongly capitalised with Tier 1 capital at 11.51%
- Strengthened our funding base with higher deposit-to-loan ratio

Mr Hisco said making the business simpler had improved cost-to-income levels while underpinning high levels of brand consideration, customer satisfaction and staff engagement.

"In a subdued economy, with ongoing global uncertainties, this is critical to being a successful bank.

<sup>1</sup> ANZ New Zealand represents all of ANZ's operations in New Zealand, including ANZ National Bank Limited, its parent company ANZ Holdings (New Zealand) Limited and the New Zealand branch of ANZ.

<sup>2</sup> Reported profit has been adjusted to exclude non-cash and significant items to arrive at underlying profit. All comparisons in Highlights are on an underlying profit basis and relate to the corresponding period last year unless otherwise stated.

“ANZ New Zealand remains well capitalised with strong liquidity. When this is coupled with New Zealand’s largest branch network and our connections across the growth markets of Asia-Pacific, we are uniquely placed to keep supporting customers, investing in New Zealand and contributing to the economic recovery.”

Mr Hisco said ANZ continued to support small businesses with finance, research, workshops and resources to help them face the challenges of the current environment and play their part in underpinning economic growth.

“Further underlining our commitment to New Zealand, we were delighted during this period to announce ANZ’s sponsorship of the New Zealand team at the London 2012 Olympics, as well as individually supporting a number of Olympic and Paralympic athletes. It has been a source of great pride to see our athletes go on to deliver one of the most successful campaigns ever seen by a New Zealand team,” he said.

**A table of key financial information follows.**

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Summary of key financial information  
ANZ New Zealand

	9 months June 2012	9 months June 2011	Movement June 2012 v June 2011	Movement June 2012 v June 2011
	\$M	\$M	\$M	%
Net interest income	2,030	1,932	98	5%
Other external operating income	662	640	22	3%
Operating income	2,692	2,572	120	5%
Operating expenses	1,159	1,148	11	1%
Profit before credit impairment and income tax	1,533	1,424	109	8%
Provision for credit impairment	145	132	13	10%
Profit before income tax	1,388	1,292	96	7%
Income tax expense	364	376	(12)	-3%
<b>Underlying profit</b>	<b>1,024</b>	<b>916</b>	<b>108</b>	<b>12%</b>
Adjustments to statutory profit	(59)	(181)	122	-67%
<b>Profit</b>	<b>965</b>	<b>735</b>	<b>230</b>	<b>31%</b>
<b>Consisting of:</b>				
Retail	321	239	82	34%
Commercial	459	438	21	5%
Institutional	246	256	(10)	-4%
Other	(2)	(17)	15	-88%
<b>Underlying profit</b>	<b>1,024</b>	<b>916</b>	<b>108</b>	<b>12%</b>
Adjustments to statutory profit	(59)	(181)	122	-67%
<b>Profit</b>	<b>965</b>	<b>735</b>	<b>230</b>	<b>31%</b>