



# VIEWPOINT

CORPORATE & COMMERCIAL BANKING NEWSLETTER

## A new landscape, a new strategy and a new look for ANZ

As you can see from this issue of Viewpoint, we've started unveiling our new brand. But as well as a new logo and new designs, we're also revealing a new strategy – one that will help our customers to grow and succeed in the new economic environment.

In late 2007, the ANZ Group\* announced its strategy to become a leading super regional bank over the next five years, with global quality but a regional focus.

This decision was made for two reasons. One was to continue to be able to successfully compete for investments. The other was to ensure that we are sufficiently scaled to support our customers who are looking to participate in Asia's growth.

By having a uniform approach to service and products across all of our regions, our customers who operate internationally can do so via a single banking partner, one who has on-the-ground presence in the markets that count and who can share knowledge and experience to help our customers

to make decisions about where to best grow their business.

One stage of this super-regional strategy is the new look. New Zealand Commercial is one of the first teams to start using the new brand and you'll see this move across ANZ over the next year.

Another stage of the strategy is the recent acquisitions of selected businesses across Asia, from Royal Bank of Scotland (RBS). The RBS acquisition sees the ANZ Group greatly expand its Commercial offering in Taiwan, Singapore, Indonesia and Hong Kong, as well as acquiring Institutional businesses in Taiwan, the Philippines and Vietnam.

These and other activities are part of a push towards a single approach to strategy development, technology and

operations infrastructure, and to sharing best practice around our network.

So what does this mean for our customers? Firms that are trading internationally will gain consistent services across all locations, as well as accessing knowledge of the markets they are operating in and those they are considering expanding into.

All customers will benefit as relationship managers are able to draw on a wealth of global market knowledge, to deliver solutions for customers wherever they are doing business.

Please contact your Relationship Manager for further insight into our new strategy and what it means for you.

\* Australia and New Zealand Banking Group Limited.

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## Going where the growth is

There's no disputing that New Zealand relies on exporters to ensure a strong and resilient economy. But where to export, and how you gain access to these markets, can be a daunting decision for many business owners.

Even before the global financial crisis, Asia was on the ascent. With the US and UK still looking at a long convalescence period before they regain anything like their former strength, the general perception is that Asia, spearheaded by China and India, will be the next economic superpower. China is already one of New Zealand's major trading partners. But it isn't just China that's important. Seven of the top ten buyers of New Zealand merchandise exports are Asian countries, a clear demonstration of the importance of the entire region to New Zealand's success.

By 2015 China will have more than four million wealthy households, making it the world's fourth largest country in terms of wealthy

households after the United States, Japan and the United Kingdom.

Many New Zealand companies are already involved in China because they understand the opportunities that exist. They also know that China is not just one market but many. Marketers have broken the wealthy into seven major groupings with different attitudes, ambitions and geographic spread.

Businesses from New Zealand start with an advantage. New Zealand was the first OECD nation to sign a free trade agreement with China while Australia is still in the negotiating queue.

But to succeed in China, as in most other countries in Asia, it's important to have access to the people who understand the different markets, various languages and cultural signifiers that influence consumer attitudes. For this, you need people on the ground with networks into the business communities in each region.

To facilitate this, New Zealand will have a presence at the Shanghai Expo in 2010. The theme of the Expo is "Better City – Better Life" drawing on ancient and

modern interpretations of the city as the crystallisation of human civilisation.

But while Asia may offer businesses tantalising growth opportunities, it's important that New Zealand business owners protect their existing markets and ensure they are maximising growth potential in established regions. And for a great many exporters, that means looking at opportunities within our closest neighbour, Australia.

Almost one quarter of our exports travel across the Tasman. Importantly, one of our biggest imports from Australia is tourists. They accounted for 40% of international visitor arrivals in the past 12 months and with more, and cheaper, flights available as well as simplified passport controls, this number is set to increase.

What does this mean for New Zealand businesses? An opportunity to promote their wares to visitors and then continue to supply them once they have returned home to Australia.

### New Zealand's top 10 export markets 12 months to June 2009 merchandise trade

Total export market	\$ 43b	% of total exports
Australia	\$9.7b	22.6%
United States of America	\$4.8b	11.2%
Japan	\$3.3b	7.8%
China	\$3.3b	7.8%
United Kingdom	\$1.8b	4.1%
Republic of Korea	\$1.3b	3.0%
Indonesia	\$1b	2.5%
Germany	\$860m	2.0%
Hong Kong	\$822m	1.9%
Malaysia	\$795m	1.9%

Source: Statistics NZ

### New Zealand's top 10 export sectors

Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	\$9b	21%
Meat and edible meat offal	\$5.5b	13%
Wood and articles of wood; wood charcoal	\$2.3b	5%
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	\$2.2b	5%
Boilers, machinery and mechanical appliances; parts thereof	\$1.8b	4%
Fruit and nuts, edible peel of citrus fruit or melons	\$1.6b	4%
Albuminoidal substances; modified starches; glues; enzymes	\$1.3b	3%
Fish and crustaceans, molluscs and other aquatic invertebrates	\$1.3b	3%
Beverages, spirits and vinegar	\$1.2b	3%
Aluminium and articles thereof	\$1.1b	3%
Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers, parts and accessories of such articles	\$1b	2%

## Advisors can bring an international perspective

Moving from a 'board of directors of one' to a fully fledged panel comprising independents and senior executives is a step many businesses hesitate to make.

The concerns are understandable. Will the benefits exceed the cost? Are there other ways to gain the same advantages without the additional reporting and compliance requirements? These concerns have consistently been identified by the ANZ Privately-Owned Business Barometer. Equally consistently, over three years the Barometer has found that most who used independent advisors have valued the input.

Mike Sullivan, Managing Director of D&H Steel Construction, is certain that the creation of a board is essential to drive the Auckland-based steel fabrication business into its next growth phase.

The business is already a significant player in New Zealand and the Pacific, using world leading technology to form and cut structures for the expansion of Auckland airport, shopping malls, commercial buildings and its own new purpose-built premises in Henderson.

The New Zealand steel industry has a lot in common with its Australian counterparts and this led Mike Sullivan to invite an Australian with experience in the steel fabrication industry on to the advisory board. He's also added D&H Steel's accountant, along with himself, partner and general manager to form the advisory panel. Nick Calavrias, the former Chief Executive of publicly listed Steel & Tube Holdings Limited has accepted an invitation to be chairman.

After two meetings, Mike Sullivan says the benefits are already apparent.

"It has made us galvanise our thoughts. In the past I've run the business from my head. Having an advisory panel has made us document our systems and allowed us to be tested in a robust way."

Mike Sullivan says the need for an advisory board crystallised as the business contemplated its future growth and realised that it needed additional



Mike Sullivan, Managing Director D&H Steel, says the benefits of external advice are already apparent in his business.

advice. Previously he had used the firm's long standing accountant and lawyer as a sounding board.

Ross Verry, General Manager Corporate Banking, says independent advisors and board members can introduce fresh thinking plus bring additional experience and contacts. These can broaden the skill base of the business and allow it to forge ahead in ways that would otherwise be difficult to achieve.

"From working with a broad range of businesses we know that external input can lift performance and create wealth for the owners and all stakeholders."

To find out more about what business owners think of independent advisors and other topical issues, ask your Relationship Manager for a copy of the 2009 Privately-Owned Business Barometer or visit [anzbarometer.co.nz](http://anzbarometer.co.nz)

## Specialised asset financing via your ANZ Relationship Manager

One of the great advantages of being an ANZ customer is having access to the wide network of products and services we offer around the world.

In New Zealand, this includes asset finance, which is offered by our subsidiary company, UDC. UDC is New Zealand's Finance Company, with a reputation for sound financing and investment options and, just like ANZ, a commitment to providing first class customer service.

Having worked with Kiwi businesses for over 70 years, UDC has grown alongside the businesses that have built our country's economy by providing asset finance expertise, industry knowledge and solutions to New Zealand's productive sector.

UDC Commercial Managers (asset finance specialists locally based in all major regions) work with their customers to make sure they understand their business cycles and work with them to add real value.

UDC recognises the need of businesses for flexible, innovative and cost saving methods of borrowing for the acquisition of assets. UDC's specialists understand the value of equipment, how equity in equipment can be used to raise finance, and how finance can be tailored with the cashflows of the business in mind.

As part of our commitment to providing complete banking solutions to our customers, ANZ has been working alongside UDC to make it even easier for you to access their asset financing solutions, in conjunction with your existing banking services. Your ANZ Relationship Manager understands what UDC provides and can connect you to UDC's asset financing solutions for your business.



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We'd love to know what you think of Viewpoint – what you find useful and relevant, and what you'd be interested in hearing about. Please email us at [viewpoint@anz.com](mailto:viewpoint@anz.com)