



Media Release

For Release: 2 May 2012

ANZ New Zealand maintains strong performance

Australia and New Zealand Banking Group Limited (ANZ) today announced its interim results for the half year ended 31 March 2012, reporting an improved performance for ANZ New Zealand¹.

Underlying profit² for the half year was \$684 million, up 7% on the preceding half.

ANZ New Zealand Chief Executive Officer David Hisco said: "This builds further on our good business performance. We have maintained momentum in the first half of 2012 and continue to strengthen the bank despite the moderating impact of a subdued economy and weak credit growth.

"Our improved performance reflects an increase in revenue and further reductions in funds set aside to cover bad debts as the economy continues its gradual recovery. Our solid financial position means we are well placed to keep investing in New Zealand, while supporting customers and contributing to the economic recovery against an uncertain global backdrop."

Highlights²

- Underlying profit² of \$684 million compared with \$638 million in the preceding half
- Statutory profit of \$615 million
- Income up 3%
- Provision charge of \$99 million, down 3%
- Customer deposit growth of 4%

Mr Hisco said borrowing volumes were relatively subdued as households and businesses continued to repay debt. Credit quality continued to improve.

"We continue to support small businesses, in recognition of the challenges they face in the current environment and their key role in underpinning economic recovery. In response to emerging demand in the housing market, we have run a series of seminars to help buyers learn more about the process. These have been attended by hundreds of people in towns and cities across New Zealand.

¹ 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.

² 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 preceding half unless otherwise stated.

"We have also made our mortgage process easier for customers, without compromising on our obligations as a responsible lender.

"This reflects wider progress in simplifying our products and processes for customers. Our simplification programme is enabling us to further improve our customer experience. For example, retail products have been reduced from 140 to around 100, ensuring all our products are simple to understand and relevant to customer needs.

"Following on from our success last year in winning the Sunday Star-Times Canstar Cannex Bank of the Year Award, our Wealth business through OnePath recently took out the Morningstar Fund Manager of the Year and KiwiSaver Manager of the Year awards. We had further success with The National Bank being named the inaugural Best Agribusiness Bank New Zealand by the financial services research and ratings group CANSTAR.

"We will continue to work hard to provide the quality products and services customers want. We have more staff, branches and ATMs in more communities than any other bank in New Zealand, ready to help our customers wherever they are. This unmatched local presence and commitment to service, coupled with our connections across the growth markets of Asia-Pacific, positions us well to keep on delivering for customers and the New Zealand economy," Mr Hisco said.

A table of key financial information follows.

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Summary of key financial information

ANZ New Zealand

	Half year Mar 2012	Half year Sep 2011	Half year Mar 2011	Mar 12 v Sep 11	Mar 12 v Mar 11	Mar 12 v Sep 11	Mar 12 v Mar 11
	\$M	\$M	\$M	\$M	\$M	%	%
Net interest income	1,363	1,313	1,285	50	78	4%	6%
Other external operating income	433	428	409	5	24	1%	6%
Operating income	1,796	1,741	1,694	55	102	3%	6%
Operating expenses	(764)	(739)	(759)	(25)	(5)	3%	1%
Profit before credit impairment and income tax	1,032	1,002	935	30	97	3%	10%
Provision for credit impairment	(99)	(102)	(85)	3	(14)	-3%	16%
Profit before income tax	933	900	850	33	83	4%	10%
Income tax expense	(249)	(262)	(245)	13	(4)	-5%	2%
Underlying profit	684	638	605	46	79	7%	13%
Adjustments to statutory profit	(69)	(31)	(127)	(38)	58	large	-46%
Profit	615	607	478	8	137	1%	29%
Consisting of:							
Retail	210	175	163	35	47	20%	29%
Commercial	305	288	306	17	(1)	6%	0%
New Zealand Businesses	515	463	469	52	46	11%	10%
Institutional	174	182	166	(8)	8	-4%	5%
Other	(5)	(7)	(30)	2	25	-29%	large
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