



Media Release

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ANZ New Zealand shows improved performance

ANZ New Zealand General Disclosure Statement¹ for the three months to 31 December 2010 was released today, outlining an improved performance off the back of New Zealand's gradual economic recovery.

ANZ New Zealand Chief Executive Officer David Hisco said: "Underlying profit for the quarter was \$300 million, up significantly off the low base in the December 2009 quarter reflecting solid business performance and significantly reduced provisions.

"Our performance demonstrates we are well positioned to continue to support our customers and the New Zealand economy through its recovery and return to growth.

"During the quarter, lending growth was relatively flat reflecting the impact of de-leveraging by households and businesses. Competition for deposits was strong, with customer deposits growing \$2.6 billion.

"There have been some positives emerging for the New Zealand economy. Business confidence was improving and there were some early positive signs in the labour market. High prices for New Zealand's major export commodity prices should translate into higher rural incomes this year and we still expect a positive economic spin-off for New Zealand from the Rugby World Cup 2011. At this stage it is difficult to assess the economic impact of this week's earthquake in Canterbury on the early signs of recovery.

"In December we announced \$3 billion would be available in new lending this year to assist small and medium sized business with access to credit, and already we have seen interest from existing and new customers. While it is early days, we are confident this initiative will help New Zealand businesses as they see growth opportunities.

"We will retain this commitment, including in Canterbury, where our customers will need significant support in rebuilding. ANZ New Zealand has also announced a relief package for customers and a further \$1m donation. It is too early for the financial impact of the earthquake on our customers to be assessed in a meaningful way. At this time our focus is on the wellbeing of our staff and support of our customers.

"We will continue to support New Zealand to build its trade and investment connections in Asia Pacific through ANZ's super regional strategy and network in Australia, Asia and the Pacific – especially given the growing demand for agricultural products from the Asian growth markets. Our move to a single core banking system across the ANZ and The National Bank will deliver even better service and better products for our customers," David Hisco said.

¹ The ANZ Banking Group Ltd, NZ Branch GDS provides a more complete picture of ANZ's operations in NZ and more consistency with ANZ Group reporting where the results of the New Zealand business are reported at a total New Zealand geographic level.

ANZ New Zealand December quarter: Key Points

- Underlying profit of \$300 million, up 49% off a low base in the prior period
- Statutory profit (after one-off items) of \$260 million, up 3% (PCP)
- Lending volumes flat with new lending growth offset by de-leveraging
- Deposits up by \$2.6 billion over the quarter
- Costs well-managed, well capitalised with strong liquidity

Summary of Key Financials GDS**ANZ New Zealand**

	3 months December 2010	3 months December 2009	Movement Dec 10 v. Dec 09
	\$m	\$m	%
Net interest income	644	600	7%
Other external operating income	199	200	-1%
Operating income	843	800	5%
Operating expenses	(388)	(360)	8%
Profit before credit impairment and income tax	455	440	3%
Provision for credit impairment	(32)	(151)	-79%
Profit before income tax	423	289	46%
Income tax expense	(123)	(87)	41%
Underlying profit	300	202	49%
Adjustments to statutory profit	(40)	51	large
Profit	260	253	3%
Consisting of:			
Retail	78	48	63%
Commercial	143	61	large
Operations and support	6	10	-40%
New Zealand Businesses	227	119	91%
Institutional	80	103	-22%
Other	(7)	(20)	-65%
Underlying profit	300	202	49%
Adjustments to statutory profit	(40)	51	large
Profit	260	253	3%

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