



## Media Release

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### **ANZ New Zealand continues strong performance**

Australia and New Zealand Banking Group Limited (ANZ) NZ Branch Disclosure Statement for the three months ended 31 December 2014 was released today, showing a lift in performance for ANZ New Zealand<sup>1</sup> with unaudited statutory profit of NZ\$425 million, up from NZ\$393 million in the three months ended 31 December 2013.

Unaudited cash profit<sup>2</sup>, boosted last year by a net release of credit impairment provisions, was steady at NZ\$415 million compared with NZ\$416 million in the prior comparative period.

Continuing confidence in the New Zealand economy is seeing a lift in economic activity, reflected in increased lending. This has resulted in improved profit before credit impairment.

#### **Key points<sup>2</sup>**

- Unaudited cash profit of NZ\$415 million.
- Unaudited statutory profit of NZ\$425 million.
- Profit before credit impairment up 5%.
- Gross lending up 5%.
- Customer deposits up 7%.

#### **A table of key financial information follows below**

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

<sup>2</sup> Statutory profit has been adjusted to exclude non-core items to arrive at cash profit, the result for the ongoing business activities of ANZ New Zealand. All comparisons in Key Points are on a cash profit basis and relate to the prior comparative period unless otherwise stated. Refer to Summary of Key Financial Information for details of reconciling items between cash profit and statutory profit.

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**Summary of Key Financial Information - ANZ New Zealand**  
(All figures in New Zealand dollars)

<b>Profit (unaudited)</b>	<b>3 Months 31 Dec 2014 \$M</b>	<b>3 Months 31 Dec 2013 \$M</b>	<b>Movement Dec 14 v Dec 13 \$M</b>	<b>Movement Dec 14 v Dec 13 %</b>	<b>Year September 2014 \$M</b>
Net interest income	717	688	29	4%	2,765
Other external operating income	252	242	10	4%	1,023
Operating income	969	930	39	4%	3,788
Operating expenses	384	372	12	3%	1,490
Profit before credit impairment and income tax	585	558	27	5%	2,298
Provision for credit impairment	13	(19)	32	large	(9)
Profit before income tax	572	577	(5)	-1%	2,307
Income tax expense	157	161	(4)	-2%	624
<b>Cash profit</b>	<b>415</b>	<b>416</b>	<b>(1)</b>	<b>0%</b>	<b>1,683</b>
<b>Reconciliation of cash profit to statutory profit</b>					
Cash profit	415	416	(1)	0%	1,683
<b>Reconciling items (net of tax):</b>					
Economic hedging volatility <sup>1</sup>	(6)	(19)	13	-68%	11
Insurance policy asset valuations <sup>2</sup>	16	(4)	20	large	17
<b>Statutory profit</b>	<b>425</b>	<b>393</b>	<b>32</b>	<b>8%</b>	<b>1,711</b>
<b>Consisting of:</b>					
Retail	125	127	(2)	-2%	451
Commercial	192	183	9	5%	725
Operations & Support	(1)	(12)	11	-92%	2
New Zealand Businesses	316	298	18	6%	1,178
Wealth	31	26	5	19%	181
Institutional	68	98	(30)	-31%	322
Other	-	(6)	6	-100%	2
<b>Cash profit</b>	<b>415</b>	<b>416</b>	<b>(1)</b>	<b>0%</b>	<b>1,683</b>
Reconciling items	10	(23)	33	large	28
<b>Statutory profit</b>	<b>425</b>	<b>393</b>	<b>32</b>	<b>8%</b>	<b>1,711</b>
<p>1. Economic hedging - fair value gains/(losses) ANZ New Zealand enters into economic hedges to manage its interest rate and foreign exchange risk. Statutory profit includes volatility from fair value gains or losses on economic hedges that are not designated in accounting hedge relationships under IFRS, as well as ineffectiveness from designated accounting cash flow and fair value hedges. Fair value gains/(losses) on all of these economic hedges are excluded from cash profit, as the profit or loss resulting from these transactions will reverse over time to match the profit or loss from the economically hedged item.</p> <p>2. Insurance policy assets Profit and loss volatility is created by the remeasurement of policyholder assets for changes in market discount rates, which over time reverses to zero.</p>					

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