



Media Release

For Release: 18 August 2015

ANZ New Zealand Disclosure Statement - nine months to June 2015

Australia and New Zealand Banking Group Limited (ANZ) NZ Branch Disclosure Statement for the nine months ended 30 June 2015 was released today, showing a lift in performance for ANZ New Zealand¹ with unaudited statutory profit of NZ\$1.30 billion, up 5% from NZ\$1.24 billion in the nine months ended 30 June 2014.

Unaudited cash profit², positively impacted last year by a net release of credit impairment provisions and a one-off insurance recovery³, was steady at NZ\$1.26 billion compared with NZ\$1.27 billion in the prior comparative period.

Profit before provisions grew 5%, reflecting increased net interest income driven by lending growth.

Key Points

All comparisons are nine months to 30 June 2015 compared with nine months to 30 June 2014 unless otherwise noted

- Unaudited statutory profit of NZ\$1.30 billion, up 5%.
- Unaudited cash profit steady at NZ\$1.26 billion.
- Profit before provisions up 5%.
- Customer deposits up 7% and gross lending up 5% over the nine months.
- Credit provisions steady with further decrease in impaired assets.

A table of key financial information follows

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¹ 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.

² 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 refer 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.

³ Previously disclosed and reported insurance recovery relating to the bank's former involvement in the ING Diversified Yield Fund and the ING Regular Income Fund, recorded in the Wealth segment.

Summary of Key Financial Information - ANZ New Zealand

Profit (unaudited)	9 Months 30 June 2015 \$m	9 Months 30 June 2014 \$m	Movement June 15 v June 14 \$m	Movement June 15 v June 14 %	Year September 2014 \$m
Net interest income	2,140	2,056	84	4%	2,765
Other external operating income	767	756	11	1%	997
Operating income	2,907	2,812	95	3%	3,762
Operating expenses	1,108	1,091	17	2%	1,464
Profit before credit impairment and income tax	1,799	1,721	78	5%	2,298
Provision for credit impairment	58	(20)	78	large	(9)
Profit before income tax	1,741	1,741	-	0%	2,307
Income tax expense	480	476	4	1%	625
Cash profit	1,261	1,265	(4)	0%	1,682
Reconciliation of cash profit to statutory profit					
Cash profit	1,261	1,265	(4)	0%	1,682
Reconciling items (net of tax):					
Economic hedging volatility ¹	20	(29)	49	large	12
Insurance policy asset valuations ²	23	7	16	large	17
Statutory profit	1,304	1,243	61	5%	1,711
Consisting of:					
Retail	352	337	15	4%	451
Commercial	550	544	6	1%	723
Operations & Support	3	-	3	n/a	3
New Zealand Businesses	905	881	24	3%	1,177
Wealth	100	148	(48)	-32%	181
Institutional	255	238	17	7%	322
Other	1	(2)	3	large	2
Cash profit	1,261	1,265	(4)	0%	1,682
Reconciling items	43	(22)	65	large	29
Statutory profit	1,304	1,243	61	5%	1,711
<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>					