

# Media Release

For Release: 24 August 2004

## New Zealand delivers solid quarterly earnings growth

ANZ New Zealand and The National Bank of New Zealand announced today an underlying profit after tax, excluding goodwill amortisation and integration costs, of NZ\$237 million for the quarter ended 30 June 2004, up 3.9% on the March 2004 quarter.

Including goodwill amortisation and integration costs, operating profit after tax was NZ\$192 million for the June quarter, up 8.5% on March 2004.

Direct comparisons with The National Bank of New Zealand June 2003 GDS are not valid as a result of different accounting treatments, classifications and intercompany eliminations.

### New Zealand General Disclosure Statement Summary

- Underlying profit after tax for the June 2004 quarter was NZ\$237 million, up 3.9%. Profit after tax, including goodwill amortisation and integration costs, was NZ\$192 million up 8.5%.
- Cost-income ratio reduced to 44.3% from 44.6%.
- Total lending and advances up 1.5% or NZ\$890 million.
- Total customer deposits up 1.8% or NZ\$760 million.
- Net interest margin up 8 basis points to 2.73%.
- Underlying return on assets up to 1.31% from 1.25%

*Note: All comparisons with March 2004 General Disclosure Statement.  
Underlying profit after tax excludes all integration costs and goodwill amortisation*

Liability growth has been strong with customer deposits up 1.8%. This reflects a focus on retail deposit growth in both ANZ and National Bank networks, assisted by the rising interest rate environment. Market share in retail deposits was up, with growth of 3.5% compared to system growth of 3.1%.

Asset growth was up 1.5% compared with private sector credit growth of 2.6%, mainly driven by the expected repayment of loans by a small number of institutional customers. Rural lending performed well, up 3.7% compared to market growth of 3.5% reflecting our strong rural franchise and service proposition. Mortgage lending grew by 2.0%, lower than market growth of 3.6%.

Chief Executive of ANZ and The National Bank of New Zealand, Sir John Anderson said: "Our performance in the June quarter has been solid in the context of amalgamation and integration. It reflects a stable customer franchise that is delivering reasonable asset growth with improved margins and careful management of costs.

“Our distinctive approach to service, the clarity we have around the separate ANZ and National Bank brands and a series of bank initiatives have seen strong, stable customer satisfaction data. This is now beginning to flow through into new business growth.

“Nevertheless, the New Zealand market is highly competitive. With both new and established competitors, there has been very aggressive pricing particularly in the institutional business by the major banks, which we have not always chosen to match. Our focus however remains on developing new momentum in our businesses and maintaining market share by minimising disruption to customers,” Sir John said.

The strength of the ANZ and The National Bank franchises is reflected in the June quarter ACNielsen Consumer Finance Monitor. The National Bank was ranked as New Zealand’s most preferred bank with 17% of respondents naming it as their favourite bank. ANZ’s position was stable with 14% of people naming it as their favourite bank, ranked fourth behind The National Bank, ASB (16%) Westpac (15%), and ahead of BNZ (11%).

ACNielsen Mortgage Preference data in the June quarter also indicates The National Bank and ANZ have retained their strong position in the mortgage market. 16% of respondents ranked National Bank as the mortgage provider they “would be most likely to use”, up 2% and ahead of ASB (12%), BNZ (11%), Westpac (10%) and ANZ at 9%, down 1%.

Sir John commented: “Our brand strategy is very clear. We are committed to maintaining both ANZ and The National Bank as competing brands in the market over the long term. This is what our customers want and it makes good sense in maintaining and growing our market share going forward. ANZ and The National Bank will continue to provide differentiated offers and distinctive service experiences for retail customers.”

For media enquiries in New Zealand, contact:

Robert Reid  
Senior Manager Corporate Affairs  
Tel: +64-4-802 8888 or +64-27-2231783  
Email: [robert.reid@nbnz.co.nz](mailto:robert.reid@nbnz.co.nz)

For analyst enquiries, contact:

Stephen Higgins  
Senior Manager Investor Relations  
Tel: +61-3-9273 4282 or +61-417-379 170  
Email: [higgins@anz.com](mailto:higgins@anz.com)

In Australia:

Paul Edwards  
Head of Media Relations  
Tel: +61-3-9273 6955 or +61-409-655 550  
Email: [paul.edwards@anz.com](mailto:paul.edwards@anz.com)