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For immediate release

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ANZ National General Disclosure Statement – 12 months ended 30 September 2008

Wellington: ANZ National Bank today released its General Disclosure Statement for the 12 months ended 30 September 2008, confirming a net profit after-tax of NZ\$1.163 billion.

Graham Hodges, ANZ National Chief Executive Officer said: “As signalled last month, this is a solid result, in line with last year’s performance.”

“Overall we’re pleased with the result, which reinforces the ongoing strength and stability of the Bank and its ability to withstand a challenging environment.”

As New Zealand’s largest bank, ANZ National is in a secure, stable financial position. The AA credit rating means it (and its parent, Australia and New Zealand Banking Group Limited) is one of the 14 banking groups in the world currently with a AA rating from Standard and Poor’s.

We are well positioned going into 2009 with a liquid asset portfolio of \$8 billion at 30 September 2008, and current liquidity holdings even higher.

The Bank’s recently established residential mortgage-backed securitisation programme adds to existing funding options and is available for use in domestic market operations conducted by the Reserve Bank as and when required.

ANZ National continues to be very well capitalised, with Tier 1 capital recently confirmed at 8.13%, being over double the minimum established by the Reserve Bank of New Zealand.

The funding mix is well diversified with a strong domestic deposit base.

“In recent weeks we have accessed the international commercial paper market as these markets have begun to function more effectively” adds Mr Hodges.

ANZ National Bank and UDC Finance have now both been confirmed as participants in the New Zealand Retail Deposit Guarantee Scheme announced by Treasury last month.

Households are still feeling financial pressures as a result of the recession. However, recent decreases in interest rates and expected further falls in rates by the end of the year means that fixed term mortgage rollover pricing will move from being an extra cost to customers to delivering a cashflow benefit. In combination with tax cuts and falling petrol prices, this will take some pressure off household cashflows.

Countering this is an expected rise in unemployment which will, in part, replace interest rates as the main cause for household financial concerns going into 2009.

As the economy has moved into recessionary mode, the bank has responded in a number of ways to make sure customers are in a position to manage the flow-on effects of the change in the economic cycle.

Over the course of the year, and as would be expected from a responsible lender, we've made a number of adjustments to the credit policy (most recently this week) to ensure we maintain our focus on serviceability and ensuring that customers are protected from the combined impact of the financial conditions and softening property market.

We have also established a programme to help customers who may not be coping with the extra pressure on household budgets, and in particular where mortgage payments may be missed.

"We genuinely want to help customers stay in their homes" says Mr Hodges.

"Taking a case-by-case approach, the goal is to re-establish customers' financial commitments to a more manageable and sustainable level."

The Bank is working closely with the Retirement Commission and the Federation of Family Budgeting Services in the delivery of this programme.

"Our advice for customers who are under pressure financially is to talk to their Bank as soon as possible – the sooner we know a customer may be in difficulty, the greater the range of options that are available to both the bank and the customer," says Mr Hodges.

Ends.

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FINANCIAL SUMMARY – Year ended 30 September 2008*

	Consolidated	
	Year to 30/09/2008 \$m	Year to 30/09/2007 \$m
CONTINUING OPERATIONS		
Interest income	9,857	8,309
Interest expense	7,568	6,059
Net interest income	2,289	2,250
Other operating income	1,013	837
Share of profit of equity accounted associates and jointly controlled entities	111	24
Operating income	3,413	3,111
Operating expenses	1,444	1,331
Profit before provision for credit impairment and income tax	1,969	1,780
Provision for credit impairment	302	74
Profit before income tax	1,667	1,706
Income tax expense	504	614
Profit after income tax from continuing operations	1,163	1,092
DISCONTINUED OPERATIONS		
Profit from discontinued operations (net of income tax)	-	76
Profit after income tax	1,163	1,168

*From the ANZ National General Disclosure Statement for the 12 months ended 30 September 2008 which can be downloaded from www.anznational.co.nz.