

# ANZ Announces Fiji Results for 2000

ANZ today announced an operating profit after tax of \$13.2 million down 25.3% from last year, for its Fiji Branch Operations, for the full-year ended 30 September 2000.

In making this announcement, the Bank's General Manager Fiji, Mr David Bell, commented: "This is a stable result in the face of what has been a tumultuous year with most revenue streams being affected in one form or another brought on by the current state of the economy."

Mr Bell expressed his gratitude and thanks to the staff and management team of ANZ Fiji for their contribution towards last year's performance and dedication in extremely difficult business and personal circumstances following the events of May 19.

"I would also like to sincerely thank our customers for their loyalty to the Bank and their forbearance during these times of trial."

"In terms of the financial services sector, we believe the industry plays a vital role in the Fiji economy and ANZ has continued to be the market leader in most lines of business. As a result, I can clearly state that our 120 years association in Fiji will continue and this has been demonstrated over recent months with our continued business growth agenda."

## FINANCIAL HIGHLIGHTS

- 25.3% decrease in after tax profit to \$13.169m (\$17.633m);
- 11.2% decline in total Assets to \$701m (\$789m) attributed to the high charging of provisions to profits and a decline in investment opportunities;
- 12.2% reduction in customer deposits to \$618m (\$704m) attributed to lower demand for Lending Assets;
- decrease in return on average shareholders funds to 23.8% (34.6%) attributed to lower after tax profits;
- return on average assets employed 1.9% (2.2%);

- as a measure of increased efficiency operating costs/income ratio fell to 52.1% (55.4%);
- total operating income grew by 3.1% to \$66.680m (\$64.648m), and
- total operating expenses decreased by 2.9% to \$34.770m (\$35.804m).
- adequate Capital Adequacy ratio at 9.6% (8.7%) above the international benchmark of 8%;
- 124.8% increase in problem loans attributed to the effects of higher economic risk;

## REVIEW OF PERFORMANCE

This time last year, we made a number of commitments which have overall been delivered:

- Firstly, we aimed to be a much more efficient and customer oriented organisation. I am pleased to say we have made progress in terms of staff training and development, upgrading of our technology platform, expansion of our electronic banking network and fine-tuning of our comprehensive suite of financial solutions and services.
- We said we would install 10 more ATM's taking our total network to 37 ATM's. This number has been revised up to 41 machines by September 2001.
- In order to achieve improved efficiencies and greater accuracy of our voucher processing activities, we are now processing our vouchers using magnetic ink character recognition (MICR) and image capture systems for cheque and voucher clearing. This system is not only a first for any Bank in Fiji, but also a first in ANZ world-wide
- We said we would install Telephone Banking. This was successfully implemented November 2000, and encapsulates a fully integrated voice recognition service with an electronic bill payment facility

In addition to the above, a number of other important initiatives were also accomplished. These include:

- launch of the new ANZ Group brand and image "grow with ANZ"
- release of the new ANZ Fiji corporate wardrobe for staff
- successful launch of a new personalised service proposition unique to ANZ here in Fiji - ANZ Prime Banking in Suva and Nadi
- Relocation of ANZ Ba branch to Bank Street Ba
- twelve local staff are currently offshore undertaking International assignments in Australia, Sri Lanka, Tonga, PNG, Vanuatu, America Samoa and the Solomon Islands.

## ECONOMIC OUTLOOK

Mr Bell conveyed that ANZ was starting to witness the flow on effects of the impact on the economy, most notably the 8% decline in the overall economy with the worst affected sectors being garment production down by some 15% and tourist arrivals down by over 30%. A bumper sugar crop cushioned the economy from a more substantial decline. The Reserve Bank initially tightened monetary policy and exchange controls, in response to May's events, then progressively eased as the economy stabilised.

The budget for 2001 contains a number of stimulatory measures (customs duties, tax cuts) however, a further 3% reduction in the economy is projected. A positive is the current account which is in a surplus position and foreign reserves remain sufficient to cover six months imports.

## ANZ'S FUTURE STRATEGY

In line with ANZ Group's vision, ANZ Fiji is committed to living its newly revised vision, "to be the first choice financial services company, building value-added client partnerships supported by focused, professional and passionate people" and in our quest to witness success these are some of the things we will be undertaking over the next 12 months:

- substantial e-Transformation through creating an eBank with a human face
- increase phone banking base and intensify over the counter withdrawals to more customer convenient and secure electronic channels
- continue to drive the full interchange platform to link banking systems to allow customers to use all Bank's ATMs and EFTPOS terminals irrespective of where they bank.
- transform our existing culture to one focused on a much improved customer experience, sales, electronic banking, performance and growth
- launch ANZ Prime Banking at Lautoka
- centralise support units at ANZ House
- implement affirmative action plans to maximise our share of the customer's wallet
- deliver a strong operating performance

## PRODUCTS

ANZ is serious about its commitment to its customers in availing of the best quality service by providing a wide range of products that are keenly priced and relevant to the customers. Mr Bell said, "We already have the most comprehensive range of products and services in the market including value-added products such as:

- Lowest Home/Investment Property and Personal Loan rates in Fiji.
- Fiji Dollar Credit Cards,
- ANZ Insurance,
- ANZ Phone Banking with Bill Pay facility
- ANZ Prime Banking
- ANZ Link which is an on-line business banking facility from the customers office

"We also lead the market in the provision and delivery of electronic banking with the largest portfolio of card based customers and a large network of ATM and EFTPOS deliverables", he said.

## SUMMARY KEY DISCLOSURE STATEMENT for the year ended 30 September 2000

### Introductory Statement

- ☑ The purpose of this disclosure statement is to provide customers and potential customers with a summary of important information about the financial condition of Australia and New Zealand Banking Group Limited - Fiji Branch.
- ☑ The explanation of the terms used in the Key Disclosure Statement is explained in the Reserve Bank publication "Your Bank's Disclosure Statement: What's In It For You", which can be obtained from the Reserve Bank of Fiji. Other information can be viewed at the bank's branches.

### Corporate Information

- ☑ The full name of the bank is Australia and New Zealand Banking Group Limited - Fiji Branch.
- ☑ The full name of the ultimate parent company of the Australia and New Zealand Banking Group Limited - Fiji Branch is Australia and New Zealand Banking Group Limited, which is domiciled in Victoria, Australia."

	Audited Current Year	Audited Prior Period
--	-------------------------	-------------------------

### Profitability

#### Banking Operations in Fiji:

- ☑ Net operating profit/(loss) after tax and extraordinary items (\$'000) 13,169 17,632
- ☑ As a percentage of average total assets 1.77% 2.27%

### Size - as at end of financial year

#### Banking Operations in Fiji:

- ☑ Total assets (\$'000) 700,591 789,216
- ☑ The percentage change in total assets over 12 months -11.23% 3.69%

### Capital Adequacy - as at end of financial year

#### Banking Operations in Fiji:

- ☑ Tier 1 Capital (\$'000) 41,629 26,070
- ☑ Tier 1 Capital to total risk-weighted assets ratio 8.20% 4.72%
- ☑ Total Capital (\$'000) 48,881 48,257
- ☑ Capital adequacy ratio 9.63% 8.74%

### Balance Sheet

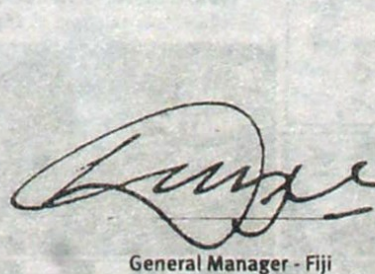
Cash and liquid assets	12,322,847	11,137,260
Balance with the Reserve Bank of Fiji	39,307,121	33,941,909
Receivables due from other financial institutions	14,849,442	20,552,637
Securities held	124,189,488	208,539,580
Loans (including advances to customers and similar facilities)	492,568,615	495,480,122
Provision for doubtful debts	(17,782,888)	(14,463,947)
Fixed assets	23,976,694	20,616,690
Other assets	11,160,005	13,412,131
<b>Total Assets</b>	<b>700,591,324</b>	<b>789,216,382</b>
Deposits of Promissory Notes of statutory bodies	-	-
Payables due to other financial institutions	4,481,863	6,647,422
Deposits and borrowings	434,600,184	453,243,660
Amounts owed to other depositors	-	-
Certificates of deposits	183,413,234	250,807,377
Promissory Notes and other liabilities evidenced by paper	-	-
Other borrowed funds	-	-
Payables due to Holding company	-	-
Creditors and other payables	12,439,465	13,931,754
Provisions	13,340,590	14,578,341
Issued and paid up or assigned capital	30,120,000	30,120,000
Capital reserves	-	-
Revaluation reserves	5,171,261	2,042,945
Other reserves	222,863	212,288
Retained earnings	16,801,864	17,632,595

### Income Statement

	Audited Current Year	Audited Prior Period
Interest and similar income	49,469,323	50,424,480
Interest and similar expense	(10,375,870)	(12,488,226)
Dividend income	-	-
Fee and commission revenue	13,168,087	12,852,708
Fee and commission expense	(1,048,029)	(403,239)
Other revenues arising from financial instruments	-	-
Gains less losses arising from dealing securities	-	-
Other expenses arising from financial instruments	-	-
Gains less losses arising from investment securities	49,824	(166,710)
Gains less losses arising from dealing in foreign currencies	11,878,215	12,727,124
Other operating revenue	2,475,195	1,049,566
Bad and doubtful debts (including provisions for impairment)	(5,016,503)	(2,487,035)
Recoveries of bad and doubtful debts	-	-
General administration expense	-	-
Other operating expense	(33,706,468)	(35,151,510)
Net profit or loss before tax and extraordinary items	26,893,774	26,357,158
Abnormal item	(1,396,989)	4,545,455
Net profit or loss after tax and extraordinary items	13,169,269	17,632,595

### Availability of Disclosure Statements

- ☑ Additional information on ANZ bank's financial condition is available for inspection at our main branch at 25 Victoria Parade, and at our other branches.
- ☑ Australia and New Zealand Banking Group - Fiji Branch's most recent General Disclosure Statement is available for inspection at all our branches, copies of which may be obtained.
- ☑ Australia and New Zealand Banking Group - Fiji Branch's most recent global balance sheet and profit and loss statement and other publicly available disclosure statements are available for inspection at all our branches.



General Manager - Fiji



Chief Operating Officer

grow with

