

ANZ Announces Fiji Results for 1999

ANZ today announced an operating profit after tax of \$17.6 million, for its Fiji Branch Operations, for the full-year ended 30 September 1999.

In making this announcement, the Bank's General Manager Fiji, Mr David Bell, commented: "This is a good result although it should be highlighted that \$4.5m pre-tax profit was contributed by a one-off reversal of Dynamic Provision which has been reflected as an abnormal item in the accounts. If we take this out of the equation net of tax, the actual operating profit after tax would be \$15.1m which is 6.2% below last year's operating profit."

Mr Bell expressed his gratitude and thanks to the staff and management team of ANZ Fiji for their contribution towards last year's performance. "Our people are our strength; we have some of the finest people amongst all the banks here in Fiji", he said. Last year the bank carried out a formal survey of its workforce to improve staff satisfaction and issues arising out of this survey are currently being addressed. "ANZ, as a Group, has a firm commitment to build a strong team of staff and create an environment where our people excel", said Mr Bell.

"I would also like to sincerely thank our customers for their loyalty to the Bank and their forbearance during times of significant and unprecedented change implemented in Fiji over the past 18 months. Customers will now see the benefits of these changes in terms of significant improvement in the way we do banking with them."

"Overall, I am pleased with the results and progress made in 1999 and we are now ready for a lot of challenges in the future," Mr Bell said.

FINANCIAL HIGHLIGHTS

- ◆ 9.66% increase in after tax profit to \$17.632m (\$16.079m);
- ◆ 3.62% growth in total Assets to \$789m (\$761m);
- ◆ 4.84% increase in customer Deposits to \$704m (\$671m);
- ◆ increase in Return of average Shareholders Funds to 32.65% (30.34%);
- ◆ Return on Assets employed 2.23% (2.11%);
- ◆ operating costs/income ratio increased to 55.38% (46.94%);
- Total Operating Income grew by 3.62% to \$64.648m (\$63.278m), and
- Total Operating Expenses increased by 20.5% to \$35.804m (\$29.704m).
- ◆ adequate Capital Adequacy ratio at 8.74% (9.17%) within prudential requirement;
- ◆ Abnormal Item of \$4.545m included in operating profit before income tax. This is a one-off reversal of duplication of Dynamic Provision now recorded as Economic Loss Provision;
- ◆ market lead position maintained.

PAST 12 MONTHS SUMMARY

A number of important initiatives were completed in the last financial year. These include:

- ◆ Complete re-organisation of management and operational structure;
- ◆ New technology platform was stabilised;
- ◆ 17 new ATMs were installed at a cost of \$1.3m, increasing the total network of ATMs to 27 around the country;
- ◆ Refurbishment of ANZ House branch at a cost exceeding \$1m;
- ◆ Queue wait time reduced from average 42 minutes on Government paydays to less than 15 minutes. Approximately 80% of our customers are now served in less than 10 minutes;
- ◆ Successful completion of Year 2000 project;

- ◆ 6 local staff are currently expatriates in ANZ's International network across all staff levels which include Senior Managers and General Manager of Solomon Islands. 4 more will be included this year.
- ◆ Customers have full information on all fees and charges through pamphlets available at any branch in Fiji. These will soon be available in three languages;
- ◆ Upgrading of branch infrastructure including emergency power supply, air-conditioning and staff work conditions in some sites.

ANZ IN THE FUTURE

- ◆ ANZ Fiji is now placed to be a much more efficient and customer oriented organisation;
- ◆ Emphasis in the current year will be on training and development to improve staff awareness and service levels to our customers;
- ◆ 10 more ATMs will be installed this year taking the total network to 37 ATMs;
- ◆ ANZ is leading the industry focus to implement MICR capture to enhance cheque clearing facilities in Fiji;
- ◆ We are taking the lead to negotiate a full Interchange Agreement with other banks in Fiji so that electronic banking through ATMs and EFTPOS terminals can be accessed by customers irrespective of where they bank;
- ◆ Fully integrated Telephone Banking is to be installed later this year;
- ◆ A special Leasing Division will be implemented in the next few months to cater for business demand which is currently not being serviced in Fiji;
- ◆ A number of new initiatives have commenced to add value to the customers as well as the Bank to further stimulate the economy of Fiji.

PRODUCTS

ANZ is serious about its commitment to its customers in availing 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 Loan rates in Fiji.
- Fiji Dollar Credit Cards,
- ANZ Insurance,
- ANZLink which is an on-line business banking facility from the customers office, and
- Special Executive Lending Packages."

"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

ANZ has been in Fiji for over 120 years and has a commitment to continue investment and support the Government's economic policies and initiatives in Fiji. It is one of the largest banks in the Pacific represented in 8 countries. The recent acquisition of the Amerika Samoa Bank in American Samoa further cements its lead position in the Pacific.

In Fiji, ANZ is one of the largest contributors to Government's tax revenue both in terms of direct and in-direct taxes. Based on the 1999 results, ANZ's tax contribution to the country is \$13.3m.

Mr Bell said that competition in the financial services industry is intensifying with emergence of new players. "ANZ Fiji is confident it will continue to maintain its lead bank position by undertaking a rigorous review of its operations and service delivery capabilities (already commenced) so that we can strengthen our customer relationships and remain the preferred Bank in Fiji," he said.

Australia and New Zealand Banking Group Limited and Controlled Entities

Consolidated Balance Sheet As at 30 September 1999	AUD \$M	Consolidated Profit and Loss Account For the year ended 30 September 1999	AUD \$M
Assets		Interest income	8,674
Liquid Assets	5,283	Interest expense	(5,029)
Due from other financial institutions	3,472	Net interest income	3,645
Trading securities	4,259	Other operating income	2,321
Investment securities	4,695	Operating income	5,966
Net loans and advances	104,063	Operating expenses	(3,294)
Customers' liabilities for acceptances	14,858	Operating profit before debt provision and abnormal items	2,672
Due from controlled entities	-	Provision for doubtful debts	(510)
Regulatory deposits	616	Operating profit before abnormal items	2,162
Shares in associates	32	Abnormal loss	-
Other assets	10,305	Operating profit before income tax	2,162
Premises and equipment	1,424	Income tax (expense) benefit	-
Total Assets	149,007	Operating profit	(676)
Liabilities		Abnormal loss	-
Due to other financial institutions	9,001	Income tax expense	(676)
Deposits and other borrowings	96,559	Operating profit after income tax	1,486
Liability for acceptances	14,858	Outside equity interests	(6)
Due to controlled entities	-	Operating profit after income tax attributable to members of the Company	1,480
Income tax liability	1,051	Retained profits at start of year	2,412
Creditors and other liabilities	9,422	Total available for appropriation	3,892
Provisions	1,010	Transfer from (to) reserves	(54)
Bonds and notes	4,456	Ordinary share dividends provided for or paid	(814)
Loan capital	3,221	Preference share dividends paid	(72)
Total Liabilities	139,578	Retained profits at end of year	2,952
Net assets	9,429		
Shareholders' equity			
Ordinary share capital	4,770		
Preference share capital	1,145		
Reserves	536		
Retained profits	2,952		
Share capital and reserves attributable to members of the Company	9,403		
Outside equity interests	26		
Total shareholders' equity and outside equity interests	9,429		

Board of Directors

Mr C B Goode B Com (Hons) (Melb), MBA (Columbia University, New York)	Mr J K Ellis MA (Oxon) FAICD, Hon FIE Aust, FAusIMM, FTSE	Mr C J Harper CA (Scots)
Mr J McFarlane OBE MA, MBA, MSI, FHKIP, FRSA, FAIBF Chief Executive Officer	Mr J C Dahlsen LLB, MBA (Melb)	Mr G K Toomey B Com, FCPA, FCA, FCIS
Dr B W Scott AO B Ec, MBA, DBA	Dr R S Deane PhD, B Com (Hons), FCA, FCIS, FNZIM	Ms M A Jackson MBA, B Econ, FCA



Australia and New Zealand Banking Group Limited FIJI BRANCH

BALANCE SHEET AS AT 30 SEPTEMBER 1999	FJD \$	PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1999	FJD \$
ASSETS		Interest income	50,424,480
Liquid Assets	16,457,622	Interest expense	(12,488,226)
Due from other banks	20,552,637	Net interest income	37,936,254
Investment securities	206,539,540	Other income	26,711,993
Loans and advances	481,016,175	Total operating income	64,648,247
Regulatory deposits	28,621,547	Less: Operating expenses	(35,804,054)
Other assets	13,412,131	Operating profit before provision for doubtful debts	28,844,193
Property and equipment	20,616,690	Provision for doubtful debts	(2,487,035)
Total Assets	789,216,382	Operating profit before tax and abnormal items	26,357,158
LIABILITIES		Abnormal items	4,545,455
Deposits and borrowings	704,051,037	Operating profit before tax	30,902,612
Due to other banks	6,647,422	Income Tax expense	(13,270,018)
Creditors and other liabilities	13,931,754	Operating profit after tax	17,632,595
Provisions	14,578,341		
Total Liabilities	739,208,554		
Net Assets	50,007,828		
SHAREHOLDERS' EQUITY			
Capital	30,120,000		
Reserves	2,255,233		
Retained profits	17,632,595		
Total Shareholders' Equity	50,007,828		