

News Release

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ANZ NZ welcomes opportunity to work with Government and regulators to further enhance competition

ANZ Bank New Zealand (ANZ NZ) today welcomed the opportunity to work with the Government and regulators to implement the recommendations of the Commerce Commission's market study into personal banking services.

ANZ NZ CEO Antonia Watson said the bank acknowledged the Commission's work throughout the study and the detail of the final report.

"While we disagree with the Commission's characterisation of New Zealand's banking sector – because our staff go out every day to win and keep customers in a highly competitive market – we welcome initiatives that enhance benefits for consumers," Ms Watson said.

"We'll take time to work through the report and its recommendations. We're supportive of the Commission's three main recommendations around open banking, the regulatory environment and growing Kiwibank.

"Enhancing competition in any industry is a good thing and I back our staff, products and services to beat our competitors.

"We're already working on some of the initiatives and areas of focus identified in the report and we'll continue to engage constructively with industry, regulators and the Government on them."

Ms Watson said New Zealand's market structure of five larger banks was consistent with other countries of both similar and larger sizes.

"International experience shows that successful banks require scale because of the complex technologies, capital and costs involved. And in return this creates a stable financial system that plays an important role in an economy, attracting capital into a country and providing a safe environment for people to go about their lives, run businesses and create wealth.

"ANZ's more than half a million shareholders around the world – which include most KiwiSaver funds – have over \$17 billion of capital invested in ANZ NZ and this helps people buy homes, start and run businesses, and trade with the world. In return for that capital invested we make around \$2 billion a year in net profit after tax."

Ms Watson said when assessing the returns of New Zealand banks, it was important to compare apples with apples.

"Our return on equity is around 12 per cent, which we think is a fair and balanced return in line with similar banks globally, and many other New Zealand companies in other industries.

“We carefully balance our performance for the benefit of our customers, communities and our shareholders - our return needs to be sufficient to ensure ANZ NZ can attract capital to provide funding to our customers.”

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