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1. Executive Summary

- New Zealand is a fast developing, stable and secure economy with population over 4.5 million. **Economic growth** in the country was 2.3% in 2013 and is forecasted to increase to 3% in 2014 and up to 4% by 2015.
- Growth of the banking sector is expected to follow similar trends, offering good opportunities for market players in upgrading their quality of service and in entering niche market segments.
- Currently there are **24 registered banks** operating in New Zealand (10 operating in New Zealand as branches of overseas-incorporated banks and 14 that are incorporated in New Zealand). Total asset of registered banks accounts for about 214% of the country's nominal GDP¹.
- Most of New Zealand banks feature no clearly identifiable unique selling proposition; most of them provide similar product and service packages, have strong online presence and many linkages to the social media. By total asset volume, there are **five large** registered banks, coupled with a **dozen of middle-size ones** and a **few relatively small ones**.
- The most potential for current actors and for new entrants is identified in offering sophisticated **Rural Farming** products packages and products and services dedicated to **SME-sector**. Also, it is beneficial to join the group of providers of the unique and country-specific KiwiSaver Scheme.
- In the turbulent competition of the New Zealand banking sector, traditional banking services should be complemented by some **creative additional services** to gain competitive advantage: by blogging, by providing financial educational service or by creating the bank's own-branded award system.
- Banks with international retail banking capabilities and traditions, currently only focusing on corporate banking in New Zealand, face the attractive opportunity to extend their operations into the **New Zealand retail-banking arena**.

¹ Total Assets of Banking System to GDP ratio is calculated as follows: TA (USD) / nGDP (USD) = USD 409 bn / USD 191 bn = 2.14 = **214%**. The exchange rate used is: NZD 1 = USD 0.84 (as of 28-08-14).

2. Market Structure

2.1. Overview

2.2. Registered Banks

Registered Banks in New Zealand: Total assets and Year of registration²

No.	Name of the Registered Bank	Total assets (million USD)	Year of registration
1.	Australia and New Zealand Banking Group Limited	111 702	2009
2.	ANZ Bank New Zealand Ltd	104 013	1987
...			
...	SAMPLE		
...			
23.	Bank of India (New Zealand) Limited		
24.	China Construction Bank (New Zealand) Limited		

Note: Same colors refer to set-subset relationships.

Registered Banks in New Zealand: ATMs, bank branches and Facebook presence³

	Name of the Registered Bank	Nr of ATMs in New Zealand	Nr of bank branches in New Zealand	Nr of Facebook likes ⁴
1.	Australia and New Zealand Banking Group Limited	700	300	62 000
2.	ANZ Bank New Zealand Ltd	700	300	62 000
	SAMPLE			
23.	Bank of India (New Zealand) Limited			
24.	China Construction Bank (New Zealand) Limited			

Note: Same colors refer to set-subset relationships.

² Source: Reserve Bank of New Zealand. All data relevant for the period ending: 31-Mar-14

³ Source: Official websites of the banks (July 2014). Facebook (Aug 2014).

⁴ Wherever applies, numbers refer to the official page of the parent bank.

3. Banks

3.1. ANZ Bank New Zealand Limited

"We live in your world"



Strengths

- Nicely designed official website, informative icons and symbols; simple style, brand-colored, no emotionally intense pictures. User-friendly surface, relatively easy navigation. Front page: "Switch to ANZ". Easy and quick online application for a new ANZ account (in less than 5 minutes⁵)
- Dedicated **home loan** offers, special focus on mortgages (Mortgage calculator, Mobile Mortgage Managers). **Videos** are embedded on the website, aiming at educating customers (e.g. "The Curious Truth About House Hunting").
- Quick access to social media platforms (Facebook, LinkedIn, Twitter, Youtube), integrated in the official website as front banner. Customer service online: ANZ offers call-back within 24 hours after the submission of a short online form. Dedicated International Banking Services team to support migrants in arranging their banking activities in New Zealand.
- ANZ Mobile Phone Banking: ANZ goMoney (banking through mobile application), ANZ M-Banking (banking through mobile internet browser), ANZ Text Banking (banking through texting) options. ANZ Internet Banking: very informative regarding the description of terms and conditions, but takes quite time to find on the official webpage.
- ANZ New Zealand Investments Limited (ANZ's fund manager) is one of the 9 government-appointed default providers of KiwiSaver. ANZ Investments has been awarded the prestigious New Zealand Fund Manager of the Year and the KiwiSaver Manager of the Year awards more times than any other fund manager.

Weaknesses

- No 7/24 online customer service (phone, chat, etc.).

Key information

CEO of the bank	David Hisco
Registration date	1987
Official website	http://www.anz.co.nz/personal/

⁵ <https://onlinestore.anz.co.nz/get/account/>

3.2. ASB Bank Limited

...

3.22. New Zealand Association of Credit Unions (NZACU)

4. Opportunities and Best Practices

4.1. Opportunity 1

Focus on Financial Education of Kiwis

New Zealand banks are aware that it is their best interest to improve the financial literacy of New Zealanders and that they share responsibility in that. Although account penetration is over 99% amongst age 15+ population in New Zealand, it is never too early to start targeting school kids – delivering financial literacy concepts and providing with the skills needed to make everyday financial decisions is a good start in that.

Best Practice 1

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5. New Zealand Economy From a General Perspective

5.1. Overview

New Zealand: Major Economic and Fiscal Indicators						
	2013	2014F	2015F	2016F	2017F	2018F
Economic growth ⁽¹⁾						
Unemployment rate ⁽²⁾						
CPI inflation ⁽³⁾						
Current account balance ⁽⁴⁾						
Terms of trade ⁽⁵⁾						
90-day bill rate ⁽⁶⁾						
10-year bond rate ⁽⁶⁾						
Notes: ⁽¹⁾ Real production GDP, annual % change; ⁽²⁾ % of labor force, sa, Q1; ⁽³⁾ Annual % change; ⁽⁴⁾ % of GDP; ⁽⁵⁾ System of National Accounts (SNA) and merchandise basis, annual average percentage change; ⁽⁶⁾ Averages for Q1						
Source: Treasury of New Zealand, Budget Economic and Fiscal Update 2014						

5.2. Demographics

5.3. The Economy

New Zealand: Relevant Economic Indicators (as on 31/03/14)	Total
Real GDP (million NZD)	
Real GDP (million USD)	
Real GDP per capita (NZD)	
Real GDP per capita (USD)	
Real GDP growth (%)	
CPI inflation (%)	
Unemployment rate (%)	
Source: New Zealand Trade & Enterprise	

5.4. Banking Sector



6. Aggregators, Multipliers, Infrastructure

Organizations	
National Bank	
Statistics Agency	SAMPLE
Bankers Association	
Population	
Total population	
Population (age 15+):	
Banking	
Number of debit cards	
Number of credit cards	
Account penetration (account at a formal financial institution, % age 15+)	
Real estate	
Dwelling stock	
Number of RE transactions	
Residential property turnover rate	
Other useful information	
Phone code	
Time Zones	
Two letter country code (ISO 3166)	
Internet domain	
Name of local currency	
Currency code of local currency	