



## Media Release

For immediate release

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# BNZ's massive profit can provide a stimulus to NZ economy

The bank workers' union Finsec is calling on the BNZ to use part of its massive profit for the first three months of the financial year as a stimulus to the New Zealand economy through investment in its staff and customers.

The BNZ has announced a \$260 million profit for the three months to December 31, an \$89 million (53%) increase on the same period last year.

"The BNZ's profit for the first three months of their financial year shows they are in a strong position to play an active role in stimulating the economy and supporting an economic recovery in New Zealand," said Finsec Campaigns Director Andrew Campbell.

"This week the BNZ indicated it wants to reduce its cost to income ratio which we fear could result in job losses in 2009. We are calling on the bank to maintain current staffing levels and keep people in work rather than adding to the current economic problems," said Campbell.

"BNZ can use this profit to keep all its staff in work and provide a financial stimulus to its thousands of workers through a reasonable wage increase this year," said Campbell.

"The BNZ can also provide financial relief to customers through passing on in full the OCR reductions to mortgage and credit card interest rates," said Campbell.

"The BNZ has benefited from tax payer support through cuts to the company tax rate, underwriting of deposits and wholesale borrowing and access to credit through the Reserve Bank. The least they can do in return is share some of the benefits of that support with their staff and customers," said Campbell.

"Any move to hoard or send these profits offshore at the expense of staff and customers would be viewed unfavorably. All banks need to think seriously about their responsibility to the New Zealand economy," said Campbell.

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