

For immediate release

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Big BNZ profit enough to avoid cuts

Bank workers union Finsec says the BNZ's announcement of a half year profit of \$400 million shows it is doing very well despite the current environment and shows that the bank should not proceed with plans to cut jobs. The BNZ has cut over 40 jobs this year through restructuring.

Finsec says the BNZ's profits show it does not need to cut staff, freeze wages or take other negative measures to reduce costs.

"It is a very bad look for the BNZ to be making so much money and cutting jobs at the same time as the tax payer is underwriting their business through the bank guarantee schemes," said Finsec Campaigns Director Andrew Campbell.

"There needs to be provisions in the bank guarantee schemes that stop banks benefiting from tax payer support and repaying the tax payer through adding to the unemployment problem through job cuts," said Campbell.

Campbell said the bank's \$400 million half year profit included a 7.9% decrease in operating expenses.

"The BNZ has recently cut costs through restructuring and redundancies. Today's announcement and the bank's own assurances that they're in a stable position should be translated into job security for BNZ staff and no more cuts," said Campbell.

"If BNZ continue to cut costs by cutting staff numbers then some of this is likely to be pumped offshore as dividends. The bank should be reinvesting a greater proportion of their profits in New Zealand and in their New Zealand workforce."

"The BNZ averaged a dividend payment to shareholders of 57.95% between the boom years of 2004 to 2007. It is now time to focus on keeping BNZ staff in work and not adding to the current unemployment problem," said Campbell.

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