

SE News
HD **ANZ Banking Group** has lifted its exposure to agricult
BY MATTHEW CRANSTON
WC 327 words
PD 8 May 2014
SN Queensland Country Life
SC FQLCOL
PG 7
LA English
CY Copyright 2014 Fairfax Media Publications Pty Limited. . Not available for re-distribution.
LP

ANZ Banking **Group** has lifted its exposure to agriculture by \$3 **billion** in the past 12 months to \$32.1 **billion**.

The bank has participated in some of 2014's biggest agriculture deals, including the Harris family's buyout of Clyde Agriculture's remaining rural properties and advising on the **Chinese** purchase of prized farms in western Victoria.

TD

ANZ chief executive Mike Smith said while there were challenges in the economy, agriculture was one sector which still shone.

"The top end of the agri-sector is going extremely well," Mr Smith said.

The bank, which reported its half-year results last week, has championed the agriculture sector and built an exposure to it almost twice the size of its credit exposure to the resources sector. In 2012 ANZ commissioned Port Jackson Partners to write a report on the agriculture sector that estimated \$400 **billion** would be needed to support farm turnover in Australia

by 2050.

"The size of the prize to agriculture calls for timely, transformational actions," it said.

ANZ's half-year results showed the bank had marginally reduced its non-performing loans in the agriculture sector where property made up most of lending. These non-performing loans stand at \$1.12 **billion** or about 3.5 per cent of the bank's agricultural exposure.

According to Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), the debt to fund land purchases accounted for the largest share of debt on broadacre and **dairy** farms, accounting for 44 and 47pc respectively.

The value of such non-performing loans was the largest of all ANZ's banking categories, from transport and storage to consumer lending.

In the past year, the bank had to deal with troublesome agricultural loans such as Casterton and Burslem stations in central Queensland, which were **sold** off for \$4.8 **million**.

CO aanzb : Australia and New Zealand Banking Group Limited
IN ibnk : Banking/Credit | ifinal : Financial Services | i814 : Banking | i81402 : Commercial Banking
RE nswals : New South Wales | apacz : Asia Pacific | ausnz : Australia/Oceania | austr : Australia
PUB Fairfax Media Management Pty Limited
AN Document FQLCOL0020140507ea5800019