



Media Release

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ANZ to acquire selected RBS businesses in Asia - acquisition of RBS businesses in Singapore, Taiwan, Indonesia, Hong Kong, Philippines and Vietnam accelerates ANZ's super regional strategy -

Australia and New Zealand Banking Group Limited (ANZ) today announced it had reached agreement with the Royal Bank of Scotland Group plc to acquire selected RBS businesses in Asia for around US\$550 million (A\$687 million).

Key points

- Acquisition includes the RBS retail, wealth and commercial businesses in Taiwan, Singapore, Indonesia¹ and Hong Kong, and the institutional businesses in Taiwan, the Philippines and Vietnam.
- Purchase price of around US\$550 million (A\$687 million)² being a US\$50 million (A\$62 million) premium to the fully provided recapitalised net tangible book value.
- Purchase price equates to around 1.1 times the fully provided recapitalised net tangible book value.
- Final purchase price will be based on the net tangible book value at completion.
- Portfolio of businesses represents 54 branches, US\$3.2 billion (A\$4.0 billion) in loans and US\$7.1 billion (A\$8.9 billion) in deposits serving a client base of approximately 2 million affluent and emerging affluent clients.
- Funded from proceeds of the recent institutional share placement and the Share Purchase Plan. Post-acquisition ANZ's pro forma 31 March 2009 Tier 1 capital ratio is 9.5%.³
- Expected to be Cash EPS accretive within two years post-completion.
- Subject to regulatory approvals in each market with completions anticipated progressively from late-2009.

Announcing the acquisition in Hong Kong today, ANZ Chief Executive Officer Mike Smith said: "The acquisition of these RBS businesses is a further stepping stone in our super regional strategy and creates a new platform for our retail and wealth businesses in Asia.

"When we announced our super regional strategy in late 2007, we said that execution would be based on a targeted, disciplined process. This acquisition is consistent with our strategy and involves the businesses that we wanted from the RBS sale process, in markets that we know well with regulatory approval processes which we believe are achievable for ANZ.

¹ The Indonesian business will be acquired through ANZ's 85%-owned subsidiary PT ANZ Panin Bank.

² Based on RWA calculated by ANZ under a Basel II Standardised approach as at 31 May 2009.

³ Capital requirement of around US\$650 million (A\$811 million) including associated transaction costs. Assumes a Tier 1 capital ratio of 8.0%.

"Together, the businesses are an attractive portfolio of well provisioned banking assets at a reasonable price. They complement ANZ's existing businesses across Greater China, Indochina and South East Asia and provide our franchise with further growth momentum.

"Importantly, today's announcement provides the two million clients of these RBS businesses with the certainty of a relationship with a AA-rated bank that has a long-term commitment to investing in the region. They will be supported by the combined expertise of RBS staff and the capabilities of ANZ's regional network," Mr Smith said.

Mr Smith added that ANZ was the only Australian bank that offered shareholders an opportunity to benefit from growth in Asia through a portfolio of established businesses with a broad range of organic and strategic growth opportunities.

"Over the past 18 months we have invested in preparing a strong foundation for our super regional strategy by recruiting experienced Asian executives at all levels of our business as well as investing in technology and systems. We have significantly increased the capacity of our regional hubs to support this expansion.

"This acquisition deepens our capability in the region with RBS people who have the talent and experience to help accelerate our super regional strategy and to continue to support customers," Mr Smith said.

As part of the acquisition, ANZ has put in place a transitional services agreement and a product supply agreement with RBS. Retention agreements have been put in place with key RBS employees.

Commenting on the planned integration, ANZ CEO Asia Pacific, Europe and America, Alex Thursby said: "We believe these selected RBS franchises together with ANZ's capabilities and existing organic growth plans can deliver significant opportunity and growth.

"We are well advanced with integration plans for each country so we can hit the ground running. This will involve putting the RBS businesses onto a sustainable footing by centralising hub operations and technology, business model transformation in retail and institutional, and exploiting the significant business opportunities associated with the combined business.

"ANZ has demonstrated in recent years it has the capability and management experience to deliver in Asia," Mr Thursby said.

The acquisition of each business is subject to regulatory approvals, including local prudential regulatory approval, with completion anticipated progressively from late-2009. The acquisition of the businesses in each jurisdiction is not dependant on each other.

Credit Suisse acted as exclusive financial adviser to ANZ on the acquisition.

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Notes for Editors

About ANZ

- Established in 1835, ANZ is one of the four major banking groups headquartered in Australia.
- ANZ provides a broad range of banking and financial products and services to retail, small business, corporate and institutional clients.
- The Group operates in 32 countries across Australia, New Zealand, Asia, the Pacific, the UK, Europe, the Middle East and the USA with 1,346 branches and offices worldwide.
- Reuters code ANZ.AX; Bloomberg code ANZ AU.
- In the year ended 30 September 2008, ANZ recorded a profit attributable to the shareholders of the company of A\$3.3 billion and as at 31 March 2009, ANZ had total assets of A\$503 billion.
- ANZ shares are traded on the Australian and New Zealand Stock Exchanges and as at 3 August 2009 the Group had a market capitalisation of A\$47.6 billion.
- ANZ currently has a long-term credit rating of "AA" with Standard & Poor's Rating Services and "Aa1" with Moody's Investor Services Limited.

Summary of RBS businesses being acquired

Greater China

Taiwan

- Retail, Wealth, Commercial and Institutional
- Branches: 21 (+16 licenses)
- Customers: ~1,300,000
- Deposits ~US\$2.7 billion (~A\$3.4 billion)

Hong Kong

- Retail, Wealth and Commercial
- Branches: 6
- Customers: ~30,000
- Deposits ~US\$1.6 billion (~A\$2.0 billion)

South East Asia

Singapore

- Retail, Wealth and Commercial
- Branches: 5
- Customers: ~350,000
- Deposits ~US\$1.9 billion (~A\$2.4 billion)

Indonesia

- Retail, Wealth and Commercial
- Branches: 20
- Customers: ~450,000
- Deposits ~US\$0.8 billion (~A\$1.0 billion)

Vietnam

- Institutional
- Branches: 1
- Customers: ~100
- Deposits ~US\$45 million (~A\$56 million)

Philippines

- Institutional
- Branches: 1
- Customers: ~100
- Deposits ~US\$40 million (~A\$50 million)