



Media Release

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ANZ to acquire AWB's Landmark loan and deposit books

ANZ today announced that it had reached agreement with AWB Limited to acquire the Landmark Financial Services loan and deposit books.

The loan book of approximately \$2.4 billion and the deposit book of approximately \$300 million are being acquired at net book value after appropriate provisions and involves around \$160 million in capital.*

Landmark Financial Services is a division of AWB's rural service business, Landmark, and provides financial services to approximately 10,000 agribusiness customers.

As part of the transaction, Landmark will enter into an exclusive distribution and referral agreement for ANZ banking products to be offered to Landmark's 100,000 customers through its national network. Landmark staff associated with the business will be offered roles with ANZ.

Following completion of the transaction, ANZ's pro-forma 30 September Tier One capital ratio will be 9.9%.** The acquisition is anticipated to be cash earnings per share accretive in 2010.

ANZ Chief Executive Officer Mike Smith said: "This transaction is consistent with ANZ's strategy to become a super regional bank. The Australian agricultural sector is well placed to benefit from growth in global population and food demand over the next ten years, particularly in Asia."

"Together with our leading position in New Zealand, this acquisition will make us a leader in agribusiness financial services in Australasia. We are already taking that expertise into Asia and the recent opening of our new ANZ rural bank in Liangping in western China is an example of this," Mr Smith said.

Commenting on the acquisition, ANZ Group Managing Director Commercial Banking, David Hisco said: "This move highlights ANZ's commitment to rural and regional Australia. It expands our commercial business in Western Australia, Queensland and New South Wales and in key sectors such as cropping, beef and mixed livestock.

"The transaction is also a good outcome for Landmark and ANZ agribusiness customers.

"It strengthens our representation across the country, and provides Landmark customers with access to a wider range of products and services, linkages to our Asian network and the security of ANZ's AA credit rating.

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* Assumes a Tier 1 capital ratio of 8.0%.

** Includes RBS Asia and ING Australia and New Zealand acquisitions and ANZ's current \$1.7 billion CPS2 hybrid capital raising (net of US\$350 million hybrid redemption).

“The acquisition marks a further step in establishing ANZ as a benchmark for commercial and agribusiness banking in regional and rural Australia, where farmers are forecast to increase export earnings to \$32 billion this year and by a further 18% over the next four years,” Mr Hisco said.

ANZ's presence extends to 307 regional and rural locations serviced by more than 600 regional commercial and agribusiness staff.

The transaction is expected to be completed early in 2010, subject to necessary regulatory and other approvals.

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