



Media Release

For Release: 27 October 2010

ANZ invests additional A\$250 million in continued growth of Shanghai Rural Commercial Bank

ANZ today announced a further investment of RMB1.65 billion (A\$250 million) in Shanghai Rural Commercial Bank (SRCB) as part of a major capital raising by SRCB to support its continued growth and strengthen its capital base.

SRCB's capital initiative will raise RMB8.12 billion (A\$1.2 billion) through an offer to a number of existing shareholders and new investors. Shares will be issued at RMB6.48 per share which represents a reported price to 31 December 2009 book of 1.9 times, and values SRCB at RMB24.3 billion (A\$3.7 billion).

In addition to taking up a pro rata allocation, ANZ will also increase its stake in SRCB from 19.9% to 20.0% and will continue its close cooperation with SRCB, including exploring further areas for business cooperation, particularly in Trade Finance and Markets.

ANZ CEO Asia Pacific, Europe and America, Alex Thursby, said: "Our partnership with Shanghai Rural Commercial Bank has performed well and a strong relationship has developed between the management of both banks.

"ANZ's participation in SRCB's capital raising reflects our confidence in the partnership and our long term commitment to growing our presence in China. With its strong economic growth, China is a key part of ANZ's super regional bank aspiration," Mr Thursby said.

SRCB has a network of 321 branches and 690 ATMs in Shanghai and is predominantly a retail and small to medium enterprise-focused bank serving more than 5 million customer accounts. ANZ established its strategic partnership with SRCB in September 2007 with an initial investment of A\$318 million. The increase to a 20.0% shareholding is the maximum permitted by a foreign bank in China.

ANZ's additional investment follows the announcement that ANZ's locally incorporated entity, Australia and New Zealand Bank (China) Company Limited (ANZ China), commenced operations on 1 October. ANZ also has a strategic partnership with the Bank of Tianjin – established in 2006 – in which ANZ holds a 20% stake.

ANZ has three branches in Shanghai, Beijing and Guangzhou, two sub-branches in Shanghai and Beijing, and regulatory approval to establish a new branch in Chongqing. Last year ANZ also established a rural bank in the Chongqing county of Liangping.

The SRCB capital raising is subject to receipt of SRCB shareholder and local regulatory approvals.

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