

# Media Release



## Corporate Communications

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## **ANZ to receive \$98 million partial NHB insurance settlement - negotiations continue**

ANZ today announced it had agreed to a \$98 million settlement from the majority of its global reinsurers in relation to the settlement in 2002 of its former subsidiary Grindlays Bank's long running dispute with India's National Housing Bank (NHB).

The settlement follows proceedings initiated by ANZ in 2003 in the Victorian Supreme Court against ANZcover Insurance Pty Ltd, ANZ's captive insurance company. ANZcover purchases reinsurance from global reinsurers, primarily in the London reinsurance market. Reinsurers were subsequently joined in the proceedings.

The insurance claim arose from circumstances in 1992 when the proceeds of nine NHB cheques, made payable to Grindlays Bank, were credited to the account of a customer, Mr Harshad Mehta. In January 2002, ANZ and NHB reached an agreement to settle the long-running claim by NHB.

The claim on the ANZcover insurance policy crystallised upon settlement of the dispute with NHB in January 2002. At the time the remaining value of the policy was \$130 million.

ANZ Chief Financial Officer Mr Peter Marriott said: "This \$98 million settlement with the majority of reinsurers is good progress and a satisfactory outcome.

"In addition to those reinsurers with whom we have settled and who have paid or agreed to pay the sum of \$98 million, we have in principle settlement agreements with a further 15 reinsurers. We anticipate those will be finalised in early April but if not our proceedings against them will continue. We anticipate that we will announce the quantum of any additional settlements at that time.

"As ANZ suffered losses greater than we are able to recover under the policy, we continue to exercise our rights against those who caused those losses. In that regard ANZ is actively pursuing a claim in India to recover a share of the proceeds from the estate of the deceased Mr Mehta," Mr Marriott said.

ANZ will recognise the \$98 million pre tax recovery, together with any other settlement amounts agreed in its 2006 Interim Results to be announced on 27 April.

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