



Media Release

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ANZ completes 20% investment in China's Tianjin City Commercial Bank

ANZ and China's Tianjin City Commercial Bank (TCCB) today announced the completion of ANZ's US\$111.5 million investment to become the first foreign bank to own a 20 per cent shareholding in a Chinese bank.

ANZ Chief Executive Officer Mr John McFarlane and TCCB President, Mr Wang Jinlong will this evening address a banquet in Tianjin to celebrate the official launch of the strategic partnership.

The allocation of 495,625,000 shares to ANZ is part of a broad strategic partnership, including extensive cooperation and technical assistance. A Share Subscription Agreement was signed in December 2005 and final regulatory approvals for the investment have all now been received.

Mr McFarlane said the partnership with TCCB, one of China's leading city commercial banks, was the most significant step in the growth of ANZ's business in Asia to-date.

"Having just celebrated our 20th anniversary in China, ANZ embarks on our next decade in China with even greater momentum as a result of this strategic partnership with TCCB," Mr McFarlane said.

Mr Wang said the collaboration with ANZ was well-timed to take advantage of TCCB's existing customer franchise and strong growth opportunities in Tianjin.

"We already have a strong mutual understanding between ANZ and TCCB, which has been achieved through the development of this partnership," Mr Wang said. "This gives us a solid foundation to work in partnership to expand and build on TCCB's successful banking business with a renewed focus on retail and small business banking."

Tianjin Mayor Dai Xianglong said the partnership between ANZ, with its head office in Tianjin's sister-city of Melbourne, has strong support from the Tianjin Government.

"We, as always, will continue to support the strategic partnership agreed between the two counterparties and look forward to positive outcomes as a result of the cooperation going forward." Mayor Dai added: "Currently Tianjin has an unprecedented opportunity for development, given incorporation of the Tianjin Binhai new Area as the third national-level development zone following Shenzhen Special Economic Zone and Shanghai Pudong New Area."

In recent months, ANZ Senior Managing Director, Dr Bob Edgar has visited Tianjin and ANZ has worked closely with TCCB on 'quick win' projects to be completed over the next six months.

These projects will cover all of the areas that TCCB and ANZ have agreed are priorities including risk management, retail banking, small and medium sized enterprise lending, and corporate governance. These quick win projects will lead directly into medium-to-long-term projects that will strengthen TCCB's market position over the next three to five years.

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TCCB is one of China's leading City Commercial Banks in terms of competitiveness and is well-positioned to take advantage of great opportunities for development. It has a network of 180 branches, sub-branches and savings offices serving more than five million customer accounts. Total assets were approximately US\$8.5 billion as at December 2005.

Tianjin is the principal distribution and commercial centre for the key Bohai Bay development region. It has a population of 11 million people and is China's biggest northern port, strategically located approximately 120km east of Beijing. Tianjin's nominal GDP grew at 14.5 per cent in 2005 to reach US\$45.8 billion.

Binhai New Area includes Tianjin's port, Economic and Technology Development Area (TEDA), the Free-Trade Zone, Tanggu District, Hangu District and Dagang District. The development of Tianjin Binhai New Area has been incorporated into China's 11th Five-Year Plan. Recently, China's State Council formally approved Tianjin Binhai New Area as the region for piloting a comprehensive range of reform projects. This has provided Tianjin with a unique opportunity for development and financial reform is at the top of the agenda. The State Council has encouraged innovation by financial institutions and growth in financial markets based in Binhai. . Tianjin Binhai New Area, following the Shenzhen Special Economic Zone and Pudong New Area, will become the third focal point driving China's economic growth.

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