

Media Release

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ANZ supports Bank of Tianjin expansion following strong growth

ANZ today announced its support for expansion plans by China's Bank of Tianjin (formerly known as the Tianjin City Commercial Bank), as Bank of Tianjin announced an 18.9% increase in earnings for 2006.

Bank of Tianjin, in which ANZ has a 20% strategic stake, has been granted a regional license by the China Banking Regulatory Commission (CBRC) in line with new rules announced by the CBRC earlier this month.

Bank of Tianjin has applied to be the first city commercial bank to open a regional branch in Beijing and has plans to open branches in other major Chinese cities, subject to separate regulatory approvals.

The change of name from Tianjin City Commercial Bank to Bank of Tianjin, which happened this month, is a key part of the bank's new image, designed to reflect the Bank's significant position in the City of Tianjin and its regional growth plans. The CBRC has provided strong support to the Bank in its application processes.

Bank of Tianjin finished 2006 with a good financial performance. Highlights include:

- Total assets up 17.4% to RMB81.1 billion (A\$12.6 billion)
- Profit up 18.9% to RMB517 million (A\$80.2 million)
- Non Performing Loans ratio down from 7.0% to 3.89%.

ANZ Senior Managing Director Dr Bob Edgar said ANZ has given its strong support to Bank of Tianjin's expansion strategy including assistance in the development of new customer products and services that are tied to the Bank's growth plans.

"Bank of Tianjin produced a good performance in 2006. Its expansion plans build on its significant progress in strengthening the Bank's financial position and have strong support from the Governments in Tianjin and Beijing.

"This strong growth along with an internal reform program being run with technical assistance from ANZ, positions Bank of Tianjin well for its longer-term plans to complete an Initial Public Offering." Dr Edgar said.

Bank of Tianjin President, Mr Wang Jinlong said: "With our new image, a growing regional presence and a strong partnership with ANZ, Bank of Tianjin is well positioned to support the ongoing growth and development of the rapidly-growing Binhai Bay region, a key focal point for China's economic growth."

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An important part of ANZ's strategic investment in Bank of Tianjin is the commitment to assist in a broad program of strategic initiatives. A team of eight ANZ staff work in Tianjin along-side Bank of Tianjin staff to support ongoing change programs in risk, retail products, small to medium enterprise products, credit cards, information technology, governance and strategy. Bank of Tianjin staff also visit Melbourne regularly to gain first-hand experience in the areas of ANZ that are most relevant to their change responsibilities.

Bank of Tianjin was established in Tianjin City in 1996. It was created from the consolidation of Tianjin's many urban credit cooperatives. Ten years later, in July 2006, ANZ completed a US\$111.5 million investment to take a 20% stake in the Bank. Bank of Tianjin is one of the largest city commercial banks in China and has 69 main branches, with a total of more than 181 banking locations.

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