



Media Release

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ANZ outlines growth plans in Indonesia - up to US\$100 million in capital to be invested in during 2010 -

ANZ Chief Executive Officer Mike Smith today said ANZ would invest up to US\$100 million in capital in Indonesia during 2010 to complete the acquisition of the Royal Bank of Scotland (RBS) retail and commercial businesses in Indonesia and to accelerate organic growth.

Speaking in Jakarta today Mr Smith said: "Indonesia's economy has proven to be resilient during the global downturn because of the Government's management of the economy, its large domestic market and its relatively low dependence on external trade.

"Economic growth in Indonesia is expected to reach approximately 5.6% in 2010. We are optimistic about the economy's prospects which are supported by the Government's commitment to infrastructure development and to continued economic reform.

"There is no question that Indonesia stands out as a key part of the Asian growth story. We expect urbanisation will see more than 50 million people move to cities in Indonesia over the next 20 years, second only in size to China's urbanisation.

"At the same time, Australia and Indonesia are increasingly close economic partners. The trade flow between the two countries totalled US\$8.7 billion in 2008, up almost 10% on 2007 and we expect Australia's trade in resources, agriculture and infrastructure will continue growing to support Indonesia's economic development. The education linkages are equally strong with about 18,000 Indonesian students studying in Australia in 2009.

"Indonesia's own strengths in natural resources and agriculture mean it's also well placed to benefit from Asia's continued growth which we expect will be around 7% in 2010, excluding Japan.

"Given this, Indonesia will be one of ANZ's most important markets as part of our objective to become a super regional bank. Our operations here date back almost 40 years and we are a major investor in Indonesia including our interest of approximately 39% in PT Panin Bank.

"We are on track to complete the acquisition of the RBS retail and commercial businesses in Indonesia in June 2010, subject to regulatory approval. This is a unique opportunity for ANZ to expand and strengthen our presence in Indonesia giving us one of the largest networks of branches and ATMs among the foreign banks.

"The RBS acquisition and our own organic growth plans will see us invest up to US\$100 million in capital in Indonesia this year and expand our presence to a total of 28 branches across 11 cities and almost 1,000 full time employees," Mr Smith said.

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Commenting on ANZ's growth plans in Indonesia, ANZ CEO Indonesia Joseph Abraham said: "With our AA rating, our expertise and our focus on natural resources, infrastructure and agriculture, ANZ is uniquely positioned to play a role in supporting the economic growth agenda of the country.

"We are also expanding our network and client base in retail banking which will benefit our clients through an integrated banking service," Mr Abraham said.

Key initiatives by ANZ in Indonesia to support growth include:

- Expanding capabilities in trade and supply chain finance, cash management, FX and debt capital markets and corporate banking services to large domestic companies, multinationals as well as international trade and investment companies.
- Expanding retail banking services to focus on emerging affluent and affluent clients including growing ANZ's branch and ATM networks to position ANZ as the leading foreign bank with a superior presence across Indonesia.
- Continuing to invest in a new core banking IT platform during 2010 that will provide capability to offer new products as well as better and more efficient customer service.

ANZ operates in Indonesia through its 85% owned subsidiary PT ANZ Panin Bank, trading as ANZ.

Mr Smith is in Indonesia to meet government and other stakeholders and business clients and will attend the Asia Business Council which meets in Jakarta this weekend.

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