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ANZ and OCBC Bank in US\$100m joint venture to create Asian internet bank

Singapore, 17 July 2000 -- Australia and New Zealand Banking Group Limited (ANZ) and Oversea-Chinese Banking Corporation Limited (OCBC Bank) today announced an innovative e-commerce joint venture to create Asia's leading internet bank with a regional network.

The regional internet bank will target the 40 million "wired affluent" consumers that are expected in Asia by 2005. The business model has been developed after extensive study of existing pure internet banks in North America and the United Kingdom.

To be launched towards the end of this year, the ANZ-OCBC joint venture will be branded separately to reflect the unique proposition it will offer customers. The joint venture is expected to be earnings positive by 2002 through a combination of regional growth, significantly reduced customer acquisition costs and scalable technology.

The joint venture will also make selective strategic equity investments in a range of partner companies involved in e-financial services, on-line content provision and other internet-based services.

ANZ and OCBC Bank will invest a total of US\$100 million (S\$170 million) over three years, including investments in strategic partner companies and start up development costs.

The first partner for the joint venture will be Hong Kong-based online stockbroker BOOM.COM in which ANZ already holds a 10% strategic investment.

ANZ Chief Executive Officer, Mr John McFarlane said the joint venture reflected a shared vision by ANZ and OCBC Bank to lead the transformation of banking and financial services in Asia through e-commerce.

"ANZ and OCBC Bank's complementary networks, which include banking licences in all the major Asian countries, provide a natural foundation for the joint venture," Mr McFarlane said.

"The joint venture is a key part of ANZ's strategy to rapidly develop new growth opportunities in Asia Pacific by focusing on e-commerce. We believe that the best way to achieve this is with a partner with a strong foundation and vision for the region," he said.

OCBC Bank Vice-Chairman and Chief Executive Officer, Mr Alex Au said the partnership was a powerful combination of the best of two leading banks - OCBC Bank's regional network, market knowledge and e-commerce focus, and ANZ's expertise in technology, e-commerce and alliance management.

"Together, ANZ and OCBC Bank provide all the core skills for a successful e-partnership. Australia has a very well developed e-commerce infrastructure and ANZ is a leader amongst the local banks," he said.

"The joint venture forms part of OCBC Bank's US\$590 million (S\$1 billion) e-commerce strategy which includes the creation of new business models to take it to the forefront of the e-financial landscape.

"As partners, we intend to create and bring together a full suite of products and services that will meet the growing needs of increasingly sophisticated wired customers," said Mr Au.

The joint venture internet bank will operate as a standalone business headquartered in Singapore, with a separate Board and management, systems and culture allowing it to operate with internet speed and flexibility.

Further details on the joint venture, its strategic partners and customer launch plan will be announced over the next few months.

About ANZ

ANZ is a financial services company with four million retail and business customers in Australia, New Zealand and Asia Pacific and total assets of approximately US\$100 billion and market capitalisation of US\$11.8 billion.

ANZ has a presence in 23 countries in Asia Pacific, Europe and America, and its main domestic markets of Australia and New Zealand. The 23 countries are Australia and New Zealand, and China (including Hong Kong SAR), Cook Islands, Fiji, France, Germany, Indonesia, Japan, Malaysia, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, South Korea, Taiwan, Thailand, Tonga, Vanuatu, Vietnam, United Kingdom and the United States of America (including American Samoa).

In Australia and New Zealand, ANZ is a leader in personal e-commerce with over 280,000 customers using anz.com Internet Banking and a strategic alliance with E*TRADE to provide online broking services.

ANZ is also a leader in business to business e-commerce through its electronic transaction products ANZ Online and FX Online. ANZ launched Australia's first secure internet payments Gateway, ANZ eGate, and recently joined forces with a number of leading corporations to create corProcure, a new procurement venture.

About OCBC Bank

OCBC Bank is Singapore's second largest local bank with a market capitalisation of approximately US\$10 billion (S\$17 billion) as at 10 July 2000. In 1999, it reported a profit attributable to shareholders of US\$406 million (S\$690 million).

With total assets of US\$32 billion (S\$54 billion), OCBC Bank has a staff force of 5,900 in 90 branches and representative offices in 13 countries, including Australia, China (including

Hong Kong SAR), India, Indonesia, Japan, Korea, Labuan, Malaysia, Myanmar, Taiwan, Thailand, United Kingdom, the United States of America and Vietnam.

OCBC Bank's mission is to be a world-class financial institution in Asia Pacific. This it seeks to achieve by the provision of superior customer service, particularly through the use of technology.

In the first half of 2000, OCBC Bank launched the following e-initiatives:

- tx123.com, a joint venture procurement hub
- finatiQ.com, a division of Bank of Singapore Limited
- iOCBC.com, an on-line broking system
- iWap, Malaysia's first mobile phone banking system

OCBC Bank is also a member of bolero.net, the international electronic trade community since March 2000.