

News Release

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ANZ enters joint-venture with Worldline to provide leading payments technology and merchant services in Australia

ANZ today announced it will enter into a joint-venture with European-based payments leader Worldline to provide its small business, commercial and institutional customers in Australia with access to the latest technology for fast, reliable and more secure point-of-sale and online payments.

Worldline is the largest European player in payment services with a presence in 50 countries. It currently provides acquiring, payment processing, point-of-sale and other payment solutions to one million merchants and 1,200 banks and financial institutions globally.

ANZ Group Executive Australia Retail and Commercial, Mark Hand said: "We have a proven track-record of partnering with global leaders in specialist fields if it means providing a better service to our customers.

"Receiving fast and secure payments is key to running a successful business and this partnership will provide our customers with access to some of the most advanced payments technology currently available, as well as future innovations, to improve the speed and security of point-of-sale and online payments.

"The partnership also responds to the fast-changing way that consumers want to pay for goods and services, particularly in a post-COVID environment," Mr Hand said.

Worldline Chairman and Chief Executive Officer, Gilles Grapinet said: "The strategic alliance with ANZ is a landmark transaction for Worldline.

"In a rapidly changing industry Worldline will be at ANZ's side to leverage focused technical capabilities to provide the best customer proposition and user experience across all segments. Our long-term and exclusive joint venture is based on our shared vision to deliver value added merchant acquiring products and services in Australia.

"Worldline continues on its growth path, and after the successful closing of Ingenico, the alliance with ANZ is a major step to expanding our footprint outside Europe. I look forward to combining Worldline's global scale and best-in-class technologies with ANZ's vast banking footprint and expertise to support our customers, wherever they may operate," Mr Grapinet said.

The joint venture arrangement involves ANZ and Worldline forming a newly created merchant acquiring group, with ANZ and Worldline holding a 49% and 51% interest respectively.

ANZ estimates completion of the transaction will increase its Level 2 CET1 capital ratio by ~5 basis points¹. The transaction is expected to be completed in late 2021 and is subject to regulatory and other approvals and card scheme arrangements.

ANZ financial summary

<u>ANZ Merchant Acquiring Business (MAB) transaction</u>	
• ANZ gain on sale (net of tax) ¹	~\$200m
• APRA Level 2 CET1 capital release ¹	~5 bps
<u>MAB contribution to ANZ financial performance</u>	
	<u>FY20 (\$m)</u>
• Total net revenue	173
• Net profit after tax ²	42

1. Final gain on sale and capital release is subject to an adjustment to the sale price based on the amount of revenue earned by the business prior to completion, finalisation of the joint venture's capital structure and other completion adjustments

2. Inclusive of \$35m in Group allocated costs

Note: Upon completion of sale, ANZ's share of earnings from the joint venture will be equity accounted and could be nominal in the first few years as the JV is established. The joint venture between ANZ and Worldline is not a joint venture as defined under Accounting Standards.

About the joint venture

As part of the joint venture, ANZ and Worldline will enter into a long-term strategic alliance under which ANZ will exclusively refer new merchants to the joint venture, and the joint venture will exclusively refer merchants to ANZ for banking products. ANZ will be the exclusive provider of banking services to the joint venture, including providing certain financing facilities. The strategic alliance has an initial term of 10 years. The joint venture board will comprise five directors: three appointed by Worldline and two appointed by ANZ.

About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors.

With over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. Including the Ingenico acquisition, Worldline generated a pro forma revenue of 5.3 billion euros in 2019.

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