

ASX Announcement

Wednesday, 29 July 2009

NAB and Goldman Sachs JBWere create strategic alliance in private wealth management

National Australia Bank (NAB) and Goldman Sachs JBWere (GSJBW) today announced an agreement for NAB to acquire 80.1% of Goldman Sachs JBWere's private wealth management business in Australia and New Zealand, which will be branded JBWere, with Goldman Sachs JBWere retaining the remaining 19.9%.

JBWere will remain a centre of specialist expertise, focused on delivering advice driven wealth solutions to high net worth clients, and become a portfolio business of NAB's wealth division, MLC & NAB Wealth. The alliance incorporates a strategic distribution relationship which enables GSJBW to distribute certain products to JBWere on an exclusive or preferred basis.

NAB will outlay \$99 million for JBWere, with additional performance related consideration payable dependent on revenues generated by the business over a period of three years.

JBWere is a leading wealth advisory business with more than 22,000 active client relationships, assets under advice exceeding \$38 billion, and funds under management of around \$10 billion.

JBWere advisers will retain full access to the existing range of services, investment research and products currently available through Goldman Sachs JBWere, as well as accessing additional services from NAB and MLC.

"JBWere's pre-eminent reputation for providing wealth management services to high net worth individuals and National Australia Bank's strong footprint in business and private banking is a great combination," National Australia Bank Group Chief Executive Officer Cameron Clyne said.

"Our Australian Wealth business, MLC & NAB Wealth, has a long history in developing and nurturing wealth management businesses that service private wealth and institutional clients under their own distinct brands, including JANA and Godfrey Pembroke.

"At the NAB strategy update in March, I indicated private wealth was a business with significant upside and JBWere adds to our capability and brands in that area," Mr Clyne said.

"This strategic alliance provides JBWere with a compelling platform for growth while maintaining its culture of individual client focus," Goldman Sachs JBWere Co-Chief Executive Officer Stephen Fitzgerald said.

"Combining the investment expertise of JBWere with the stated commitment and considerable resources of the broader NAB group creates a highly competitive offering for clients," he said.

“We are delighted to enter a strategic alliance where GSJBW retains a meaningful equity interest and distribution relationship in what will be an even stronger private wealth business,” Stephen Fitzgerald said.

This strategic alliance between NAB and Goldman Sachs JBWere aims to deliver an enhanced outcome for Goldman Sachs JBWere and MLC & NAB Wealth clients through their ability to access an expanded service offering.

The contribution to NAB Group earnings and ROE is not expected to be material in the first year.

The acquisition of NAB’s interest in JBWere is subject to regulatory approvals and is expected to be completed by the end of 2009.

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