



Decision Summary

Case: 200910058

Decision	Consent granted Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
Decision Date	9 April 2009
Investment	<p>An overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in 84.5% of the ordinary share capital and 100 percent of non-voting B shares of The Royal Bank of Scotland Group plc which owns or controls:</p> <ul style="list-style-type: none">– a freehold interest in 0.7193 hectares of land at Porchester Road and Marengo Road Takanini; and– a freehold interest in 50.5991 hectares of land at Hamilton International Airport, Airport Rd (SH 21) Hamilton; and– a leasehold interest in 18.8234 hectares of land at Hamilton International Airport, Airport Rd (SH 21) Hamilton; and– a freehold interest in 102.7493 hectares of land at 105, Middle Rd, Rukuhia, 188 Narrows Rd, Rukuhia,; and– a freehold interest in 14.8926 hectares of land at 233A-233B, 225, 231 Porchester Rd, Takanini; and– a freehold interest in 2.7215 hectares of land at Arion Road and Phar Lap Crescent, and Windfolia Parkway and/or Porchester Road, Takanini. <p>An overseas investment in significant business assets, being the Applicant's acquisition of rights or interests in 84.5% of the ordinary share capital and 100 percent of non-voting B shares of The Royal Bank of Scotland Group plc, the value of the assets of The Royal Bank of Scotland Group plc and its 25% or more subsidiaries being greater than \$100m.</p>
Asset Value	\$1,243,581,000
Applicant	Her Majesty's Treasury of the UK Government United Kingdom (except Isle of Man and the Channel Islands) (100.0%)
Vendor	The Royal Bank of Scotland Group plc United Kingdom (except Isle of Man and the Channel Islands) (56.0%), United States of America (27.0%), Various (17.0%)
Background	<p>Consent was granted on 28 November 2008 for the Applicant to acquire up to 58.1% of the ordinary share capital and GBP 5 billion worth of non-voting non-cumulative preference shares (preference shares) in The Royal Bank of Scotland plc.</p> <p>On 19 January 2009, the Applicant agreed to convert its preference shares into ordinary shares. This is intended to make available additional Core Tier 1 capital to The Royal Bank of Scotland plc. This conversion will be effected through a new offering of</p>

ordinary shares to existing shareholders on a pro rata basis. Any shares not taken up by existing shareholders will be subscribed for by the Applicant.

The Royal Bank of Scotland plc participates in the Government of the United Kingdom's Asset Protection Scheme under which the applicant will provide participating institutions with protection against credit losses incurred on one or more portfolios of defined assets. In conjunction with the Asset Protection Scheme, the Applicant will subscribe for up to GBP 25.5 billion of non-voting B shares in The Royal Bank of Scotland plc.

The overseas investment transaction has satisfied the criteria in sections 16 and 18 of the Overseas Investment Act 2005. The 'substantial and identifiable benefit to New Zealand' criteria were satisfied by particular reference to the following factors:

- Overseas Investment Regulations 2005
 - 28(a) – Consequential Benefits
 - 28(b) – Key person in a key industry
 - 28(c) – Affect image, trade or international relations

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