

News Release

For Release: 13 May 2019

Update on contractual arrangements for pensions and investments transaction

ANZ today provided an update on contractual arrangements in place with IOOF Holdings Limited in relation to the sale of the OnePath Pensions & Investments (P&I) business.

As of 11 May 2019, the coupon rate ANZ pays on the debt note subscribed by IOOF reduced from 14.4%pa to 2%pa.

This relates to an agreement reached in July 2018 under which ANZ agreed to transfer a partial economic interest of its P&I business and the legal ownership of its Aligned Dealer Groups to IOOF from 1 October 2018.

Under the agreement ANZ received an initial payment of \$800 million from IOOF, equivalent to approximately 82 per cent of the economic interests in ANZ's P&I business, and ANZ paid a coupon rate on the debt note subscribed by IOOF.

ANZ can also confirm that if any conditions to the completion of the remainder of the P&I business transfer are not met by 17 October 2019, ANZ or IOOF can terminate that remaining sale.

ANZ and IOOF continue to work co-operatively on the transaction. The update announced today does not change ANZ's position of continuing to monitor IOOF's response to matters raised by the Australian Prudential Regulation Authority before making a decision about the transfer of the P&I business.

ANZ completed the legal separation of its P&I business from its Life Insurance business last month. The sale of its Life Insurance business to Zurich is on track for completion on 31 May 2019.

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