

News Release

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ANZ CONFIRMS RECEIPT OF PROCEEDS - First Tranche of Australian Life Insurance Sale -

ANZ today announced it has finalised its reinsurance arrangements with Zurich and has received around \$1 billion of reinsurance proceeds. This results in an increase of ~25bps in ANZ's APRA Common Equity Tier 1 capital¹.

The sale of ANZ's Australian Life Insurance business was announced on 12 December 2017². The sale is comprised of two transactions totalling \$2.85 billion, including around \$1 billion of upfront reinsurance commission, and the sale of 100 percent of One Path Life.

Having received the reinsurance proceeds, ANZ will continue to work through its capital management options, which may include an additional on-market buyback of \$1 billion to \$1.5 billion³. ANZ will confirm its plans once analysis of the various alternatives and requisite approvals are completed.

ANZ announced at its recent half-year results an intention to once again neutralise the impact of the Dividend Reinvestment Plan (DRP) through the on-market purchase of shares. The purchase of shares associated with the DRP is expected to commence on 18 May and continue until 31 May. ANZ will appoint a third party to purchase shares on-market to satisfy ANZ's obligations under the DRP⁴. ANZ does not intend to purchase shares in relation to the current \$1.5 billion buyback during this period.

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¹ ANZ reported an APRA CET1 ratio of 11.0% at 31 March 2018 in the 1H18 Results materials released on 1 May.

² ANZ announced on 12 December 2017 the sale of its Australian Life Insurance Business to Zurich Financial Services Australia.

³ ANZ announced an on-market buyback of up to \$1.5 billion of shares on 18 December 2017. Progress on the buyback was outlined at the 1H18 result released on 1 May.

⁴ ANZ will announce the size of the DRP neutralisation and the third party broker in advance of the on-market purchase of the DRP shares.