

## 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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