



Supplementary Prospectus Dated 13 December 2017

Australia and New Zealand Banking Group Limited

*Australian Business Number 11 005 357 522
(Incorporated with limited liability in Australia and registered in the State of Victoria)
as Issuer*

ANZ Bank New Zealand Limited

*(incorporated with limited liability in New Zealand)
as Issuer and Guarantor of Notes issued by ANZ New Zealand (Int'l) Limited*

ANZ New Zealand (Int'l) Limited

*(incorporated with limited liability in New Zealand)
as Issuer*

US\$60,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") to the base prospectus of Australia and New Zealand Banking Group Limited ("**ANZBGL**") dated 16 May 2017, as supplemented by the supplementary prospectuses dated 22 May 2017, 20 June 2017, 19 July 2017, 15 August 2017, 23 October 2017, 6 November 2017 and 10 November 2017 (the "**Base Prospectus**") constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000, as amended, (the "**FSMA**") and is prepared in connection with the US\$60,000,000,000 Euro Medium Term Note Programme established by ANZBGL (as Issuer), ANZ Bank New Zealand Limited ("**ANZ New Zealand**") (as Issuer and Guarantor of Notes issued by ANZ New Zealand (Int'l) Limited ("**ANZNIL**") and ANZNIL (as Issuer).

The purpose of this Supplement is to update the section entitled "Recent Developments" in Section 5 (Description of the Australia and New Zealand Banking Group Limited and its Subsidiaries) of the Base Prospectus with information regarding an announcement by ANZBGL following the sale of ANZBGL's life insurance business to Zurich Financial Services Australia.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read and construed together with, the Base Prospectus.

ANZBGL accepts responsibility for the information contained in this Supplement and to the best of the knowledge of ANZBGL (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

ANZ completes simplification of Wealth Australia
- agrees to sell Life Insurance business to Zurich Insurance Group; 20-year strategic alliance with leading life insurer -

On 12 December 2017, ANZ announced it had completed the simplification of its Wealth Australia division with the sale of its life insurance business to Zurich Financial Services Australia. The sale is comprised of two transactions with total proceeds of \$2.85 billion, inclusive of \$1 billion of upfront reinsurance commission from Zurich.

This follows the sale of its OnePath pensions and investments (OnePath P&I) and aligned dealer groups (ADG) business to IOOF Holdings Limited (IOOF) in October for \$975 million. Total proceeds from the simplification of Wealth Australia is \$3.83 billion.

Following completion, Zurich will be Australia's largest retail life insurer as measured by in-force premiums with more than 1.5 million customers, while IOOF will have a top-five superannuation platform with the second largest aligned financial advice network.

Life Insurance Transaction Scope:

- 100% of One Path Life Australia Holdings Pty Limited (OPL)
- As at 30 September 2017, total life in-force premiums were \$1.7bn¹
- Transaction does not include New Zealand and ANZ will retain Lenders Mortgage Insurance, General Insurance distribution and Financial Planning

Life Insurance Transaction Summary:

- Total proceeds of \$2.85 billion include \$1 billion of upfront reinsurance commission from Zurich to ANZ and \$1.85 billion for 100% of the life business
- Annual profit of business is \$189 million on a 2017 pro forma cash NPAT basis
- Equates to a 2017 Price/Embedded Value of 1.0x², 15.1x 2017 Price/Earnings on a pro forma cash NPAT basis
- Carrying value of \$3.38 billion. Estimated accounting loss on sale of ~\$520 million post separation and transaction costs of ~\$75 million post-tax and release of available for sale reserve
- Expected to increase ANZ's consolidated CET1 capital ratio by a total of ~\$2.5 billion or ~65 basis points³ (~25 basis points upon completion of the reinsurance arrangement and a further ~40 basis points on completion)
- The transaction would be broadly EPS and ROE neutral if capital released is returned to shareholders

Combined Transaction Summary:

- Total proceeds of \$3.83 billion for combined sales
- Equates to 16.8x Price/Earnings on a pro forma cash NPAT basis
- Combined sales to increase ANZ's consolidated CET1 capital ratio by ~80 basis points

¹ Also includes 100% of OnePath General Insurance – OPGI has in-force premiums of \$69m and currently only underwrites the general insurance component of credit insurance policies

² Excluding franking credits

³ Based on 30 September 2017 Group consolidated total Risk Weighted Assets

Capital released following reinsurance and completion of the life insurance sale is expected to increase ANZ's consolidated CET1 capital ratio by ~65 basis points and largely be surplus to ANZ's unquestionably strong requirements.

The sale is another step in ANZ's strategy to create a simpler, better balanced bank focussed on retail and business banking in Australia and New Zealand, and Institutional Banking supporting client trade and capital flows across the region.

As part of the agreement, ANZ and Zurich will enter into a 20-year strategic alliance to offer life insurance solutions through ANZ's distribution channels.

With a long history in Australia and a presence in more than 210 countries and territories, Zurich is a highly regarded insurance company with global capability in providing life insurance solutions to more than 60 million customers in partnership with 70 banks in 17 countries, including Santander, Citibank, HSBC, and ING.

There are no changes to any current insurance policies as a result of today's announcement, including general insurance products provided via QBE.

ANZ expects completion to occur in late 2018 together with the recently announced sale to IOOF of the Group's Pensions & Investments and Aligned Dealer Group businesses. The transaction, including the reinsurance, remains subject to regulatory approval.

To the extent that there is any inconsistency between any statement contained in this Supplement and any other statement contained in the Base Prospectus or in any information or document incorporated by reference into, and forming part of, the Base Prospectus, the statements contained in this Supplement will prevail.

A copy of this Supplement has been filed with the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/nsm.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.