

U.S. Investor Website Update

ANZ agrees to sell UDC Finance

On January 11, 2017, ANZ announced an agreement to sell UDC Finance, the asset finance business of its wholly owned subsidiary ANZ Bank New Zealand, to HNA Group, a global company focused on tourism, logistics and financial services.

The sale reflects a continued focus by ANZ on simplifying its business and capital efficiency.

ANZ New Zealand CEO David Hisco said: "The sale of UDC is consistent with our strategy to simplify the bank and is a good outcome for customers and staff."

UDC Transaction and Financial Summary

Sale Price	~NZ\$660m
Premium to Net Assets (30/09/2016)	~NZ\$235m
Price-to-Book Ratio (UDC net assets 30/09/2016)	~1.6 times
ANZBGL Net Gain on Sale (after transaction costs and release of goodwill)	~A\$100 million
CET1 benefit (ANZBGL APRA CET1)	~10 basis points
CET1 Benefit (ANZ Bank New Zealand Limited)	~50 basis points
UDC financial summary (Financial Year 2016) ¹	
<ul style="list-style-type: none"> • Net Loans and Advances (30/09/2016) • Risk Weighted Assets (30/09/2016) • Customer Deposits (30/09/2016)² • Total Revenue • Profit Before Provisions • Net Profit after Tax 	<ul style="list-style-type: none"> ~NZ\$2.6 billion ~NZ\$2.4 billion ~NZ\$1.6 billion NZ\$120 million NZ\$89 million NZ\$59 million

The transaction also includes the Esanda name and trademarks in Australia and New Zealand. The additional consideration for the name and trademark sale is not material to ANZ.

The UDC sale is subject to closing steps and conditions including engaging with investors on the replacement of the Secured Investment program and regulatory approvals. Completion is expected late in the second half of the 2017 calendar year.

¹ UDC FY16 Financial Statements are available at <https://www.udc.co.nz/pdf/Full-Financial-Statements-2016.pdf>

² Customer deposits are UDC secured investments.