

News Release

For release: 21 December 2017

ANZ responds to OIO decision

ANZ Bank New Zealand has been informed that New Zealand's Overseas Investment Office has declined HNA Group's application to acquire UDC Finance.

ANZ Bank Group Executive and New Zealand CEO David Hisco said: "While the sale agreement between the parties remains in place, unless HNA successfully overturns the OIO decision, the sale will not proceed.

"We don't know if HNA will attempt to overturn the decision.

"If the sale does not proceed, we'll assess our strategic options regarding the future of UDC. It's a great business and there is no immediate requirement to do anything, particularly given the strength of ANZ's capital position.

"UDC continues to be a highly profitable and strong business, with great staff and customers, and a growing loan portfolio across a range of industries.

"UDC's focus remains on its core business of financing vehicles and equipment for people and companies across New Zealand. So, it will be business as usual for our staff and customers."

This OIO decision has no impact on the recently announced \$AUD1.5 billion on-market buy back of ANZ Banking Group shares.

The UDC transaction proceeds are equivalent to ~10 basis points of APRA CET1 capital. If the transaction does not go ahead, ANZ's FY18 earnings will no longer be adjusted for the sale. The transaction summary detail was included in the ANZ Banking Group News Release of 11 January 2017.