

News Release

For release: 30 May 2018

ANZ New Zealand announces sale of OnePath Life NZ Ltd to Cigna Corporation - 20-year strategic alliance to provide insurance to ANZ customers -

ANZ Bank New Zealand Ltd today announced it has agreed to sell OnePath Life NZ Limited for NZ\$700 million to Cigna Corporation, a specialist insurance business that has been providing insurance protection to New Zealanders for 100 years.

The transaction represents a slight premium to embedded value and is expected to generate a gain on sale of around NZ\$50 million, increasing ANZ Group's Level 1 and Level 2 CET1 ratios by ~5 basis points and ~15 basis points respectively. ANZ New Zealand's Investment Management business is not part of the sale.

ANZ New Zealand CEO David Hisco said the sale included a 20-year strategic alliance for Cigna to provide insurance solutions for ANZ bank customers and is consistent with ANZ's strategy to simplify its business.

"Under this agreement, ANZ will continue to provide life insurance to our customers but these insurance policies will now be manufactured and managed by a world-class insurance provider in Cigna," he said.

"This is consistent with how we provide motor vehicle, home, commercial and travel insurance using a range of specialist insurance partners," Mr Hisco said.

OnePath Life policyholders in New Zealand will continue to receive the cover they hold under the terms of their policies and it is intended all staff involved would be offered similar roles with Cigna or ANZ.

Cigna is a global health service company with 95 million customers around the world and more than 40,000 employees worldwide. In New Zealand it offers insurance products online and through direct marketing and also provides insurance products for partner companies. Cigna has been one of ANZ's insurance partners for more than 20 years.

Cigna New Zealand CEO Gail Costa said the acquisition and strategic alliance diversified Cigna's distribution capabilities: "Cigna provides simple, affordable insurance products to meet the needs of its customers. This acquisition will enable us to provide broader solutions and be more agile and responsive to a larger customer base."

The sale remains subject to regulatory approval and is expected to complete in FY19.