



Media Release

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ANZ completes US\$1.25 billion first Australian covered bond issue

ANZ today announced the completion of the first Australian covered bond issuance raising US\$1.25 billion from US debt markets overnight.

The five year fixed rate transaction was priced at a spread of 115 basis points over mid-swaps approximately 60 basis points inside the level for new senior unsecured US\$ debt issues.

ANZ Group Treasurer Rick Moscati said: "We are very pleased with the strong interest we received from US investors in our first Australian covered bond transaction which allowed us to increase the size of the transaction to \$1.25 billion.

"We expect that covered bonds will become an important part of ANZ's term funding strategy and the Australian Government's introduction of the legislation was both timely and positive for the industry.

"Although covered bonds won't fully resolve the pressure on our cost of funds, they do provide an opportunity to continue to diversify our investor base and further reduce the requirement for senior unsecured debt in offshore markets. They also allow us to lengthen our funding profile in a cost effective manner, particularly for longer dated 5-10 year debt," Mr Moscati said.

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