

News Release

For release: 23 February 2023

ANZ Capital Notes 8 Replacement Prospectus

The ANZ Capital Notes 8 replacement prospectus (**Prospectus**) has been lodged with the Australian Securities and Investments Commission this morning and is available within Australia at capitalnotes.anz.com. The Prospectus is attached and incorporates, among other things, the Margin and the revised offer amount as announced on 17 February 2023.

Investors applying for ANZ Capital Notes 8 should speak to their Syndicate Broker regarding their application, read the Prospectus in its entirety and need to complete an application form accompanying the Prospectus. All Applications must be made through a Syndicate Broker. Details of the Syndicate Brokers are contained in the Prospectus.

Unless otherwise defined, capitalised terms in this announcement have the meaning given to them in the Prospectus.

For investor enquiries about the ANZ Capital Notes 8 Offer please visit capitalnotes.anz.com or call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8:30am to 5:30pm Melbourne time).

For media enquiries only contact:

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Approved for distribution by ANZ's Continuous Disclosure Committee

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ANZ CAPITAL NOTES 8 PROSPECTUS

PROSPECTUS FOR THE ISSUE OF ANZ
CAPITAL NOTES 8 TO RAISE \$1.5 BILLION
WITH THE ABILITY TO RAISE MORE OR LESS

ISSUER

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED (ABN 11 005 357 522)

JOINT LEAD MANAGERS

ANZ SECURITIES
COMMONWEALTH BANK OF AUSTRALIA
E&P CORPORATE ADVISORY
MORGAN STANLEY
MORGANS
ORD MINNETT
SHAW AND PARTNERS
UBS
WESTPAC INSTITUTIONAL BANK

CO-MANAGERS

BELL POTTER
LGT CRESTONE WEALTH MANAGEMENT

IMPORTANT NOTICES

About this Prospectus

This Prospectus relates to the offer by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (**ANZ**) of mandatorily convertible subordinated perpetual securities (**ANZ Capital Notes 8 or Notes**) to raise \$1.5 billion with the ability to raise more or less.

This Prospectus is issued by ANZ. This Prospectus is dated 23 February 2023 and was lodged with ASIC on that date. This is a replacement prospectus that replaces the prospectus dated 15 February 2023 that was lodged with ASIC on that date (**Original Prospectus**). This Prospectus expires on 15 February 2024 and no Notes will be issued on the basis of this Prospectus after that date.

ASIC and ASX take no responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates.

This Prospectus also contains information in relation to the Reinvestment Offer. Neither ANZ nor any other person is providing any investment advice or making any recommendation to Eligible CN3 Holders in respect of the Reinvestment Offer through this Prospectus.

ANZ Capital Notes 8 are higher risk than deposits

ANZ Capital Notes 8 are issued by ANZ under the Note Terms. ANZ is an ADI and a subsidiary of ANZ Holdings. Other than ANZ, no member of the ANZ Group is an ADI for the purposes of the Banking Act. ANZ Holdings is the non-operating holding company of the ANZ Group. Holders have no claim on ANZ, ANZ Holdings or any other member of the ANZ Group except as provided in the Note Terms.

ANZ Capital Notes 8 are not:

- deposit liabilities of ANZ;
- protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act; or
- guaranteed or insured by any government, government agency, compensation scheme or by ANZ Holdings or any other person.

The risks associated with the Notes (which are summarised in Section 1.5 and detailed in Section 6) could result in the loss of your investment and associated income. The investment performance of the Notes is not guaranteed by ANZ, ANZ Holdings or any other member of the ANZ Group.

A comparison of the differences between the Notes and deposits is contained in Section 1.4.

Defined words and expressions

Some capitalised words and expressions used in this Prospectus have defined meanings. The Glossary in Appendix B defines these words and expressions. The definitions specific to the Notes are in clause 17.2 of the Note Terms in Appendix A.

Exposure period

The Corporations Act prohibited ANZ from processing Applications in the seven day period after 15 February

2023, being the date on which the Original Prospectus was lodged with ASIC. This period is referred to as the **Exposure Period**. The purpose of the Exposure Period was to enable the Original Prospectus to be examined by market participants before the Offer Period commenced. No Applications were accepted during the Exposure Period.

How to access this Prospectus

This Prospectus can be obtained electronically from capitalnotes.anz.com. ANZ will not be providing paper copies of this Prospectus.

This Prospectus is only available to you if you are accessing and downloading it in Australia. If you access an electronic copy of this Prospectus you should ensure that you download and read the entire Prospectus.

How to apply

All Applications (both for the New Money Offer and the Reinvestment Offer) must be submitted through a Syndicate Broker and you should contact your Syndicate Broker for instructions on how to apply.

The Offer does not contain a specific offer for securityholders of ANZ or ANZ Holdings and Eligible CN3 Holders cannot apply directly to ANZ to participate in the Reinvestment Offer.

For more information on who is eligible to apply for Notes under the Offer and how to make an Application – read Section 4.

Application Forms

The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to or accompanied by a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Providing personal information

You will be asked to provide personal information to ANZ (directly or via its agents) if you apply for the Notes. See Sections 4.3 and 8.11 for information on how ANZ (and its agents) collect, hold, use and disclose this personal information.

No representations other than in this Prospectus You should rely only on information in this Prospectus.

No person is authorised to provide any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by ANZ in connection with the Offer.

The financial information provided in this Prospectus is for information purposes only and is not a forecast of operating results to be expected in future periods.

Diagrams

The diagrams used in this Prospectus are illustrative only. They may not necessarily be shown to scale.

GUIDANCE FOR INVESTORS

<p>Read this Prospectus in full</p>	<p>This Prospectus is important and you should read it in its entirety.</p> <p>In considering whether to apply for Notes, it is important that:</p> <ul style="list-style-type: none"> • if you are a Retail Investor, you are within the Notes Target Market. The Notes Target Market is set out in Section 4.1. If you are a Retail Investor, you can only apply for the Notes if you are within the Notes Target Market and have received professional advice in relation to your Application (see below for further details); and • you consider all risks and other information regarding an investment in Notes in light of your particular objectives, financial situation and needs, as the Offer and the information in this Prospectus do not take into account those objectives and circumstances.
<p>Understand the risks</p>	<p>The Notes are complex, involve increased risks (outlined below) compared to other less risky and less complex bank investments such as deposits and are not suitable for investors outside the Notes Target Market. You should not see the Notes as an alternative to investments such as deposits.</p> <p>The overall complexity of the Notes may make the Note Terms difficult to understand.</p> <p>The Notes are not guaranteed or insured by any government, government agency, compensation scheme or by ANZ Holdings or any other person.</p> <p>If ANZ encounters severe financial difficulty, the Notes may be Converted into ANZ Holdings Ordinary Shares or Written-Off and you may suffer a loss of your investment as a consequence.</p> <p>Distributions on the Notes may not be paid.</p> <p>The Notes may never Convert or be Redeemed and may remain on issue indefinitely.</p> <p>The market price of Notes may move up and down.</p> <p>The liquidity of the Notes may be low and you may be unable to sell Notes.</p> <p>If you do not fully understand how the Note Terms work or the risks associated with the Notes, you should not invest in them.</p>
<p>Speak to your Syndicate Broker or professional adviser</p>	<p>If you wish to apply for Notes, you must speak to your Syndicate Broker. All Applications must be submitted through a Syndicate Broker. No Applications can be made directly to ANZ.</p> <p>If you are a Retail Investor and you wish to participate in the Offer, you must seek professional advice as to whether you are within the Notes Target Market and whether the investment in the Notes is suitable in light of your particular objectives, financial situation and needs. You can only apply for the Notes if you are within the Notes Target Market and you have received personal advice from a licensed professional adviser.</p> <p>If you have any questions about the Offer, the Notes or the Notes Target Market, you should also contact your Syndicate Broker or seek advice from a professional adviser who is licensed by ASIC to give that advice.</p> <p>ASIC has published guidance on how to choose a professional adviser on its MoneySmart website. You can also search 'choosing a financial adviser' at moneysmart.gov.au.</p>
<p>Consider the ASIC guidance for Retail Investors</p>	<p>ASIC has warned investors to be cautious in relation to investments in hybrid securities (such as the Notes). Investors should consider the ASIC guidance on hybrid securities which is published on ASIC's MoneySmart website. You can find this guidance by searching 'hybrid securities and notes' at moneysmart.gov.au. The guidance includes a series of questions you should ask before you invest in hybrid securities.</p>
<p>Learn more about investing in bank hybrid securities</p>	<p>ANZ has developed a website containing an introductory guide to bank hybrid securities which may assist you to better understand bank hybrid securities, their features and their risks. The guide explains the different ways you may invest in a bank, including by depositing money or investing in securities issued by a bank.</p> <p>The guide is available at shareholder.anz.com/education/hybrids.</p>
<p>Obtain further information about ANZ, ANZ Holdings and ANZ Capital Notes 8</p>	<p>ANZ and ANZ Holdings are subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Each of ANZ and ANZ Holdings must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about it that a reasonable person would expect to have a material effect on the price or value of its securities.</p> <p>Copies of documents lodged with ASIC which are publicly available can be obtained from ASIC's website asic.gov.au (a fee may apply) and the ASX announcements of ANZ and ANZ Holdings may be viewed at asx.com.au.</p>
<p>Enquiries</p>	<p>If you have any questions in relation to the Offer or an Application, please call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8.30am to 5.30pm) or contact your Syndicate Broker or other professional adviser who is licensed by ASIC to give such advice.</p>

IMPACT OF THE DDO REGIME

ANZ Capital Notes 8 will be the second issue of capital notes by ANZ subject to the DDO regime. The DDO Regime is intended to help Retail Investors obtain suitable financial products and imposes obligations that impact how the Offer is made. The DDO Regime does not apply to or restrict the distribution of ANZ Capital Notes 8 to Wholesale Investors.

As the DDO Regime applies to the Offer, ANZ is required to make the Target Market Determination which describes, among other things:

- the class of Retail Investors that comprise the target market for ANZ Capital Notes 8 (**Notes Target Market**); and
- the conditions on how ANZ Capital Notes 8 are to be distributed under the Offer to help make it likely that Retail Investors who acquire ANZ Capital Notes 8 under the Offer are within that Notes Target Market.

As further described below, in response to the DDO Regime and consistent with the CN7 offer:

- ANZ has made the decision not to include a specific offer for ANZ securityholders and not to allow Eligible CN3 Holders to apply directly to ANZ to participate in the Reinvestment Offer;
- ANZ Capital Notes 8 will only be available to investors who satisfy certain eligibility criteria; and
- all Applications must be submitted through a Syndicate Broker.

Requirements under the DDO Regime

The DDO Regime requires issuers of financial products to make a “target market determination” and to take reasonable steps that will, or are reasonably likely to, result in the distribution of financial products to Retail Investors being consistent with that target market determination.

The DDO Regime does not restrict trading in ANZ Capital Notes 8 once issued. All investors will be able to buy and sell ANZ Capital Notes 8 on the ASX at the prevailing market price in the usual course once ANZ Capital Notes 8 commence trading on the ASX, even if they are not a client of a Syndicate Broker. Investors who choose to buy and sell ANZ Capital Notes 8 on the ASX may be required to pay applicable brokerage.

What does this mean for ANZ Capital Notes 8?

The way the Offer will be conducted is consistent with the CN7 offer. However, a number of changes have been made to the way the Offer is conducted compared to other previous ANZ retail hybrid security offers, including the CN3 offer.

Applications can only be made through a Syndicate Broker

All Applications must be submitted through a Syndicate Broker and you must contact your Syndicate Broker for instructions on how to apply.

Not all brokers will be Syndicate Brokers. The Syndicate Brokers are the Joint Lead Managers, the Co-Managers and any other Participating Brokers in the Offer.

Notes Target Market

The Notes Target Market describes the class of Retail Investors for whom an investment in ANZ Capital Notes 8 is likely to be consistent with their investment objectives, financial situation and particular needs.

The Notes Target Market is set out in Section 4.1 and a copy of the Target Market Determination is available at capitalnotes.anz.com.

Distribution conditions

The Target Market Determination also sets out distribution conditions under which ANZ Capital Notes 8 can be distributed to Retail Investors to help make it likely that those Retail Investors are in the Notes Target Market.

Eligible Retail Investors

Retail Investors who are clients of a Syndicate Broker and have received personal advice from a qualified financial adviser in connection with the Offer and meet the other eligibility criteria.

Ineligible Retail Investors

- Retail Investors who are not clients of a Syndicate Broker.
- Retail Investors who have not received personal advice from a qualified financial adviser in connection with the Offer.
- Retail Investors who do not meet the other eligibility criteria.

If you do not fully understand how ANZ Capital Notes 8 work or the risks associated with them or if you have any questions about the Offer, ANZ Capital Notes 8 or the Notes Target Market, you should contact your Syndicate Broker or a qualified financial adviser. You can also call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (outside Australia) (Monday to Friday, 8.30am – 5.30pm).

Information about how to apply is provided in Section 4.

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KEY DATES

KEY DATES FOR THE OFFER	DATE
Record date for determining Eligible CN3 Holders for the Reinvestment Offer (relevant CN3 must also be held on the Closing Date for the Reinvestment Offer)	7.00pm on 10 February 2023
Lodgement of the Original Prospectus with ASIC	15 February 2023
Bookbuild to determine the Margin and announcement of the Margin	17 February 2023
Lodgement of this Prospectus with ASIC	23 February 2023
Opening Date	23 February 2023
Closing Date for the Reinvestment Offer	5.00pm on 9 March 2023
Closing Date for the New Money Offer	10.00am on 22 March 2023
Issue Date	24 March 2023
ANZ Capital Notes 8 commence trading on the ASX on a normal settlement basis	27 March 2023
Confirmation Statements despatched by	31 March 2023

KEY DATES FOR ANZ CAPITAL NOTES 8	DATE
Record Date for the first Distribution	7.00pm on 8 June 2023
First Distribution Payment Date ¹	20 June 2023
First Optional Exchange Date ²	20 March 2030
Mandatory Conversion Date ³	20 September 2032

1 Distributions are scheduled to be paid quarterly at the end of each Distribution Period (on 20 March, 20 June, 20 September and 20 December each year) subject to ANZ's absolute discretion and the Payment Conditions. If any of these scheduled dates are not Business Days, then the Distribution Payment Date will occur on the next Business Day.

2 20 June 2030 and 20 September 2030 are also Optional Exchange Dates.

3 The Mandatory Conversion Date may be later than 20 September 2032, or may not occur at all if the Mandatory Conversion Conditions are not satisfied.

KEY DATES FOR ANZ CAPITAL NOTES 3 (CN3) HOLDERS

KEY DATES FOR ANZ CAPITAL NOTES 3 (CN3) HOLDERS	DATE
Redemption notice given in respect of CN3	15 February 2023
Last day of trading in CN3	8 March 2023
Record date for the Final CN3 Distribution	7.00pm on 10 March 2023
Payment date for the Final CN3 Distribution ⁴	24 March 2023
Payment date for CN3 Redemption Price	24 March 2023

A reference to time in this Prospectus is to Melbourne, Australia time unless otherwise stated. A reference to \$, A\$, AUD, dollars and cents is to Australian currency unless otherwise stated. Unless otherwise stated, all figures have been rounded to two decimal places.

Dates may change

The key dates for the Offer including the Reinvestment Offer are indicative only and may change without notice (other than the dates that have passed and the key dates in connection with the CN3 Redemption which are fixed, unless CN3 are required to be converted or written-off before 24 March 2023 or APRA revokes its approval of the CN3 Redemption).

ANZ and the Joint Lead Managers may bring forward or extend any Closing Date without notice, or withdraw the Offer at any time before the Notes are issued.

You are encouraged to apply as soon as possible.

⁴ Payment of the Final CN3 Distribution is subject to the payment conditions in the CN3 terms and ANZ's absolute discretion.

**SECTION 01****INVESTMENT
OVERVIEW**

**THIS SECTION PROVIDES A SUMMARY
OF THE KEY FEATURES AND RISKS OF
ANZ CAPITAL NOTES 8.**

IF YOU WISH TO APPLY FOR NOTES,
IT IS IMPORTANT THAT YOU FIRST READ
THIS PROSPECTUS (INCLUDING THE NOTES
TARGET MARKET) IN FULL. IF YOU HAVE
ANY QUESTIONS ABOUT THE OFFER, THE
NOTES OR THE NOTES TARGET MARKET,
YOU SHOULD CONTACT YOUR SYNDICATE
BROKER OR SEEK ADVICE FROM A
PROFESSIONAL ADVISER WHO IS
LICENSED BY ASIC TO GIVE THAT ADVICE.

1.1 KEY FEATURES OF THE OFFER AND ANZ CAPITAL NOTES 8

Topic	Summary	Where to find more information
Issuer	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ). ANZ is an ADI and a subsidiary of ANZ Holdings. ANZ Holdings is the non-operating holding company of ANZ Group. ANZ Holdings does not guarantee or otherwise provide any assurance in respect of the Notes.	Section 5
Type of instrument	<p>ANZ Capital Notes 8 are:</p> <ul style="list-style-type: none"> • fully paid – at \$100 per Note; • convertible – in certain circumstances, the Notes will Convert into ANZ Holdings Ordinary Shares; • redeemable and resaleable – in certain circumstances, ANZ may be permitted to repay the Face Value of the Notes or transfer the Notes to a third party (but there are significant restrictions on repayment or transfer of the Notes); • non-cumulative – Distributions are discretionary and unpaid Distributions do not accumulate. Holders will not have any right to compensation if ANZ does not pay a Distribution; • perpetual – the Notes do not have any fixed maturity date and could remain on issue indefinitely if they are not Converted or Redeemed (in which case you would not receive your capital back or be issued any ANZ Holdings Ordinary Shares); • unsecured – they are not secured, are not deposit liabilities of ANZ or ANZ Holdings are not protected accounts for the purposes of the Banking Act and are not guaranteed by ANZ Holdings or any other person; • subordinated – subordinated to the claims of Senior Creditors (including ANZ depositors) in a winding-up, but rank equally with Equal Ranking Instruments and ahead of ANZ Ordinary Shares; • exposed to Trigger Events – where a Trigger Event occurs (which includes where ANZ encounters severe financial difficulty), the Notes are subject to Conversion into ANZ Holdings Ordinary Shares or Write Off, in which case Holders are likely to suffer loss; and • listed – ANZ has applied for Notes to be listed on ASX and Notes are expected to trade under ASX code “AN3PK”. <p>The Note Terms are complex and derive from the detailed capital requirements which APRA applies to these instruments, including that the Notes absorb losses by being Converted or Written Off where a Trigger Event (including severe financial difficulty) occurs. In this way, the Notes and ANZ’s other regulatory capital instruments help to protect ANZ’s depositors and Senior Creditors from losses ANZ may incur.</p> <p>ANZ’s ability to pay a Distribution or to Convert, Redeem or Resell the Notes at its option are in each case subject to a number of restrictions, including, in the case of payment of a Distribution, APRA not objecting to the Distribution and, in the case of Conversion, Redemption or Resale, APRA giving its prior written approval to the Conversion, Redemption or Resale.</p>	
Offer size	<p>\$1.5 billion, with the ability to raise more or less.</p> <p>There is no minimum subscription amount under the Offer.</p>	
Face Value	\$100 per Note. This is the price you need to pay to apply for each Note under this Prospectus.	
Purpose of the Offer	ANZ is issuing the Notes to help meet the capital requirements for ADIs set by APRA. APRA requires ANZ to maintain a level of regulatory capital to help promote the stability of ANZ and protect ANZ’s depositors and other creditors.	

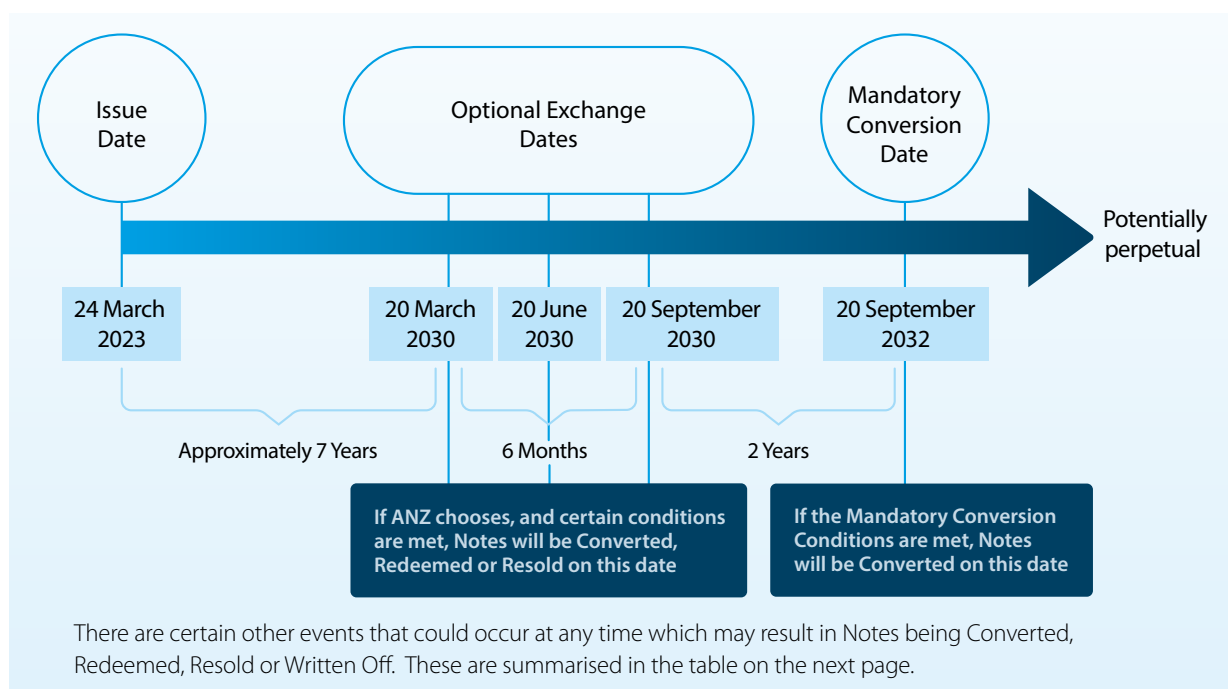
Topic	Summary	Where to find more information
Regulatory treatment	APRA has confirmed that the Notes will constitute Additional Tier 1 Capital for the purposes of ANZ's regulatory capital requirements.	
Use of proceeds	ANZ will use the proceeds of the Offer to refinance CN3 and for general corporate purposes.	
Distributions	<p>Distributions are cash payments on the Notes which are scheduled to be paid quarterly until all Notes are Converted or Redeemed.</p> <p>The Distribution Rate is calculated in accordance with the following formula:</p> <p>Distribution Rate = (BSW Rate + Margin) x (1 – Tax Rate)</p> <p>Where:</p> <ul style="list-style-type: none"> • Margin is 2.75%, as determined under the Bookbuild; and • Tax Rate is the Australian corporate tax rate applicable to the franking account of ANZ Holdings as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%. 	Section 2.1
Franking	<p>Distributions paid on the Notes are expected to be franked at the same rate as dividends on ANZ Holdings Ordinary Shares.</p> <p>The effect of the Distributions being franked is to reduce the cash amount received by Holders on each Distribution Payment Date by an amount equal to the relevant level of franking. If a Distribution is not fully franked, the cash amount of the Distribution will be increased to compensate the Holder for the unfranked component.</p> <p>If Distributions are franked, the value and availability of franking credits to a Holder will depend on that Holder's particular circumstances and the tax rules that apply at the time of each Distribution. The availability of franking credits is not guaranteed and will depend on a number of factors, including the level of profits generated by ANZ Group that will be subject to tax in Australia. Holders should refer to the Australian taxation summary in Section 7.</p>	Section 2.1.3
Payment of Distributions	<p>Payments of Distributions are at the absolute discretion of ANZ, which means ANZ does not have to pay them. Distributions are also only payable if the Payment Conditions are satisfied.</p> <p>Distributions are non-cumulative which means that unpaid Distributions do not accumulate and Holders will not have any right to compensation if ANZ does not pay a Distribution. Failure to pay a Distribution when scheduled will not constitute an event of default.</p> <p>If a Distribution is not paid in full on a Distribution Payment Date, subject to certain exceptions, ANZ cannot pay or resolve to pay any ANZ Ordinary Share Dividend, or undertake any Buy-Back (as defined in the Note Terms) or Capital Reduction, until and including the next Distribution Payment Date (unless the Distribution is paid in full within 3 Business Days of the Distribution Payment Date). There are no equivalent restrictions on ANZ Holdings.</p>	Sections 2.1.5 – 2.1.9
Distribution Payment Dates	<p>The Distribution Payment Dates are, generally, 20 March, 20 June, 20 September and 20 December.</p> <p>The first Distribution is scheduled to be paid on 20 June 2023. You should note that the first Distribution Period is shorter than the normal Distribution Period.</p>	Section 2.1.5

1.1 KEY FEATURES OF THE OFFER AND ANZ CAPITAL NOTES 8 (CONT)

Topic	Summary	Where to find more information
Do ANZ Capital Notes 8 have a maturity date?	<p>Holders should be aware that the Notes do not have a fixed maturity date. While the Notes are scheduled to Convert into ANZ Holdings Ordinary Shares on 20 September 2032, that Conversion is subject to conditions which may never be met. Accordingly, if the Notes are not Exchanged (via Conversion, Redemption or Resale), they could remain on issue indefinitely. Holders have no right to request or require an Exchange.</p> <p>It is expected that the Notes will be quoted on ASX. Unless an Exchange occurs, Holders would need to sell their Notes on ASX at the prevailing market price to realise their investment. That market price may be less than the Face Value, or there may be no liquid market in the Notes which may result in Holders suffering a loss.</p>	Sections 2.2 – 2.5
Role of ANZ Holdings	<p>ANZ Holdings is not the issuer of the Notes and does not guarantee or provide any assurance in respect of, ANZ's obligations under the Note Terms.</p> <p>Under the Capital Notes 8 Deed Poll, ANZ Holdings agrees to Convert the Notes into ANZ Holdings Ordinary Shares when required to do so under the Terms and otherwise to comply with the Terms.</p> <p>If a Note is Converted, on the Conversion date:</p> <ul style="list-style-type: none"> the Note will be automatically transferred from the Holder to ANZ Holdings; and ANZ Holdings will issue to the Holder the number of ANZ Holdings Ordinary Shares calculated in accordance with the Note Terms. <p>ANZ does not guarantee or otherwise provide assurance in respect of ANZ Holdings' obligations in connection with Conversion.</p>	Section 2.2.5

1.2 SUMMARY OF CERTAIN EVENTS THAT MAY OCCUR WHILE THE ANZ CAPITAL NOTES 8 ARE ON ISSUE

The diagram and table below summarise certain events that may occur while the ANZ Capital Notes 8 are on issue, and what Holders may receive if those events occur. The events depend on a number of factors including ANZ Holdings' share price, the occurrence of contingencies and in some cases election by ANZ. As a result the events may not occur.



There are certain other events that could occur at any time which may result in Notes being Converted, Redeemed, Resold or Written Off. These are summarised in the table on the next page.

What can happen?	When does this happen?	Is APRA approval needed? ⁵	Do conditions apply?	What value will you receive for each Note if this happens?	In what form will that value be provided?
Mandatory Conversion	On 20 September 2032 (if the Mandatory Conversion Conditions are satisfied on that date) or the first Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied	No	Yes	Approximately \$101 ⁶	Variable number of ANZ Holdings Ordinary Shares
Optional Conversion	20 March 2030, 20 June 2030 or 20 September 2030	Yes	Yes	Approximately \$101 ⁶	Variable number of ANZ Holdings Ordinary Shares
Optional Redemption	20 March 2030, 20 June 2030 or 20 September 2030	Yes	Yes	\$100	Cash
Optional Resale	20 March 2030, 20 June 2030 or 20 September 2030	Yes	No	\$100	Cash
Conversion in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	Yes	Approximately \$101 ^{6,7}	Variable number of ANZ Holdings Ordinary Shares
	If a Change of Control Event occurs	No	Yes	Approximately \$101 ^{6,7}	Variable number of ANZ Holdings Ordinary Shares
	If a Trigger Event occurs	No	No	Depending on the market price of the ANZ Holdings Ordinary Shares, Holders are likely to receive significantly less than approximately \$101 ^{8,9,10}	Variable number of ANZ Holdings Ordinary Shares, capped at the Maximum Conversion Number ¹⁰
Redemption in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	Yes	\$100 ⁷	Cash
Resale in other circumstances	If a Tax Event or Regulatory Event occurs	Yes	No	\$100 ⁷	Cash

5 Holders should not expect that APRA's approval will be given if requested.

6 On the basis of the Conversion calculations, the value of ANZ Holdings Ordinary Shares received on Conversion may be worth more or less than approximately \$101. The number of ANZ Holdings Ordinary Shares that Holders will receive will not be greater than the Maximum Conversion Number.

7 If an Exchange occurs on a day that is not a scheduled quarterly Distribution Payment Date, Holders whose Notes are being Exchanged will also receive a Distribution in respect of these Notes for the period from the immediately preceding Distribution Payment Date to (but excluding) the date on which the Exchange occurs (at ANZ's discretion and provided the conditions to payment are met).

8 Section 6.1.11 provides further detail on the circumstances in which Holders are likely to receive significantly less than \$101 following Conversion due to a Trigger Event.

9 If a Note is Written Off, that Note will not be Converted or Exchanged, all rights (including to Distributions) in respect of that Note will be terminated, and the Holder will not have their capital repaid.

10 However, if the Notes are not Converted for any reason (including an Inability Event) into ANZ Holdings Ordinary Shares within 5 Business Days after a Trigger Event Conversion Date, the Notes will be Written Off, meaning the Notes will never Convert or be Exchanged, all rights (including to Distributions) in respect of the Notes will be terminated and the Holder will not have their capital repaid.

1.3 RANKING OF NOTES IN A WINDING-UP OF ANZ

The table below illustrates how the Notes would rank upon a winding-up of ANZ, if they are on issue at the time. In the table, a 'higher ranking' obligation is one which will be paid out of ANZ's available assets in a winding-up before obligations with a lower ranking. It may be that lower ranking securityholders, including Holders, will only have part or none of their obligations paid (in the case of Holders, the claim for the Face Value), as there may be insufficient assets remaining to do so after higher ranking obligations have been paid.

As shown in the table below, in a winding-up of ANZ, the Notes rank ahead of ANZ's Ordinary Shares, equally among themselves, equally with Equal Ranking Instruments (including ANZ Capital Securities) and behind all Senior Creditors of ANZ, including depositors.

		Examples	Examples of existing ANZ obligations and securities ¹¹
Higher ranking/ earlier priority	Senior creditors	Liabilities preferred by law and secured debt	Liabilities in Australia in relation to protected accounts under the Banking Act (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements and secured creditors
		Unsubordinated unsecured debt	Bonds and notes, trade and general creditors. This includes covered bonds which are an unsecured claim on ANZ, though they are secured over assets that form part of the Group
		Subordinated unsecured debt	Subordinated unsecured debt obligations
Lower ranking/ later priority	Lower ranking obligations	Preference shares and other equally ranked instruments	ANZ Capital Notes 8 and ANZ Capital Securities (in each case if they have not been converted into ANZ Holdings Ordinary Shares) Where Holders have received ANZ Holdings Ordinary Shares on Conversion, Holders have the claims of holders of ANZ Holdings Ordinary Shares. If, following a Trigger Event, Notes are Written Off, Holders have no claim at all on ANZ or ANZ Holdings (even though ANZ Holdings Ordinary Shares will still be on issue), and they are likely to be worse off than holders of ANZ Holdings Ordinary Shares or ANZ Ordinary Shares
		ANZ Ordinary Shares	ANZ Ordinary Shares

¹¹ This is a very simplified capital structure of ANZ and does not include every type of security or other obligation issued by ANZ. ANZ has the right to issue further debt, deposits or other obligations or securities of any kind at any time. ANZ Capital Notes 8 do not limit the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by ANZ at any time.

1.4 DIFFERENCES BETWEEN THE NOTES AND OTHER TYPES OF INVESTMENTS IN ANZ AND ANZ HOLDINGS

ANZ Capital Notes 8 are different from and higher risk than term deposits. They are also different from ANZ Capital Securities (including CN3 and CN7) and ANZ Holdings Ordinary Shares. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding to apply for Notes. A table highlighting the key differences between the Notes and CN3 is set out in Section 3.2.

	Term deposit	CN7	ANZ Capital Notes 8	ANZ Holdings Ordinary Shares
Protected under the Financial Claims Scheme	Yes ¹²	No	No	No
Margin	Varies from product to product	2.70%	2.75%, as determined under the Bookbuild	N/A
Distribution/dividend rate	Fixed	Floating	Floating	Variable – as determined by ANZ Holdings
Distribution/dividend payment dates	Often at the end of term or per annum	Quarterly	Quarterly	Generally half-yearly – as determined by ANZ Holdings in its absolute discretion
Conditions to payment of distributions/dividends	None, subject to applicable laws and any specific conditions	Yes, subject to ANZ's absolute discretion and payment conditions	Yes, subject to ANZ's absolute discretion and Payment Conditions	Yes, subject to ANZ Holdings' absolute discretion and applicable laws and regulations
Distribution/dividend restriction if distribution/dividend not paid	No	Yes, applies to ANZ Ordinary Shares until the next quarterly distribution payment date	Yes, applies to ANZ Ordinary Shares until the next quarterly Distribution Payment Date	No
Frankable distribution/dividend	No – interest payments are not franked	Frankable and grossed up for a non franked portion	Frankable and grossed up for a non franked portion	Frankable
Quoted on ASX	No	Yes, quoted as "AN3PJ"	Yes, ANZ Capital Notes 8 are expected to be quoted as "AN3PK"	Yes – quoted as "ANZ"
Term	Often between 1 month and 5 years	Perpetual, subject to mandatory conversion into ANZ Holdings Ordinary Shares on 20 September 2031 (approximately 9.5 years after its issue date)	Perpetual, subject to Mandatory Conversion into ANZ Holdings Ordinary Shares on 20 September 2032 (approximately 9.5 years after the Issue Date)	Perpetual
Mandatory conversion into ANZ Holdings Ordinary Shares	No	Yes	Yes See Section 2.2	N/A

¹² This is subject to a limit, currently fixed at \$250,000 for the aggregate of the customer's accounts with an ADI declared subject to the Financial Claims Scheme.

	Term deposit	CN7	ANZ Capital Notes 8	ANZ Holdings Ordinary Shares
APRA written approval required for conversion, redemption or resale (if applicable)	N/A	Yes ¹³	Yes ¹⁴	N/A
ANZ's early conversion option	No	Yes	Yes See Section 2.3	N/A
ANZ's early redemption option	No	Yes	Yes See Section 2.3	No
ANZ's resale rights	No	Yes	Yes See Section 2.3	No
Other ANZ early redemption options	No	Yes	Yes See Section 2.3	No
Trigger Event	No	Yes	Yes See Section 2.5	N/A
Voting rights	N/A	No right to vote at general meeting of holders of ANZ Holdings Ordinary Shares or ANZ Ordinary Shares	No right to vote at general meeting of holders of ANZ Holdings Ordinary Shares or ANZ Ordinary Shares	Right to vote at general meeting of holders of ANZ Holdings Ordinary Shares
Ranking	Refer to Section 1.3			

1.5 KEY RISKS OF ANZ CAPITAL NOTES 8

Before deciding whether to apply for Notes, you should consider whether the Notes are a suitable investment for you. There are risks associated with investing in Notes, in ANZ and in the ANZ Group generally. Many of those risks are outside the control of ANZ, ANZ Holdings and their respective directors. The key risks are detailed in Section 6 and you should read that section in full before deciding to invest. The table below outlines the key risks associated with an investment in the Notes.

Topic	Summary	Where to find more information
ANZ Capital Notes 8 are not deposit liabilities or protected accounts	ANZ Capital Notes 8 are not deposit liabilities of ANZ or ANZ Holdings, are not protected accounts for the purposes of the Banking Act or any other accounts with ANZ or ANZ Holdings and are not guaranteed or insured by ANZ Holdings or any other person.	Section 6.1.16

¹³ Except for conversion on a mandatory conversion date, common equity capital trigger event, non-viability trigger event or change of control event (each as defined in the CN7 terms).

¹⁴ Except for Conversion on a Mandatory Conversion Date, Common Equity Capital Trigger Event, Non-Viability Trigger Event or Change of Control Event.

Topic	Summary	Where to find more information
Financial market conditions and liquidity of Notes	<p>The market price of the Notes may move up or down due to various factors that affect financial market conditions. It is possible that the Notes may trade at a market price below their Face Value of \$100. This means that Holders who seek to sell their Notes at that time may do so at a loss.</p> <p>The liquidity of the Notes may be low and the market for the Notes may be volatile. This means that Holders may not be able to sell their Notes at an acceptable price, at or above Face Value or at all. The market for the Notes may be less liquid and/or more volatile than the market for ANZ Holdings Ordinary Shares or other securities issued by ANZ, ANZ Holdings or other entities.</p>	Sections 6.1.1 and 6.1.3
Distributions may not be paid	<p>There is a risk that Distributions may not be paid. If a Distribution is not paid in full on a Distribution Payment Date, Holders have no claim or entitlement in respect of non-payment nor any right to receive that Distribution at any later time. Non-payment is not an event of default.</p>	Section 6.1.6
Changes in Distribution Rate	<p>The Distribution Rate will move up or down over time as a result of movements in the BBSW Rate. There is a risk that the Distribution Rate may become less attractive when compared to the rates of return available on other investments.</p>	Section 6.1.8
Mandatory Conversion may not occur on the Mandatory Conversion Date	<p>ANZ Capital Notes 8 have no fixed maturity date but will Convert into ANZ Holdings Ordinary Shares on 20 September 2032 if the Mandatory Conversion Conditions are satisfied, unless Notes are otherwise Exchanged on or before that date.</p> <p>If these conditions are not met on 20 September 2032, Conversion will occur on the next Distribution Payment Date on which they are satisfied. There is a risk that Conversion will not occur because the Mandatory Conversion Conditions are not satisfied.</p> <p>If the Mandatory Conversion Conditions are never satisfied there is a risk that the Notes may never Convert and could remain on issue indefinitely.</p>	Sections 2.2.2 and 6.1.10
Holdings have no right to request early Exchange	<p>Holdings have no right to request that their Notes be Exchanged. Unless their Notes are Exchanged, to realise their investment, Holdings would need to sell their Notes on the ASX at the prevailing market price. That price may be less than the Face Value, and there may be no liquid market in the Notes. The Note Terms contain no events of default.</p>	Section 6.1.12
Mandatory Conversion or Write Off following a Trigger Event	<p>If a Trigger Event occurs and Notes are Converted, the number of ANZ Holdings Ordinary Shares a Holder will receive for each Note is limited to the Maximum Conversion Number. This means that, depending on the market price of ANZ Holdings Ordinary Shares at the time, Holdings are likely to receive significantly less than approximately \$101 worth of ANZ Holdings Ordinary Shares per Note and to suffer loss as a consequence. Where Conversion is not effected within five Business Days after the Trigger Event Conversion Date for any reason (including an Inability Event), the Notes will be Written Off. This means that those Notes will never Convert or be Exchanged and all rights (including to Distributions and to Face Value in respect of those Notes) will be terminated with effect on and from the Trigger Event Conversion Date. A Holder's investment will lose all of its value, they will not have their capital repaid and they will not receive any compensation.</p> <p>A Trigger Event may occur at any time.</p>	Sections 2.5 and 6.1.11
Ranking in a winding-up of ANZ	<p>On a winding-up of ANZ, the Notes rank for payment ahead of ANZ Ordinary Shares, equally among themselves, equally with Equal Ranking Instruments (including ANZ Capital Securities), and behind all Senior Creditors, including depositors. This means that, on a winding-up, there is a risk that Holdings will lose all or some of their investment. If the Notes have been Converted into ANZ Holdings Ordinary Shares prior to a winding-up of ANZ, the ANZ Holdings Ordinary Shares received on Conversion will rank equally with other ANZ Holdings Ordinary Shares. If Notes are Written Off, those Notes will never Convert or be Exchanged and Holdings will not have their capital repaid at all.</p>	Section 6.1.16

Topic	Summary	Where to find more information
ANZ and ANZ Holdings may issue further securities	There is no limit on the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by ANZ or ANZ Holdings at any time, which may affect a Holder's ability to be repaid on a winding-up of ANZ or a Holder's interest in ANZ Holdings on Conversion.	Section 6.1.21
Fluctuation in ANZ Holdings Ordinary Share price	The market price of the Notes may be significantly impacted by the market price of ANZ Holdings Ordinary Shares. The market price of ANZ Holdings Ordinary Shares will move up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions, ANZ Group's financial performance and position, and transactions affecting the share capital of ANZ Holdings. As a result, the price used to calculate the number of ANZ Holdings Ordinary Shares received by Holders upon Conversion may also be different to the market price of the ANZ Holdings Ordinary Shares when they are issued or thereafter.	Sections 6.1.3, 6.1.5 and 6.1.10
Financial performance and position of ANZ and ANZ Holdings	<p>The market price of the Notes (and the ANZ Holdings Ordinary Shares into which they can Convert) may be affected by ANZ's and ANZ Group's financial performance and position. For specific risks associated with an investment in ANZ and the ANZ Group generally, see Section 6.2.</p> <p>ANZ and ANZ Group's financial performance and position may also affect any credit ratings associated with ANZ's and ANZ Holdings' securities, which may impact the market price and liquidity of the Notes. Any credit rating applicable to ANZ and ANZ Holdings may be revised, withdrawn or suspended by ratings agencies at any time.</p>	Section 6.2

1.6 WHAT IS THE OFFER AND HOW DO I APPLY?

Topic	Summary	Where to find more information
Notes Target Market	<p>ANZ has made a target market determination for ANZ Capital Notes 8 in accordance with its obligations under the DDO Regime (Target Market Determination).</p> <p>The Target Market Determination describes, among other things, the class of Retail Investors that comprise the target market for ANZ Capital Notes 8 (Notes Target Market).</p> <p>That Notes Target Market is set out in Section 4 and a copy of the Target Market Determination is available at capitalnotes.anz.com.</p> <p>If you are a Retail Investor and wish to apply for Notes:</p> <ul style="list-style-type: none"> • you must seek professional advice as to whether you are within the Notes Target Market and whether the investment in the Notes is suitable in light of your particular objectives, financial situation and needs; and • you can only apply for the Notes if you are within the Notes Target Market and have received such advice. 	Section 4
Offer structure	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • a Reinvestment Offer; • a New Money Offer; and • an Institutional Offer. <p>Information about the different types of offers and how to apply is set out in Section 3 and Section 4.</p>	Sections 3 and 4

Topic	Summary	Where to find more information
Reinvestment Offer	<p>On 15 February 2023, ANZ (acting through its New Zealand branch) issued a redemption notice in accordance with the CN3 terms. That notice confirms that on 24 March 2023, ANZ will redeem all CN3 for their face value of \$100 per CN3 (CN3 Redemption Price).</p> <p>The Reinvestment Offer provides Eligible CN3 Holders with the opportunity to reinvest some or all of their CN3 Redemption Proceeds into ANZ Capital Notes 8.</p> <p>Eligible CN3 Holders can also apply for additional Notes under the New Money Offer.</p> <p>For information on the Reinvestment Offer, including the options available to Eligible CN3 Holders, see Section 3. All Applications for the Reinvestment Offer must be submitted through a Syndicate Broker.</p>	Section 3
Final CN3 Distribution	<p>The Final CN3 Distribution of \$2.4408 per CN3 is scheduled to be paid on all CN3 on 24 March 2023.</p> <p>If you hold CN3 on the record date for the Final CN3 Distribution (which is 7.00pm on 10 March 2023), then you will receive the Final CN3 Distribution irrespective of whether you are participating in the Reinvestment Offer or not (subject to the payment conditions in the CN3 terms and ANZ's absolute discretion).</p>	Section 3.1.7
How to apply	You can only apply for Notes through a Syndicate Broker. See Sections 3 and 4 for further details.	Sections 3 and 4
Minimum Application	<p>Your Application must be for a minimum of 50 Notes (\$5,000).</p> <p>If you are an Eligible CN3 Holder and own less than 50 CN3, you can still apply for Notes under the Reinvestment Offer but you must apply to reinvest all of your CN3.</p>	Sections 3 and 4
Allocation policy	<ul style="list-style-type: none"> • Allocations to Institutional Investors were determined by ANZ and ANZ Securities following completion of the Bookbuild. • Allocations to Syndicate Brokers were determined by ANZ in consultation with the Joint Lead Managers following completion of the Bookbuild. • Allocations to applicants by a Syndicate Broker (including in respect of Applications under the Reinvestment Offer) are at the discretion of that Syndicate Broker. It is possible for Applications to be scaled back by a Syndicate Broker. ANZ takes no responsibility for any allocation, scale back or rejection that is decided by a Syndicate Broker. 	Section 4.4.3
More information	If you have any questions about the Offer or how to apply for the Notes, please call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8.30am to 5.30pm) or contact your Syndicate Broker or other professional adviser who is licensed by ASIC to give such advice.	



02

SECTION 02

ABOUT ANZ CAPITAL NOTES 8

THIS SECTION IS AN OVERVIEW OF THE KEY FEATURES OF ANZ CAPITAL NOTES 8.

WHERE INDICATED, MORE DETAILED INFORMATION IS PROVIDED IN OTHER SECTIONS OF THIS PROSPECTUS AND THE NOTE TERMS.

IF YOU WISH TO APPLY FOR NOTES, IT IS IMPORTANT THAT YOU FIRST READ THIS PROSPECTUS (INCLUDING THE NOTES TARGET MARKET) IN FULL. IF YOU HAVE ANY QUESTIONS ABOUT THE OFFER, THE NOTES OR THE NOTES TARGET MARKET, YOU SHOULD CONTACT YOUR SYNDICATE BROKER OR SEEK ADVICE FROM A PROFESSIONAL ADVISER WHO IS LICENSED BY ASIC TO GIVE THAT ADVICE.

KEY QUESTIONS ABOUT ANZ CAPITAL NOTES 8

2.1 Distributions

- 2.1.1. How will the Distribution Rate be calculated?
- 2.1.2. How will the Distribution be calculated for each Distribution Period?
- 2.1.3. What is the impact of franking credits?
- 2.1.4. What is the BBSW Rate?
- 2.1.5. When are the Distribution Payment Dates?
- 2.1.6. What are the Payment Conditions?
- 2.1.7. What is the Distribution Restriction and when will it apply?
- 2.1.8. Are any deductions made on the Distributions?
- 2.1.9. How will Distributions be paid?

2.2 Mandatory Conversion

- 2.2.1. When is the Mandatory Conversion Date?
- 2.2.2. What are the Mandatory Conversion Conditions?
- 2.2.3. What are the reasons for the Mandatory Conversion Conditions?
- 2.2.4. Until when is Mandatory Conversion deferred if the Mandatory Conversion Conditions are not satisfied?
- 2.2.5. How does Conversion occur?
- 2.2.6. How many ANZ Holdings Ordinary Shares will Holders receive on Mandatory Conversion?
- 2.2.7. What is the Issue Date VWAP?
- 2.2.8. What adjustments to the Issue Date VWAP are made to account for changes to ANZ Holdings' capital and what is their effect?

2.3 Optional Exchange by ANZ

- 2.3.1. What does Exchange mean?
- 2.3.2. When are the Optional Exchange Dates?
- 2.3.3. What is a Tax Event?
- 2.3.4. What is a Regulatory Event?
- 2.3.5. Are there restrictions on which Exchange Method ANZ may choose?
- 2.3.6. What are the conditions or restrictions on Conversion as the Exchange Method?
- 2.3.7. How many ANZ Holdings Ordinary Shares will Holders receive if Conversion is the Exchange Method?
- 2.3.8. Are there any restrictions on Redemption?
- 2.3.9. What happens on Resale?
- 2.3.10. What factors will influence ANZ's decision to Exchange the Notes?
- 2.3.11. Can Holders request Exchange?
- 2.3.12. Purchases

2.4 Conversion following a Change of Control Event

- 2.4.1. When will a Change of Control Event occur?
- 2.4.2. What happens on a Change of Control Event?
- 2.4.3. What are the restrictions on Conversion on a Change of Control Conversion Date?
- 2.4.4. What happens if Conversion does not occur on a Change of Control Conversion Date?

2.5 Automatic Conversion following a Trigger Event

- 2.5.1. What is a Trigger Event?
- 2.5.2. What happens following a Trigger Event?
- 2.5.3. How many ANZ Holdings Ordinary Shares will Holders receive if Notes are Converted on a Trigger Event Conversion Date?
- 2.5.4. What is the Maximum Conversion Number?
- 2.5.5. Is there a worked example illustrating how many ANZ Holdings Ordinary Shares a Holder will receive on Conversion following a Trigger Event?
- 2.5.6. How many Notes need to be Converted or Written Off on the occurrence of a Trigger Event?

2.6 Other

- 2.6.1. Can ANZ issue further Notes or other instruments?
- 2.6.2. What voting rights do Notes carry?
- 2.6.3. Can ANZ amend the Note Terms?
- 2.6.4. What is an Approved Successor Event?
- 2.6.5. What is the ANZ Capital Notes 8 Deed Poll?
- 2.6.6. What if a Holder is not resident in Australia?
- 2.6.7. What happens if FATCA Withholding is required to be made?
- 2.6.8. Where ANZ Holdings Ordinary Shares are issued to a nominee, does the nominee, ANZ or ANZ Holdings have any duties on a sale?
- 2.6.9. Is there a time limit on claims in respect of the Notes?
- 2.6.10. Are determinations by ANZ binding?
- 2.6.11. Does set-off apply to payments in respect of the Notes?
- 2.6.12. What is the power of attorney?
- 2.6.13. What are the tax implications of investing in the Notes?

Topic	Summary	Where to find more information
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2.1 DISTRIBUTIONS

ANZ Capital Notes 8 are expected to pay quarterly floating rate non-cumulative Distributions, which are expected to be franked at the same rate as dividends on ANZ Holdings Ordinary Shares and accordingly Holders are expected to receive a combination of cash Distributions and franking credits until all Notes are Converted, Redeemed or Written Off. Payment of the Distributions is at ANZ's discretion and subject to the payment not resulting in ANZ breaching APRA's capital adequacy requirements or becoming (or being likely to become) insolvent, or APRA objecting to the payment (the **Payment Conditions**). The Payment Conditions are described in Section 2.1.6 below.

Distributions on Notes are based on a floating rate and are non-cumulative. This means that if a Distribution or part of a Distribution is not paid on a Distribution Payment Date, Holders have no claim or entitlement in respect of non-payment nor any right to receive that Distribution at any later time. All payments of Distributions are subject to applicable law.

<p>2.1.1 How will the Distribution Rate be calculated?</p>	<p>The Distribution Rate for each Distribution Period will be set on the first Business Day of each Distribution Period and will be calculated using the following formula:</p> <p>Distribution Rate = (BBSW Rate + Margin) x (1 – Tax Rate) where:</p> <p>BBSW Rate means the BBSW Rate on the first Business Day of the Distribution Period – see Section 2.1.4;</p> <p>Margin is 2.75%, as determined under the Bookbuild; and</p> <p>Tax Rate is the Australian corporate tax rate applicable to the franking account of ANZ Holdings as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%, although the Tax Rate may change in future years – see Section 6.1.19.</p> <p>For example, assuming the BBSW Rate on the first Business Day of the Distribution Period is 3.50% per annum and given the Margin is 2.75% per annum, then the Distribution Rate for that Distribution Period would be calculated as follows:</p> <table border="0" style="width: 100%;"> <tbody> <tr> <td style="width: 60%;">BBSW Rate</td> <td style="text-align: right;">3.5000% per annum</td> </tr> <tr> <td>Plus the Margin</td> <td style="text-align: right;">+ 2.7500% per annum</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Equivalent unfranked distribution rate</td> <td style="text-align: right;">6.2500% per annum</td> </tr> <tr> <td>Multiplied by (1 – Tax Rate)</td> <td style="text-align: right;">x 0.70</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Indicative Distribution Rate</td> <td style="text-align: right;">4.3750% per annum</td> </tr> </tbody> </table>	BBSW Rate	3.5000% per annum	Plus the Margin	+ 2.7500% per annum	<hr/>		Equivalent unfranked distribution rate	6.2500% per annum	Multiplied by (1 – Tax Rate)	x 0.70	<hr/>		Indicative Distribution Rate	4.3750% per annum	<p>Clause 3.1 of the Note Terms</p>
BBSW Rate	3.5000% per annum															
Plus the Margin	+ 2.7500% per annum															
<hr/>																
Equivalent unfranked distribution rate	6.2500% per annum															
Multiplied by (1 – Tax Rate)	x 0.70															
<hr/>																
Indicative Distribution Rate	4.3750% per annum															

Topic	Summary	Where to find more information										
2.1 DISTRIBUTIONS (CONT)												
<p>2.1.2 How will the Distribution be calculated for each Distribution Period?</p>	<p>Distributions scheduled to be paid on each Distribution Payment Date will be calculated using the following formula:</p> $\text{Distribution} = \frac{\text{Face Value} \times \text{Distribution Rate} \times N}{365}$ <p>where:</p> <p>Face Value means \$100 per Note;</p> <p>Distribution Rate means the rate (expressed as a percentage per annum) calculated as set out in Section 2.1.1; and</p> <p>N means the number of days in the Distribution Period calculated as set out in the Note Terms.</p> <p>For example, if the Distribution Rate was 4.3750% per annum and assuming Distributions on the Notes are fully franked, then the cash Distribution on each Note for that Distribution Period (if the Distribution Period was for 91 days) would be calculated as follows:</p> <table border="0" data-bbox="411 920 1161 1126"> <tr> <td>Indicative Distribution Rate</td> <td style="text-align: right;">4.3750% per annum</td> </tr> <tr> <td>Multiplied by the Face Value</td> <td style="text-align: right;">x \$100.00</td> </tr> <tr> <td>Multiplied by the number of days in the Distribution Period¹⁵</td> <td style="text-align: right;">x 91</td> </tr> <tr> <td>Divided by 365</td> <td style="text-align: right;">÷ 365</td> </tr> <tr> <td>Indicative fully franked cash Distribution payment for the Distribution Period per Note</td> <td style="text-align: right;">\$1.0908</td> </tr> </table> <p>Where Distributions are not fully franked, an additional cash payment is made to compensate for the unfranked component. Details of the additional payment are set out in Section 2.1.3.</p> <p>The above example is for illustrative purposes only. Actual Distributions may be higher or lower than this example.</p> <p>The Distribution Rate for the first Distribution Period will be set on the Issue Date and will include the Margin determined under the Bookbuild. You should note that the Distribution Period for the first Distribution is a shorter period of 88 days and Distribution Periods will otherwise generally be 90 to 92 days.</p>	Indicative Distribution Rate	4.3750% per annum	Multiplied by the Face Value	x \$100.00	Multiplied by the number of days in the Distribution Period ¹⁵	x 91	Divided by 365	÷ 365	Indicative fully franked cash Distribution payment for the Distribution Period per Note	\$1.0908	<p>Clauses 3.1, 13 and 17.2 of the Note Terms</p>
Indicative Distribution Rate	4.3750% per annum											
Multiplied by the Face Value	x \$100.00											
Multiplied by the number of days in the Distribution Period ¹⁵	x 91											
Divided by 365	÷ 365											
Indicative fully franked cash Distribution payment for the Distribution Period per Note	\$1.0908											

¹⁵ Distribution Periods will otherwise generally contain 90 to 92 days.

Topic	Summary	Where to find more information												
2.1 DISTRIBUTIONS (CONT)														
2.1.3 What is the impact of franking credits?	<p>Distributions on the Notes will be franked at the same rate as dividends on the ANZ Holdings Ordinary Shares. ANZ Holdings has not yet paid a dividend, and ANZ's most recent ordinary dividend paid in December 2022 was franked at 100%. The level of franking may vary over time and Distributions may be partially, fully or not franked.</p> <p>If the potential value of the franking credits is taken into account in full, the Distribution Rate of 4.3750% per annum in the example in Section 2.1.2 would be equivalent to an unfranked distribution rate of approximately 6.2500% per annum.</p> <p>If any Distribution is not franked or only partially franked, the amount of the cash Distribution will be increased to compensate for the unfranked component, subject to the Payment Conditions. Clause 3.2 of the Note Terms sets out the method of calculation for the additional payment.</p> <p>For example, if the franking rate applicable to the Distribution was only 90%, then the cash Distribution on each Note for that Distribution Period (if the Distribution Period was for 91 days) would be calculated as follows:</p> <table border="0" data-bbox="416 920 1214 1211"> <tr> <td>Indicative Distribution Rate</td> <td>4.3750% per annum</td> </tr> <tr> <td>Multiplied by the Face Value</td> <td>x \$100.00</td> </tr> <tr> <td>Multiplied by the number of days in the Distribution Period¹⁶</td> <td>x 91</td> </tr> <tr> <td>Divided by 365</td> <td>÷ 365</td> </tr> <tr> <td>Sub total</td> <td>\$1.0908</td> </tr> <tr> <td>Divided by 1 – (Tax Rate x (1 – Franking Rate))</td> <td>0.97</td> </tr> </table> <p>Indicative partially franked cash Distribution payment for the Distribution Period per Note \$1.1245</p> <p>The above example is for illustrative purposes only. Actual Distributions may be higher or lower than this example.</p> <p>Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution and will depend on the individual tax position of each Holder and the tax rules that apply at the time of each Distribution.</p> <p>If the corporate tax rate applicable to ANZ Holdings were to change, the cash amount of Distributions and the amount of any franking credits would change. For instance, if the tax rate decreases the cash amount of any Distribution ANZ may pay would increase and the franking credits attached to that Distribution would decrease.</p> <p>The laws relating to the availability of franking and franking credits may change. Holders should refer to the Taxation Summary in Section 7 and seek professional advice in relation to their tax position.</p>	Indicative Distribution Rate	4.3750% per annum	Multiplied by the Face Value	x \$100.00	Multiplied by the number of days in the Distribution Period ¹⁶	x 91	Divided by 365	÷ 365	Sub total	\$1.0908	Divided by 1 – (Tax Rate x (1 – Franking Rate))	0.97	Sections 6.1.7 and 6.1.19 Clause 3.2 of the Note Terms
Indicative Distribution Rate	4.3750% per annum													
Multiplied by the Face Value	x \$100.00													
Multiplied by the number of days in the Distribution Period ¹⁶	x 91													
Divided by 365	÷ 365													
Sub total	\$1.0908													
Divided by 1 – (Tax Rate x (1 – Franking Rate))	0.97													

¹⁶ Distribution Periods will otherwise generally contain 90 to 92 days.

Topic	Summary	Where to find more information																																						
2.1 DISTRIBUTIONS (CONT)																																								
<p>2.1.4 What is the BBSW Rate?</p>	<p>The BBSW Rate is a benchmark 3 month floating interest rate for the Australian money market. It is used as a reference for the pricing, rate-setting and valuation of Australian dollar financial securities and is administered by ASX and is published on various information services. It changes to reflect supply and demand in the cash and currency markets. The BBSW Rate for each Distribution Period is set on the first Business Day of the relevant Distribution Period.</p> <p>The graph below illustrates the movement in the BBSW Rate since 2006. The rate on 14 February 2023 was 3.50% per annum.</p> <div data-bbox="411 645 1129 1064" data-label="Figure"> <table border="1"> <caption>3 Month BBSW Rate (% per annum)</caption> <thead> <tr> <th>Date</th> <th>Rate (%)</th> </tr> </thead> <tbody> <tr><td>Jan 2006</td><td>5.5</td></tr> <tr><td>Jan 2007</td><td>6.0</td></tr> <tr><td>Jan 2008</td><td>8.0</td></tr> <tr><td>Jan 2009</td><td>3.0</td></tr> <tr><td>Jan 2010</td><td>4.0</td></tr> <tr><td>Jan 2011</td><td>5.0</td></tr> <tr><td>Jan 2012</td><td>4.5</td></tr> <tr><td>Jan 2013</td><td>3.5</td></tr> <tr><td>Jan 2014</td><td>3.0</td></tr> <tr><td>Jan 2015</td><td>2.5</td></tr> <tr><td>Jan 2016</td><td>2.0</td></tr> <tr><td>Jan 2017</td><td>1.8</td></tr> <tr><td>Jan 2018</td><td>1.8</td></tr> <tr><td>Jan 2019</td><td>1.8</td></tr> <tr><td>Jan 2020</td><td>1.0</td></tr> <tr><td>Jan 2021</td><td>0.5</td></tr> <tr><td>Jan 2022</td><td>0.2</td></tr> <tr><td>Jan 2023</td><td>3.5</td></tr> </tbody> </table> </div> <p>The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual BBSW Rate. The actual BBSW Rate for the first and subsequent Distribution Periods may be higher or lower than the rates in the above graph.</p> <p>If ANZ determines that BBSW has been affected by a “Reference Rate Disruption Event”, ANZ may select an alternative reference rate that it considers appropriate and make other related changes to the Terms (subject, in each case, to APRA’s prior written approval). Broadly, a “Reference Rate Disruption Event” occurs where BBSW has been discontinued or has ceased to be generally accepted in the Australian market for securities such as the Notes. ANZ is required to act in good faith and in a commercially reasonable manner in selecting an alternative reference rate, and may consult with sources that it considers appropriate, but may otherwise exercise its discretion.</p>	Date	Rate (%)	Jan 2006	5.5	Jan 2007	6.0	Jan 2008	8.0	Jan 2009	3.0	Jan 2010	4.0	Jan 2011	5.0	Jan 2012	4.5	Jan 2013	3.5	Jan 2014	3.0	Jan 2015	2.5	Jan 2016	2.0	Jan 2017	1.8	Jan 2018	1.8	Jan 2019	1.8	Jan 2020	1.0	Jan 2021	0.5	Jan 2022	0.2	Jan 2023	3.5	<p>Clause 3.1 of the Note Terms</p>
Date	Rate (%)																																							
Jan 2006	5.5																																							
Jan 2007	6.0																																							
Jan 2008	8.0																																							
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Jan 2020	1.0																																							
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Jan 2023	3.5																																							

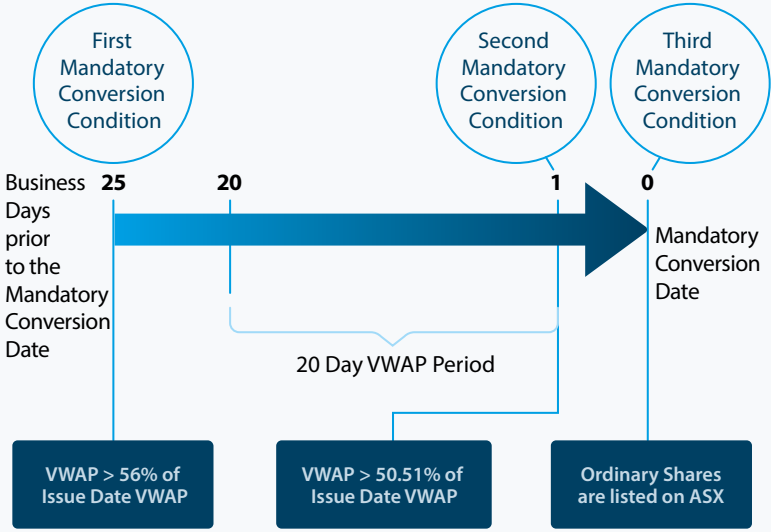
Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS (CONT)		
<p>2.1.5 When are the Distribution Payment Dates?</p>	<p>Subject to ANZ's absolute discretion and the Payment Conditions, Distributions are payable quarterly in arrears on the Distribution Payment Dates. The first Distribution Payment Date is 20 June 2023.</p> <p>Subsequent Distribution Payment Dates occur on 20 March, 20 June, 20 September and 20 December each year. If any of these dates are not Business Days, then the Distribution Payment Date will occur on the next Business Day.</p> <p>In addition, if Exchange occurs on a day that is not a scheduled Distribution Payment Date (other than an Exchange as a result of a Trigger Event, in which case all rights to payment of Distributions are terminated), Holders whose Notes are being Exchanged will also receive a Distribution in respect of those Notes for the period from the immediately preceding Distribution Payment Date to (but excluding) the date on which Exchange occurs, subject to ANZ's absolute discretion and the Payment Conditions.</p>	<p>Clauses 3.3, 3.5 and 17.2 of the Note Terms</p>
<p>2.1.6 What are the Payment Conditions?</p>	<p>Distributions may not always be paid. The payment of each Distribution is subject to ANZ's absolute discretion and no Payment Condition existing in respect of the relevant Distribution Payment Date.</p> <p>A Payment Condition will exist where:</p> <ul style="list-style-type: none"> • the payment of Distributions will result in ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, a Level 3 basis) not complying with APRA's then current capital adequacy requirements; • the payment of Distributions would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or • APRA objects to the payment of the Distribution. <p>All payments are subject to applicable law.</p>	<p>Clauses 3.3, 13.9 and 17.2 of the Note Terms</p>
<p>2.1.7 What is the Distribution Restriction and when will it apply?</p>	<p>If for any reason a Distribution has not been paid in full on a Distribution Payment Date (the Relevant Distribution Payment Date), ANZ must not, subject to certain exceptions, without approval of a Special Resolution, until and including the next quarterly Distribution Payment Date:</p> <ul style="list-style-type: none"> • resolve to pay or pay any ANZ Ordinary Share Dividend; or • undertake any Buy-Back (as defined in the Note Terms) or Capital Reduction, <p>unless the Distribution is paid in full within 3 Business Days of the Relevant Distribution Payment Date.</p> <p>There is no restriction on ANZ Holdings resolving to pay or paying any dividend on, or buying back, or reducing capital on, ANZ Holdings Ordinary Shares. However, ANZ Holdings capacity to do so may be reduced by the application of the Distribution Restriction on ANZ.</p>	<p>Clauses 3.7 and 3.8 of the Note Terms</p>
<p>2.1.8 Are any deductions made on the Distributions?</p>	<p>ANZ may deduct from any Distribution payable in accordance with the Note Terms the amount of any tax required by law to be deducted in respect of such amount.</p> <p>ANZ may also make a deduction on account of FATCA and is not required to pay an additional amount (or take any further action) where it has made a deduction on account of tax or FATCA.</p>	<p>Clauses 13.10 and 13.11 of the Note Terms</p>

Topic	Summary	Where to find more information
2.1 DISTRIBUTIONS (CONT)		
2.1.9 How will Distributions be paid?	<p>Distributions are scheduled to be paid to Holders whose details are recorded with the Registry on the relevant Record Date (as defined in the Note Terms).</p> <p>Distributions and any other amount payable will be paid by:</p> <ul style="list-style-type: none"> • electronic transfer to an Australian dollar bank account maintained in Australia with a financial institution nominated by the Holder; or • at ANZ's option, if no such account is nominated, sending a cheque to the address of the Holder. <p>To receive a payment, a Holder will need to notify the Registry by close of business on the relevant Record Date (as defined in the Note Terms) of an Australian dollar bank account maintained in Australia with a financial institution to which payment should be made. If the Holder does not so notify the Registry, or the payment does not complete, the amount will be held as a non-interest bearing deposit until such account is nominated, claims may no longer be made in respect of that amount or ANZ deals with the amount in accordance with the laws relating to unclaimed moneys.</p>	Clause 13 of the Note Terms

2.2 MANDATORY CONVERSION

ANZ Capital Notes 8 do not have a maturity date but are scheduled to be Converted into ANZ Holdings Ordinary Shares on 20 September 2032 if the Notes have not been Exchanged prior to that date, provided that certain conditions are met. These conditions may never be satisfied and therefore Notes may never Convert into ANZ Holdings Ordinary Shares.

2.2.1 When is the Mandatory Conversion Date?	The Mandatory Conversion Date is 20 September 2032 or if the Mandatory Conversion Conditions are not satisfied on that date, the first Distribution Payment Date on which the Mandatory Conversion Conditions are satisfied.	Clause 4.2 of the Note Terms
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Topic	Summary	Where to find more information
2.2 MANDATORY CONVERSION (CONT)		
<p>2.2.2 What are the Mandatory Conversion Conditions?</p>	<p>Conversion will not occur unless all the Mandatory Conversion Conditions are satisfied.</p> <p>The Mandatory Conversion Conditions are:</p> <ul style="list-style-type: none"> • First Mandatory Conversion Condition: the VWAP on the 25th Business Day before a potential Mandatory Conversion Date is greater than 56.00% of the Issue Date VWAP. • Second Mandatory Conversion Condition: the VWAP during the period of 20 Business Days in which trading in ANZ Holdings Ordinary Shares took place before a potential Mandatory Conversion Date is greater than 50.51% of the Issue Date VWAP. • Third Mandatory Conversion Condition: no Delisting Event applies to ANZ Holdings Ordinary Shares in respect of the possible Mandatory Conversion Date. Broadly, a Delisting Event occurs when ANZ Holdings is delisted, ANZ Holdings Ordinary Shares have been suspended from trading for a certain period, or ANZ or ANZ Holdings is prevented by applicable law or any other reason from performing any of their obligations necessary to effect Conversion of the Notes. <p>The following diagram illustrates the operation of the conditions.</p>  <p>Note: These dates are subject to adjustments to account for any days where trading in ANZ Holdings Ordinary Shares does not occur.</p>	<p>Clauses 4.3, 6.1 and 17.2 of the Note Terms</p>

Topic	Summary	Where to find more information
2.2 MANDATORY CONVERSION (CONT)		
<p>2.2.3 What are the reasons for the Mandatory Conversion Conditions?</p>	<p>It is intended that upon Mandatory Conversion of a Note, the Holder receives ANZ Holdings Ordinary Shares worth approximately \$101 that are capable of being sold on ASX.</p> <p>There is a cap on the maximum number of shares that Holders can be issued on conversion of an instrument such as ANZ Capital Notes 8 due to Prudential Standards and ratings agency requirements. The maximum number is based on the Issue Date VWAP of ANZ Holdings Ordinary Shares and, in the case of Mandatory Conversion, is set by dividing the Face Value of the Notes by 50% of the Issue Date VWAP.</p> <p>If the price of ANZ Holdings Ordinary Shares were to fall significantly and there were no Mandatory Conversion Conditions, the number of ANZ Holdings Ordinary Shares that you would receive might be limited by that cap and in that case the value of those ANZ Holdings Ordinary Shares would be likely to be less than \$101. To give Holders some protection against receiving ANZ Holdings Ordinary Shares worth less than approximately \$101, the First and Second Mandatory Conversion Conditions have been included, so that where the VWAP of ANZ Holdings Ordinary Shares has fallen to less than the specified percentage of the Issue Date VWAP, Mandatory Conversion is deferred.</p> <p>So that Holders receive ANZ Holdings Ordinary Shares on Conversion that are capable of being sold on ASX, the Third Mandatory Conversion Condition has been included. Essentially, it provides that if ANZ Holdings Ordinary Shares are not listed, Mandatory Conversion is deferred.</p>	<p>Clauses 4.3 and 6 of the Note Terms</p>
<p>2.2.4 Until when is Mandatory Conversion deferred if the Mandatory Conversion Conditions are not satisfied?</p>	<p>If any of the Mandatory Conversion Conditions are not satisfied, Mandatory Conversion is deferred until the next Distribution Payment Date on which all of the Mandatory Conversion Conditions are satisfied. Since the Mandatory Conversion Conditions may never be satisfied, Mandatory Conversion may never occur.</p>	<p>Clauses 4.2 and 4.3 of the Note Terms</p>
<p>2.2.5 How does Conversion occur?</p>	<p>If a Note is Converted on the Mandatory Conversion Date, on that date:</p> <ul style="list-style-type: none"> • the Note will be automatically transferred from the Holder to ANZ Holdings; and • ANZ Holdings will issue to the Holder the number of ANZ Holdings Ordinary Shares calculated using the formula set out below. <p>ANZ, ANZ BH and ANZ Holdings have agreed that where a Conversion occurs, ANZ Holdings will subscribe for ordinary shares in ANZ BH and ANZ BH will subscribe for ANZ Ordinary Shares, in each case, for aggregate consideration equal to the aggregate Face Value of Notes being Converted. These steps are referred to as “Related Conversion Steps”.</p>	<p>Clause 6.1 of the Note Terms</p>

Topic	Summary	Where to find more information								
2.2 MANDATORY CONVERSION (CONT)										
<p>2.2.6 How many ANZ Holdings Ordinary Shares will Holders receive on Mandatory Conversion?</p>	<p>If Notes are Converted on the Mandatory Conversion Date, Holders will receive a number of ANZ Holdings Ordinary Shares per Note that is equivalent to the number calculated using the following formula:</p> $\frac{\text{Face Value}}{99\% \times \text{VWAP}}$ <p>The VWAP for this purpose is the VWAP during the 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place before the Mandatory Conversion Date.</p> <p>In the above calculation there is a small Conversion discount since selling costs are likely to apply to the sale of ANZ Holdings Ordinary Shares on ASX.</p> <p>For example, assuming the VWAP is \$26.00, the number of ANZ Holdings Ordinary Shares a Holder would receive following Conversion on a Mandatory Conversion Date would be calculated as follows:</p> <table border="0" data-bbox="432 831 1190 936"> <tr> <td>Face Value</td> <td style="text-align: right;">\$100.00</td> </tr> <tr> <td>Divided by VWAP x 0.99</td> <td style="text-align: right;">÷ 25.74</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Ordinary Shares per Note</td> <td style="text-align: right;">3.8850</td> </tr> </table> <p>Assuming the price of those ANZ Holdings Ordinary Shares on the Mandatory Conversion Date is also \$26.00, the aggregate value of those ANZ Holdings Ordinary Shares (calculated by multiplying 3.8850 by \$26.00) would be approximately \$101.</p> <p>The above example is for illustrative purposes only. The actual VWAP and the number of ANZ Holdings Ordinary Shares Holders might receive on Conversion on the Mandatory Conversion Date may be higher or lower than in this example.</p>	Face Value	\$100.00	Divided by VWAP x 0.99	÷ 25.74	<hr/>		Ordinary Shares per Note	3.8850	<p>Clauses 6 and 17.2 of the Note Terms</p>
Face Value	\$100.00									
Divided by VWAP x 0.99	÷ 25.74									
<hr/>										
Ordinary Shares per Note	3.8850									
<p>2.2.7 What is the Issue Date VWAP?</p>	<p>The Issue Date VWAP is the VWAP during the period of 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the first date on which Notes were issued, subject to certain adjustments (described in Section 2.2.8 below).</p>	<p>Clause 17.2 of the Note Terms</p>								
<p>2.2.8 What adjustments to the Issue Date VWAP are made to account for changes to ANZ Holdings' capital and what is their effect?</p>	<p>The Issue Date VWAP may be adjusted to reflect a consolidation, division or reclassification of ANZ Holdings Ordinary Shares and pro rata bonus issues as set out in the Note Terms (but not other transactions, including rights issues, which may affect the capital of ANZ Holdings). Since the First Mandatory Conversion Condition and Second Mandatory Conversion Condition are expressed in terms of percentages of the Issue Date VWAP, an adjustment alters the VWAP of ANZ Holdings Ordinary Shares at which those conditions would be satisfied.</p> <p>However, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one per cent of the Issue Date VWAP then in effect.</p>	<p>Clauses 6.2 to 6.8 of the Note Terms</p>								

Topic	Summary	Where to find more information
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2.3 OPTIONAL EXCHANGE BY ANZ

ANZ Capital Notes 8 have no fixed maturity but ANZ may choose to Exchange all or some ANZ Capital Notes 8 on an Optional Exchange Date or after a Tax Event or Regulatory Event occurs, in each case if APRA has given its approval and certain conditions are met. In addition, ANZ (or any other member of the ANZ Group) may at any time purchase Notes in the open market or otherwise, at any price (subject to the prior written approval of APRA).

<p>2.3.1 What does Exchange mean?</p>	<p>Exchange means:</p> <ul style="list-style-type: none"> • Notes are Converted into a variable number of ANZ Holdings Ordinary Shares with a value¹⁷ of approximately \$101 per Note; • Notes are Redeemed for \$100 per Note; • Notes are Resold to a purchaser nominated by ANZ (that cannot be ANZ, ANZ Holdings or any other Related Entity of ANZ) for \$100 per Note; or • a combination of the above. <p>No Exchange elected by ANZ will occur without APRA's prior written approval and unless certain conditions are met.</p> <p>Holders should not expect that APRA will give its approval for any Exchange.</p>	<p>Clauses 5, 6, 7, 8 and 17.2 of the Note Terms</p>
<p>2.3.2 When are the Optional Exchange Dates?</p>	<p>The Distribution Payment Date falling on 20 March 2030, 20 June 2030 or 20 September 2030.</p>	<p>Clause 17.2 of the Note Terms</p>
<p>2.3.3 What is a Tax Event?</p>	<p>Broadly, a Tax Event will occur if ANZ receives professional advice that, as a result of:</p> <ul style="list-style-type: none"> • a change in the tax law in Australia; • an administrative pronouncement or ruling affecting taxation in Australia; or • a challenge by a taxing authority in Australia in connection with the Notes, <p>on or after the Issue Date (and which on the Issue Date was not expected by ANZ to occur), there is more than an insubstantial risk which the Directors determine to be unacceptable that ANZ, ANZ Holdings or another member of the ANZ Group would be exposed to more than a de minimis adverse tax consequence or increased cost in relation to Notes being on issue or any Distribution would not be a frankable distribution for tax purposes.</p>	<p>Clauses 5.1 and 17.2 of the Note Terms</p>

¹⁷ Based on the VWAP during a period, being 20 Business Days, on which trading in ANZ Holdings Ordinary Shares took place immediately preceding the Exchange Date. The VWAP of ANZ Holdings Ordinary Shares during the relevant period before the Exchange Date that is used to calculate the number of ANZ Holdings Ordinary Shares that Holders receive may differ from the Ordinary Share price on or after the Exchange Date. This means that the value of ANZ Holdings Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

Topic	Summary	Where to find more information
2.3 OPTIONAL EXCHANGE BY ANZ (CONT)		
<p>2.3.4 What is a Regulatory Event?</p>	<p>Broadly, a Regulatory Event will occur if:</p> <ul style="list-style-type: none"> • ANZ receives legal advice that, as a result of a change of Australian law or regulation or any statement of APRA on or after the Issue Date (and which on the Issue Date was not expected by ANZ to occur) (a Regulatory Change), <ul style="list-style-type: none"> – additional requirements (which are more than de minimis) would be imposed on ANZ or ANZ Holdings; or – there would be a negative impact on ANZ or ANZ Holdings in relation to Notes which is more than de minimis, and which the Directors determine to be unacceptable; or • the Directors determine that, as a result of a Regulatory Change, ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital. 	<p>Clauses 5.1 and 17.2 of the Note Terms</p>
<p>2.3.5 Are there restrictions on which Exchange Method ANZ may choose?</p>	<p>Yes. Please see Sections 2.3.6 and 2.3.8 below. In addition, where there is an Exchange on an Optional Exchange Date and the Exchange Method is Conversion, the Exchange Notice must be given no earlier than 25 Business Days before the Optional Exchange Date. Where the Exchange Method is Redemption or Resale, the notice period is only 5 Business Days.</p>	<p>Clause 5.2 of the Note Terms</p>
<p>2.3.6 What are the conditions or restrictions on Conversion as the Exchange Method?</p>	<p>If ANZ wishes to Exchange Notes by Converting them, there are two types of restrictions which apply:</p> <ul style="list-style-type: none"> • Restrictions on choosing to Convert ANZ may not choose to Convert Notes if on the second Business Day before the date on which an Exchange Notice is to be sent: <ul style="list-style-type: none"> – the VWAP is less than or equal to 22.50% of the Issue Date VWAP; or – a Delisting Event has occurred. • Restrictions on completing the Conversion If ANZ has sent an Exchange Notice, ANZ must not Convert the Notes if the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition would not be satisfied in respect of the Exchange Date. This restriction is tested as if the Exchange Date were a possible Mandatory Conversion Date and as if the Second Mandatory Conversion Condition referred to 20.21% of the Issue Date VWAP. If that occurs, ANZ will notify Holders and the Conversion will be deferred until the next Distribution Payment Date on which the Mandatory Conversion Conditions would be satisfied. <p>The percentages used in the above conditions are derived from market precedents and the cap on the number of ANZ Holdings Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements. The cap in the case of Conversion in these circumstances is set by dividing the Face Value of the Notes by 20% of the Issue Date VWAP.</p>	<p>Clauses 5.2, 5.4 and 5.5 of the Note Terms</p>

Topic	Summary	Where to find more information
2.3 OPTIONAL EXCHANGE BY ANZ (CONT)		
<p>2.3.7 How many ANZ Holdings Ordinary Shares will Holders receive if Conversion is the Exchange Method?</p>	<p>If the Notes are Converted on an Optional Exchange Date or following a Tax Event or Regulatory Event, Holders will receive a variable number of ANZ Holdings Ordinary Shares with a value of approximately \$101 (based on a VWAP during a period of 20 Business Days in which trading in ANZ Holdings Ordinary Shares took place before the Conversion date).</p> <p>On the Conversion date:</p> <ul style="list-style-type: none"> the Notes being Converted will be automatically transferred from Holders to ANZ Holdings; and ANZ Holdings will issue to Holders the number of ANZ Holdings Ordinary Shares calculated as set out above. 	<p>Clauses 5 and 6 of the Note Terms</p>
<p>2.3.8 Are there any restrictions on Redemption?</p>	<p>ANZ may only elect to Redeem Notes with APRA's prior written approval. ANZ is not permitted to Redeem any Note at any time unless those Notes being Redeemed are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality as the Notes and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity, or APRA is satisfied that the capital position of the ANZ Level 1 Group, the ANZ Level 2 Group and, if applicable, the ANZ Level 3 Group is well above its minimum capital requirements after ANZ elects to Redeem the Notes.</p>	<p>Clauses 5.2(c) and 7 of the Note Terms</p>
<p>2.3.9 What happens on Resale?</p>	<p>ANZ may only elect to Resell Notes with APRA's prior written approval. If ANZ elects for Notes to be Resold, subject to payment by the Purchaser of the Face Value of those Notes, the Holder's Notes will be transferred to the Purchaser on the Exchange Date. If the Purchaser does not pay the Face Value of any Notes, these Notes will not be transferred and the Holder has no claim against ANZ as a result of the non-payment.</p> <p>ANZ may appoint one or more Purchasers for the Resale on such terms as may be agreed between ANZ and the Purchaser and to the extent that any such terms may cause the Notes to cease to be Additional Tier 1 Capital, with the prior written approval of APRA. These may include terms as to:</p> <ul style="list-style-type: none"> the conditions of any Resale; the substitution of another entity as Purchaser; and the terms (if any) on which any Notes acquired by a Purchaser may be dealt with. <p>If ANZ appoints more than one Purchaser in respect of a Resale, all or any of the Notes held by a Holder which are being Resold may be purchased by any one or any combination of the Purchasers, as determined by ANZ.</p> <p>ANZ may not appoint itself, ANZ Holdings or another Related Entity as a Purchaser.</p>	<p>Clause 8 of the Note Terms</p>
<p>2.3.10 What factors will influence ANZ's decision to Exchange the Notes?</p>	<p>ANZ will consider a number of factors when determining whether to Exchange all or some Notes on an Optional Exchange Date or after a Tax Event or Regulatory Event occurs. Those factors will include, among other things, ANZ's regulatory capital requirements and financial condition at the time, the market conditions prevailing at the time and the cost to ANZ of replacing the Notes with another form of Additional Tier 1 Capital.</p>	
<p>2.3.11 Can Holders request Exchange?</p>	<p>Holders do not have a right to request Exchange.</p>	<p>Clause 9.10(g) of the Note Terms</p>
<p>2.3.12 Purchases</p>	<p>ANZ, ANZ Holdings or any other member of the ANZ Group may at any time purchase Notes in the open market or otherwise, at any price (subject to the prior written approval of APRA).</p>	<p>Clause 5.6 of the Note Terms</p>

Topic	Summary	Where to find more information
2.4 CONVERSION FOLLOWING A CHANGE OF CONTROL EVENT		
If a Change of Control Event occurs, ANZ must give a notice to Convert all ANZ Capital Notes 8 on issue into a number of ANZ Holdings Ordinary Shares.		
2.4.1 When will a Change of Control Event occur?	<p>Broadly, a Change of Control Event occurs if:</p> <ul style="list-style-type: none"> steps are taken to acquire control of ANZ or ANZ Holdings by a takeover bid or a scheme of arrangement and certain further approvals or conditions needed for the acquisition to occur or be implemented have been met; or an entity outside the ANZ Group acquires (or comes to hold beneficially) more than 50% of the voting shares in ANZ's capital. <p>Not all corporate activities that have the effect of a change of control of ANZ or ANZ Holdings or their respective business operations will be a Change of Control Event, in particular if APRA intervenes as described in Section 6.1.13.</p>	Clauses 4.10 and 17.2 of the Note Terms
2.4.2 What happens on a Change of Control Event?	<p>If a Change of Control Event occurs, ANZ must, subject to certain further restrictions, give a Change of Control Conversion Notice to Convert each Note into a number of ANZ Holdings Ordinary Shares with a value of approximately \$101 (based on the VWAP during a period, usually 20 Business Days, on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Business Day before the Change of Control Conversion Date).¹⁸</p> <p>On the Change of Control Conversion Date:</p> <ul style="list-style-type: none"> the Notes will be automatically transferred from Holders to ANZ Holdings; and ANZ Holdings will issue to Holders the number of ANZ Holdings Ordinary Shares calculated as set out above. 	Clauses 4.10 and 17.2 of the Note Terms
2.4.3 What are the restrictions on Conversion on a Change of Control Conversion Date?	<p>Following the occurrence of a Change of Control Event, ANZ may not proceed to Convert Notes if, on the date on which Conversion is to occur (Change of Control Conversion Date), certain further restrictions apply.</p> <p>These Conversion restrictions on the Change of Control Conversion Date apply if the Second Mandatory Conversion Condition (applied as if it referred to 20.21% of the Issue Date VWAP) or the Third Mandatory Conversion Condition would not be satisfied in respect of the Change of Control Conversion Date as if the Change of Control Conversion Date were a possible Mandatory Conversion Date.</p> <p>The percentages used in the above conditions are derived from market precedents and the cap on the number of ANZ Holdings Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements.</p>	Clause 4.10 of the Note Terms
2.4.4 What happens if Conversion does not occur on a Change of Control Conversion Date?	<p>If ANZ has given a Change of Control Conversion Notice but the restrictions prevent Conversion, ANZ will give a new Change of Control Conversion Notice to Convert the Notes on the next Distribution Payment Date (under clause 3.5(a) of the Note Terms). Conversion will not occur if the restrictions described in Section 2.4.3 apply on that date. This process will be repeated until a Conversion occurs.</p>	Section 2.4.3 Clause 4.10 of the Note Terms

¹⁸ If Conversion occurs as a result of a Change of Control Event, the period for calculating the VWAP may be less than 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Business Day before the Change of Control Conversion Date. See clause 17.2 (definition of "VWAP Period") of the Note Terms. The VWAP during the relevant period before the Change of Control Conversion Date that is used to calculate the number of ANZ Holdings Ordinary Shares that Holders receive may differ from the ANZ Holdings Ordinary Share price on or after the Change of Control Conversion Date. This means that the value of ANZ Holdings Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

Topic	Summary	Where to find more information
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2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT

ANZ Capital Notes 8 are required to be Converted following the occurrence of a Trigger Event.

The Mandatory Conversion Conditions do not apply to a Conversion following a Trigger Event. The number of ANZ Holdings Ordinary Shares that Holders will receive on a Conversion in these circumstances will not be greater than the Maximum Conversion Number.

A Trigger Event may occur where ANZ encounters severe financial difficulty. In the event of a Conversion following a Trigger Event, depending on the market price of ANZ Holdings Ordinary Shares at the relevant time, Holders are likely to receive ANZ Holdings Ordinary Shares that are worth significantly less than approximately \$101 for each Note they hold and to suffer loss as a consequence. If the Notes are not Converted for any reason (including an Inability Event) they will be Written Off, which means those Notes will never be Converted or Exchanged, all rights in relation to those Notes will be terminated, and Holders will not have their capital repaid.

<p>2.5.1 What is a Trigger Event?</p>	<p>There are two types of Trigger Events:</p> <ul style="list-style-type: none"> • a Common Equity Capital Trigger Event; and • a Non-Viability Trigger Event. <p>Common Equity Capital Trigger Event</p> <p>A Common Equity Capital Trigger Event will occur if, at any time ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%.</p> <p>ANZ must immediately notify APRA in writing if it makes such a determination.</p> <p>The Common Equity Capital Ratio is the ratio of Common Equity Tier 1 Capital of the ANZ Level 1 Group or the ANZ Level 2 Group (as applicable) (including ANZ Ordinary Shares, retained earnings and certain reserves but net of Common Equity Tier 1 Capital Deductions) to the risk weighted assets of the ANZ Level 1 Group or the ANZ Level 2 Group respectively, as prescribed by APRA.</p> <p>See Section 5.6 for more information about ANZ's Common Equity Capital Ratio.</p> <p>A Non-Viability Trigger Event</p> <p>A Non-Viability Trigger Event will occur if, at any time:</p> <ul style="list-style-type: none"> • APRA notifies ANZ in writing that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or • APRA notifies ANZ in writing that it has determined that without a public sector injection of capital (or equivalent support) ANZ would become non-viable. <p>APRA has not provided specific guidance on when it will consider an entity to be non-viable. However, APRA has indicated that non-viability is likely to arise prior to the insolvency of an ADI. Non-viability could be expected to include serious impairment of ANZ's financial position and insolvency; however, it is possible that APRA's definition of non-viable may not necessarily be confined to solvency or capital measures and APRA's position on these matters may change over time.</p>	<p>Sections 5.6 and 6.1.11</p> <p>Clauses 4.5, 4.6, 4.9 and 17.2 of the Note Terms</p>
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Topic	Summary	Where to find more information
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)		
<p>2.5.2 What happens following a Trigger Event?</p>	<p>ANZ may be required to Convert a number of Notes into ANZ Holdings Ordinary Shares following the occurrence of a Trigger Event. If a Trigger Event occurs, ANZ must Convert the Notes immediately on that day. On Conversion, the Notes will be automatically transferred from Holders to ANZ Holdings and ANZ Holdings will issue to Holders the number of ANZ Holdings Ordinary Shares calculated as set out below.</p> <p>ANZ must notify Holders as soon as practicable of a Trigger Event occurring, but the Conversion occurs whether or not that notice is given. Conversion in these circumstances is not subject to the Mandatory Conversion Conditions (or any other conditions) and so cannot be stopped for those reasons.</p> <p>If Conversion has not been effected within 5 Business Days after the Trigger Event Conversion Date for any reason (including an Inability Event), the Notes will be Written Off with effect on and from the Trigger Event Conversion Date and a Holder will suffer loss as a consequence.</p> <p>If a Note is Written Off:</p> <ul style="list-style-type: none"> • the Note will not be Converted on that date and will not be Exchanged on any other date; and • the relevant Holder's rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and written off. 	<p>Clauses 4.7, 4.8, 4.9, 6.1 and 6.13 of the Note Terms</p>
<p>2.5.3 How many ANZ Holdings Ordinary Shares will Holders receive if Notes are Converted on a Trigger Event Conversion Date?</p>	<p>If Notes are Converted on a Trigger Event Conversion Date, Holders will receive a number of ANZ Holdings Ordinary Shares per Note that is equivalent to the number calculated using the following formula, being subject to a cap so that the number of ANZ Holdings Ordinary Shares received is limited to the Maximum Conversion Number:</p> $\frac{\text{Face Value}}{99\% \times \text{VWAP}}$ <p>The cap imposed by the Maximum Conversion Number is likely to mean that fewer, and possibly significantly fewer, ANZ Holdings Ordinary Shares would be received by a Holder than if this cap did not exist. This is explained further in Section 2.5.4.</p> <p>The VWAP for this purpose is the VWAP during the 5 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date (when the price of ANZ Holdings Ordinary Shares may be low).</p> <p>In the above calculation there is a small Conversion discount since selling costs are likely to apply to the sale of ANZ Holdings Ordinary Shares on ASX.</p>	<p>Clauses 6.1 to 6.7 of the Note Terms</p>
<p>2.5.4 What is the Maximum Conversion Number?</p>	<p>The Maximum Conversion Number in the case of a Trigger Event is determined using the following formula:</p> $\frac{\text{Face Value}}{\text{Issue Date VWAP} \times 0.2}$ <p>This formula is derived from market precedents and the cap on the number of ANZ Holdings Ordinary Shares that are permitted to be issued in these circumstances under the Prudential Standards and ratings agency requirements.</p> <p>This means that, depending on the market price of ANZ Holdings Ordinary Shares at the relevant time, a Holder is likely to receive significantly less than approximately \$101 worth of ANZ Holdings Ordinary Shares per Note and is likely to suffer a loss as a consequence.</p>	

Topic	Summary	Where to find more information																
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)																		
<p>2.5.5 Is there a worked example illustrating how many ANZ Holdings Ordinary Shares a Holder will receive on Conversion following a Trigger Event?</p>	<p>This example illustrates how many ANZ Holdings Ordinary Shares a Holder will receive per Note following Conversion on a Trigger Event Conversion Date assuming the VWAP is \$4.50 and the Issue Date VWAP is \$26.00.</p> <p>This example is for illustrative purposes only. The actual VWAP, Issue Date VWAP and Maximum Conversion Number may be higher or lower than in this example and Issue Date VWAP may be adjusted after the Issue Date in limited circumstances (see Section 2.2.8).</p> <p>Step 1 – Calculate the indicative number of Ordinary Shares using the Conversion mechanics</p> <table border="0" data-bbox="427 689 1011 801"> <tr> <td>Face Value</td> <td style="text-align: right;">\$100.00</td> </tr> <tr> <td>Divided by VWAP x 0.99</td> <td style="text-align: right;">÷ \$4.4550</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Ordinary Shares per Note</td> <td style="text-align: right;">22.4467</td> </tr> </table> <p>Step 2 – Calculate the Maximum Conversion Number</p> <table border="0" data-bbox="427 860 1011 972"> <tr> <td>Face Value</td> <td style="text-align: right;">\$100.00</td> </tr> <tr> <td>Divided by Issue Date VWAP x 0.2</td> <td style="text-align: right;">÷ \$5.20</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Ordinary Shares per Note</td> <td style="text-align: right;">=19.2308</td> </tr> </table> <p>Step 3 – Assess the effect of the Maximum Conversion Number</p> <p>In this example, the Maximum Conversion Number is lower than the indicative number of ANZ Holdings Ordinary Shares a Holder would receive per Note calculated using the Conversion formula. As a result, the Maximum Conversion Number would cap the number of ANZ Holdings Ordinary Shares a Holder would receive per Note at 19.2308 ANZ Holdings Ordinary Shares. If those ANZ Holdings Ordinary Shares were sold on ASX at the same price as the VWAP (being \$4.50), the Holder would receive \$86.54 and have suffered a loss on their investment of \$13.46.</p>	Face Value	\$100.00	Divided by VWAP x 0.99	÷ \$4.4550	<hr/>		Ordinary Shares per Note	22.4467	Face Value	\$100.00	Divided by Issue Date VWAP x 0.2	÷ \$5.20	<hr/>		Ordinary Shares per Note	=19.2308	
Face Value	\$100.00																	
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Ordinary Shares per Note	=19.2308																	

Topic	Summary	Where to find more information
2.5 AUTOMATIC CONVERSION FOLLOWING A TRIGGER EVENT (CONT)		
<p>2.5.6 How many Notes need to be Converted or Written Off on the occurrence of a Trigger Event?</p>	<p>If a Trigger Event occurs, ANZ must convert or write off sufficient Relevant Securities (including some or all Notes) to restore the Common Equity Capital Ratio to a percentage above 5.125%, or to satisfy APRA that ANZ is viable without further conversion or write off (as applicable).</p> <p>If ANZ is required to Convert some Notes, ANZ will endeavour to Convert Notes and convert into ANZ Holdings Ordinary Shares or write off other Relevant Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZ, fair and reasonable. This is subject to such adjustment as ANZ may determine to take account of the effect on marketable parcels and the need to round to whole numbers the number of ANZ Holdings Ordinary Shares and any Notes or other Relevant Securities remaining on issue. In addition, where the Relevant Securities are in different currencies, ANZ may treat the Relevant Securities as if converted into a single currency at rates of exchange it considers reasonable. However, this determination must not impede the immediate Conversion of the relevant number of Notes.</p> <p>Holders should be aware that:</p> <ul style="list-style-type: none"> • Relevant Securities such as Notes, CN3, CN4, CN5, CN6 and CN7 will be converted or written off before any Tier 2 Capital instruments are converted or written off; • ANZ has no obligation to maintain on issue any Relevant Securities and does not, and may never, have on issue Relevant Securities which require them to be converted or written off before the Notes or in full; and • where a Non-Viability Trigger Event occurs because APRA determines that, without a public sector injection of capital or equivalent support, ANZ would become non-viable, all the Notes will be Converted. <p>The Conversion of Notes into ANZ Holdings Ordinary Shares on the Trigger Event Conversion Date following the occurrence of a Trigger Event is not subject to the Mandatory Conversion Conditions described in Section 2.2.2 being satisfied. This means that, due to the application of the Maximum Conversion Number, depending on the market price of ANZ Holdings Ordinary Shares at the time, Holders are likely to receive significantly less than approximately \$101 worth of ANZ Holdings Ordinary Shares per Note and to suffer loss as a consequence.</p>	<p>Clauses 4.8, 4.9 and 9.11 of the Note Terms</p>
2.6 OTHER		
<p>2.6.1 Can ANZ issue further Notes or other instruments?</p>	<p>ANZ reserves the right to issue further securities of any kind (whether ranking equally with, in priority to or junior to or having different rights from the Notes) without the consent of Holders. ANZ Holdings also has the right to issue shares or any other securities of any kind without the consent of Holders.</p> <p>Notes do not:</p> <ul style="list-style-type: none"> • confer on Holders any right to subscribe for new securities in ANZ, ANZ Holdings or any other member of the ANZ Group (other than on Conversion) or to participate in any bonus issues of shares by ANZ, ANZ Holdings or any other member of the ANZ Group; • prevent ANZ, ANZ Holdings or any other member of the ANZ Group from redeeming, buying back, returning capital on or converting any securities, other than the Notes (except as described in Section 2.1.7); and • prevent ANZ, ANZ Holdings or any other member of the ANZ Group from incurring or guaranteeing any indebtedness upon such terms as it thinks fit in its sole discretion. 	<p>Clause 9.11 of the Note Terms</p>

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
2.6.2 What voting rights do Notes carry?	Holders do not have voting rights at a meeting of members of ANZ, ANZ Holdings or any other member of the ANZ Group.	Clause 10.2 of the Note Terms
2.6.3 Can ANZ amend the Note Terms?	<p>Subject to complying with all applicable laws, ANZ may amend the Note Terms without the consent of Holders in circumstances including where ANZ reasonably considers the amendment:</p> <ul style="list-style-type: none"> • is made to correct a manifest error; • is of a formal, minor or technical nature; • is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority; • is made in accordance with ANZ's adjustment rights in clause 6 of the Note Terms; • is expedient for the purposes of listing or clearing the Notes; • amends certain dates or time periods in connection with Mandatory Conversion or Exchange; or • in any other case, will not materially adversely affect the rights of Holders as a whole. <p>ANZ may also amend the Note Terms if:</p> <ul style="list-style-type: none"> • an Approved Successor Event occurs; or • the amendment has been approved by a Special Resolution. <p>No amendment to the Note Terms is permitted without APRA's prior written approval if such amendment may affect the classification of Notes as Additional Tier 1 Capital on a Level 1, Level 2 or (if applicable) Level 3 basis.</p>	Clause 14 of the Note Terms
2.6.4 What is an Approved Successor Event?	<p>Subject to certain conditions (including the receipt of APRA's prior written approval where required), ANZ may elect to substitute an Approved Successor:</p> <ul style="list-style-type: none"> • as issuer of ordinary shares on Conversion; or • to assume all obligations under the Note Terms. <p>ANZ may elect to substitute an Approved NOHC, ANZ Holdings or ANZ as the Approved Successor, provided that, where such entity is to be substituted as the issuer of ordinary shares on Conversion, its ordinary shares will be quoted on ASX immediately after the substitution. Additionally, an Approved Successor can only be substituted if, following the substitution, the Notes are expected to remain quoted on the ASX.</p> <p>In connection with an Approved Successor Event, ANZ may:</p> <ul style="list-style-type: none"> • make any amendments it considers to be reasonably necessary and appropriate to effect the substitution consistent with the requirements of APRA in relation to Additional Tier 1 Capital and instruments eligible to fund Additional Tier 1 Capital; • where the Approved Successor Event involves ANZ Holdings or an Approved NOHC assuming all obligations in connection with the Notes, appoint a trustee for Holders and reconstitute the Notes under a trust deed compliant with Chapter 2L of the Corporations Act (unless not required to do so by applicable law) and enter into such other documents or do any other things as ANZ considers to be reasonably necessary or appropriate to effect the substitution consistent with the requirements of APRA in relation to Additional Tier 1 Capital and instruments eligible to fund Additional Tier 1 Capital; and • where the Approved Successor Event involves an Approved Successor substituted only in respect of Conversion of Notes, make certain amendments to the definition of Conversion to enable the substitution of the Approved Successor as issuer of ordinary shares on Conversion. 	Clauses 11.1, 14.2 and 17.2 of the Note Terms

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
	<p>Holders do not have any right to vote on an Approved Successor Event and Holders have no rights to require ANZ to give an Approved Successor Notice.</p>	
<p>2.6.5 What is the ANZ Capital Notes 8 Deed Poll?</p>	<p>A trustee has not been appointed for ANZ Capital Notes 8. Instead, the ANZ Capital Notes 8 Deed Poll has been made by ANZ and ANZ Holdings in favour of each person who is from time to time a Holder. The ANZ Capital Notes 8 Deed Poll gives legal effect to ANZ's and ANZ Holdings' obligations in the Note Terms.</p> <p>Under the ANZ Capital Notes 8 Deed Poll, ANZ also undertakes to appoint the Registry and procure the Registry to establish and maintain a principal Register.</p> <p>The ANZ Capital Notes 8 Deed Poll also includes provisions for meetings of Holders.</p> <p>Holders will be bound by the terms of the ANZ Capital Notes 8 Deed Poll, the Note Terms and this Prospectus when ANZ Capital Notes 8 are issued or transferred to them or they purchase ANZ Capital Notes 8.</p> <p>Each Holder can enforce ANZ's and ANZ Holdings' obligations under the ANZ Capital Notes 8 Deed Poll, including the Note Terms and the provisions for meetings, independently of the Registry and each other.</p> <p>A copy of the ANZ Capital Notes 8 Deed Poll can be obtained from capitalnotes.anz.com.</p>	<p>ANZ Capital Notes 8 Deed Poll</p>
<p>2.6.6 What if a Holder is not resident in Australia?</p>	<p>If the Register indicates that a Holder's address is outside of Australia (or ANZ believes that a Holder may not be a resident of Australia) (such a Holder, a Foreign Holder) and that Foreign Holder's Notes are to be Converted, in certain circumstances relevant ANZ Holdings Ordinary Shares may be issued to a nominee (who may not be ANZ, ANZ Holdings or another Related Entity of ANZ) who will sell those ANZ Holdings Ordinary Shares and pay a cash amount equal to the net proceeds to the Foreign Holder.</p>	<p>Clauses 6.10 and 17.2 of the Note Terms</p>
<p>2.6.7 What happens if FATCA Withholding is required to be made?</p>	<p>Where a FATCA Withholding would be required or permitted to be made in respect of ANZ Holdings Ordinary Shares issued on Conversion of Notes, the ANZ Holdings Ordinary Shares which the Holder is obliged to accept will be issued, at ANZ's election, either:</p> <ul style="list-style-type: none"> • to the Holder net of FATCA Withholding and issue the balance of ANZ Holdings Ordinary Shares to a nominee; or • entirely to a nominee. <p>In each case, the nominee (which may not be ANZ, ANZ Holdings or another Related Entity of ANZ) will sell the ANZ Holdings Ordinary Shares issued to it, deal with any proceeds of their disposal in accordance with FATCA and, where the ANZ Holdings Ordinary Shares have been issued entirely to the nominee, pay a cash amount equal to the proceeds of their disposal net of any FATCA Withholding and other amounts as specified in the Note Terms to the Holder.</p>	<p>Clause 6.11 of the Note Terms</p>
<p>2.6.8 Where ANZ Holdings Ordinary Shares are issued to a nominee, does the nominee, ANZ or ANZ Holdings have any duties on a sale?</p>	<p>None of ANZ, ANZ Holdings or the nominee owes any obligations or duties to Holders in relation to the price at which ANZ Holdings Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of ANZ Holdings Ordinary Shares.</p>	<p>Clause 6.14 of the Note Terms</p>

Topic	Summary	Where to find more information
2.6 OTHER (CONT)		
2.6.9 Is there a time limit on claims in respect of the Notes?	Holders should be aware that ANZ is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 10 years (in the case of Face Value) or 5 years (in the case of Distributions and other amounts) from the date on which payment first became due.	Clause 13.4 of the Note Terms
2.6.10 Are determinations by ANZ binding?	Except where there is fraud or a manifest error, any determination or calculation which ANZ makes in accordance with the Note Terms is final and binds ANZ, the Registry and each Holder.	Clause 13.5 of the Note Terms
2.6.11 Does set-off apply to payments in respect of the Notes?	A Holder does not have any right to set-off against ANZ in respect of any claim by ANZ against that Holder and will have no offsetting rights or claims on ANZ if ANZ does not pay a Distribution when scheduled under the Note Terms. ANZ may not exercise any right of set-off against a Holder in respect of any claim by that Holder against ANZ.	Clause 9.5 of the Note Terms
2.6.12 What is the power of attorney?	Each Holder agrees to appoint each of ANZ, ANZ Holdings, their respective officers and any External Administrator of ANZ or ANZ Holdings (each an Attorney) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Note Terms including, but not limited to, effecting any transfers or Conversion of Notes, making any entry in the Register or exercising any voting power in relation to any consent or approval required for Conversion, Redemption or Resale or in respect of an Approved Successor Event or the transfer of Notes to an Approved NOHC.	Clause 9.9 of the Note Terms
2.6.13 What are the tax implications of investing in the Notes?	Information about the Australian tax consequences of investing in the Notes is set out in Section 7. The tax implications of investing in Notes will depend on an investor's individual circumstances. Potential investors should obtain their own tax advice.	Section 7



03

SECTION 03

ABOUT THE REINVESTMENT OFFER

THIS SECTION SETS OUT:

THE OPTIONS AVAILABLE TO CN3 HOLDERS;

THE DIFFERENCE BETWEEN CN3 AND ANZ CAPITAL NOTES 8;

FURTHER INFORMATION ABOUT PARTICIPATING IN THE REINVESTMENT OFFER AND HOW TO REINVEST YOUR CN3 REDEMPTION PROCEEDS INTO ANZ CAPITAL NOTES 8; AND

THE RISKS ASSOCIATED WITH PARTICIPATING IN THE REINVESTMENT OFFER.

Topic	Summary
3.1 THE REINVESTMENT OFFER	
3.1.1 What are CN3?	CN3 (or ANZ Capital Notes 3) are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes that were issued by ANZ on 5 March 2015. The CN3 terms were amended on 3 January 2023 to reflect the establishment of ANZ Holdings as the head entity of the ANZ Group. CN3 trade on the ASX under the ASX code "AN3PF".
3.1.2 What is happening to CN3?	<p>On 15 February 2023, ANZ (acting through its New Zealand branch) issued a redemption notice in accordance with the CN3 terms. The redemption notice confirms that on 24 March 2023, ANZ will redeem all CN3 for their face value of \$100 per CN3 (CN3 Redemption Price). If you are an Eligible CN3 Holder and participate in the Reinvestment Offer, your CN3 Redemption Proceeds will be applied to subscribe for Notes (see below for further details).</p> <p>The redemption notice is irrevocable (except as provided by the CN3 terms) but the CN3 Redemption may not occur for a number of reasons, including if a trigger event occurs under the CN3 terms or APRA revokes its approval of the CN3 Redemption.</p> <p>If the CN3 Redemption does not occur, except as a result of a trigger event occurring in respect of the CN3, CN3 holders will continue to hold their CN3.</p> <p>To facilitate the CN3 Redemption, the CN3 will cease trading on ASX on 8 March 2023.</p> <p>A final distribution of \$2.4408 per CN3 is scheduled to be paid by ANZ in respect of all CN3 on 24 March 2023 (subject to the payment conditions in the CN3 terms and ANZ's absolute discretion) (Final CN3 Distribution). The record date for the Final CN3 Distribution is 7.00pm on 10 March 2023. All holders of CN3 on the record date will be entitled to receive the Final CN3 Distribution, including Eligible CN3 Holders who participate in the Reinvestment Offer.</p>
3.1.3 What is the Reinvestment Offer?	<p>The Reinvestment Offer is an invitation to Eligible CN3 Holders to apply to have some or all of their CN3 Redemption Proceeds reinvested into Notes.¹⁹</p> <p>If you are an Eligible CN3 Holder and you participate in the Reinvestment Offer, your CN3 Redemption Proceeds that you reinvest into Notes will be used to fund the Application Payment for the Notes. Those CN3 Redemption Proceeds will not be paid to you.</p> <p>Eligible CN3 Holders are not required to participate in the Reinvestment Offer and there is no guarantee Applications under the Reinvestment Offer will be accepted.</p>

¹⁹ The market price of CN3 is subject to change from time to time and CN3 holders may be able to sell or dispose of their CN3 at a price higher or lower than the price they would receive for the CN3 under the CN3 Redemption (being \$100 per CN3). The current market price of CN3 is available at the ASX website (asx.com.au).

Topic	Summary
3.1 THE REINVESTMENT OFFER (CONT)	
<p>3.1.4 What are my options as a CN3 holder?</p>	<p>Participate in the Reinvestment Offer</p> <p>Eligible CN3 Holders can apply to participate in the Reinvestment Offer. All Applications for the Reinvestment Offer must be submitted through a Syndicate Broker. Information on how to apply to participate in the Reinvestment Offer is set out in Section 4.</p> <p>Do not participate in the Reinvestment Offer</p> <p>If you are not eligible to participate in the Reinvestment Offer, or if you are eligible but choose not to participate, you can:</p> <ul style="list-style-type: none"> • take no action, in which case your CN3 Redemption Proceeds will be paid to you on 24 March 2023 along with the Final CN3 Distribution; or • sell your CN3 on-market through your broker or otherwise at the prevailing market price. Where you do so you: <ul style="list-style-type: none"> – may have to pay brokerage and may receive a price greater or less than the face value of \$100 per CN3; – will not be entitled to receive the Final CN3 Distribution if you are not a CN3 holder on the record date for the distribution (7.00pm on 10 March 2023); and – if eligible, may use the sale proceeds from any CN3 you sell to subscribe for Notes under the New Money Offer before the Closing Date for the New Money Offer. <p>Purchase Notes under the New Money Offer</p> <p>You can separately apply for Notes under the New Money Offer whether or not you apply to participate in the Reinvestment Offer. All Applications for the New Money Offer and the Reinvestment Offer must be made through a Syndicate Broker.</p> <p>There are important differences between CN3 and ANZ Capital Notes 8 that Eligible CN3 Holders should consider before applying to participate in the Reinvestment Offer. See Section 3.2 for more information.</p>
<p>3.1.5 Am I eligible to participate in the Reinvestment Offer?</p>	<p>Only Eligible CN3 Holders can apply to participate in the Reinvestment Offer.</p> <p>To be an Eligible CN3 Holder, you must:</p> <ul style="list-style-type: none"> • have been a registered holder of CN3 at 7.00pm on 10 February 2023; • be shown on the CN3 register as having an address in Australia; • not be in the United States or acting as a nominee for, or for the account or benefit of, a US Person or not otherwise be prevented from receiving the invitation to participate in the Offer or ANZ Capital Notes 8 under the laws of any jurisdiction; and • be an Institutional Investor or a client of a Syndicate Broker who is either: <ul style="list-style-type: none"> – a Wholesale Investor; or – a Retail Investor within the Notes Target Market who has received personal advice from a licensed professional adviser.
<p>3.1.6 How do I participate in the Reinvestment Offer?</p>	<p>All Applications under the Reinvestment Offer must be made through a Syndicate Broker. If you are a Retail Investor, you must seek professional advice as to whether you are within the Notes Target Market and whether the investment in the Notes is suitable in light of your particular objectives, financial situation and needs. Further information on how to apply to participate in the Reinvestment Offer is set out in Section 4.</p> <p>If you apply to participate in the Reinvestment Offer, you must ensure that you do not otherwise sell or dispose of any of the CN3 the subject of your Application.</p> <p>Eligible CN3 Holders who apply to participate in the Reinvestment Offer are taken to agree to a holding lock being placed on the CN3 the subject of their Application until the Issue Date.</p> <p>If CN3 the subject of a Reinvestment Offer Application are disposed of prior to the Closing Date for the Reinvestment Offer, the number of Notes applied for will be reduced to equal the number of CN3 available on the Closing Date for the Reinvestment Offer, which is expected to be 5.00pm on 9 March 2023.</p> <p>An Application to participate in the Reinvestment Offer is irrevocable once submitted unless ANZ gives notice that it will not accept the Application.</p>

Topic	Summary
3.1 THE REINVESTMENT OFFER (CONT)	
3.1.7 What distributions will I receive as a CN3 holder?	<p>The Final CN3 Distribution of \$2.4408 per CN3 is scheduled to be paid by ANZ in respect of all CN3 on 24 March 2023 (subject to the payment conditions in the CN3 terms and ANZ's absolute discretion). The record date for the Final CN3 Distribution is 7.00pm on 10 March 2023. All holders of CN3 on the record date will be entitled to receive the Final CN3 Distribution, including Eligible CN3 Holders who participate in the Reinvestment Offer.</p> <p>Any payment of the Final CN3 Distribution will be made via direct credit in accordance with your existing CN3 payment instructions. If you have not provided direct credit details, ANZ will deal with any payment in accordance with the CN3 terms.</p> <p>If you wish to change your CN3 payment instructions for the payment of the Final CN3 Distribution then you must provide updated instructions to the Registry by 7.00pm on 10 March 2023.</p>
3.1.8 If I apply to participate in the Reinvestment Offer, will I receive a priority allocation of Notes?	Details on the allocation policy are set out in Section 4.4.3.
3.1.9 Can my Application be subject to any scale back?	For information of any potential scale back under the Offer (including in respect of Applications under the Reinvestment Offer), see Section 4.4.3.
3.1.10 What are the tax implications of participating in the Reinvestment Offer and will any brokerage or stamp duty be payable?	<p>A general outline of the Australian taxation implications for certain investors who are Australian residents for tax purposes of participating in the Reinvestment Offer can be found in the Australian Taxation Summary in Section 7.</p> <p>No brokerage or stamp duty is payable in connection with the CN3 Redemption or the reinvestment of your CN3 Redemption Proceeds in Notes.</p> <p>CN3 Holders who choose to sell their CN3 on-market through their broker may be required to pay applicable brokerage.</p>

3.2 WHAT ARE THE KEY DIFFERENCES BETWEEN CN3 AND ANZ CAPITAL NOTES 8?

There are a number of differences between CN3 and ANZ Capital Notes 8 which you should be aware of before deciding to apply to participate in the Reinvestment Offer. The following table describes the key features of the ANZ Capital Notes 8 and CN3 and highlights the main differences between them. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding to apply for ANZ Capital Notes 8.

Topic	CN3	ANZ Capital Notes 8
Issuer	ANZ acting through its New Zealand branch	ANZ
Protected under the Financial Claims Scheme	No	No
Term	Perpetual, subject to mandatory conversion into ANZ Holdings Ordinary Shares on 24 March 2025 (approximately 10 years after its issue date)	Perpetual, subject to Mandatory Conversion into ANZ Holdings Ordinary Shares on 20 September 2032 (approximately 9.5 years after the Issue Date) ²⁰
Margin	3.6%	2.75%, as determined under the Bookbuild
Distribution rate	Floating	Floating
Distribution payment dates	Half yearly	Quarterly
Rights if distributions not fully franked	Franked, subject to gross up for any unfranked portion	Franked, subject to gross up for any unfranked portion
Conditions to payment of distributions	Yes, subject to ANZ's absolute discretion and certain payment conditions	Yes, subject to ANZ's absolute discretion and Payment Conditions
Distribution restriction if distribution not paid	Yes, if a distribution is not paid ANZ must not pay certain distributions on its ANZ Ordinary Shares until and including the next semi-annual distribution payment date. There is no restriction on ANZ Holdings	Yes, applies to ANZ Ordinary Shares until the next quarterly Distribution Payment Date – see Section 2.1.7. There is no restriction on ANZ Holdings
Transferable	Yes – quoted on ASX as "AN3PF"	Yes – expected to be quoted on ASX as "AN3PK"
Mandatory conversion into ANZ Holdings Ordinary Shares	Yes, on 24 March 2025 if the mandatory conversion conditions are satisfied	Yes, on 20 September 2032 if the Mandatory Conversion Conditions are satisfied
ANZ's early conversion option	Yes, on 24 March 2023 with APRA's prior written approval	Yes, on 20 March 2030, 20 June 2030 or 20 September 2030, with APRA's prior written approval – see Section 2.3
ANZ's early redemption option	Yes, on 24 March 2023 with APRA's prior written approval	Yes, on 20 March 2030, 20 June 2030 or 20 September 2030, with APRA's prior written approval – see Section 2.3

²⁰ ANZ Capital Notes 8 may also be Converted, Redeemed, Resold or Written Off in a number of other circumstances as described in this Prospectus.

Topic	CN3	ANZ Capital Notes 8
ANZ resale rights	Yes, with APRA's prior written approval	Yes, with APRA's prior written approval – see Section 2.3
Other ANZ early redemption or resale options	Tax events (in Australia or New Zealand) and regulatory events with APRA's prior written approval	Tax Events (in Australia only) and Regulatory Events with APRA's prior written approval – see Section 2.3
Other ANZ early conversion options/ events	Tax events and regulatory events with APRA's prior written approval Change of control	Tax Events and Regulatory Events with APRA's prior written approval – see Section 2.3 Change of Control Event – see Section 2.4
Automatic conversion or write-off following a trigger event	Yes, ANZ must convert CN3 if the common equity capital ratio of the ANZ Level 1 Group or the ANZ Level 2 Group as prescribed by APRA falls to or below 5.125% or if a non-viability event occurs. If ANZ is unable to convert within 5 business days of the trigger event, the CN3 will not be converted but will instead be written off.	Yes, ANZ must Convert the Notes if a Common Equity Capital Trigger Event in respect of the ANZ Level 1 Group or the ANZ Level 2 Group, or a Non-Viability Trigger Event, occurs – see Section 2.5. If the Notes are not Converted within 5 Business Days of a Trigger Event Conversion Date for any reason (including an Inability Event) in accordance with the Note Terms, the Notes may be Written Off – see Section 6.1.11.
Capital classification	Additional Tier 1 Capital	Additional Tier 1 Capital
Voting rights	No right to vote at general meeting of holders of ANZ Holdings Ordinary Shares or ANZ Ordinary Shares	No right to vote at general meeting of holders of ANZ Holdings Ordinary Shares or ANZ Ordinary Shares
Ranking	Equal to ANZ Capital Securities, senior to ANZ Ordinary Shares, subordinated to claims of senior creditors (including ANZ depositors)	Equal to ANZ Capital Securities, senior to ANZ Ordinary Shares, subordinated to claims of Senior Creditors (including ANZ depositors)

3.3 WHAT ARE THE RISKS ASSOCIATED WITH PARTICIPATING IN THE REINVESTMENT OFFER AND ACQUIRING NOTES?

There are certain risks associated with participating in the Reinvestment Offer and acquiring Notes, which include:

- the CN3 Redemption Price of \$100 per CN3 (which does not include the Final CN3 Distribution) may be less than the ASX trading price of CN3 (which may include an amount representing the accrued portion of the Final CN3 Distribution). Rather than participating in the Reinvestment Offer, Eligible CN3 Holders may obtain a better financial outcome by selling their CN3 on-market and investing the proceeds in ANZ Capital Notes 8 (although any Application may be scaled back);
- if you are an Eligible CN3 Holder and you apply for Notes under the Offer (pursuant to the Reinvestment Offer or otherwise), you may receive an allocation of ANZ Capital Notes 8. As such, you will be subject to the risks associated with an investment in ANZ Capital Notes 8, in ANZ and in the ANZ Group generally, many of which are outside the control of ANZ, ANZ Holdings and their respective directors. These risks are outlined in Section 6 and should be considered before you apply under the Offer (including under the Reinvestment Offer); and
- participation in the Reinvestment Offer does not involve a simple rollover into a similar investment. ANZ Capital Notes 8 and CN3 have different benefits and risks, which must be evaluated separately. For a description of the key differences between the two securities, see Section 3.2.



SECTION 04

**HOW TO
APPLY**

THIS SECTION SETS OUT:

THE NOTES TARGET MARKET;

WHAT YOU MUST DO IF YOU WISH
TO APPLY FOR NOTES;

WHO THE OFFER IS MADE TO;

DETAILS OF THE BOOKBUILD
AND ALLOCATION POLICY;

DETAILS OF ASX QUOTATION
AND TRADING; AND

OTHER INFORMATION RELEVANT
TO YOUR APPLICATION.

4.1 NOTES TARGET MARKET

ANZ has made a target market determination for ANZ Capital Notes 8 in accordance with its obligations under the DDO Regime (**Target Market Determination**). The Target Market Determination is available at capitalnotes.anz.com.

The Target Market Determination describes, among other things, the class of Retail Investors that comprise the target market for ANZ Capital Notes 8 (**Notes Target Market**) being investors who:

- are seeking to acquire an investment product with the ability to generate income;
- are **not** seeking capital growth;
- are able to bear the risks associated with an investment in ANZ Capital Notes 8 (which are summarised in Section 1.5 and detailed in Section 6), in particular, the lack of certainty as to payment of distributions and the potential loss of some or all of the capital invested in ANZ Capital Notes 8;
- do not require certainty as to repayment of capital invested within a specific investment timeframe; and
- seek the ability to dispose of ANZ Capital Notes 8 by sale on a licensed securities exchange at the price available on the exchange.

If you are a Retail Investor and wish to apply for Notes:

- you must seek professional advice as to whether you are within the Notes Target Market and whether the investment in the Notes is suitable in light of your particular objectives, financial situation and needs; and
- you can only apply for the Notes if you are within the Notes Target Market and you have received personal advice from a licensed professional adviser.

If you have any questions about the Offer, the Notes or the Notes Target Market, you should also contact your Syndicate Broker or seek advice from a professional adviser who is licensed by ASIC to give that advice.

4.2 APPLYING FOR ANZ CAPITAL NOTES²¹

All Applications must be submitted through a Syndicate Broker. No Applications can be made directly to ANZ.

The Offer does not contain a specific offer for securityholders of ANZ or ANZ Holdings and Eligible CN3 Holders cannot apply directly to ANZ to participate in the Reinvestment Offer.

Who may apply?	Clients of Syndicate Brokers who are either a Wholesale Investor, or a Retail Investor within the Notes Target Market who has received personal advice from a licensed professional adviser.
When to apply	Completed Applications must be received by your Syndicate Broker in sufficient time for your Syndicate Broker to process your Application on your behalf by the relevant Closing Date.
How to apply	<ul style="list-style-type: none"> • You must contact your Syndicate Broker for instructions on how to apply. • If you are applying under the Reinvestment Offer: <ul style="list-style-type: none"> – you must apply to reinvest a minimum of 50 CN3 in Notes (unless you hold less than that amount of CN3); – if you hold less than 50 CN3, you can still apply to participate in the Reinvestment Offer, but you must apply to reinvest all of your CN3 in Notes; and – an Application Payment is not necessary as your CN3 Redemption Proceeds will be applied to the Application Payment to the extent required. • If you are applying under the New Money Offer: <ul style="list-style-type: none"> – your Application must be for a minimum of 50 Notes (\$5,000); and – an Application Payment will be necessary. Contact your Syndicate Broker for instructions on how to make the Application Payment.

²¹ The key dates for the Offer are indicative only and may change without notice. ANZ and the Joint Lead Managers may reduce or extend any Closing Date without notice, or withdraw the Offer at any time before ANZ Capital Notes 8 are issued.

4.2.1 No cooling off rights

No cooling off rights apply to an Application for Notes. You cannot withdraw your Application once it has been lodged, except as permitted under the Corporations Act.

4.2.2 Representations, warranties and acknowledgements

When lodging your Application, you will be required to give certain representations, warranties and acknowledgements to ANZ. In particular, if you are a Retail Investor, you will be required to represent to ANZ that you have received personal advice from a qualified financial adviser in relation to your acquisition of ANZ Capital Notes 8.

4.2.3 Brokerage and stamp duty

No brokerage or stamp duty is payable on your Application. You may have to pay brokerage, but will not have to pay any stamp duty, on any later sale of your Notes on ASX after Notes have been quoted on ASX.

4.2.4 Refunds

If you apply for Notes under the Offer and are not allotted any Notes or you are allotted fewer Notes than the number that you applied and paid for as a result of a scale back, all or some of your Application Payment (as applicable) will be refunded to you (without interest) as soon as practicable after the Issue Date. For further information on potential scale back – see Section 4.4.3.

In the event that the Offer does not proceed for any reason, all applicants will have their Application Payments refunded (without interest) as soon as practicable.

4.3 PROVISION OF PERSONAL INFORMATION

The information about you included as part of your Application is used for the purposes of processing your Application and, if your Application is successful, to administer your Notes. For information about the acknowledgements and privacy statement in relation to personal information that you provide to ANZ by completing an Application – see Section 8.11.

4.4 BOOKBUILD AND ALLOCATION POLICY

4.4.1 Bookbuild

The Bookbuild was conducted before the Opening Date to determine the Margin and firm Allocations of Notes to Bookbuild participants.

The Bookbuild was conducted by the Joint Lead Managers in consultation with ANZ in the manner contemplated in this Prospectus and otherwise on the terms and conditions agreed to by ANZ and the Joint Lead Managers in the Offer Management Agreement.

4.4.2 Settlement

The Joint Lead Managers bid into the Bookbuild and received Allocations of Notes on a broker firm basis. This means that each Joint Lead Manager (other than ANZ Securities) is responsible for ensuring that payment is made for all Notes allocated to them or at their direction.

The Offer Management Agreement may be terminated by the Joint Lead Managers in certain circumstances. If the Offer Management Agreement is terminated, Bookbuild participants can withdraw their firm Allocations. For details of the fees payable under the Offer Management Agreement – see Section 8.6.

4.4.3 Allocation Policy

Allocations to Syndicate Brokers were determined by ANZ in consultation with the Joint Lead Managers following completion of the Bookbuild.

Allocations to applicants by a Syndicate Broker (including in respect of allocations under the Reinvestment Offer) are at the discretion of that Syndicate Broker. It is possible for Applications to be scaled back by a Syndicate Broker. ANZ takes no responsibility for any allocation, scale back or rejection that is decided by a Syndicate Broker.

Allocations to Institutional Investors were determined by ANZ Securities and ANZ following completion of the Bookbuild.

4.5 ASX QUOTATION, CONFIRMATION STATEMENTS AND OTHER INFORMATION

4.5.1 ASX quotation

ANZ has applied to ASX for Notes to be quoted on ASX. If ASX does not grant permission for Notes to be quoted within three months after the date of the Original Prospectus, Notes will not be issued and all Application Payments will be refunded (without interest) to applicants as soon as practicable.

It is expected that Notes will begin trading on ASX on a normal settlement basis on 27 March 2023 under ASX code "AN3PK".

You are responsible for confirming your holding before trading in Notes. If you are a successful applicant and sell your Notes before receiving your Confirmation Statement, you do so at your own risk.

You may call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8.30am to 5.30pm) or your Syndicate Broker, after the Issue Date to enquire about your Allocation.

4.5.2 Confirmation Statements

ANZ has applied for Notes to participate in CHESS. No certificates will be issued for Notes. ANZ expects that Confirmation Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful applicants by 31 March 2023.

4.5.3 Provision of bank account details for Distributions

ANZ's current policy is that Distributions will be paid in Australian dollars by direct credit into nominated Australian financial institution accounts (excluding credit card accounts) for Holders with a registered address in Australia. For all other Holders, ANZ's current policy is that Distributions will be paid by Australian dollar cheque.

4.5.4 Provision of Tax File Number or Australian Business Number

If you are a successful applicant who has not already quoted your TFN or ABN and you are issued any Notes, then you may be contacted in relation to quoting your TFN, ABN or both.

The collection and quotation of TFNs and ABNs are authorised, and their use and disclosure is strictly regulated, by tax laws and the Privacy Act. If collected, ANZ will only use and disclose your TFN or ABN in accordance with those laws and to fulfil its obligations in connection with the Notes.

You are not required to provide your TFN or ABN. However, if you decline to provide this information, ANZ may be required to withhold Australian tax at the maximum marginal tax rate plus the Medicare levy (currently being 47%) on the unfranked part of any Distribution unless you have provided:

- your TFN or, in certain circumstances, your ABN; or
- notification that you are exempt from providing this information.

Further, successful applicants who do not have an address in Australia registered with the Registry, or who direct the payment of any Distribution to an address outside of Australia, may have an amount deducted for Australian withholding tax from any Distribution paid, to the extent that the Distribution is not fully franked.



05

SECTION 05

ABOUT ANZ, ANZ HOLDINGS AND THE ANZ GROUP

THIS SECTION SETS OUT:

A DESCRIPTION OF THE ANZ GROUP'S BUSINESS INCLUDING SUMMARY FINANCIAL INFORMATION;

FINANCIAL INFORMATION DEMONSTRATING THE EFFECT OF THE OFFER ON ANZ AND ANZ HOLDINGS; AND

A DESCRIPTION OF ANZ AND THE ANZ GROUP'S CAPITAL MANAGEMENT AND CAPITAL RATIOS, FUNDING AND LIQUIDITY.

5.1 OVERVIEW OF ANZ GROUP

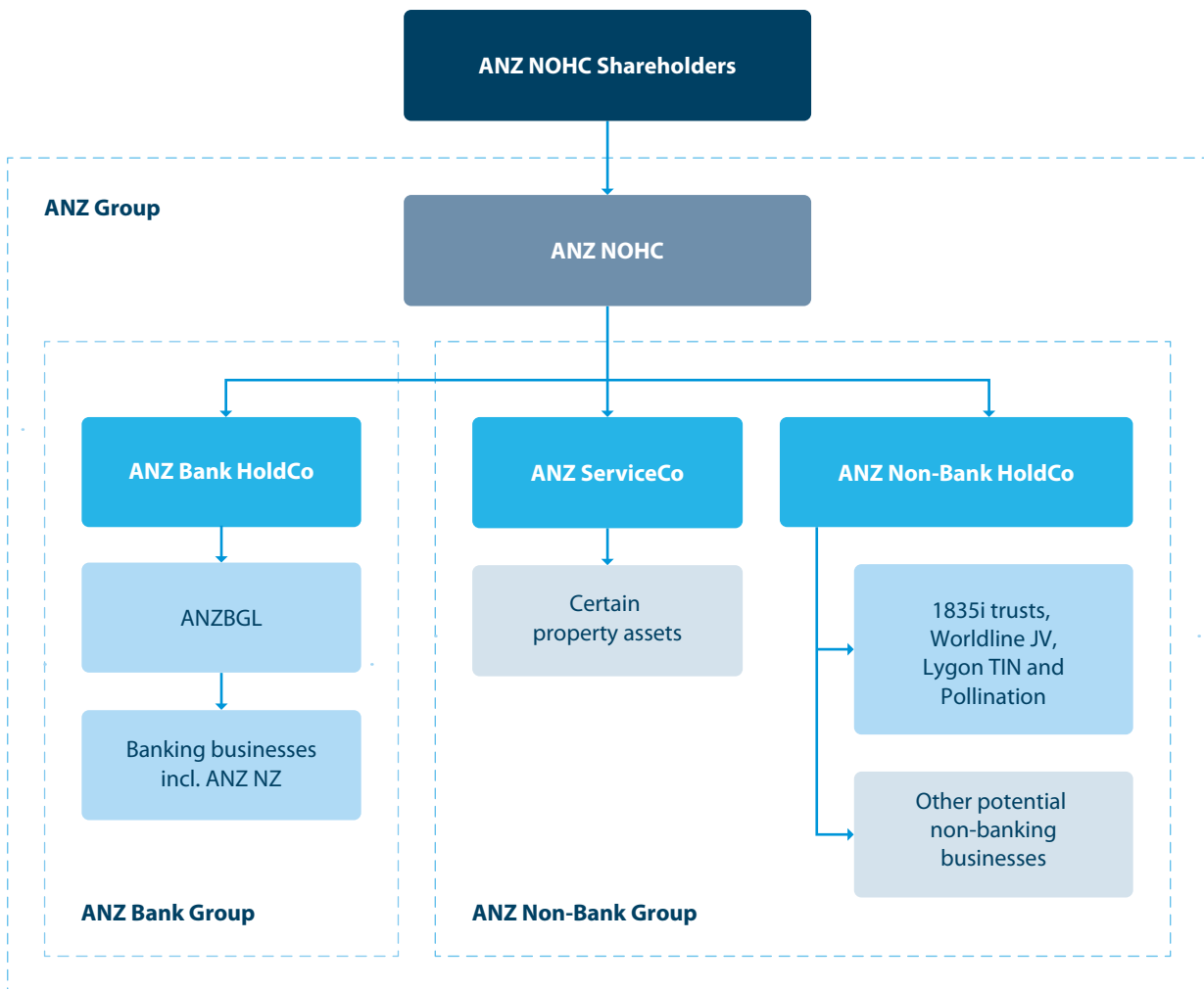
The ANZ Group began its Australian operations in 1835 and its New Zealand operations in 1840.

The ANZ Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional customers. Geographically, its operations span Australia, New Zealand, a number of countries in the Asia Pacific region, the United Kingdom, France, Germany and the United States.

Earlier this year, the ANZ Group implemented a restructure (**Restructure**) that resulted in ANZ Holdings becoming the new listed parent company of the ANZ Group in place of ANZ. ANZ Holdings is a non-operating holding company (**NOHC**) and is authorised as such for the purposes of the Banking Act. ANZ Holdings is listed, and ANZ Holdings Ordinary Shares are quoted, on the ASX. ANZ Holdings Ordinary Shares are also quoted on the New Zealand Stock Exchange. ANZ is an ADI and is

regulated by various prudential regulators, including APRA in Australia and RBNZ in New Zealand. Following the Restructure, ANZ is a subsidiary of ANZ Holdings.

The composition of the ANZ Group following the Restructure is set out in the diagram below. As outlined in that diagram, under the Restructure the ANZ Group's banking and non-banking businesses have been separated into two groups under ANZ Holdings: the ANZ Bank Group and the ANZ Non-Bank Group. The ANZ Bank Group holds the ANZ Group's banking businesses (including ANZ and ANZ NZ), all international regulated bank operations and insurance businesses. The ANZ Non-Bank Group holds certain non-banking businesses and assets, being the ANZ Group's interests in the 1835i trusts, the Worldline merchant acquiring joint venture, Pollination, Lygon and the Trade Information Network. For further information on the composition of the ANZ Bank Group and the ANZ Non-Bank Group, please refer to the Explanatory Memorandum issued by ANZ dated 27 October 2022 which is available on the ASX.



5.2 PRINCIPAL ACTIVITIES OF THE ANZ BANK GROUP

The ANZ Bank Group operates on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific and Group Centre.

Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes home loans, deposits, credit cards and personal loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers. It also includes the costs related to the development and operation of the ANZ Plus proposition for retail customers.

Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: small business owners and medium commercial customers (SME Banking) and large commercial customers, high net worth individuals and family groups (Specialist Business).

Institutional

The Institutional division services governments, global institutional and corporate customers across Australia, New Zealand and International via the following business units:

- **Transaction Banking** provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- **Corporate Finance** provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory services.
- **Markets** provides customers with risk management services in foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

New Zealand

The New Zealand division comprises the following business units:

- **Personal** provides a full range of banking and wealth management services to consumer and private banking customers. Services are delivered via internet and app-based digital solutions and a network of branches, mortgage specialists, relationship managers and contact centres.
- **Business** provides a full range of banking services including small business banking, through digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately-owned small, medium and large enterprises, the agricultural business segment, government and government-related entities.

Pacific

The Pacific division provides products and services to retail customers, small to medium-sized enterprises, institutional customers and governments located in the Pacific Islands. Products and services include retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. It also includes residual components of Group divestments, Group Treasury, Shareholder Functions, and minority investments in Asia.

5.3 ANZ GROUP STRATEGY

The ANZ Group's strategy is focused on improving the financial wellbeing and sustainability of its customers by providing services, tools and insights that engage and retain customers and positively change customer behaviour.

In particular, the ANZ Group aspires to help customers:

- save for, buy and own a liveable home;
- start or buy and sustainably grow their business; and
- move capital and goods around the region and sustainably grow their business.

In particular, we want to help customers:



Save for, buy and own a liveable home



Start or buy and sustainably grow their business



Move capital and goods around the region and sustainably grow their business

The ANZ Group seeks to achieve its strategy through:

- **Propositions** the customers of the ANZ Group find appealing – with a focus on easy to use services that evolve to meet the changing needs of customers. The ANZ Group aims, through better use of data, to provide valuable insights about its customers and how they can improve their financial wellbeing and sustainability over their lifetime, with the aspiration of enabling the ANZ Group to create superior propositions.
- Flexible and resilient digital banking **Platforms** – powering the ANZ Group's customers and made available for others to power the industry. Platforms underpin the ANZ Group's propositions and the ANZ Group expects them to increasingly underpin those of its customers.

- **Partnerships** that unlock new value – with ecosystems that help the ANZ Group's customers improve their financial wellbeing and sustainability.
- **Purpose** and values-led people – who drive value by caring about the ANZ Group's customers and the outcomes created. The ANZ Group aspires to listen, learn and adapt and do the right thing the first time and deliver outcomes that address financial and sustainability challenges.

5.4 DEVELOPMENTS TO THE ANZ GROUP

As announced by ANZ to the ASX on 18 July 2022, ANZ has entered into an agreement to acquire Suncorp Bank from Suncorp Group Limited for a purchase price of \$4.9 billion (**Suncorp Transaction**). The Suncorp Transaction remains subject to a minimum completion period of at least 12 months from the date the Suncorp Transaction was announced and a number of conditions precedent (being Federal Treasurer approval, Australian Competition and Consumer Commission authorisation or approval and repeal of or certain amendments to the State Financial Institutions and Metway Merger Act 1996 (Qld)).

Unless the parties agree otherwise, the last date for satisfaction of these conditions is 24 months after signing (after which either party may terminate the agreement). The final purchase price is subject to completion adjustments and may be more or less than \$4.9 billion. In addition, ANZ will acquire Suncorp Bank's Additional Tier 1 capital notes at face value (approximately \$0.6 billion as at June 2022). Completion is currently expected in the second half of calendar year 2023.

If the Suncorp Transaction completes, Suncorp Bank will be held in the ANZ Bank Group.

5.5 FINANCIAL INFORMATION ABOUT ANZ AND THE ANZ GROUP

5.5.1 2022 Financial Year

The ANZ consolidated group's statutory profit after tax for the year ended 30 September 2022 attributable to the shareholders of ANZ was \$7,119 million, compared to \$6,162 million for the year ended 30 September 2021, an increase of 16%.

The dividend for the year ended 30 September 2022 was 146 cents per ANZ Ordinary Share (fully franked) compared to 142 cents per ANZ Ordinary Share (fully franked) for the year ended 30 September 2021, an increase of 3%.

5.5.2 2023 Pillar 3 update

ANZ released its Pillar 3 for the 3 months to 31 December 2022 on 9 February 2023.

Further information is available at shareholder.anz.com/announcements.

5.5.3 Historical results

The profit information in Section 5.5.1 is historical information and is not a forecast of results to be expected in future periods.

5.5.4 Impact of the Offer on the ANZ consolidated group balance sheet

The issue of the Notes will increase the ANZ consolidated group's subordinated debt and cash by approximately \$1.479 billion (\$1.5 billion gross proceeds of the Offer, less approximately \$21 million of Offer costs) with no impact on the ANZ consolidated group's net assets or shareholders' equity.

If all CN3 are redeemed by ANZ on 24 March 2023, the ANZ consolidated group's subordinated debt and cash would reduce by approximately \$970 million, with no impact on the ANZ consolidated group's net assets or shareholders' equity.

On a net basis, the Offer of the Notes and the redemption of all of the CN3 would increase the ANZ consolidated group's subordinated debt and cash by approximately \$509 million. The Offer of the Notes and the redemption of all of the CN3 will not have a material impact on the ANZ consolidated group's financial position.

The impact has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards and other mandatory reporting requirements in Australia.

If ANZ raises more or less than \$1.5 billion under the Offer the figures referred to above will be impacted accordingly.

5.6 CAPITAL ADEQUACY

5.6.1 Prudential regulation

APRA is the prudential regulator of the Australian financial services industry.

ANZ is regulated by APRA because of its status as an ADI. APRA's Prudential Standards aim to ensure that ADIs (including ANZ) remain adequately capitalised to support the risks associated with their activities, absorb losses and to generally protect Australian depositors.

To ensure that ADIs are adequately capitalised on both a standalone and group basis, APRA adopts a tiered approach to the measurement of an ADI's capital adequacy by assessing the ADI's financial strength at three levels:

- **Level 1** – the ADI on a standalone basis (i.e. ANZ and specified subsidiaries which are considered to form the ADI's Extended Licensed Entity). This is the ANZ Level 1 Group;
- **Level 2** – the consolidated banking group (i.e. the consolidated group less certain subsidiaries and associates that are excluded under APRA's Prudential Standards). This is the ANZ Level 2 Group; and
- **Level 3** – the conglomerate group at its widest level; that is, ANZ Holdings as the NOHC and all its related bodies

corporate. Whilst ANZ is not yet required to report capital on a Level 3 basis, a description of APRA's proposed approach to the regulation of groups is contained in section 5.6.5. Under its authorisation, ANZ Holdings is required to hold adequate capital to reflect the risks of the whole ANZ Group, including both the ANZ Bank Group and ANZ Non-Bank Group.

The capital requirements of the ANZ Level 3 Group will be the sum of the capital requirements of the ANZ Bank Group and the ANZ Non-Bank Group. The ANZ Bank Group's capital requirements will continue to be determined by existing APRA requirements. The capital requirements of the ANZ Non-Bank Group are assessed using an independently validated and ANZ Holdings Board approved economic capital framework and model.

ANZ also complies with a common framework issued by the Basel Committee for the calculation of capital adequacy, and the risk weighting of assets, for banks worldwide (the **Basel Framework**). The objective of the Basel Framework is to develop capital adequacy guidelines that are more accurately aligned with the individual risk profile of banks.

The Basel Framework requires ADIs to hold a certain level of regulatory capital against its risk weighted assets (**RWA**). An ADI calculates its RWA number by weighting its assets (through applying a percentage factor) to reflect the risk of loss to the ADI from those assets, in particular from non-payment.

For more information on the capital ratios of the ANZ Level 1 and Level 2 Groups as at 31 December 2022 and the effect of the Offer on these ratios, see Sections 5.6.6 and 5.6.7.

5.6.2 Basel III Framework

ANZ has been accredited by APRA to use the Advanced Internal Ratings Based (**IRB**) methodology for calculating credit RWA and the Internal Models Approach (**IMA**) for market risk including interest rate risk in the banking book (**IRRBB**). The credit risk weightings for a bank accredited to use the IRB methodology are generally lower than the weightings applied to a bank that does not have that accreditation and so must use a standard set of risk weightings set by APRA (the **standardised approach**). APRA views Basel III requirements as a minimum standard and has accordingly set higher requirements in some areas for ADIs using the IRB methodology (**IRB ADIs**).

5.6.3 Prudential Capital Classification

APRA currently classifies an ADI's regulatory capital into three tiers for supervisory purposes – referred to as Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital.

Common Equity Tier 1 Capital comprises the highest quality components of capital and includes shareholders' equity adjusted for items which APRA does not allow as regulatory capital or classifies as lower forms of regulatory capital. The ratio of Common Equity Tier 1 Capital to RWA is called the Common Equity Capital Ratio.

Additional Tier 1 Capital comprises certain securities not classified as Common Equity Tier 1 Capital but with loss absorbing characteristics including that, at the time of "non-viability" of an ADI, these instruments will be either converted to ordinary shares or written off (such as ANZ Capital Securities and the ANZ Capital Notes 7). Additional Tier 1 Capital together with Common Equity Tier 1 Capital constitutes Tier 1 Capital and the ratio of Tier 1 Capital to RWA is called the Tier 1 Capital Ratio.

Tier 2 Capital consists of subordinated instruments and, whilst a lesser form of capital than Tier 1 Capital, still has a capacity to absorb losses and contributes to the overall capital framework. Tier 2 Capital will also be converted to ordinary shares or written off at the time of "non-viability" of an ADI. Tier 2 Capital together with Tier 1 Capital constitutes Total Capital and the ratio of Total Capital to RWA is called the Total Capital Ratio.

APRA has confirmed that the Notes will constitute Additional Tier 1 Capital for the purposes of ANZ's regulatory capital requirements.

5.6.4 APRA's Common Equity Capital Ratio requirements

Minimum Capital Ratios

APRA's Basel III Prudential Standards require a minimum Common Equity Capital Ratio of 4.5%, although APRA may require ADIs, such as ANZ, to maintain a higher capital ratio which may not be disclosed (**Prudential Capital Ratio** or **PCR**).

APRA also requires ADIs to hold Common Equity Tier 1 Capital buffers (**Combined Capital Buffers**). Following APRA's changes to its capital requirements discussed in Section 5.6.5 below, from 1 January 2023 these consist of:

- a capital conservation buffer (**CCB**) of 3.75%, unless APRA determines otherwise; plus
- an additional capital buffer of 1.0% for ADIs which APRA has determined are important banks to the Australian financial system (otherwise known as a 'domestic systemically important bank' or a **D-SIB**). APRA has determined that ANZ is a D-SIB; plus
- a counter-cyclical capital buffer (**CCyB**). In respect of Australian exposures, APRA has determined that from 1 January 2023 the default rate for the CCyB is 1.0%, although it may vary over time up to 3.5% in response to market conditions (refer to Section 5.6.5 below). Regulators in some jurisdictions in which ANZ operates have set CCyBs that apply to exposures in that jurisdiction, and as such apply to ANZ. As at 31 December 2022, the weighted average aggregate of non-Australian counter-cyclical capital buffers that applied to ANZ was 0%.

Volatility in the Level 1 and Level 2 Common Equity Capital Ratios can be expected to arise in the future reflecting the build-up of current year earnings in normal conditions which increase the ratio and the subsequent final determination of ANZ Ordinary Share Dividends to the NOHC (generally in June and December of each year) which decrease the ratio.

References to the minimum capital ratio, which is the aggregate of the PCR and the Combined Capital Buffers (**Minimum Capital Ratio**), applicable under APRA's Prudential Standards are to general minima applying under the APRA Prudential Standards, rather than specific minima applying to ANZ.

The differences between the Common Equity Capital Ratios for the ANZ Level 1 Group and ANZ Level 2 Group relate principally to the capital held within offshore banking subsidiaries and the treatment of insurance and funds management subsidiaries at Level 1. So long as ANZ is able to apply the Group's capital management strategy to those subsidiaries, including repatriating dividends from those subsidiaries (with the approval of the local regulator), ANZ would expect that those capital ratios would move in a broadly similar way. However, there are instances where the Level 1 and Level 2 capital ratios may diverge and regulatory developments (such as those described below) may also impact the ratios.

The ANZ Level 1 Group's Common Equity Capital Ratio has been impacted by the reduced dividends from its New Zealand subsidiary as a result of the RBNZ's restrictions on the amount of dividends that New Zealand banks could pay as well as the RBNZ's requirements for New Zealand banks to hold more capital.

Restrictions on the Payment of Distributions

If the Common Equity Capital Ratio for an ADI on a Level 1 or Level 2 basis falls below the Minimum Capital Ratio, which from 1 January 2023 would be 10.25% (assuming the 1% CCyB applies to all of ANZ's assets) under APRA's Prudential Standards for a D-SIB (although it may be higher for individual ADIs), then the ADI is limited in the amount of relevant current year post-tax earnings (adjusted to add back expenses for Tier 1 Capital Distributions (as defined below) paid in the immediately preceding 12 months) that it can pay as discretionary bonuses to staff; distributions on Additional Tier 1 Capital instruments (including the Notes) and dividends and share buy-backs on ordinary shares (**Tier 1 Capital Distributions**).

The amount of adjusted current year post-tax earnings that can be paid as Tier 1 Capital Distributions (including Distributions on the Notes) (**Maximum Distributable Amount**) is limited in accordance with the table below, after taking into account other Tier 1 Capital Distributions paid in the 12-month period immediately preceding the relevant payment date and actual and forecast capital raisings agreed with APRA.

The Combined Capital Buffer is divided into four quartiles for determining the maximum percentage of adjusted current year post-tax earnings that an ADI is able to distribute when its Common Equity Capital Ratio falls within the relevant quartile:

Common Equity Capital Ratio	Maximum Distributable Amount
Above the top of the Combined Capital Buffers (>PCR + Combined Capital Buffers)	100%
Within the fourth quartile of the Combined Capital Buffers (>PCR +0.75% of the Combined Capital Buffers to ≤PCR + Combined Capital Buffers)	60%
Within the third quartile of the Combined Capital Buffers (>PCR +0.50% of the Combined Capital Buffers to ≤PCR + 0.75% of the Combined Capital Buffers)	40%
Within the second quartile of the Combined Capital Buffers (>PCR +0.25% of the Combined Capital Buffers to ≤PCR + 0.50% of the Combined Capital Buffers)	20%
Within the first quartile of the Combined Capital Buffers (PCR to ≤PCR + 0.25% of the Combined Capital Buffers)	0%

An ADI may apply to APRA to make payments in excess of the Maximum Distributable Amount. APRA will only grant approval where it is satisfied that an ADI has established measures to raise capital equal to or greater than the amount above the constraint that it wishes to distribute. Australian corporations law does not limit the sources of payment of Distributions on the Notes to the profits of a particular year or period.

5.6.5 Regulatory Developments

Unquestionably strong capital requirements

The Australian Government completed a comprehensive inquiry into Australia's financial system in 2014 (the Financial Services Inquiry or **FSI**) which included a number of key recommendations that could have an impact on regulatory capital levels. APRA's key initiatives in support of the recommendations include:

- In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered 'unquestionably strong' as originally outlined in the FSI final report in December 2014. APRA indicated that in the case of the four major Australian D-SIBs, this equated to a benchmark Common Equity Capital Ratio, under the current capital adequacy framework, of at least 10.5% from 1 January 2020.
- APRA released its final requirements in relation to capital adequacy and credit risk capital requirements for ADIs in November 2021 for implementation from 1 January 2023 (**APRA capital reforms**). Key aspects of APRA's final requirements are:
 - increased alignment with internationally agreed Basel standards for non-residential mortgages exposures;
 - implementing more risk-sensitive risk weights for residential mortgage lending;
 - introduction of the Basel II capital floor that limits the

RWA outcome for IRB ADIs to no less than 72.5% of the RWA outcome under the standardised approach;

- improving the flexibility of the capital framework through the introduction of a default level of the CCyB and increasing the CCB for IRB ADIs. This has the effect of increasing the Minimum Capital Ratio (incorporating the higher Combined Capital Buffers) from 8% to approximately 10.25% (although it may be lower for a specific ADI given the CCyB only applies to Australian exposures);
- improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and
- implementing a minimum leverage ratio for IRB ADIs at 3.5%. APRA's "Leverage Ratio" compares Tier 1 Capital to the "exposure measure" (expressed as a percentage) as defined by APRA Prudential Standard APS110. It is designed as a non-risk based supplement or backstop to the current risk based capital requirements and is intended to restrict the build-up of excessive leverage in the banking system.

APRA has indicated that the above changes will likely result in a decrease in RWA, but this would be offset by the increased capital allocation to the Combined Capital Buffers. APRA has also indicated that since ADIs are currently meeting the "unquestionably strong" benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA is expected to calibrate the capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing "unquestionably strong" capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZ), will vary depending on the final form of requirements implemented by APRA.

Additionally, APRA is still consulting on revisions to a number of Prudential Standards, being IRRBB (interest rate risk in the banking book), market risk and counterparty credit risk.

Given the number of items that are yet to be finalised by APRA, the aggregate final outcome from all changes to APRA's Prudential Standards relating to their review of ADIs "unquestionably strong" capital framework remains uncertain.

Subject to finalisation of the APRA capital reform requirements, the impact of these changes may be to reduce the excess Common Equity Tier 1 Capital that ANZ holds at any time for both the Level 1 and Level 2 Groups over the point at which the Maximum Distributable Amount starts, mainly reflecting the increased regulatory capital buffer requirements.

APRA have noted that their expectation is for a D-SIB to target a Common Equity Capital Ratio of approximately 1% above the ADI's Minimum Capital Ratio at their reporting periods.

The RBNZ review of capital requirements

The RBNZ's new capital adequacy requirements for New Zealand banks, which are set out in the Banking Prudential Requirements (BPR) documents are being implemented in stages during a transition period from October 2021 to July 2028. The key requirements for ANZ's New Zealand banking subsidiary, ANZ Bank New Zealand Limited (**ANZ Bank New Zealand**), are as follows:

- ANZ Bank New Zealand's tier 1 capital requirement will increase to 16% of RWA, of which up to 2.5% could be in the form of additional tier 1 capital under RBNZ's BPR. ANZ Bank New Zealand's total capital requirement will increase to 18% of RWA, of which up to 2% can be tier 2 capital under RBNZ's BPR.
- Additional tier 1 capital must consist of perpetual preference shares which may be redeemable. It is anticipated that ANZ Bank New Zealand will be able to refinance its existing internal additional tier 1 capital securities to external counterparties. Tier 2 capital must consist of long-term subordinated debt.
- As an IRB approach accredited bank, ANZ Bank New Zealand's RWA outcomes will be increased to approximately 90% of what would be calculated under the standardised approach. This will be achieved by applying an 85% output floor for credit RWA and increasing the credit RWA scalar from 1.06 to 1.20.

The net impact on ANZ's Level 1 Common Equity Tier 1 Capital is approximately \$1.0 billion to \$1.5 billion between 30 September 2022 and the end of the transition period in 2028 (based on ANZ's 30 September 2022 balance sheet). The amount could also vary over time subject to changes to the capital position in ANZ Bank New Zealand (e.g. from RWA growth, management buffer requirements, and potential dividend payments).

APRA's regulation of groups

In February 2023, APRA announced that a policy priority is the regulation of banking groups as in recent years there has been the emergence of more complex corporate structures in the banking industry, resulting in the need for APRA to supervise more 'groups' of entities. APRA is reviewing the prudential framework for groups to ensure it caters to an increasing array of new groups and is consistently applied to provide a level playing field across different structures.

APRA intends to release a discussion paper in 2023, to seek industry feedback on the five key topics on groups: financial resilience, governance, risk management, resolution and competition issues. APRA expects to consult on any specific changes to standards in 2024 which would come into effect from 2025 onwards.

APRA noted that there are no immediate changes to existing APRA authorised NOHCs, although individual NOHC conditions may be updated as the review progresses.

5.6.6 The ANZ Level 1 Group and ANZ Level 2 Group's Common Equity Capital Ratios

The Common Equity Capital Ratios of the ANZ Level 1 and Level 2 Groups were 11.6% and 12.2% at 31 December 2022 respectively. The December 2022 position incorporates the impacts from payment of ANZ's 2022 final dividend, amongst other movements in the capital base. At 30 September 2022, the Common Equity Capital Ratios of the ANZ Level 1 and Level 2 Groups were 12.0% and 12.3% respectively.

APRA has stated that their expectation is for a D-SIB to target a Common Equity Capital Ratio of approximately 1% above the ADI's Minimum Capital Ratio at their reporting dates, following finalisation of the regulatory developments referred to in section 5.6.5 above. ANZ gives no assurance as to what its Common Equity Capital Ratio for the ANZ Level 1 Group or ANZ Level 2 Group will be at any time. These ratios and associated targets may be significantly impacted by the currently proposed or future regulatory changes, unexpected events affecting ANZ's business, operations and financial condition, APRA determining a higher PCR, any acquisitions or capital reductions and by APRA's prescriptions for the determination of the ratios at Level 1 or Level 2. Following the finalisation of the prudential standards described in section 5.6.5 above, ANZ's Common Equity Capital Ratios, and the buffers of Common Equity Tier 1 Capital ANZ holds above the Common Equity Capital Trigger and Minimum Capital Ratio, may differ from current levels.

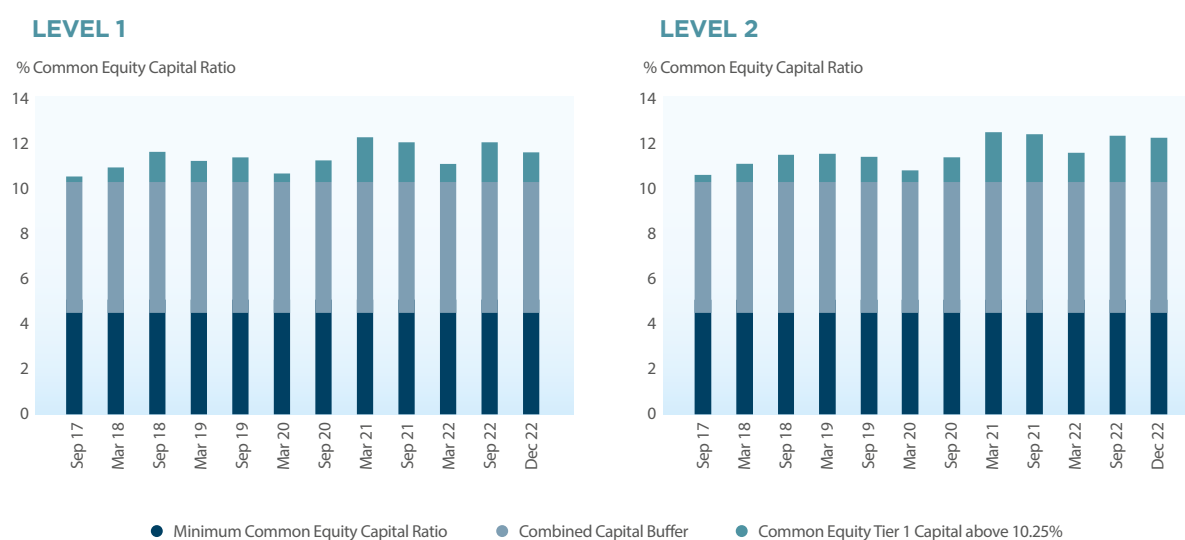
As at 31 December 2022, ANZ had \$5.3 billion and \$9 billion of Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group respectively in excess of 10.25%. This excess Common Equity Tier 1 capital is based on ANZ's existing (pre-capital reform) RWA, which will change as a result of the new capital standards effective from 1 January 2023 (and referred to in section 5.6.5 above). The 31 December 2022 capital position incorporates:

1. the impacts from payment of ANZ's 2022 Final dividend of 74 cents per share (equivalent to \$2.2 billion in Common Equity Tier 1 Capital); and
2. the benefit of the \$3.5 billion equity raising in August 2022 to fund the acquisition of the Suncorp Bank. However, it does not show the effect of the Suncorp Transaction should it complete. See Section 5.6.7 for further details.

This would also have equated to approximately \$25.6 billion and \$32.7 billion of surplus Common Equity Tier 1 Capital for the ANZ Level 1 Group and ANZ Level 2 Group respectively as at 31 December 2022 in excess of a Common Equity Tier 1 Capital Ratio of 5.125% which is the point at which a Common Equity Capital Trigger Event would occur.

The graphs below show ANZ's current and historic Common Equity Capital Ratios at Level 1 and Level 2, highlighting the amount of Common Equity Tier 1 Capital held at the relevant time (in percentage terms) in excess of 10.25% (notwithstanding the increase in the Minimum Capital Ratio from 8% to approximately 10.25% only occurred on 1 January 2023).

Currently, the Common Equity Capital Ratio for the ANZ Level 1 Group is lower than for the ANZ Level 2 Group and so is the binding constraint when considering the impact of actions that may affect ANZ's capital ratios. However, in the future and in certain circumstances (including as a result of completion of the Suncorp Transaction) the ANZ Level 2 Group ratio may become the binding constraint.



5.6.7 Proforma consolidated capital adequacy position as at 31 December 2022

The purpose of the proforma capital adequacy ratios set out in the table below is to present the regulatory capital adequacy position of the ANZ Level 2 Group as at 31 December 2022 adjusted for the effect of the proposed issue of \$1.5 billion of Notes under the Offer net of a redemption of the \$970 million of CN3 on 24 March 2023.

In the proforma adjustments contained in the table below:

- the fourth and fifth columns show the reduction in the capital adequacy ratios if all the CN3 were redeemed;
- the sixth column shows the impact of the issue of \$1.5 billion of Notes less Common Equity Tier 1 Capital Deductions of approximately \$21 million, being the estimated costs of the Offer; and
- the last column shows the net effect of all of the above adjustments on the 31 December 2022 capital adequacy ratios.

If there is an over or under-subscription for the Notes, the Tier 1 Capital Ratio and Total Capital Ratio will be adjusted for the amount of the over or under-subscription and associated transaction costs. ANZ's capital adequacy ratios will also be impacted by organic capital growth, changes in provisions and RWA growth since 31 December 2022.

ANZ'S SUMMARISED CONSOLIDATED CAPITAL ADEQUACY RATIOS AS AT 31 DECEMBER 2022						
ANZ Level 2 Group ¹	ANZ 30 September 2022	ANZ 31 December 2022 ²	Proforma adjustment: CN3 Redemption	Proforma ANZ 31 December 2022 after the CN3 Redemption	Proforma adjustment: CN8 issue	Proforma ANZ 31 December 2022 net of all Proforma Adjustments
Common Equity Capital Ratio	12.3%	12.2%	0.0%	12.2%	0.0%	12.2%
Additional Tier 1 Capital Ratio	1.7%	1.7%	-0.2%	1.4%	0.3%	1.8%
Tier 1 Capital	14.0%	13.9%	-0.2%	13.6%	0.3%	14.0%
Total Capital Ratio	18.2%	18.4%	-0.2%	18.2%	0.3%	18.5%

1 The capital adequacy ratios contained in this table have been rounded to the nearest decimal place. Any discrepancies in the sum of the ratios in this table are due to rounding.

2 The summarised consolidated capital adequacy ratios of the ANZ Level 2 Group as at 31 December 2022 are extracted from the ANZ Basel III Pillar 3 Disclosure as at 31 December 2022 (which are not subject to KPMG's audit or review processes).

The adjustments in the table above in respect of the ANZ Level 2 Group would have had a similar effect on the ANZ Level 1 Group ratios as at 31 December 2022 on a proforma basis. The Tier 1 Capital Ratio and Total Capital Ratio for the ANZ Level 1 Group as at 31 December 2022 would have reduced by 0.2% as a result of a redemption of all the CN3 and increased by 0.4% as a result of an issue of \$1.5 billion of Notes.

The proforma table does not include the impacts of:

- the Suncorp Transaction (if it were to complete). The expected net impact of the Suncorp Transaction on the Level 1 and Level 2 Common Equity Capital Ratio is a reduction of approximately 0.7% and 1.2% respectively on a proforma basis as at 31 December 2022; and
- the implementation of the NOHC on 3 January which as at 31 December 2022 on a pro forma basis does not have a material impact on ANZ's capital ratios.

5.7 FUNDING AND LIQUIDITY

5.7.1 Existing framework

Liquidity risk is the risk that an ADI is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that an ADI has insufficient capacity to fund increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations and is closely monitored by ANZ and managed in accordance with the risk appetite set by the Board.

ANZ's liquidity and funding risks are governed by a detailed policy framework that is approved by ANZ's Board Risk Committee. The management of the liquidity and funding positions and risks is overseen by the Group Asset and Liability Committee. ANZ's liquidity risk appetite is defined

by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZ's Board Risk Committee. The metrics cover a range of scenarios of varying duration and level of severity. This framework helps:

- provide protection against shorter-term but more extreme market dislocations and stresses;
- maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding; and
- ensure no undue timing concentrations exist in the Group's funding profile.

A key component of this framework is the Liquidity Coverage Ratio (LCR) that was implemented in Australia on 1 January 2015. The LCR is a severe short-term liquidity stress scenario, introduced as part of the Basel III international framework for liquidity-risk measurement, standards and monitoring.

In addition to the LCR, ANZ is also required to meet APRA's requirements with respect to the Net Stable Funding Ratio (NSFR). The NSFR is a ratio of the amount of available stable funding relative to the amount of required stable funding and banks were required to meet a minimum ratio requirement of 100% from 1 January 2018.

ANZ seeks to strictly observe its prudential obligations in relation to liquidity and funding risk as required by APRA Prudential Standard APS 210, as well the prudential requirements of overseas regulators on ANZ's offshore operations.

5.7.2 Liquidity Ratio

ANZ's Level 2 Group average LCR for the quarter to 31 December 2022 was 125.7%, above the minimum requirement of 100%.



06

SECTION 06

INVESTMENT RISKS

THIS SECTION DESCRIBES SOME OF THE POTENTIAL RISKS ASSOCIATED WITH AN INVESTMENT IN ANZ CAPITAL NOTES 8, ANZ AND THE GROUP.

THE SELECTION OF RISKS HAS BEEN BASED ON AN ASSESSMENT OF A COMBINATION OF THE PROBABILITY OF THE RISK OCCURRING AND THE IMPACT OF THE RISK IF IT DID OCCUR. THERE IS NO GUARANTEE OR ASSURANCE THAT THE IMPORTANCE OF DIFFERENT RISKS WILL NOT CHANGE OR OTHER RISKS EMERGE.

BEFORE APPLYING FOR NOTES, YOU SHOULD CONSIDER WHETHER NOTES ARE A SUITABLE INVESTMENT FOR YOU.

THERE ARE RISKS ASSOCIATED WITH AN INVESTMENT IN NOTES, IN ANZ AND IN THE GROUP, MANY OF WHICH ARE OUTSIDE THE CONTROL OF ANZ, ANZ HOLDINGS AND THEIR RESPECTIVE DIRECTORS. THESE RISKS INCLUDE THOSE IN THIS SECTION AND OTHER MATTERS REFERRED TO IN THIS PROSPECTUS.

6.1 RISKS ASSOCIATED WITH INVESTING IN ANZ CAPITAL NOTES 8

6.1.1 Investments in ANZ Capital Notes 8 are an investment in ANZ

Investments in Notes are an investment in ANZ and may be affected by the ongoing performance and financial position of the ANZ Group and the solvency of any member of the ANZ Group. Notes are not deposit liabilities and are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2 of Part II of the Banking Act. Notes are not guaranteed by any government, government agency or compensation scheme of Australia or by any other person or any other jurisdiction.

6.1.2 Liquidity

There may be no liquid market for Notes. Additionally, the market for Notes may be less liquid than the market for ANZ Holdings Ordinary Shares or other securities issued by ANZ, ANZ Holdings or other entities. Holders who wish to sell their Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Notes. If the Notes are traded after they are issued, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of ANZ, ANZ Holdings and the Group. There may be a limited number of buyers when you decide to sell the Notes. This may affect the price you receive for Notes or the ability to sell Notes at all.

Notes are expected to Convert into ANZ Holdings Ordinary Shares on 20 September 2032 (subject to certain conditions being satisfied) unless Notes are otherwise Exchanged on or before that date. Where Notes are Converted, there may be no liquid market for ANZ Holdings Ordinary Shares at or after the time of Conversion or the market for ANZ Holdings Ordinary Shares may be less liquid than that for securities issued by other entities at the time of Conversion.

6.1.3 Financial Market conditions

The market price of Notes may move up or down due to various factors, including investor perceptions, worldwide economic conditions, credit spreads, movements in the market price of ANZ Holdings Ordinary Shares or senior or subordinated debt issued by ANZ or ANZ Holdings, the occurrence or potential occurrence of a Trigger Event or factors resulting in ANZ deciding or not being permitted to make payments on the Notes, the method of calculating the outstanding amount (if any) of the Notes following a Conversion or Write Off, the outstanding amount of Notes, the risk of early redemption following a Tax Event or Regulatory Event, ANZ's and ANZ Group's financial condition and results of operations, investor confidence and market liquidity, the level, direction and volatility of market interest rates generally and factors that may affect ANZ's and ANZ Group's financial performance and position. Notes may trade at a market price below the Face Value.

The market price of Notes may be more sensitive than that of ANZ Holdings Ordinary Shares to changes in interest rates and credit spreads. Increases in relevant interest rates or ANZ's credit spread may adversely affect the market price of Notes. In recent years markets have become more volatile. Volatility risk is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market. The volatility can be seen in the following chart which shows the average trading price of selected ANZ Capital Securities quoted on the ASX compared to an adjusted ordinary share price for the head entity of the ANZ Group.²²

AVERAGE TRADING PRICES OF SELECTED ANZ CAPITAL SECURITIES COMPARED TO AN ADJUSTED ANZ ORDINARY SHARE PRICE



²² ANZ was the head entity of the ANZ Group until 3 January 2023, following which ANZ Holdings has been the head entity of the ANZ Group.

You should carefully consider this additional volatility risk before making any investment in Notes.

ANZ Holdings Ordinary Shares issued as a result of any Conversion of Notes will, following Conversion, rank equally with existing ANZ Holdings Ordinary Shares. Accordingly, the ongoing value of any ANZ Ordinary Shares received upon Conversion will depend upon the market price of ANZ Holdings Ordinary Shares after the Mandatory Conversion Date or other date on which Notes are Converted. That market is also subject to the factors outlined above and may also be volatile.

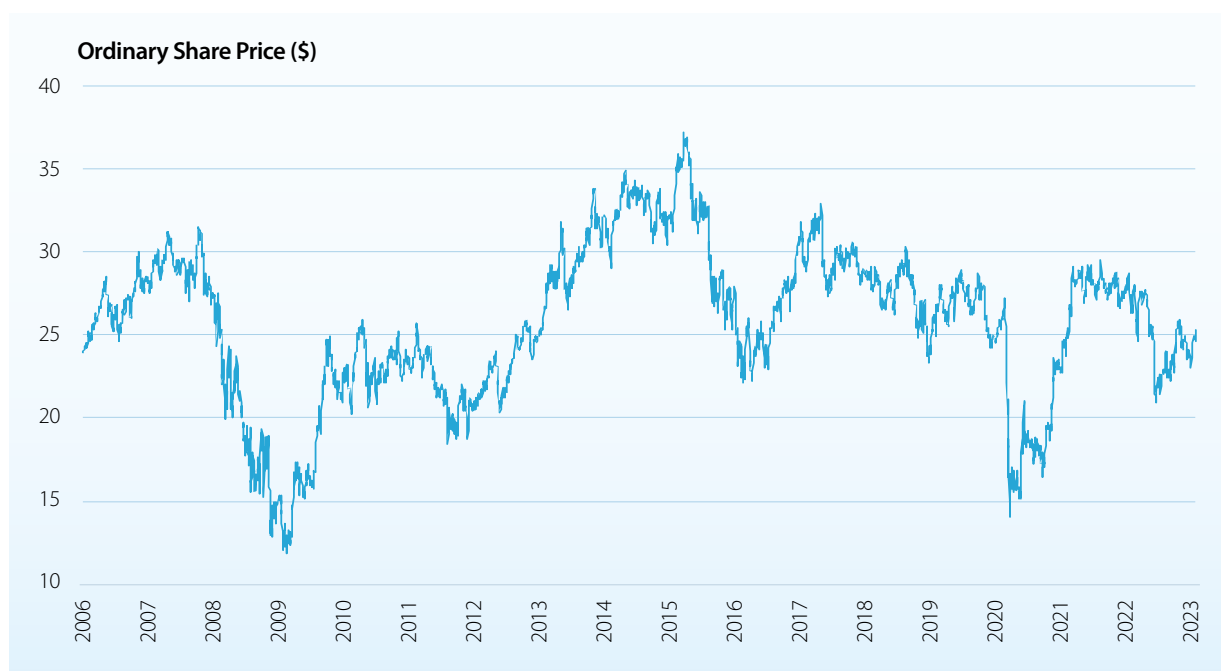
6.1.4 Exposure to Group's financial performance and position

If the Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in Notes could decline in value even if Notes have not been Converted. Accordingly, when you evaluate whether to invest in Notes, you should carefully evaluate the investment risks associated with an investment in the ANZ Group – see Section 6.2.

6.1.5 Fluctuation in ANZ Holdings Ordinary Share Price

Upon Conversion (other than Conversion resulting from a Trigger Event – see Section 6.1.11), Holders will receive approximately \$101 worth of ANZ Holdings Ordinary Shares per Note (based on the VWAP during the 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Mandatory Conversion Date or other date on which Notes are Converted). The market price of ANZ Holdings Ordinary Shares will move up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions and ANZ's, ANZ Holdings' or the Group's financial performance and position – see Section 6.1.3. In addition, a Trigger Event is likely to be accompanied by a deterioration in the market price of the ANZ Holdings Ordinary Shares. The VWAP during the relevant period before the date of Conversion that is used to calculate the number of ANZ Holdings Ordinary Shares that Holders receive may differ from the ANZ Holdings Ordinary Share price on or after the date of Conversion. This means that the value of ANZ Holdings Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

TRADING PRICES OF ORDINARY SHARES



Other events and conditions may affect the ability of Holders to trade or dispose of the ANZ Holdings Ordinary Shares issued on Conversion, for example, the willingness or ability of ASX to accept the ANZ Ordinary Shares issued on Conversion for listing or any practical issues which affect that listing, any disruption to the market for the ANZ Holdings Ordinary Shares or to capital markets generally, the availability of purchasers for ANZ Holdings Ordinary Shares and any costs or practicalities associated with trading or disposing of ANZ Holdings Ordinary Shares at that time, or laws of general application, including securities law and laws relating to the holding of shares and other interests in financial institutions, which limit a person's ability to acquire or dispose of ANZ Holdings Ordinary Shares.

6.1.6 Distributions may not be paid

There is a risk that Distributions will not be paid. There is no obligation for ANZ to pay Distributions. Distributions will only be paid at ANZ's discretion. ANZ could exercise its discretion not to pay Distributions at any time and for any reason. The payment of Distributions is also subject to the Payment Conditions – see Section 2.1.6. The Payment Conditions require, among other things, that (1) making the payment will not result in ANZ not complying with APRA's current capital adequacy arrangements, (2) making the payment would not result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act and (3) APRA not objecting to the Distribution being paid. There is a risk that one or more elements of the Payment Conditions will not be satisfied, and there is therefore a risk that a Distribution may not be paid in full or at all.

The Prudential Standards also impose restrictions on the proportion of profits that can be paid through ordinary dividends, Additional Tier 1 capital distributions (including Distributions on the Notes) and discretionary staff bonuses if the Common Equity Capital Ratio falls into its Combined Capital Buffers – see Section 5.6.4.

Distributions may not be paid if APRA objects to the payment of discretionary capital distributions.

The Note Terms contain no events of default and, accordingly, failure to pay a Distribution when scheduled will not constitute an event of default. Further, in the event that ANZ does not pay a Distribution when scheduled, a Holder:

- has no right to apply for ANZ, ANZ Holdings or any other member of the ANZ Group to be wound up, or placed in administration, or to cause a receiver, or a receiver and manager, to be appointed in respect of ANZ, ANZ Holdings or any other member of the ANZ Group merely on the grounds that ANZ does not pay a Distribution when scheduled; and
- may not exercise any right of set-off and will have no offsetting rights or claims on ANZ.

Distributions are non-cumulative, and therefore if a Distribution is not paid Holders will have no recourse whatsoever to payment from ANZ and will not receive payment of that Distribution.

However, if ANZ does not pay a Distribution in full on a Distribution Payment Date, then the Distribution Restriction applies to ANZ unless the Distribution is paid in full within 3 Business Days of that date. The Distribution Restriction only restricts distributions in respect of ANZ Ordinary Shares. It does not restrict distributions in respect of ANZ Holdings Ordinary Shares. The Distribution Restriction only applies until and including the next quarterly Distribution Payment Date. The dates for distribution with respect to ANZ Ordinary Shares are determined by ANZ, generally occur twice a year and do not bear a fixed relation to the Distribution Payment Dates

for Notes. Accordingly, as soon as the Distribution Restriction ceases to apply (as will be the case if the next scheduled Distribution is paid in full) ANZ will not be restricted from making a distribution on ANZ Ordinary Shares – see Section 2.1.7 for more details.

As noted above, there is no restriction on ANZ Holdings resolving to pay or paying any dividend on, or buying back, or reducing capital on, ANZ Holdings Ordinary Shares if ANZ does not pay a Distribution on a Note. However, ANZ Holdings' capacity to do so may be reduced by the application of the Distribution Restriction on ANZ described above. It is expected that dividends from ANZ will be a significant portion of the profits of ANZ Holdings, at least in the short to medium term. However, the profit contribution of ANZ to ANZ Holdings may change in the future, including as a result of changes in the business performance or restructuring of the ANZ Group.

Changes in regulations applicable to the ANZ Group, or its other obligations, may impose additional requirements which prevent ANZ from paying a Distribution in additional circumstances. Restrictions on the proportion of profits that can be paid through ordinary dividends, Additional Tier 1 capital distributions (including Distributions on ANZ Capital Notes 8) and discretionary staff bonuses will apply if the Common Equity Capital Ratio falls into the Combined Capital Buffer. For further information, see Sections 5.6 and 6.1.11.

Refer to Sections 5.6.4 and 5.6.5 for details of APRA's capital reform requirements which have increased the Minimum Capital Ratio (mainly reflecting the increased regulatory capital buffers) and which may reduce the excess Common Equity Tier 1 Capital that ANZ holds at any time over the point at which the Maximum Distributable Amount starts.

6.1.7 Distributions may not be fully franked

Distributions on the Notes will be franked at the same rate as dividends on the ANZ Holdings Ordinary Shares. ANZ Holdings has not yet paid a dividend, and ANZ's most recent ordinary dividend paid in December 2022 was franked at 100%. The level of franking may vary over time and Distributions may be partially, fully or not franked. There is no guarantee that ANZ Holdings will have sufficient franking credits in the future to allow Distributions to be franked.

If a Distribution is unfranked or partially franked, the amount of the cash Distribution paid on the Distribution Payment Date for that Distribution will be increased to compensate for the unfranked component, subject to the Payment Conditions – see Sections 2.1.3 and 2.1.6.

The value and availability of franking credits to a Holder will differ depending on the Holder's particular tax circumstances. Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution. Holders should

also be aware that the ability to use the franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each Holder and the tax rules that apply at the time. The laws relating to the availability of franking and franking credits may change.

Holders should be aware that they will not receive any compensation or "gross up" if they are denied the benefit of franking credits on their Distributions for any reasons.

Holders should also refer to the Taxation Summary in Section 7, seek professional advice in relation to their tax position and monitor any changes on an ongoing basis.

6.1.8 Risks upon Exchange for ANZ Holdings Ordinary Shares

ANZ Holdings Ordinary Shares are a different type of investment from Notes. For example, dividends on ANZ Holdings Ordinary Shares are not determined by a formula. ANZ Holdings Ordinary Shares rank behind the claims of all other securities and debts of ANZ Holdings in a winding-up of ANZ Holdings. ANZ Holdings Ordinary Shares trade in a manner that is likely to be more volatile than that of Notes and the market price is expected to be more sensitive to changes in the performance, prospects and business of the ANZ Group.

Other events and conditions may affect the ability of Holders to trade or dispose of ANZ Holdings Ordinary Shares issued on Exchange. For example, the willingness or ability of ASX to accept the ANZ Holdings Ordinary Shares issued on Exchange for quotation or any practical issues which affect that quotation, any disruption to the market for the ANZ Holdings Ordinary Shares or to capital markets generally, the availability of purchasers for ANZ Holdings Ordinary Shares and any costs or practicalities associated with trading or disposing of ANZ Holdings Ordinary Shares at that time.

6.1.9 Changes in Distribution Rate

The Distribution Rate is calculated for each Distribution Period by reference to the BBSW Rate, which is influenced by a number of factors and varies over time. The Distribution Rate will move (both increasing and decreasing) over time as a result of movements in the BBSW Rate – see Section 2.1.4.

As the Distribution Rate moves, there is a risk that it may become less attractive when compared to the rates of return available on other securities issued by ANZ, ANZ Holdings or other entities.

It is possible for the BBSW Rate to be negative. If this occurs, the negative amount will be taken into account in calculating the Distribution Rate. Even if the Distribution Rate is calculated to be negative, there will be no obligation on Holders to pay ANZ.

ANZ does not guarantee any particular rate of return on Notes. Changes in the corporate tax rate will also affect the Distribution Rate. If the corporate tax rate were to change, the cash amount of Distributions and the amount of any franking credits will change.

If ANZ determines that BBSW has been affected by a "Reference Rate Disruption Event", ANZ may select an alternative reference rate that it considers appropriate and make other related changes to the Terms (subject, in each case, to APRA's prior written approval) (see Section 2.1.4). Holders should note that APRA's approval may not be given for any alternative reference rate it considers to have the effect of increasing the rate of Distributions contrary to applicable prudential standards. There is a risk that the alternative reference rate that is used following a Reference Rate Disruption Event may not coincide with Holders' preferences.

6.1.10 ANZ Capital Notes 8 are perpetual and Mandatory Conversion may not occur on the Scheduled Mandatory Conversion Date or at all

Notes are expected to Convert into ANZ Holdings Ordinary Shares on 20 September 2032 (subject to certain conditions being satisfied) unless Notes are otherwise Exchanged on or before that date. However, there is a risk that Conversion will not occur because the Mandatory Conversion Conditions are not satisfied due to, for example, a large fall in the ANZ Holdings Ordinary Share price relative to the Issue Date VWAP, or if ANZ Holdings Ordinary Shares cease to be quoted on ASX, or have been suspended from trading for at least five consecutive Business Days prior to, and remain suspended on, the Mandatory Conversion Date. The ANZ Holdings Ordinary Share price may be affected by transactions affecting the share capital of ANZ Holdings, such as rights issues, placements, returns of capital, certain buy-backs and other corporate actions. The Issue Date VWAP is adjusted only for transactions by way of the consolidation, division or reclassification of ANZ Holdings Ordinary Shares and pro rata bonus issues of ANZ Holdings Ordinary Shares as described in clause 6 of the Note Terms and not for other transactions, including rights issues, placements, returns of capital, buy-backs or special dividends. The Note Terms do not limit the transactions which ANZ Holdings may undertake with respect to its share capital and any such action may affect whether Conversion will occur and may adversely affect the position of Holders.

If Mandatory Conversion does not occur on the Scheduled Mandatory Conversion Date, Mandatory Conversion would then occur on the first Distribution Payment Date following the Scheduled Mandatory Conversion Date on which all of the Mandatory Conversion Conditions are satisfied unless Notes are otherwise Exchanged on or before that date. If Mandatory Conversion does not occur on a possible Mandatory Conversion Date, Distributions may continue to be paid on Notes so long as they are on issue, subject to the Payment Conditions.

However, Notes are a perpetual instrument. If the ANZ Holdings Ordinary Share price deteriorates significantly and never recovers, it is possible that the Mandatory Conversion Conditions will never be satisfied and Mandatory Conversion will never occur.

6.1.11 Conversion on account of a Trigger Event

There are two types of Trigger Events:

- a Common Equity Capital Trigger Event; and
- a Non-Viability Trigger Event.

ANZ must Convert Notes into ANZ Holdings Ordinary Shares if at any time a Trigger Event occurs. This could be before or after the Scheduled Mandatory Conversion Date. Accordingly, any such Conversion on account of a Trigger Event may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing.

The Common Equity Capital Trigger Event is based on APRA's definition of the Common Equity Capital Ratio which means (i) in respect of the ANZ Level 1 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 1 Group and (ii) in respect of the ANZ Level 2 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 2 Group, in each case, as prescribed by APRA from time to time.

The Common Equity Capital Ratio may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of ANZ, and by APRA's prescriptions for the determination of the ratios at Level 1 or Level 2. Accordingly, there is a risk that ANZ's Common Equity Capital Ratio falls to 5.125% or below and that as a result, Notes Convert into ANZ Holdings Ordinary Shares before the Scheduled Mandatory Conversion Date.

The Non-Viability Trigger Event means the earlier of:

- the issuance of a notice in writing by APRA to ANZ that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or
- a determination by APRA, notified to ANZ in writing, that without a public sector injection of capital, or equivalent support, ANZ would become non-viable.

APRA has not provided specific guidance on when it will consider an entity to be non-viable. However, APRA has indicated that non-viability is likely to arise prior to the insolvency of an ADI. Non-viability could be expected to include serious impairment of APRA's financial position and insolvency; however, it is possible that APRA's definition of non-viable may not necessarily be confined to solvency or capital measures and APRA's position on these matters may change over time. As the occurrence of a Non-Viability Trigger Event is at the discretion of APRA, there can be no assurance given as to the factors and circumstances that might give rise to this event.

Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of ANZ. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, globally and in Australia and New Zealand may affect the viability of ANZ.

Conversion resulting from the occurrence of a Trigger Event is not subject to the Mandatory Conversion Conditions or other conditions. This is likely to mean that Holders would receive significantly less than \$101 worth of ANZ Holdings Ordinary Shares per Note (and suffer loss as a consequence) because:

- the number of ANZ Holdings Ordinary Shares issued per Note is limited to the Maximum Conversion Number and this number of ANZ Holdings Ordinary Shares may have a value of less than \$101;
- if the number of ANZ Holdings Ordinary Shares to be issued is calculated, based on VWAP, to be less than the Maximum Conversion Number, the VWAP may differ from the ANZ Holdings Ordinary Share price on or after the Trigger Event Conversion Date. In particular, VWAP prices will be based on trading days which occurred before the Trigger Event Conversion Date;
- the ANZ Holdings Ordinary Shares received on Conversion as well as ANZ Holdings Ordinary Shares generally may not be listed and so may not be able to be sold at prices reflecting their values (calculated based on VWAP) or at all; and/or
- the Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification of ANZ Holdings Ordinary Shares and pro rata bonus issues as set out in the Note Terms. However, no adjustment will be made to it on account of other transactions which may affect the price of ANZ Holdings Ordinary Shares, including for example rights issues, returns of capital, buy-backs or special dividends. The Note Terms do not limit the transactions that ANZ Holdings may undertake with respect to its share capital and any such action may increase the risk that Holders receive only the Maximum Conversion Number and so may adversely affect the position of Holders.

If, following a Trigger Event, Conversion has not been effected within five Business Days after the Trigger Event Conversion Date for any reason (including where ANZ or ANZ Holdings is prevented from performing any of their obligations necessary to effect Conversion of the Notes by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding-up or other external administration of ANZ or ANZ Holdings) or other reason (an **Inability Event**)), Notes which would otherwise be Converted, will not be Converted, but instead, the rights of the Holder (including to the payment of Distributions and Face Value) in relation to such Notes will be immediately and irrevocably written off and terminated with effect on and from the Trigger Event Conversion Date and Holders will suffer loss as a result.

The laws under which an Inability Event may arise include laws relating to the insolvency, winding-up or other external administration of ANZ. Those laws and the grounds on which a court or government authority may make orders preventing the Conversion of Notes may change and the change may be adverse to the interests of Holders.

Holders should be aware that:

- Relevant Securities such as Notes will be converted or written off before any Tier 2 Capital instruments are converted or written off;
- ANZ has no obligation to maintain on issue any Relevant Securities and does not, and may never, have on issue Relevant Securities which require them to be converted or written off before Notes or in full;
- where a Non-Viability Trigger Event occurs because APRA determines that, without a public sector injection of capital or equivalent support, ANZ would become non-viable, all the Notes will be Converted;
- the greater the amount of Relevant Securities and Tier 2 Capital instruments that are required to be converted, the more likely the market price of ANZ Holdings Ordinary Shares may be adversely affected as a result of the conversion; and
- Relevant Securities are likely to have different maximum conversion numbers depending upon the price of ANZ Holdings Ordinary Shares at the time those instruments were issued. A holder of Capital Notes 8 who receives the Maximum Conversion Number of ANZ Holdings Ordinary Shares on Conversion of their Notes may receive fewer ANZ Holdings Ordinary Shares per Note than a holder of another Relevant Security the terms of which provide for a higher maximum conversion number.

6.1.12 Exchange and Exchange Method may be at ANZ's option

ANZ may (subject to APRA's prior written approval) elect to Exchange some or all Notes on an Optional Exchange Date or on the occurrence of a Tax Event or a Regulatory Event, in accordance with the Note Terms. Holders have no right to request or require an Exchange.

Any such Exchange at ANZ's option may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to Notes (such as Distributions) is unknown.

Subject to certain conditions, ANZ also has in many cases a discretion to elect which Exchange Method will apply to an Exchange. The method chosen by ANZ may be disadvantageous to Holders and may not coincide with their individual preference in terms of whether they receive ANZ Holdings Ordinary Shares or cash on the relevant date.

For example, if APRA approves an election by ANZ to Redeem or Resell the Notes, Holders will receive cash equal to \$100 per Note rather than ANZ Holdings Ordinary Shares and, accordingly, they will not benefit from any subsequent increases in the Ordinary Share price after the Redemption or Resale occurs. In addition, where Holders receive cash on Redemption or Resale, the rate of return at

which they could reinvest their funds may be lower than the Distribution Rate at the time. Where Holders receive ANZ Holdings Ordinary Shares on Conversion, they will have the same rights as other ANZ Holdings Ordinary Shareholders, which are different to the rights attaching to Notes.

If ANZ elects to Resell Notes but the purchaser does not pay the Face Value of any Notes on the Exchange Date, those Notes will not be transferred and a Holder has no claim on ANZ as a result of that non-payment.

6.1.13 Conversion on Change of Control Event

If a Change of Control Event occurs, ANZ is required to Convert all Notes in accordance with the Note Terms (see Clause 4.10 of the Note Terms). ANZ must, subject to Clause 4.10 of the Note Terms, give a Change of Control Conversion Notice to Convert the Notes.

The Notes cannot Convert on the occurrence of a Change of Control Event if the restrictions on Conversion described in Section 2.4.3 apply.

If the restrictions prevent Conversion, ANZ will, as noted in Section 2.4.4, give a new Change of Control Conversion Notice which will specify Conversion as the Exchange Method for Conversion on the next Distribution Payment Date (under Clause 3.5(a) of the Note Terms). Conversion will not occur if the restrictions described in Section 2.4.3 apply on that date. This process will be repeated for each Distribution Payment Date (under Clause 3.5(a) of the Note Terms) until a Conversion occurs. If these restrictions continue to apply, there is a risk that the Notes remain on issue following the occurrence of a Change of Control Event.

Not all corporate activities that have the effect of a change of control of ANZ or ANZ Holdings or their respective business operations will be a Change of Control Event. In particular, it would not be a Change of Control Event if APRA were to require the compulsory transfer of ANZ's or ANZ Holdings' business, or ANZ's shareholding. Where the corporate activity is not a Change of Control Event, ANZ is not obliged to Convert Notes. Therefore, the outcomes for Holders arising from that corporate activity will be uncertain and Holders may suffer loss or face increased or different risks.

6.1.14 Optional Exchange by ANZ is subject to certain events occurring

If ANZ wishes to Exchange Notes, APRA's prior written approval is required. Holders should not expect that APRA will give its approval to any Exchange.

The choice of Conversion as the Exchange Method is subject to the level of the ANZ Holdings Ordinary Share price on the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in ANZ Holdings Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in ANZ Holdings Ordinary Shares occurred).

If the VWAP on that date is less than or equal to 22.50% of the Issue Date VWAP, ANZ is not permitted to choose Conversion as the Exchange Method. Also if a Delisting Event has occurred in respect of that date, ANZ is not permitted to choose Conversion as the Exchange Method.

The conditions to Conversion on the Exchange Date are that the Second Mandatory Conversion Condition (as if it referred to 20.21% of the Issue Date VWAP) and the Third Mandatory Conversion Condition must both be satisfied in respect of the Exchange Date as if the Exchange Date were a possible Mandatory Conversion Date.

If the conditions to Conversion on the Exchange Date are not satisfied, ANZ will notify Holders and the Conversion will be deferred until the first Distribution Payment Date (under Clause 3.5(a) of the Note Terms) following that Exchange Date on which the Mandatory Conversion Conditions would be satisfied as if that Distribution Payment Date were a possible Mandatory Conversion Date.

The choice of Redemption as the Exchange Method is subject to the condition that the Notes that are the subject of the Exchange, are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity, or that APRA is satisfied that the capital position of the ANZ Level 1 Group, the ANZ Level 2 Group and, if applicable, the ANZ Level 3 Group is well above its minimum capital requirements after ANZ elects to Redeem Notes.

APRA has recently stated that, consistent with its prudential requirements, where it considers any replacement capital to be more expensive (including because of higher credit margins), APRA may not approve a Redemption unless ANZ satisfies it as to the economic and prudential rationale for the Redemption and that the Redemption will not create an expectation that other regulatory capital instruments will be redeemed in similar circumstances. The matters to which APRA may have regard in considering whether to give its approval are not limited and may change.

6.1.15 Conversion conditions

The only conditions to Conversion are, in the case of Mandatory Conversion, the Mandatory Conversion Conditions and, in the case of Conversion following a Change of Control Event or an Exchange at ANZ's option, the conditions expressly applicable to such Conversion under Clauses 4.10 or 5 of the Note Terms (as the case may be). No other conditions will affect the Conversion except as expressly provided by the Note Terms – see Clause 9.10(e) of the Note Terms.

Other events and conditions may affect the ability of Holders to trade or dispose of the ANZ Holdings Ordinary Shares issued on Conversion, for example, the willingness or ability of ASX to accept the ANZ Holdings Ordinary Shares issued on Conversion for listing or any practical issues which affect that listing, any disruption to the market for the ANZ Holdings Ordinary Shares or to capital

markets generally, the availability of purchasers for ANZ Holdings Ordinary Shares and any costs or practicalities associated with trading or disposing of ANZ Holdings Ordinary Shares at that time.

Furthermore, as set out in Section 6.1.11, Conversion following a Trigger Event is not subject to any conditions.

6.1.16 Restrictions on rights and ranking in a winding-up of ANZ

Notes are not deposit liabilities of ANZ or ANZ Holdings and the payment of Distributions and payment on Redemption or Resale is not guaranteed by ANZ or ANZ Holdings. Notes are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act. Notes are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction. A Holder has no claim on ANZ in respect of Notes except as provided in the Note Terms. Notes are unsecured.

In the event of a winding-up of ANZ, and assuming Notes have not been Converted or Written Off, Holders will be entitled to claim for an amount equal to the Face Value. The claim for this amount ranks ahead of ANZ Ordinary Shares, equally with the ANZ Capital Securities and any other Equal Ranking Instruments, but behind all senior ranking securities and instruments and all depositors and other creditors. Claims in respect of Notes are subordinated and, notwithstanding a winding-up of ANZ, rank as Preference Shares as set out in the Note Terms. However, the claim of Holders in a winding-up will be adversely affected if a Trigger Event occurs. If, following a Trigger Event, Notes are converted into ANZ Holdings Ordinary Shares, Holders will become holders of ANZ Holdings Ordinary Shares. If, following a Trigger Event, Notes are Written Off, those Notes will never be Converted or Exchanged, all rights in relation to those Notes will be terminated and Holders will not have their capital repaid.

If there is a shortfall of funds on a winding-up of ANZ to pay all amounts ranking senior to and equally with Notes, there is a significant risk that Holders will not receive all (or any part of) an amount equal to the Face Value in a winding-up of ANZ. Although the Notes may pay a higher rate of distribution than comparable instruments which are not subordinated, there is a significant risk that a Holder will lose all or some of their investment should ANZ become insolvent.

6.1.17 Changes to credit ratings

ANZ's cost of funds, margins, access to capital markets and competitive position and other aspects of its performance may be affected if it fails to maintain credit ratings (including any long-term credit ratings or the ratings assigned to any class of its securities).

Real or anticipated changes in the credit rating of ANZ will generally affect any trading market for, or trading value of, the Notes.

A credit rating is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any suspension, reduction or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the Notes or ANZ Holdings Ordinary Shares received on Conversion of Notes.

6.1.18 Regulatory classification

APRA has provided confirmation that Notes will, once issued, constitute Additional Tier 1 Capital. However, if as a result of a change of Australian law or regulation or any statement of APRA, APRA subsequently determines that all of the Notes are not or will not qualify as Additional Tier 1 Capital, ANZ may decide that a Regulatory Event has occurred. A Regulatory Event will not arise where at the Issue Date ANZ expected the event would occur. A Regulatory Event will allow Exchange of all or some Notes on issue at the option of ANZ (subject to APRA's prior written approval). For the risks attaching to ANZ's discretion to Exchange in certain specified circumstances see Section 6.1.12.

6.1.19 Australian tax consequences

A general outline of the tax consequences of investing in Notes for certain potential investors is set out in the Taxation Summary in Section 7. This discussion is in general terms and is not intended to provide specific advice addressing the circumstances of any particular potential investor. Accordingly, potential investors should seek independent advice concerning their own individual tax position.

Broadly, if a change is made to the Australian tax law or practice and that change leads to a more than insubstantial risk of:

- a more than insignificant increase in a member of the ANZ Group's costs in relation to Notes; or
- a distribution on Notes not being frankable,

ANZ is entitled to Exchange all or some Notes (subject to APRA's prior written approval – see Section 6.1.12). ANZ will not be entitled to Exchange in these circumstances if ANZ expected the event on the Issue Date.

If the corporate tax rate were to change, the cash amount of Distributions and the amount of any franking credits will change. For instance, if the tax rate decreases the cash amount of any Distribution ANZ may pay would increase and the franking credits attached to that Distribution would decrease.

ANZ has applied for a class ruling from the Australian Taxation Office for confirmation of certain Australian tax consequences for Holders as discussed in the Taxation Summary in Section 7.

6.1.20 Accounting standards

A change in accounting standards by either the International Accounting Standards Board or Australian Accounting Standards Board may affect the reported earnings and financial position of ANZ in future financial periods. This may adversely affect the ability of ANZ to pay Distributions.

6.1.21 Future issues or redemptions of securities by ANZ or ANZ Holdings

Notes do not in any way restrict ANZ or ANZ Holdings from:

- issuing further securities of any kind (whether ranking with, in priority to or junior to or having different rights from the Notes);
- incurring or guaranteeing further indebtedness; or
- redeeming, buying back, converting, returning capital or converting any securities, other than the Notes (except as described in Section 2.1.7).

ANZ's obligations under Notes rank subordinate and junior in right of payment and in a winding-up to ANZ's obligations to holders of senior ranking securities and instruments, and its depositors and other creditors, including subordinated creditors. Accordingly, in a winding-up ANZ's obligations under Notes will not be satisfied unless it can satisfy in full all of its other obligations ranking senior to Notes.

ANZ may in the future issue securities that:

- rank for dividends or payments of capital (including on the winding-up of ANZ) equal with, behind or ahead of Notes;
- have the same or different dividend, interest or distribution rates as Notes;
- have payment tests and distribution restrictions or other covenants which affect Notes (including by restricting circumstances in which Distributions can be paid on Notes or Notes can be Redeemed); or
- have the same or different terms and conditions as Notes.

ANZ may incur further indebtedness and may issue further securities including further Tier 1 Capital securities before, during or after the issue of Notes. For example, as part of its ongoing capital management program, ANZ continually considers the issuance of Tier 1 Capital securities in domestic and offshore markets.

An investment in Notes carries no right to participate in any future issue of securities (whether equity, Additional Tier 1 Capital, subordinated or senior debt or otherwise) by ANZ, ANZ Holdings or any other member of the ANZ Group.

No prediction can be made as to the effect, if any, which the future issue of securities by ANZ or ANZ Holdings may have on the market price or liquidity of Notes or of the likelihood of ANZ making payments on Notes.

Similarly, Notes do not restrict ANZ from redeeming or otherwise repaying its other existing securities, including other existing securities which rank equally with or junior to Notes (other than to the extent the Distribution Restrictions apply).

ANZ may redeem or otherwise repay existing securities including existing equal or junior ranking Tier 1 Capital securities before, during or after the issue of Notes. An investment in Notes carries no right to be Redeemed or otherwise repaid at the same time as ANZ redeems or otherwise repays other securities (whether equity, Additional Tier 1 Capital, subordinated or senior debt or otherwise).

No prediction can be made as to the effect, if any, which the future redemption or repayment by ANZ of existing securities may have on the market price or liquidity of Notes or on ANZ's financial position or performance.

6.1.22 Shareholding limits and nominee sales

The Financial Sector (Shareholdings) Act 1998 (Cth) restricts ownership by people (together with their associates) of a non-operating holding company of an Australian bank, such as ANZ Holdings, to a 20% stake. A shareholder may apply to the Australian Treasurer to extend their ownership beyond 20%, but approval will not be granted unless the Treasurer is satisfied that a holding by that person greater than 20% is in the national interest.

Mergers, acquisitions and divestments of Australian public companies listed on ASX (such as ANZ Holdings) are regulated by detailed and comprehensive legislation and the rules and regulations of ASX. These provisions include restrictions on the acquisition and sale of relevant interests in certain shares in an Australian listed company under the Corporations Act and a requirement that acquisitions of certain interests in Australian listed companies by foreign interests are subject to review and approval by the Treasurer. In addition, Australian law also regulates acquisitions which would have the effect, or be likely to have the effect, of substantially lessening competition in a market, or in a state or in a territory of, Australia.

Holders should take care to ensure that by acquiring any Notes (taking into account any ANZ Holdings Ordinary Shares into which they may Convert), Holders do not breach any applicable restrictions on ownership.

If the Register indicates that a Holder's address is outside of Australia (or ANZ believes that a Holder may not be a resident of Australia) (such a Holder, a **Foreign Holder**) and that Foreign Holder's Notes are to be Converted, ANZ is entitled, in certain circumstances, to appoint a nominee (who may not be ANZ, ANZ Holdings or a Related Entity of ANZ). If a nominee is appointed, the relevant ANZ Holdings Ordinary Shares issued on Conversion will be issued to the nominee who will sell those ANZ Holdings Ordinary Shares and pay a cash amount equal to the net proceeds to the Foreign Holder. There is a risk that ANZ may not be able to appoint a nominee as the ability to appoint a nominee may

depend, among other things, upon the availability of a suitable person to act as nominee.

Where a FATCA Withholding would be required or permitted to be made in respect of ANZ Holdings Ordinary Shares issued on Conversion of Notes, ANZ may either issue the ANZ Holdings Ordinary Shares which the Holder is obliged to accept to the Holder of the Notes net of FATCA Withholding and issue the balance of ANZ Holdings Ordinary Shares to a nominee or will issue the ANZ Holdings Ordinary Shares which the Holder is obliged to accept entirely to a nominee. In each case, the nominee (which may not be ANZ, ANZ Holdings or a Related Entity of ANZ) will sell the ANZ Holdings Ordinary Shares issued to it, deal with any proceeds of their disposal in accordance with FATCA and, where the ANZ Holdings Ordinary Shares have been issued entirely to the nominee, pay a cash amount equal to the proceeds of their disposal net of any FATCA Withholding and other amounts as specified in the Note Terms to the Holder.

None of ANZ, ANZ Holdings or the nominee owes any obligations or duties to Holders in relation to the price at which ANZ Holdings Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of ANZ Ordinary Shares.

6.1.23 Powers of a Banking Act Statutory Manager and of APRA

ANZ is an ADI and ANZ Holdings is an authorised non-operating holding company of an ADI. In certain circumstances APRA may appoint a statutory manager to take control of the business of an ADI or an authorised non-operating holding company of an ADI (each a **relevant entity**). Those circumstances are defined in the Banking Act and include (but are not limited to):

- where the ADI becomes unable to meet its obligations or suspends payment;
- where the ADI informs APRA that it considers it is likely to become unable to meet its obligations, or is about to suspend payment;
- where APRA considers that, in the absence of external support:
 - the ADI may become unable to meet its obligations;
 - the ADI may suspend payment;
 - it is likely that the ADI will be unable to carry on banking business in Australia consistently with the interests of its depositors; or
 - it is likely that the ADI will be unable to carry on banking business in Australia consistently with the stability of the financial system in Australia;
- where, in certain circumstances, the ADI or the authorised non-operating holding company of an ADI is in default of compliance with a direction by APRA to comply with the Banking Act or regulations made under it and the Federal Court of Australia authorises APRA to assume control of the relevant entity's business.

In addition, APRA has the power to take control of the business of an authorised non-operating holding company of an ADI where APRA has appointed, or intends to appoint, a statutory manager to take control of the business of the relevant ADI and certain other conditions are met.

The powers of a Banking Act statutory manager include the power to alter the relevant entity's constitution, to issue, cancel or sell shares (or rights to acquire shares) in the relevant entity and to vary or cancel rights or restrictions attached to shares in a class of shares in the relevant entity. The Banking Act statutory manager is authorised to do so despite the Corporations Act, the relevant entity's constitution, any contract or arrangement to which the relevant entity is party or the Listing Rules. The Banking Act statutory manager may also dispose of the whole or part of the relevant entity's business. In the event that a Banking Act statutory manager is appointed to ANZ or ANZ Holdings in the future, these broad powers of a Banking Act statutory manager may be exercised in a way which adversely affects the rights attaching to the Notes and the position of Holders.

APRA may, in certain circumstances, require ANZ or ANZ Holdings to transfer all or part of its business, or require the transfer of shares in ANZ, to another entity under the Financial Sector (Transfer and Restructure) Act 1999 (Cth) (the **FSTR Act**).

A transfer under the FSTR Act overrides anything in any contract or agreement to which ANZ or ANZ Holdings is party and thus may have an adverse effect on ANZ's or ANZ Holdings' ability to comply with its obligations under the Notes and the position of Holders.

In addition, Holders should be aware that secrecy obligations may apply to action taken by APRA. This means that information about action taken by APRA (including in exercise of its powers under the Banking Act) may not be publicly disclosed.

6.1.24 Amendment of Note Terms

ANZ may, in certain circumstances, amend the Note Terms without the consent of Holders. ANZ may also amend the Note Terms if the amendment has been approved by a Special Resolution of Holders. However, no amendment to the Note Terms is permitted without APRA's prior written approval if such amendment may affect the classification of ANZ Capital Notes 8 as Additional Tier 1 Capital on a Level 1, Level 2 or (if applicable) Level 3 basis. This applies regardless of whether such amendment would require Holder approval. Amendments under these powers are binding on all Holders despite the fact that a Holder may not agree with the amendment.

6.1.25 Approved Successors

Subject to certain conditions (including the receipt of APRA's prior written approval where required), ANZ may elect to substitute an Approved Successor:

- as issuer of ordinary shares on Conversion; or
- to assume all obligations under the Note Terms.

ANZ may elect to substitute an Approved NOHC, ANZ Holdings or ANZ as the Approved Successor, provided that, where such entity is to be substituted as the issuer of ordinary shares on Conversion, its ordinary shares will be quoted on ASX immediately after the substitution. Additionally, an Approved Successor can only be substituted if, following the substitution, the Notes are expected to remain quoted on the ASX.

In connection with an Approved Successor Event, ANZ may:

- make any amendments it considers to be reasonably necessary and appropriate to effect the substitution consistent with the requirements of APRA in relation to Additional Tier 1 Capital and instruments eligible to fund Additional Tier 1 Capital; and
- where the Approved Successor Event involves ANZ Holdings or an Approved NOHC assuming all obligations in connection with the Notes, appoint a trustee for Holders and reconstitute the Notes under a trust deed compliant with Chapter 2L of the Corporations Act (unless not required to do so by applicable law) and enter into such other documents or do any other things as ANZ considers to be reasonably necessary or appropriate to effect the substitution consistent with the requirements of APRA in relation to Additional Tier 1 Capital and instruments eligible to fund Additional Tier 1 Capital.

Holders do not have any right to vote on an Approved Successor Event and Holders have no rights to require ANZ to give an Approved Successor Notice.

The ability of an Approved Successor to perform the obligations for which it is liable in respect of the Notes may not be the same as that of ANZ (or ANZ Holdings, as the case may be) and the substitution may adversely affect the position of Holders.

6.1.26 No rights with respect to ANZ Holdings Ordinary Shares

Holders have no voting or other rights in relation to ANZ Holdings Ordinary Shares until ANZ Holdings Ordinary Shares are issued to them. In addition, the Notes do not confer on Holders any right to subscribe for new securities in ANZ or ANZ Holdings or to participate in any bonus issue of securities. The rights attaching to ANZ Holdings Ordinary Shares if ANZ Holdings Ordinary Shares are issued will be the rights attaching to ANZ Holdings Ordinary Shares at that time. Holders have no right to vote on or otherwise to approve any changes to ANZ Holdings' constitution in relation to the ANZ Holdings Ordinary Shares that may in the future be issued to them. Therefore, Holders will not be able to influence decisions that may have adverse consequences for them.

6.1.27 Design and Distribution Obligations and Product Intervention Power

On 5 April 2019, the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 (**DDO Legislation**) was enacted. The DDO Legislation imposes additional obligations on ANZ regarding the design and distribution of certain financial products offered to Retail Investors (including the Notes), and grants product intervention powers to ASIC if it believes significant consumer detriment may occur. The DDO Legislation is supplemented by the Corporations Amendment (Design and Distribution Obligations) Regulations 2019 (**DDO Regulations**), which were enacted in December 2019.

The design and distribution obligations in the DDO Legislation do not apply to secondary market trading of ANZ Capital Notes 8.

The DDO Legislation also gives ASIC a significant, proactive power to issue a product intervention order if it believes that a financial product has resulted in or will, or is likely to, result in significant detriment to Retail Investors (the **Product Intervention Power**). It is uncertain whether ASIC would perceive there to be any significant consumer detriment in relation to ANZ Capital Notes 8 or similar securities. The DDO Legislation requires ASIC to undertake a consultation process before it exercises the Product Intervention Power.

The impact of these obligations remains untested, however there is a risk that they may adversely impact the issue, distribution and reinvestment of financial products in the future, including instruments like ANZ Capital Notes 8. These changes may also affect the liquidity of funding instruments (including instruments like ANZ Capital Notes 8), if they lead to a material reduction in future issuance volumes or secondary trading activity by investors.

6.2 PRINCIPAL RISKS AND UNCERTAINTIES ASSOCIATED WITH ANZ AND THE ANZ GROUP

6.2.1 Introduction

The ANZ Group's activities are subject to risks that can adversely impact its business, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the **Group's Position**). Certain risks and uncertainties that the ANZ Group may face are summarised below, and additional risks and uncertainties that the ANZ Group may face are summarised in the "Description of Principal Risks and Uncertainties Faced by the Group" which is available at <https://www.asx.com.au/asxpdf/20221111/pdf/45hhy9vtq904tn.pdf>.

Other risks and uncertainties that the ANZ Group is unaware of, or that the ANZ Group currently deems to be immaterial, may also become important factors that affect it.

If any of the specified or unspecified risks actually occur, the ANZ Group's Position may be materially and adversely affected, with the result that the trading price of the ANZ Group's equity or debt securities (including the Notes) could decline, and investors could lose all or part of their investment.

6.2.2 Risk arising from changes in political and general business and economic conditions, including disruption in regional or global credit and capital markets

The ANZ Group's financial performance is primarily influenced by the political and economic conditions and the level of business activity in the major countries and regions in which the ANZ Group or its customers or counterparties operate, trade or raise funding including, without limitation, Australia, New Zealand, the Asia Pacific region, the United Kingdom (**UK**), Europe and the United States (the **Relevant Jurisdictions**).

The political, economic and business conditions that prevail in the ANZ Group's operating and trading markets are affected by, among other things, domestic and international economic events, developments in global financial markets, resilience of global supply chains, political perspectives, opinions and related events and natural disasters.

Global political conditions that impact the global economy have led to, and may continue to result in extended periods of increased political and economic uncertainty and volatility in the global financial markets, which could adversely affect the Group's Position. Examples of events that have affected (and may continue to affect) global political conditions include the ongoing conflict in Ukraine, the United Kingdom ceasing to be a member of the European Union (**EU**) and the European Economic Area on 31 January 2020 (commonly referred to as "Brexit"), UK political developments and financial market challenges and global trade developments relating to, among other things, the imposition or threatened imposition of trade tariffs and levies by major countries, including the United States, China and other countries that are Australia's and New Zealand's significant trading partners and allies.

There are a number of remaining uncertainties regarding, among other things, post-Brexit protocols and arrangements among the parties involved.

The conflict in Ukraine is ongoing and fluid, it has had, and is expected to continue to have, significant ramifications on the geopolitical and economic landscape, particularly in Europe. Commodity prices, in particular energy, food and metals, have already been impacted and the future impacts of the conflict remain uncertain. As a result of the conflict, the United States, the UK and EU announced broadly coordinated actions that collectively impose significant and wide-reaching economic sanctions and export controls relating to Russia – including the freezing of some of the Central Bank of Russia's foreign exchange reserves. Other jurisdictions, including Australia, New

Zealand and Japan, have announced sanctions, export controls and similar restrictions focusing on some of the same targets and sectors. These sanctions are materially impacting the Russian and other economies and the international financial system. The extent and duration of the conflict and any corresponding economic sanctions, export controls and similar restrictions and resulting market disruptions are difficult to predict. Though the ANZ Group does not operate in and does not currently have any direct exposure to Russia or Ukraine, the conflict has the potential to adversely impact the markets in which the ANZ Group does operate, and any prolonged market volatility or economic uncertainty could adversely impact the Group's Position.

Inflationary pressures are at high levels in many economies, including in Australia, New Zealand, the United States, Canada, Europe and the UK. Geopolitical tensions, rising interest rates, central bank tightening, and persistent COVID-19 challenges to the global economy, such as global shipping capacity constraints, higher costs for freight, supply chain issues, higher energy prices, higher food prices, and tightened labour markets, are all contributing to rising inflationary pressures on the global economy. This may lead to counterparties defaulting on their debt obligations, countries re-denominating their currencies and/or introducing capital controls and/or one or more major economies collapsing. While difficult to predict, such events could destabilise global financial markets, adversely affecting all participants, including adversely affecting the Group's Position. Food price and supply, already affected by the war in Ukraine, is also being impacted by extreme weather conditions in key agricultural regions. These factors may impact financial market or economic and social stability and could adversely affect the Group's Position.

Trade, and broader geopolitical, relationships between the United States and some of its trading partners, such as China, remain volatile. The implementation of trading policies or divergent regulatory frameworks by Australian and New Zealand key trading partners and allies may adversely impact the demand for Australian and New Zealand exports and may lead to declines in global economic growth. In particular, China is one of Australia's and New Zealand's major trading partners and a significant driver of commodity demand and prices in many of the markets in which the ANZ Group and its customers operate. Any heightening of geopolitical tensions and the occurrence of events that adversely affect China's economic growth and Australia's and New Zealand's economic relationship with China, including the implementation of additional tariffs and other protectionist trade policies, could adversely affect Australian or New Zealand economic activity, and, as a result, could adversely affect the Group's Position.

Instability in global political conditions, including as a result of the conflict in Ukraine, has contributed to economic uncertainty and declines in market liquidity and could increase volatility in the global financial markets and negatively impact consumer and business activity within the markets in which the ANZ Group or its customers or

counterparties operate, or result in the introduction of new and/or divergent regulatory frameworks that the ANZ Group will be required to adhere to.

Should economic conditions deteriorate in markets in which the ANZ Group or its customers or counterparties operate, asset values in the housing, commercial or rural property markets could decline, unemployment could rise and corporate and personal incomes could suffer. Deterioration in global markets, including equity, property, currency and other asset markets, may impact the ANZ Group's customers and the security the ANZ Group holds against loans and other credit exposures, which may impact the ANZ Group's ability to recover loans and other credit exposures. Should any of these occur, the Group's Position could be materially adversely affected.

The ANZ Group's financial performance may also be adversely affected if the ANZ Group is unable to adapt its cost structures, products, pricing or activities in response to a drop in demand or lower than expected revenues. Similarly, higher than expected costs (including credit and funding costs and increases in costs resulting from inflationary conditions) could be incurred because of adverse changes in the economy, general business conditions or the operating environment in the countries or regions in which the ANZ Group or its customers or counterparties operate. Should any of these occur, the Group's Position could be materially adversely affected.

6.2.3 Risk arising from the COVID-19 pandemic and future outbreaks of other communicable diseases or pandemics

The COVID-19 pandemic continues to impact the Group's Position, and the domestic and global economy. Increasing vaccination rates have led to the easing of restrictions on regional and international travel, events, meetings and other more normal activities. Governments across Australia (including at the state level) have indicated that they may in the foreseeable future reintroduce prior restrictions or implement and introduce further measures to contain the spread of future COVID-19 outbreaks. The New Zealand government has retained the ability to introduce isolation periods and mask-wearing requirements and, if necessary, other requirements on travellers. Further variants may develop that require different government responses and greater restrictions to those that have been adopted to date. The ongoing impacts of COVID-19 combined with other risks, e.g. geopolitical risk, could exacerbate impacts and materially increase economic disruption.

Disruptions to community health and economic activity continue to impact most business sectors in Australia, New Zealand and globally. Ongoing COVID-19 related supply chain disruption and labour mobility constraints could result in a decline in profit margins, and could impact customers' cash flows, capital, liquidity and financing needs. This in turn has impacted demand for the ANZ Group's products and services and may result in further short and long-term deteriorations of the quality of the ANZ Group's credit portfolio. Many of the ANZ Group's borrowers may continue to be negatively impacted by the COVID-19 pandemic, resulting in an increased risk of credit loss, particularly in the following

sectors: transportation; tourism and travel; entertainment; education; discretionary retail; and property segments. See Note 14 of the 2022 Financial Statements.

COVID-19 has notably impacted the property construction industry through increased contractor risk and a potential contagion effect impacting stability of the property development sectors. Disrupted supply chains and resultant cost increases remain a risk to project feasibility where underlying property prices may not increase in line with cost increases, causing projects to be delayed or cancelled.

Substantially reduced global economic activity has caused substantial volatility in the financial markets and such volatility is expected to continue to have a significant impact on the global economy and global markets, as well as on the economies of Australia and New Zealand. Travel restrictions, border controls, social distancing measures, quarantine protocols and other containment measures (including ongoing lockdown measures in China) have contributed, and may continue to contribute, to reduced economic activity in Australia, New Zealand and elsewhere around the world and suppress demand for commodities, interrupt the supply chain for industries, dampen consumer confidence and suppress business earnings and growth prospects, all of which could contribute to ongoing volatility in global financial markets.

Conduct risk may be heightened because of the blended/hybrid working model through its impact on employees' behaviour and/or the ANZ Group's systems and processes. The risk of customer harm will continue to be shaped by the economic and social impact of the pandemic. As the economy recovers, individual customers still enduring hardship may suffer detriment if the ANZ Group cannot provide tailored support and sustainable arrangements based on individual circumstances.

The ongoing ramifications of the COVID-19 pandemic remain uncertain and, as of the date of this Prospectus, it is difficult to predict to what extent vaccines, boosters or other medical treatments will be effective in curtailing the effects of the COVID-19 pandemic.

All or any of the negative conditions related to the COVID-19 pandemic described above may cause a further reduction in demand for the ANZ Group's products and services and/or an increase in loan and other credit defaults, bad debts, and impairments and/or an increase in the cost of the ANZ Group's operations. Should any of these occur, the Group's Position could be materially adversely affected.

The effectiveness of government and central bank responses to the pandemic, also remain subject to significant uncertainties. To the extent the COVID-19 pandemic continues to adversely affect the Group's Position, it may also have the effect of heightening many of the other risks described in these Risk Factors.

6.2.4 Risk relating to competition in the markets in which the ANZ Group operates

The markets in which the ANZ Group operates are highly competitive and could become more competitive in the future. Competition has increased and is expected to continue to increase, including from non-Australian financial service providers who continue to expand in Australia and from new non-bank entrants or smaller providers in those markets.

Examples of factors that may affect competition and negatively impact the Group's Position include:

- entities that the ANZ Group competes with, including those outside of Australia and New Zealand, could be subject to lower levels of regulation and regulatory activity. This could allow them to offer more competitive products and services, because those lower levels of regulation may give them a lower cost base and/or the ability to attract employees that the ANZ Group would otherwise seek to employ;
- digital technologies and business models are changing customer behaviour and the competitive environment and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models in the financial services sector;
- existing companies from outside of the traditional financial services sector are directly competing with the ANZ Group by offering products and services traditionally provided by banks, including by obtaining banking licenses and/or by partnering with existing providers;
- consumers and businesses may choose to transact using, or to invest or store value in, new forms of currency (such as cryptocurrencies or central bank digital currencies) in relation to which the ANZ Group may choose not, or may not competitively be able, to provide financial services. For example, each of the RBA and the RBNZ has announced that it is actively researching central bank digital currency, the effect of which, if adopted, on the Group's Position is uncertain. Any new form of currency could change how financial intermediation and markets operate and, with that, the competitive and commercial position of the ANZ Group; and
- open Banking may lead to increased competition.

The impact on the ANZ Group of an increase in competitive market conditions or a technological change that puts the ANZ Group's business platforms at a competitive disadvantage, especially in the ANZ Group's main markets and products, could lead to a material reduction in the ANZ Group's market share, customers and margins and adversely affect the Group's Position.

Increased competition for deposits may increase the ANZ Group's cost of funding. If the ANZ Group is not able to successfully compete for deposits, the ANZ Group would be forced to rely more heavily on other, less stable or more expensive forms of funding, or to reduce lending. This may adversely affect the Group's Position.

Geopolitical and economic disruptions could have a significant impact on competition and profitability in the financial services sector over the medium term due to funding cost and credit provision increases, changes in interest rates, insufficient liquidity, implementation of business continuity plans, changes to business strategies and temporary regulatory safe harbours. The low-growth environment will likely lead to heightened competitive intensity and margin compression.

6.2.5 Risk relating to the restructure of the ANZ Group that established a non-operating holding company

ANZ has established a non-operating holding company, ANZ Holdings, as the new listed parent company of the ANZ Group, and separated the ANZ Group's banking and certain non-banking businesses (the **Restructure**).

APRA has not yet finalised its prudential framework for Australian non-operating holding companies (**Australian NOHCs**) of ADIs. There is a risk that APRA's final regulatory framework for Australian NOHCs of ADIs and the regulation of the ANZ Holdings over time will differ from the existing regulatory framework. This may have negative consequences for the ANZ Group and/or may require further changes to its structure.

The Restructure has resulted in certain changes to ANZ's operating model. ANZ considers that these changes have been implemented and managed appropriately following the Restructure. However, it is possible that unexpected business, market and/or regulatory factors may result in these operating model changes not functioning as expected and further changes may be required.

The failure to successfully implement all of the transition and other items associated with the Restructure, or the Restructure itself, could have an adverse impact on the Group's Position.

6.2.6 Risk relating to real estate markets in Australia, New Zealand or other markets

Residential and commercial property lending, together with real estate development and investment property finance, constitute important businesses of the ANZ Group. Major sub-segments within the ANZ Group's lending portfolio include:

- residential housing loans (owner occupier and investment); and
- commercial real estate loans (investment and development).

Since 2009, the world's major central banks have embarked upon unprecedented monetary policy stimulus. The resulting weight of funds searching for yield has been a significant driver underlying property markets in the ANZ Group's core property jurisdictions (Australia, New Zealand, Singapore and Hong Kong) since that time. While property markets generally remained strong throughout the COVID-19 pandemic, since interest rates have increased the ANZ Group has seen property prices in Australia and

New Zealand fall. Investors are taking a cautious approach and the extent of property price falls will ultimately depend on the speed and magnitude of interest rate rises and impact on the broader economic outlook.

In June 2022 APRA introduced credit-based macroprudential measures in Australia, which require ADIs to ensure they have the ability to limit growth in particular forms of lending (including commercial and residential property); moderate higher risk lending during periods of heightened systemic risk or meet particular lending standards, at levels determined by APRA; and ensure adequate reporting against limits is established. Also, APRA have indicated that commercial property definitions will be more broadly aligned across the prudential framework. These changes to APRA's policy framework and the formalisation of the credit-based macroprudential policy measures prudential standard, effective from September 2022, may adversely affect the Group's Position.

In New Zealand, median prices for residential property increased in prior years, peaking in November 2021, prior to declining in the 2022 calendar year. The RBNZ has acknowledged that higher interest rates and rising costs of living are putting pressure on households that may affect home prices and that house prices are expected to keep falling towards more sustainable levels in the near term.

Increases in interest rates may affect debt serviceability, increase loan defaults experienced by the ANZ Group's borrowers, reduce demand for commercial and residential property and the ANZ Group's associated lending products in both Australia and New Zealand. New Zealand has already seen a material reduction in demand for residential property. Following a prolonged period of asset price inflation and record low interest rates, interest rates commenced increasing from May 2022 in Australia and from October 2021 in New Zealand. To address currently elevated inflation levels, interest rate increases may continue.

This recent series of interest rate rises, on the back of recent asset price inflation and yield compression, could cause a decline in interest coverage ratios and asset values, increase refinance risk and necessitate equity contributions from borrowers towards debt reduction. Secondary grade assets may be more susceptible to a decline in prices if investors have overlooked weaker fundamentals in a highly liquid market (debt and equity), during a more favourable interest rate environment and stable economic outlook. Refinance risk could be exacerbated if the ANZ Group evidence liquidity constraints in the bank and non-bank debt markets during a period of greater uncertainty and volatility.

Separately, construction risk, including contractor stability, the impact of supply chain constraints on cost of materials together with increasing labour costs may impact commercial property development feasibility and land values in the short to medium term. Each of the factors outlined above may adversely affect the Group's Position.

6.2.7 Risk relating to acquisitions and/or divestments

The ANZ Group regularly examines a range of corporate opportunities, including acquisitions and divestments, with a view to determining whether those opportunities will enhance the ANZ Group's strategic position and financial performance.

Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, technology platforms and management controls, as well as managing relevant relationships and contracts with employees, customers, regulators, counterparties, suppliers and other business partners. The loss of key relationships and/or personnel from an acquisition or divestment could have an adverse effect on the Group's Position.

There can also be no assurance that any acquisition (or divestment) would have the anticipated positive results around synergies, cost or cost savings, time to integrate (or separate) and overall performance; as the underlying assumptions for the acquisition (or divestment) may not ultimately prove to be accurate or achievable. Any acquisition (or divestment) may also impact the Group's credit ratings, cost of funds and access to further funding, which could in turn adversely affect the Group's funding and liquidity positions.

Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. There is also the risk of counterparties making claims in respect of completed or uncompleted transactions against the ANZ Group that could adversely affect the Group's Position. All or any of these factors could adversely affect the ANZ Group's ability to conduct its business successfully and impact the ANZ Group's operations or results. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment). Further, there is a risk that completion of an agreed transaction may not occur whether in the form originally agreed between the parties or at all, including due to failure of the ANZ Group or the counterparty to satisfy its completion conditions or because other completion conditions such as obtaining relevant regulatory, shareholder or other approvals are not satisfied. Should any of these integration or separation risks occur, this could adversely affect the Group's Position.

Transactions that the ANZ Group has previously announced but not yet completed include the following:

- the acquisition of Suncorp Bank from Suncorp Group Limited, which remains subject to satisfaction of certain conditions and is expected to occur in the second half of calendar year 2023;
- the sale of the ANZ Group's Share Investment Lending portfolio to Leveraged Equities Limited, which is expected to occur in the first half of calendar year 2023; and

- the sale of a portfolio of commercial and mortgage loans in Guam to Bank of Guam, which is being conducted in phases with the final phase expected to complete in early calendar year 2023.

If for any reason any announced acquisition, including the acquisition of Suncorp Bank, is not completed, the ANZ Group's ongoing business may be adversely impacted and the ANZ Group may be subject to a number of risks, including: the financial markets may react negatively, resulting in negative impacts on the ANZ Group's securities and other adverse impacts; the ANZ Group may experience negative reactions from its customers, vendors, and employees; the ANZ Group will have incurred expenses and will be required to pay certain costs relating to the acquisition, whether or not the acquisition is completed, such as legal, accounting, investment banking, and other professional and administrative fees; and matters relating to the acquisition may require substantial commitments of time and resources by the ANZ Group's management, which could otherwise have been devoted to other opportunities that may have benefited the ANZ Group.

The acquisition of Suncorp Bank from Suncorp Group Limited is subject to satisfaction of certain conditions. These include Federal Treasurer approval, Australian Competition and Consumer Commission (**ACCC**) authorisation or approval and certain amendments to the State Financial Institutions and Metway Merger Act 1996 (Qld). The terms and conditions of the approvals that are granted may impose conditions, limitations, obligations or costs, or place restrictions on the conduct of the ANZ Group or its business following the acquisition, or require changes to the terms of the transaction. There can be no assurance that the regulators will not impose any such conditions, obligations or restrictions, and that such conditions, limitations, obligations or restrictions will not have the effect of delaying or preventing completion of the transaction, imposing additional material costs on or materially limiting the revenues of the ANZ Group following the acquisition or otherwise reducing the anticipated benefits of the acquisition to the ANZ Group, any of which might have an adverse effect on the ANZ Group following the acquisition.

ANZ undertook a due diligence process in relation to the proposed acquisition of Suncorp Bank which relied in part on a review of financial, technology, legal and other information provided in respect of Suncorp Bank or was otherwise provided at meetings with Suncorp Bank management. Despite making reasonable efforts as part of the due diligence investigations, ANZ has not been able to verify the accuracy, reliability or completeness of all the information provided to it. If any information provided or relied upon by ANZ in its due diligence proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Suncorp Bank may be different to the expectations. There is also no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the proposed acquisition have been identified and avoided or managed, therefore, there is a risk that issues or

risks may arise that may adversely impact on the ANZ Group. Suncorp Group Limited has provided ANZ with indemnities relating to certain pre-completion matters as well as representations and warranties in favour of ANZ. There is a risk that these protections may be insufficient to fully cover liabilities relating to these matters, which may have an adverse impact on the ANZ Group's financial performance and position. As is usual, the warranties and indemnities are also subject to certain financial claims thresholds and other limitations.

6.2.8 Risk that the ANZ Group is exposed to credit loss

As a financial institution, the ANZ Group is exposed to the risks associated with extending credit to other parties, including incurring credit-related losses that can occur as a result of a counterparty being unable or unwilling to honour its contractual obligations. Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether.

Whilst the risk of credit-related losses has increased as a result of the impact of the COVID-19 pandemic and heightened political tensions, the risk of credit-related losses may further increase as a result of a number of factors, including a deterioration in the financial condition of the economies in which the ANZ Group or its customers or counterparties operate, a sustained high level of unemployment and/or further changes in interest rates and inflationary conditions in the markets in which the ANZ Group or its customers or counterparties operate, material disruptions to supply chains, a deterioration of the financial condition of the ANZ Group's customers or counterparties, a reduction in the value of assets the ANZ Group holds as collateral, and a reduction in the market value of the counterparty instruments and obligations it holds.

Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, as well as the occurrence of events such as natural disasters or pandemics, could cause customers or counterparties to fail to meet their obligations in accordance with agreed terms.

Some of the ANZ Group's customers and counterparties in or with exposures to the below mentioned sectors are increasingly vulnerable:

- industries impacted by the COVID-19 pandemic particularly those referred to in Section 6.2.3;
- industries exposed to the unwinding of government stimulus packages and increasing interest rates as well as industries reliant on consumer discretionary spending;
- industries that are heavily exposed to fuel supply shortages and associated rising costs including aviation, road transport, shipping and agriculture, particularly given the conflict between Russia and Ukraine and the associated impact on oil and gas prices, production and supply;
- participants in energy or commodity markets that are exposed to rising margin payment requirements under hedge or futures contracts that arise due to underlying price volatility;
- industries at risk of sanctions, geopolitical tensions or trade disputes (e.g. technology, agriculture, communications, and financial institutions) and/or declining global growth and disruption to global supply chains which include but are not limited to retail, wholesale, automotive, manufacturing and packaging industries;
- the commercial property sector (including construction and contractors) which is exposed to rising interest rates, a decline in investor demand for large scale inner city apartment buildings and a material decline in net migration. In some markets, commercial contractors and sub-contractors may face cash flow/liquidity issues over the next 12 to 24 months as current projects run off and their forward books are diminished. The residential development sector is experiencing supply chain issues, increased costs and labour mobility issues. Earnings for hotel accommodation and certain retail sectors are still being impacted by reduced mobility and the extent of longer-term implications for some offices remains uncertain due to the shift to remote working arrangements;
- industries facing labour supply shortages and/or who are reliant on access to both skilled and unskilled migrant workers, including tourism and hospitality, technology, agriculture, retail, health, construction and services;
- customers and industries exposed to disruption from physical climate risk (e.g. bushfires, floods, storms and drought), and transition risk (e.g. industry exposed to carbon reduction requirements and resulting changes in demand for goods and services or liquidity); and
- industries exposed to the volatility in exchange rates and foreign exchange markets generally.

The ANZ Group is also subject to the risk that its rights against third parties may not be enforceable in certain circumstances, which may result in credit losses. Should material credit losses occur to the ANZ Group's credit exposures, this may adversely affect the Group's Position.

Credit risk may also arise from certain derivative, clearing and settlement contracts that the ANZ Group enters into, and from the ANZ Group's dealings with, and holdings of, debt securities issued by other banks, financial institutions, companies, governments and government bodies where the financial conditions of such entities are affected by economic conditions in global financial markets.

In addition, in assessing whether to extend credit or enter into other transactions with customers and/or counterparties, the ANZ Group relies on information provided by or on behalf of customers and/or counterparties, including financial statements and other financial information. The ANZ Group may also rely on representations of customers and independent consultants as to the accuracy and completeness of that information. The ANZ Group's financial performance could be negatively impacted to the extent that it relies on information that is incomplete, inaccurate or materially misleading.

The ANZ Group holds provisions for credit impairment that are determined based on current information and subjective and complex judgements of the impairment within the ANZ Group's lending portfolio. If the information upon which the assessment is made proves to be inaccurate or if the ANZ Group fails to analyse the information correctly, the provisions made for credit impairment may be insufficient, which may adversely affect the ANZ Group's Position.

6.2.9 Risk arising from regulatory changes or a failure to comply with laws, regulations or policies

The ANZ Group's businesses and operations are highly regulated. The pace of regulatory change has accelerated in recent years. The ANZ Group is subject to a substantial and increasing number of laws, regulations and policies, including industry self-regulation, in the Relevant Jurisdictions in which it carries on business or obtains funding and is supervised by a number of different authorities in each of these jurisdictions. The volume of changes, and resources allocated to the regulation and supervision of financial services groups, such as the ANZ Group, and the enforcement of laws against them, including through litigation, has increased substantially in recent years, including in response to community concern regarding the conduct of financial services groups in Australia and New Zealand. As a result, the regulation and supervision of, and enforcement against, financial services groups, including the ANZ Group has become increasingly extensive, complex and costly across the Relevant Jurisdictions. Such regulation, supervision and enforcement continue to evolve.

The COVID-19 pandemic has had, and may continue to have, an impact on the regulation and supervision of, and enforcement against, financial services groups such as the ANZ Group. Any future ramifications of the COVID-19 pandemic remain uncertain and, as of the date of this Prospectus, difficult to predict. There have been delays and deferrals to the implementation of regulatory reforms in Australia and New Zealand and a re-ranking of priorities, including enforcement priorities.

Such delays and deferrals could impact the ANZ Group's ability to manage regulatory change and increase the risk of the ANZ Group not complying with new regulations when they come into effect.

The ongoing COVID-19 pandemic also has the potential to complicate the ANZ Group's dealings with its regulators in a number of ways. In particular, disruptions to the ANZ Group's business, operations, third party contractors and suppliers resulting from the COVID-19 pandemic may increase the risk that the ANZ Group will not be able to satisfy its regulatory obligations or processes and/or address outstanding issues, potentially increasing the prospect of a regulator taking adverse action against the ANZ Group.

6.2.10 Risk arising from managing the ANZ Group's capital base could give rise to greater volatility in capital ratios

The ANZ Group's capital base is critical to the management of its businesses and access to funding. Prudential regulators of the ANZ Group include, but are not limited to, APRA, the RBNZ and various regulators in the United States, the UK and the countries in the Asia Pacific region. The ANZ Group is required by its primary regulator, APRA and the RBNZ for the ANZ New Zealand Group, to maintain adequate regulatory capital.

Under current regulatory requirements, risk-weighted assets and expected loan losses increase as a counterparty's risk grade worsens. These regulatory capital requirements are likely to compound the impact of any reduction in capital resulting from lower profits in times of stress. As a result, greater volatility in capital ratios may arise and may require the ANZ Group to raise additional capital. There can be no certainty that any additional capital required would be available or could be raised on reasonable terms.

The ANZ Group's capital ratios may be affected by a number of factors, such as (i) lower earnings (including lower dividends from its deconsolidated subsidiaries such as those in the insurance business as well as from its investment in associates), (ii) increased asset growth, (iii) changes in the value of the Australian dollar against other currencies in which the ANZ Group operates (particularly the New Zealand dollar and US dollar) that impact risk weighted assets or the foreign currency translation reserve, (iv) changes in business strategy (including acquisitions, divestments and investments or an increase in capital intensive businesses), and (v) changes in regulatory requirements.

APRA and the RBNZ have implemented prudential standards to accommodate Basel III. Certain other regulators have either implemented or are in the process of implementing regulations, including Basel III, that seek to strengthen, among other things, the liquidity and capital requirements of banks, funds management entities and insurance entities, though there can be no assurance that these regulations have had or will have their intended effect. Any inability of the ANZ Group to maintain its regulatory capital may have a material adverse effect on the Group's Position.

6.2.11 Risk arising from litigation and contingent liabilities

From time to time, the ANZ Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities that may adversely affect the ANZ Group's Position.

The ANZ Group had contingent liabilities as at 30 September 2022 in respect of the matters outlined in Note 33 of the 2022 Financial Statements.

Note 33 includes, among other things, of the following matters:

- regulatory and customer exposures;
- benchmark/rate actions;
- capital raising action;
- consumer credit insurance litigation;
- Esanda dealer car loan litigation;
- OnePath superannuation litigation;
- New Zealand loan information litigation;
- Credit cards litigation;
- Unlicensed third parties action;
- Available Funds action;
- the Royal Commission;
- security recovery actions; and
- warranties, indemnities and performance management fees.

The ANZ Group regularly engages with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, civil enforcement actions (whether by court action or otherwise), formal and informal inquiries and regulatory supervisory activities in Australia and globally. The ANZ Group has received various notices and requests for information from its regulators as part of both industry-wide and ANZ Group-specific reviews and has also made disclosures to its regulators at its own instigation. The nature of these interactions can be wide ranging and, for example, include or have included in recent years a range of matters including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, privacy obligations, and information security, business continuity management, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

There is a risk that contingent liabilities may be larger than anticipated or that additional litigation, regulatory actions, legal or arbitration proceedings or other contingent liabilities may arise.

6.2.12 Risk relating to operational risk events

Operational risk is the risk of loss and/or non-compliance with laws resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk and the risk of reputational loss or damage arising from inadequate or failed internal processes, people, and/or systems, but excludes strategic risk.

Operational risk categories under the ANZ Group's risk taxonomy include:

- Financial Crime (the risk of money laundering, sanctions violations, bribery and corruption, and "Know-Your-Customer" failure);
- Internal fraud (fraud attempted or perpetrated by an internal party (or parties) against the organisation);
- External fraud & Theft (fraud attempted or perpetrated against the organisation by an external party (i.e. a party without a direct relationship to the ANZ Group (excluding customers)) without involvement of an employee);
- Business Continuity (failure of the business continuity management framework);
- Physical Security & Safety (the risk of damage to the ANZ Group's physical assets, client assets, or public assets for which the ANZ Group is liable, and (criminal) injury to the ANZ Group's employees or affiliates);
- People (the risk of breaching employment legislation, mismanaging employee relations and failing to ensure a safe working environment);
- Transaction Processing & Execution (failure to process, manage and execute transactions and/or other processes correctly and/ or appropriately);
- Technology (the risk associated with the failure or outage of systems, including hardware, software and networks);
- Conduct (the risk of loss or damage arising from the failure of ANZ, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets and the expectations of the community, in conducting the ANZ Group's business activities);
- Legal (the risk of execution errors in legal procedures and processes);
- Regulatory Compliance (failure to comply with any legal or regulatory obligations that are not captured through other mentioned risks);
- Third Party (the risk of failing to manage third party relationship and risks appropriately, for example, not taking reasonable steps to identify and mitigate additional operational risks resulting from the outsourcing of services or functions);
- Information Security including Cyber (the risk of information security incidents, including the loss, theft or misuse of data/information - this covers all types of data, and can include the failure to comply with rules concerning information security);
- Data Management (the risk of failing to appropriately manage and maintain data, including all types of data, for example, client data, employee data and the ANZ Group's proprietary data);
- Model (the risk of incorrect model design, improper implementation of a correct model, or inappropriate application of a correct model); and

- Statutory Reporting and Tax (the risk of failing to meet statutory reporting and tax payments/filing requirements). Statutory reporting includes all external reporting that the ANZ Group is obliged to perform (e.g. regulatory reporting, financial reporting).

Loss from operational risk events may adversely affect the Group's Position. Such losses can include fines, penalties, imposts (including capital imposts), loss or theft of funds or assets, legal costs, customer compensation, loss of shareholder value, reputation loss, loss of life or injury to people, and loss of property and/or information.

Operational Risk can arise from a number of causes, such as change risk events (for example, a failure to deliver a change or risks resulting from change initiatives), and have a number of different impacts, including reputational impact.

Pursuant to APRA and RBNZ requirements, the ANZ Group and ANZ New Zealand Group must also maintain "operational risk capital" reserves in the event future operational events occur.

COVID-19 related challenges have resulted in a number of changes to how the ANZ Group undertakes its operations including adapting to remote working arrangements. Whilst most major offices have returned to a blended/hybrid working environment, the ANZ Group endeavours to follow the relevant government directions in terms of place of work, and any occupancy restrictions. Reliance on digital channels continues to remain high, which in turn heightens the risks associated with cyber-attacks and any disruption to system/service availability.

Whilst business continuity plans have been well tested and refined during the pandemic, impact to system/service availability still has the ability to impact the Group's Position from a reputational, financial and compliance perspective.

6.2.13 Risk relating to the inability to attract, develop, motivate and retain the ANZ Group's people to meet current and future business needs

Key executives, employees and Directors play an integral role in the operation of the ANZ Group's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role, or the ANZ Group's failure given the challenges in the current environment to recruit, develop and retain an appropriately skilled and qualified person into these roles particularly in areas such as digital, technology, risk or compliance, could have an adverse effect on the Group's Position. These risks may be further exacerbated by the ongoing impacts of the COVID-19 pandemic, including on employee well-being, social and employment choices.

6.2.14 Risk associated with disruption of information technology systems or failure to successfully implement new technology systems could significantly interrupt the ANZ Group's business

The ANZ Group's day-to-day activities and its service offerings (including digital banking) are highly dependent on information technology ("IT") systems. Disruption of IT systems, or the services the ANZ Group uses or is dependent upon, may result in the ANZ Group failing to meet its compliance obligations and/or customers' banking needs. In a digital world, customer's expectations of always on (24/7) banking services necessitates highly available and resilient IT systems.

The ANZ Group has an ongoing obligation to maintain its IT systems and to identify, assess and respond to risk exposures associated with these systems, including IT asset lifecycle, IT asset project delivery, technology resilience, technology security, use of third parties, data retention/restoration and business rules and automation. Inadequate responses to these risk exposures could lead to unstable or insecure systems adversely impacting customers, increased costs, and non-compliance with regulatory requirements, which may adversely affect the Group's Position.

The ANZ Group has incident response, disaster recovery and business continuity measures in place designed to ensure that critical IT systems will continue to operate during both short-term and prolonged disruption events for all businesses across the ANZ Group's network, including ANZ New Zealand and international branches, which rely on the ANZ Group to provide a number of IT systems. A failure of the ANZ Group's systems may affect the ANZ Group's network, which may in turn, adversely affect the Group's Position. The COVID-19 pandemic has highlighted that these arrangements must cater for vast and improbable events, and ensure critical IT systems can be supported and accessed remotely by a large number of technologists and business users for extended periods. If such measures cannot be effectively implemented, this may adversely affect the Group's Position.

In addition, the ANZ Group must implement and integrate new IT systems, most notably Cloud, Data and Automation technologies, into the existing technology landscape to ensure that the ANZ Group's technology environment is cost-effective and can support evolving customer requirements. Inadequate implementation and integration of these systems, or improper operation and management, including of their vendors and the supply chain, may adversely affect the Group's Position.

6.2.15 Risk associated with information security including cyber-attacks

The primary focus of information security is to protect information and technology systems from disruptions to confidentiality, integrity or availability. As a bank, the ANZ Group handles a considerable amount of personal and confidential information about its customers and its own internal operations, from the multiple geographies in which the ANZ Group operates. This information is processed and stored on both internal and third party hosted environments. Any failure of security controls operated by the ANZ Group or its third parties could adversely affect the ANZ Group's business.

The risks to systems and information are inherently higher in certain countries where, for example, political threats or targeted cyber-attacks by terrorist or criminal organisations are greater.

The ANZ Group is conscious that cyber threats, such as advanced persistent threats, distributed denial of service, malware and ransomware, are continuously evolving, becoming more sophisticated and increasing in volume. The COVID-19 pandemic has increased the number of staff working offsite for an extended period, which may increase information security risks to the ANZ Group. Cyber criminals may attempt to take advantage through pursuing exploits in end point security, spreading malware, and increasing phishing attempts. Furthermore, these risks may be further exacerbated by geopolitical risks.

Additionally, failures in the ANZ Group's cybersecurity policies, procedures or controls, could result in loss of data or other sensitive information (including as a result of an outage) and may cause associated reputational damage. Any of these events could result in significant financial losses (including costs relating to notification of, or compensation for customers), regulatory investigations or sanctions or may affect the ANZ Group's ability to retain and attract customers, and thus may adversely affect the Group's Position.

6.2.16 Risk arising from data management

Data management processes include capturing, processing, distributing, accessing, retaining and disposing of large quantities of data, including sensitive data. Data management is reliant on the ANZ Group's systems and technology. Data quality management is a key area of focus, as data is relied on to assess various issues and risk exposures. Any deficiencies in data quality, or the effectiveness of data gathering, analysis and validation processes, or failure to appropriately manage and maintain the ANZ Group's data, systems and technology, could result in ineffective risk management practices and, inaccurate risk reporting which may adversely impact the Group's Position. Furthermore, failure to comply with data management obligations, including regulatory obligations may cause the Group to incur losses, or result in regulatory action.

6.2.17 Risk arising from modelling

As a large financial institution, the ANZ Group relies on a number of models for material business decision making including but not limited to lending decisions, calculating capital requirements, provision levels, customer compensation payments and stressing exposures. If the models used prove to be inadequately designed, implemented or maintained or based on incorrect assumptions or inputs this may adversely impact the Group's Position.

6.2.18 Risk arising from impact of future climate events, biodiversity loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events

The ANZ Group and its customers are exposed to environmental, social and governance risks, including climate-related events, geological events (including volcanic or seismic activity or tsunamis), biodiversity loss, plant, animal and human diseases or a pandemic such as COVID-19 and human rights risks. Each of these can cause significant impacts on the ANZ Group's operations and its customers.

Climate-related events can include severe storms, drought, fires, cyclones, hurricanes, floods and rising sea levels. The impact of these events can be widespread, extending beyond primary producers to customers of the ANZ Group who are suppliers to the agricultural sector, and to those who reside in, and operate businesses within, impacted communities. The impact of these losses on the ANZ Group may be exacerbated by a decline in the value and liquidity of assets held as collateral, which may impact the ANZ Group's ability to recover its funds when loans default.

Recent examples in Australia include severe drought conditions, bushfires in 2019/2020, and severe flooding in 2021 and 2022. In addition, geological events have occurred in New Zealand in recent years and the COVID-19 pandemic continues to impact the ANZ Group's operations and customers.

The risk of biodiversity loss, as a result of species extinction or decline, ecosystem degradation and nature loss, is an emerging risk that the ANZ Group is seeking to understand further. In relation to biodiversity, risks can arise from lending to customers that are significantly dependent on biodiversity and ecosystem services, or who may have negative impacts on biodiversity. The ANZ Group acknowledges the need to protect and restore ecosystems and mitigate biodiversity loss, including working to halt and reverse forest loss and land degradation. The ANZ Group understands that failure to manage these risks may lead to financial and non-financial risks and may adversely affect the Group's Position.

Human rights risks can relate to the safety and security of the ANZ Group's people, labour rights, modern slavery, privacy and consumer protection, corruption and bribery

and land rights. The ANZ Group uses risk-based due diligence to identify human rights risks and impacts associated with its business relationships. Failure to manage these risks may adversely affect the Group's Position.

New regulations or guidance relating to climate change, biodiversity, human rights, or other environmental, social or governance risks, as well as the perspectives of shareholders, employees and other stakeholders, may affect whether and on what terms and conditions the ANZ Group engages in certain activities or offers certain products.

Depending on their frequency and severity, these extrinsic events may continue to interrupt or restrict the provision of some local services such as the ANZ Group branch or business centres or ANZ Group services, and may also adversely affect the ANZ Group's financial condition or collateral position in relation to credit facilities extended to customers, which in turn may adversely affect the Group's Position.

6.2.19 Risks associated with lending to customers that could be directly or indirectly impacted by climate risk

The risks associated with climate change are subject to increasing regulatory, political and societal focus, including in Australia and New Zealand. APRA has released a prudential practice guide CPG 229 that is designed to assist regulated entities (including the ANZ Group) in managing climate-related risks and opportunities as part of their existing risk management and governance frameworks. APRA has also conducted its first climate vulnerability assessment in calendar year 2021 and 2022 to (i) assess banks' potential financial exposure to climate risk; (ii) understand how banks may adjust business models and implement management actions in response to different scenarios; and (iii) foster improvement in climate risk management capabilities. Similarly, the RBNZ is increasing its focus on climate change and in October 2021 released its Climate Change Report 2021. The Climate Change Report 2021 outlines the RBNZ's approach to climate change, including future actions to further incorporate climate change into stress testing and embed climate change into supervisory frameworks, data collection and internal planning. The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 will require ANZ and ANZ New Zealand, as 'climate reporting entities', to annually prepare, seek independent assurance for and make public disclosures on the management of, and effects of climate change to their business, in accordance with climate-related disclosure standards, to be issued by the New Zealand External Reporting Board. The first disclosures will be due for the financial year ending 30 September 2024. In 2022, the RBNZ also added selected climate-related events to New Zealand's largest banks' stress testing program. The RBNZ is planning New Zealand's first full climate stress test for 2023. Embedding climate change risk into the ANZ Group's risk management framework in line with APRA's and other stakeholders' expectations, and adapting the ANZ Group's operation and business strategy to address both the risks and opportunities posed by climate change and the transition to a low carbon economy,

could have a significant impact on the ANZ Group.

The ANZ Group's most material climate-related risks result from its lending to business and retail customers, including credit-related losses incurred as a result of a customer being unable or unwilling to repay debt, or events impacting the value and liquidity of collateral, which may adversely affect the Group's Position. The risk to the ANZ Group from credit-related issues with the ANZ Group's customers could result directly from climate-related events, and indirectly from changes to laws, regulations, or other policies such as carbon pricing and climate risk adaptation or mitigation policies, which may impact the customer's supply chain.



SECTION 07

TAXATION SUMMARY

THIS SECTION CONTAINS A SUMMARY OF THE AUSTRALIAN TAX CONSEQUENCES FOR POTENTIAL HOLDERS AND PARTICIPATING CN3 HOLDERS, AND IS BASED ON AUSTRALIAN TAX LAW AND ADMINISTRATIVE PRACTICE AS AT THE DATE OF THIS PROSPECTUS. THIS SUMMARY IS NECESSARILY GENERAL IN NATURE AND IS NOT INTENDED TO BE DEFINITIVE TAX ADVICE TO POTENTIAL HOLDERS OR PARTICIPATING CN3 HOLDERS. ACCORDINGLY, EACH POTENTIAL HOLDER AND EACH PARTICIPATING CN3 HOLDER SHOULD SEEK THEIR OWN TAX ADVICE, WHICH IS SPECIFIC TO THEIR PARTICULAR CIRCUMSTANCES, AS TO THE TAX CONSEQUENCES OF INVESTING IN, HOLDING AND DISPOSING OF NOTES OR PARTICIPATING IN THE REINVESTMENT OFFER.

7.1 SUMMARY OF AUSTRALIAN TAX CONSEQUENCES FOR HOLDERS

7.1.1 Introduction

The following is a summary of the Australian tax consequences for certain Resident Holders and Non Resident Holders who subscribe for Notes under the Offer and hold them on capital account for tax purposes.

This summary is not exhaustive and the actual tax consequences of your investment may differ depending on your particular circumstances. You should seek your own professional tax advice regarding the consequences of acquiring, holding or disposing of Notes in your particular circumstances.

In particular, this summary does not consider the consequences for Holders who:

- acquire Notes otherwise than under the Offer;
- hold Notes in their business of securities trading, dealing in securities or otherwise hold their Notes on revenue account or as trading stock;
- are subject to the "taxation of financial arrangements" provisions in Division 230 of the Tax Act in relation to their Notes;
- in relation to a Resident Holder, hold their Notes through a permanent establishment outside of Australia; or
- in relation to a Non Resident Holder, hold their Notes through a permanent establishment in Australia.

This summary is not intended to be, nor should it be construed as being, investment, legal or tax advice to any particular Holder.

This summary is based on Australian tax laws and regulations, interpretations of such laws and regulations, and administrative practice as at the date of this Prospectus.

7.1.2 Class ruling sought on the Notes

ANZ has applied to the ATO for a public class ruling confirming certain Australian tax consequences for Resident Holders. The class ruling will not become operative until it is published in the Government Gazette.

When issued, copies of the class ruling will be available from the ATO's website (ato.gov.au) and ANZ's website (anz.com).

It is expected that, when issued, the class ruling will:

- only be binding on the Commissioner of Taxation if the Offer is carried out in the specific manner described in the class ruling;
- only apply to Resident Holders that are within the class of entities specified in the class ruling, which is expected to be Resident Holders who acquire their

Notes through the Offer and hold them on capital account for tax purposes. Therefore, the class ruling will not apply to Resident Holders who hold their Notes as trading stock or on revenue account or who are subject to the "taxation of financial arrangements" provisions in Division 230 of the Tax Act in relation to their Notes (which will generally not apply to the "financial arrangements" of individuals unless an election has been made for those rules to apply);

- only rule on tax laws applicable as at the date the class ruling is issued; and
- not consider the tax consequences of a Conversion of Notes on a Trigger Event occurring.

7.1.3 Distributions on Notes

The Notes should be classified as non-share equity interests for Australian income tax purposes.

(a) Resident Holders

Distributions should be treated as non-share dividends that are frankable.

Resident Holders should be required to include the amounts of any Distributions in their assessable income.

Generally, provided that a Resident Holder is a "qualified person" and the ATO does not seek to apply any anti-avoidance rules to effectively deny the benefit of franking credits to the Resident Holder, the Resident Holder:

- should include the amount of the Distribution as well as an amount equal to the franking credits attached to the Distribution in their assessable income in the income year in which they received the Distribution; and
- should qualify for a tax offset equal to the franking credits attached to the Distribution.

Where Resident Holders who are individuals or complying superannuation entities are entitled to tax offsets, those offsets should either be applied against their income tax liability for the relevant income year, or give rise to tax refunds to the extent that the tax offsets exceed the tax that is otherwise payable by the Resident Holders. Resident Holders that are companies are not entitled to refunds of excess tax offsets, but should be entitled to a credit in their franking account, subject to the qualifications mentioned above and discussed further below.

A Resident Holder should be a "qualified person" if the "holding period rule" and the "related payments rule" are satisfied. Generally:

- to satisfy the "holding period rule", a Holder must have held their Notes "at risk" for a continuous period of at least 90 days (excluding the days of acquisition and disposal) within a period beginning on the day after the day on which they are acquired and ending on the 90th day after they become ex-distribution. To be held "at risk", a Holder must retain 30% or more of the risks and

benefits associated with holding their Notes. Where a Holder undertakes risk management strategies in relation to their Notes (e.g. by the use of limited recourse loans, options or other derivatives), the Holder's ability to satisfy the "at risk" requirement of the "holding period rule" may be affected; and

- under the "related payments rule", if a Holder (or an associate) is obliged to make a "related payment" (essentially a payment passing on the benefit of the Distribution) in respect of a Distribution, the Holder must hold the Notes "at risk" for at least 90 days (excluding the days of acquisition and disposal) within each period beginning 90 days before, and ending 90 days after, they become ex-distribution.

A Resident Holder who is an individual is automatically treated as a "qualified person" for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the Resident Holder is entitled in an income year does not exceed \$5,000. This is referred to as the "small shareholder rule". However, a Resident Holder will not be a "qualified person" under the small shareholder rule if "related payments" have been made, or will be made, in respect of such amounts.

There are anti-avoidance rules which can deny the benefit of franking credits to Resident Holders in certain situations, the most significant of which is in section 177EA of the Tax Act. It is anticipated that the Commissioner of Taxation will not apply any of these anti-avoidance rules to deny the benefit of franking credits to Resident Holders in relation to Distributions payable on the Notes.

(b) Non Resident Holders

Distributions should not be subject to Australian non resident dividend withholding tax to the extent the Distributions are fully franked.

To the extent an unfranked or partially franked Distribution is paid to Non Resident Holders, withholding tax will generally be payable on the unfranked portion. The rate of withholding tax is generally 30%. However, Non Resident Holders may be entitled to a reduction in the rate of withholding tax if they are resident in a country which has a double taxation agreement with Australia.

7.1.4 Disposal of Notes

(a) Disposal other than through Conversion

(1) Resident Holders

The Commissioner of Taxation's view is expected to be that the Notes are not "traditional securities" for the purposes of the Tax Act. On that basis, any gain or loss for a Resident Holder on disposal of Notes should be taxed under the CGT provisions. Holders should refer to the class ruling on this point.

A disposal of Notes on-market, or through a Redemption or Resale, will be a CGT event.

Resident Holders may make a capital gain or capital loss, depending on whether the capital proceeds from the disposal are more than the cost base for their Notes, or whether the capital proceeds are less than the reduced cost base for their Notes, respectively. Net capital gains will be included in the Resident Holder's assessable income. Capital losses can generally only be offset against capital gains, but can be carried forward for use in a later year. Holders should seek their own tax advice in relation to whether any such capital loss may be applied to offset capital gains in their particular circumstances.

The capital proceeds from a Redemption will be equal to the Face Value of a Note, unless the market value of the Note (determined as if its Redemption had not occurred or been proposed) is greater or less than the Face Value. In that case, the greater or lesser market value amount will be deemed to be the capital proceeds, instead of the Face Value actually received. Based on recently published guidance from the ATO, where all of the Notes are Redeemed on an Optional Exchange Date, the ATO should accept that the market value of each Note (and therefore the Redemption capital proceeds) is equal to the Face Value of the Note. The Redemption proceeds should not be treated as a dividend on the basis that they will be debited against an amount standing to the credit of ANZ's non-share capital account.

The capital proceeds from a Resale of a Note to a Purchaser will be equal to the Face Value of the Note, assuming that the Resident Holder is dealing at arm's length with the Purchaser.

The capital proceeds from an on-market disposal of a Note will be the sale price of the Note.

A Resident Holder's CGT cost base (or reduced cost base) for each Note they acquire should include the \$100 issue price of the Note and should also include certain non-deductible incidental costs (e.g. brokerage or advisory fees) associated with acquiring and/or disposing of the Note.

For CGT purposes, each Note should be taken to have been acquired by a Resident Holder on the date that the Notes are allotted and issued to that Resident Holder.

If Notes have been owned for at least 12 months prior to the disposal (excluding the days of acquisition and disposal), a Resident Holder (other than a company) may be entitled to receive CGT discount treatment in respect of any gain arising on disposal of Notes, such that a percentage of the gain is not included in assessable income. The discount percentage is applied to the amount of the capital gain after offsetting any current year or carried forward capital losses. The discount percentages are 50%, 50% and 33⅓% for Resident Holders who are individuals, trusts and complying superannuation entities respectively.

Resident Holders who dispose of their Notes within 12 months of acquiring them, or who dispose of Notes under an agreement entered into within 12 months of acquiring them, will not receive CGT discount treatment. Companies are generally not entitled to obtain CGT discount treatment.

The Government has foreshadowed that “managed investment trusts” (MITs) and “attribution managed investment trusts” (AMITs) will not be entitled to the CGT discount at the trust level. This legislation has not yet been enacted. If this change comes into effect, MITs and AMITs that derive capital gains will continue to be able to distribute those amounts as capital gains that may be subject to the CGT discount in the hands of those beneficiaries who are entitled to the CGT discount. Investors should monitor any potential changes on an ongoing basis.

(2) Non Resident Holders

Non Resident Holders should generally not be taxable on any gain realised on disposal of their Notes, as the Notes should generally not be “taxable Australian property” for the purposes of the CGT provisions.

(b) Disposal through Conversion

Under specific provisions of the Tax Act, any capital gain or capital loss that would arise on Conversion should be disregarded. The consequence of this is that the capital gain or capital loss is effectively deferred, with a Holder’s cost base in the Ordinary Shares acquired on Conversion reflecting the Holder’s cost base in their Notes. This outcome applies both to Resident Holders and Non Resident Holders.

For CGT purposes, the Ordinary Shares acquired on Conversion will be taken to have been acquired on the date of Conversion, including for the purposes of calculating the 12 month ownership period required for the CGT discount concession (see Section 7.1.4(a) above).

7.1.5 Provision of TFN and/or ABN

ANZ is required to deduct withholding tax from the unfranked part (if any) of Distributions in respect of the Notes, at the highest marginal tax rate plus the Medicare levy (currently being 47%), unless a TFN or an ABN has been quoted by a Holder, or a relevant exemption applies (and has been notified to ANZ).

7.1.6 GST

Holders should not be liable for GST in respect of the acquisition, sale, Conversion, Redemption or Resale of Notes, other than in respect of brokerage or similar fees.

7.1.7 Stamp duty

Holders should not be liable for stamp duty on the issue, sale, Conversion, Redemption or Resale of Notes.

7.2 SUMMARY OF CERTAIN AUSTRALIAN TAX CONSEQUENCES FOR CN3 HOLDERS

We have set out below some high-level comments in respect of certain Australian tax resident CN3 holders regarding the redemption of the CN3 and the Reinvestment Offer, where those holders are subject to Class Ruling CR 2015/22 (which sets out certain Australian tax consequences for certain Australian tax residents who invested in CN3 in the initial offering) and hold their CN3 on capital account.

This summary is not exhaustive, the actual tax consequences may differ depending on your particular circumstances, and you should seek your own professional tax advice. In particular, this summary does not consider the consequences for CN3 Holders who:

- acquired their CN3 otherwise than under the initial offering;
- hold their CN3 in their business of securities trading, dealing in securities or otherwise hold their CN3 on revenue account or as trading stock;
- are not Australian residents for tax purposes;
- are Australian tax residents but acquired and/or hold their CN3 through a permanent establishment outside of Australia; or
- are or will be subject to the “taxation of financial arrangements” provisions in Division 230 of the Tax Act in relation to their holding of CN3 or the Notes that they will acquire under the Reinvestment Offer.

7.2.1 Final CN3 Distribution

Holders of CN3, including Eligible CN3 Holders who participate in the Reinvestment Offer, will receive the Final CN3 Distribution that is expected to be paid on 24 March 2023, subject to the payment conditions in the CN3 terms and ANZ’s absolute discretion.

The tax treatment of the Final CN3 Distribution should be the same as the treatment of other distributions received on the CN3, as outlined in Class Ruling CR 2015/22. On this basis, provided that a CN3 holder is a “qualified person” (see the general comments in Section 7.1.3 and Class Ruling CR 2015/22), a CN3 holder should generally include the amount of the Final CN3 Distribution as well as an amount equal to any franking credits attached to the Final CN3 Distribution in their assessable income and should qualify for a tax offset equal to the franking credits.

7.2.2 Redemption of CN3

A CGT event will occur for CN3 holders upon redemption of the CN3. This will apply to all CN3 holders (i.e. both Eligible CN3 Holders who participate in the Reinvestment Offer and CN3 holders that do not participate in the Reinvestment Offer).

CN3 holders may make a capital gain or capital loss on the redemption of their CN3, depending on whether the capital proceeds from the disposal are more than the CGT cost base for their CN3, or whether the capital proceeds are less than the reduced cost base for their CN3, respectively. Capital losses can generally only be offset against capital gains, but can be carried forward for use in a later year.

Based on published guidance from the ATO, the ATO should accept that the market value of each CN3 (and therefore the redemption capital proceeds) is equal to the \$100 face value of the CN3. The redemption proceeds should not be treated as a dividend on the basis that they will be debited against an amount standing to the credit of ANZ’s non-share capital account.

A CN3 holder’s CGT cost base (or reduced cost base) for each CN3 should include the amount they paid to acquire the CN3 and may also include certain other non-deductible incidental costs (e.g. brokerage or advisory fees) associated with acquiring and/or disposing of the CN3. If the CN3 have been owned for at least 12 months prior to the redemption (excluding the days of acquisition and disposal), a CN3 holder (other than a company) may be entitled to receive CGT discount treatment in respect of any gain arising on redemption of CN3, such that a percentage of the gain is not included in assessable income. The discount percentage is applied to the amount of the capital gain after offsetting any current year or carried forward capital losses. The discount percentages are 50%, 50% and 33 1/3% for CN3 holders who are individuals, trusts and complying superannuation entities respectively.

Companies are generally not entitled to obtain CGT discount treatment. We also refer to the proposed changes to the CGT discount rules for MITs and AMITs discussed in Section 7.1.4(a) above.

7.2.3 Cost base of Notes acquired under the Reinvestment Offer

The amount of the redemption price for CN3 that is applied in subscribing for Notes under the Reinvestment Offer should be included in a Holder’s cost base (and reduced cost base) for the purposes of determining any future capital gain or capital loss on the disposal of Notes on-market, or through a Conversion, Redemption or Resale (see Section 7.1.4 above).



SECTION 08

ADDITIONAL INFORMATION

THIS SECTION SETS OUT A NUMBER OF OTHER MATTERS THAT MAY NOT HAVE BEEN ADDRESSED IN DETAIL ELSEWHERE IN THIS PROSPECTUS. THESE INCLUDE THE INCORPORATION BY REFERENCE OF A SUMMARY OF THE OFFER MANAGEMENT AGREEMENT AND THE RIGHTS ATTACHING TO ANZ HOLDINGS ORDINARY SHARES THAT MAY BE ISSUED ON CONVERSION, THE DISCLOSURE OF INTERESTS OF THE DIRECTORS AND ADVISERS AND THE RELIEF THAT REGULATORS HAVE GRANTED TO ANZ IN RESPECT OF THE OFFER.

8.1 REPORTING AND DISCLOSURE OBLIGATIONS

ANZ is admitted to the official list of ASX as a debt listing and is a disclosing entity for the purposes of the Corporations Act. ANZ Holdings is also a disclosing entity under the Corporations Act. As disclosing entities, they are subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. Broadly, these obligations require ANZ and ANZ Holdings to prepare both yearly and half yearly financial statements and to report on their operations during the relevant accounting period, and to obtain an audit or review report from its auditor.

Copies of these and other documents lodged with ASIC which are publicly available may be obtained from ASIC's website asic.gov.au (a fee may apply).

ANZ and ANZ Holdings must also ensure that ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market. In this regard, ANZ and ANZ Holdings have an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information concerning it of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

8.2 AVAILABILITY OF DOCUMENTS

ANZ will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer Period:

- the annual financial report of ANZ for the year ended 30 September 2022;
- any continuous disclosure notices given by ANZ and ANZ Holdings in the period after the lodgement of the annual financial report of ANZ and ANZ Holdings (as applicable) for the year ended 30 September 2022 and before lodgement of the Original Prospectus with ASIC; and
- the ANZ Constitution.

The financial report for the year ended 30 September 2022, together with copies of continuous disclosure notices lodged with ASX are available at asx.com.au or at anz.com/shareholder/centre/investor-toolkit/asx-announcements.

The Constitution is available at anz.com/corporategovernance.

All written requests for copies of the above documents should be addressed to:

Investor Relations Department
Australia and New Zealand Banking Group Limited
ANZ Centre Melbourne
Level 10
833 Collins Street
Docklands VIC 3008

8.3 IMPLEMENTATION DEED

ANZ Holdings, ANZ BH and ANZ have entered into the Implementation Deed, pursuant to which they have agreed that where a Conversion occurs, ANZ Holdings will subscribe for ordinary shares in ANZ BH and ANZ BH will subscribe for ANZ Ordinary Shares, in each case, for aggregate consideration equal to the aggregate Face Value of Notes being Converted. These steps are referred to as "Related Conversion Steps".

8.4 INCORPORATION BY REFERENCE

The following documents are incorporated by reference into this Prospectus:

- A summary of the principal provisions of the OMA ANZ and ANZ Holdings have entered into with the Joint Lead Managers under which the Joint Lead Managers have agreed to manage the Offer, including the Bookbuild and the Allocation processes in relation to the Offer, for certain fees which are described in Section 8.6 (**OMA Summary**). The OMA Summary contains information on ANZ's obligations in relation to the conduct of the Offer, the representations, warranties and undertakings provided by ANZ and ANZ Holdings under the OMA and the circumstances in which a Joint Lead Manager may terminate the OMA.
- A non-exhaustive summary of the key rights attaching to ANZ Holdings Ordinary Shares (**ANZ Holdings Ordinary Share Summary**). The ANZ Holdings Ordinary Share Summary contains, among other things, information on the rights of ANZ Holdings Ordinary Shareholders to:
 - receive dividends;
 - participate in ANZ Holdings' dividend reinvestment plan or bonus option plan;
 - participate in or vote at ANZ Holdings' general meetings; and
 - transfer ANZ Holdings Ordinary Shares.

The OMA Summary and the ANZ Holdings Ordinary Share Summary can be obtained free of charge during the Offer Period from capitalnotes.anz.com or by making a written request addressed to:

Investor Relations Department
Australia and New Zealand Banking Group Limited
ANZ Centre Melbourne
Level 10
833 Collins Street
Docklands VIC 3008

8.5 CONSENTS

8.5.1 Directors

Each Director of ANZ has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn their consent to the lodgement of this Prospectus with ASIC.

8.5.2 Other Consenting Parties

ANZ Holdings has consented to the inclusion of information about the ANZ Group in Sections 5 and 6.2, including the ANZ Group's capital adequacy position (and the impact of the Offer on that position) and the principal risks and uncertainties associated with the ANZ Group. ANZ Holdings has also consented to all statements about ANZ Holdings Ordinary Shares, including in Section 8.4.

Each of the parties (referred to as **Consenting Parties**) who are named below:

- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus, other than the reference to its name and/or any statement or report included in this Prospectus with the consent of that Consenting Party; and
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Role	Consenting Parties
Joint Lead Managers	<ul style="list-style-type: none"> • ANZ Securities²³ • Commonwealth Bank of Australia • E&P Corporate Advisory • Morgan Stanley • Morgans • Ord Minnett • Shaw and Partners • UBS • Westpac
Co-Manager	<ul style="list-style-type: none"> • Bell Potter • LGT Crestone Wealth Management
Australian accounting adviser	KPMG Transaction Services
Australian legal and tax advisers	King & Wood Mallesons
Registry	Computershare Investor Services Pty Limited
Auditor	KPMG

8.6 INTERESTS OF ADVISERS

ANZ Securities, Commonwealth Bank of Australia, E&P Corporate Advisory, Morgan Stanley, Morgans, Ord Minnett, Shaw and Partners, UBS and Westpac have acted as Joint Lead Managers to the Offer, in respect of which they will receive fees from ANZ. The fees received will be as follows:

- other than in respect of Allocations to Institutional Investors, each Joint Lead Manager will receive a selling fee of 0.75% of valid Applications received in respect of its Broker Firm Amount;
- ANZ Securities will receive a selling fee of 0.5% of valid Applications received in respect of Allocations to certain Institutional Investors; and
- each Joint Lead Manager will also receive a base fee of 0.5% of valid Applications received in respect of its Broker Firm Amount.

Under the terms of the OMA, the Joint Lead Managers may pay fees on behalf of ANZ to financial services licensees and representatives (**Brokers**) for procuring subscriptions of Notes by their clients, among other things.

Under the OMA, the amount of the fee payable to a Broker by a Joint Lead Manager may not exceed the amount of the selling fee, unless that Broker is an affiliate of the Joint Lead Manager, in which case the amount of the fee payable to that Broker by a Joint Lead Manager may not exceed the aggregate of the amount of the selling fee and the base fee received by the Joint Lead Manager from ANZ as described above.

Brokers may in turn rebate fees to other Brokers for procuring applications for Notes by their clients, among other things. The amount of the fee paid to a Broker by another Broker may not exceed the amount of the fee they received.

²³ A liability of ANZ Securities is neither a deposit with, nor a liability of, ANZ. ANZ Securities is a separate entity from ANZ and is not an ADI.

For the purposes of the fees described above **“Broker Firm Amount”** means, in relation to a Joint Lead Manager, the number of Notes allocated on a firm basis to that Joint Lead Manager and its Affiliates under the Bookbuild.

KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd) has provided due diligence services on certain financial disclosures in this Prospectus. In respect of this work, ANZ estimates that it will pay approximately \$105,000 (excluding disbursements and GST) to KPMG Transaction Services for work up to the date of the Original Prospectus. Further amounts may be paid to KPMG Transaction Services under its normal time based charges.

King & Wood Mallesons has acted as Australian legal and tax adviser to ANZ in relation to the Offer, assisting with the due diligence and verification program, performing due diligence on required legal matters and providing tax advice. In respect of this work, ANZ estimates that it will pay approximately \$350,000 (excluding disbursements and GST) to King & Wood Mallesons for work up to the date of the Original Prospectus. Further amounts may be paid to King & Wood Mallesons under its normal time based charges.

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, a promoter of ANZ or broker to the Offer:

- holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
 - the formation or promotion of ANZ or ANZ Holdings;
 - the Offer; or
 - any property acquired or proposed to be acquired by ANZ in connection with the formation or promotion of ANZ, ANZ Holdings or the Offer; or
- has paid or agreed to pay any amount, and no one has given or agreed to give any benefit for services provided by that person, in connection with the formation or promotion of ANZ, ANZ Holdings or the Offer.

The Joint Lead Managers and their respective affiliates are involved in a wide range of financial services and businesses in respect of which they may receive fees and other benefits and out of which conflicting interests or duties may arise. These services may include securities trading, brokerage activities or the provision of finance, including in respect of securities of, or loans to, ANZ Group entities. The Joint Lead Managers have represented to the Issuer that they will manage any conflicts in connection with their role as Joint Lead Managers in compliance with their legal obligations.

8.7 INTERESTS OF DIRECTORS

Each Director is also a director of ANZ Holdings except for Graham Hodges.²⁴

Details of the Directors' holdings in ANZ Holdings Ordinary Shares and securities of ANZ are disclosed to, and available from, the ASX at asx.com.au.

The Directors (and their related parties) may acquire Notes offered under this Prospectus (including under the Reinvestment Offer to the extent they hold CN3) subject to the Listing Rules (including any waivers as described in Section 8.8).

Other than as set out in this Prospectus, no Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of ANZ or ANZ Holdings;
- the Offer; or
- any property acquired or proposed to be acquired by ANZ or ANZ Holdings in connection with the formation or promotion of ANZ, ANZ Holdings or the Offer.

Other than as set out in this Prospectus, at the time of lodgement of this Prospectus with ASIC, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of ANZ, ANZ Holdings or the Offer.

The ANZ Holdings Constitution and ANZ Constitution contain provisions about the remuneration of the ANZ Holdings Directors and Directors respectively. As remuneration for their services as directors, the non-executive ANZ Holdings Directors and the non-executive Directors are paid an amount of remuneration determined by the relevant Board, subject to a maximum annual aggregate amount determined by ANZ Holdings Ordinary Shareholders in a general meeting. The maximum annual aggregate amount has been set at \$4,000,000. Each Director and ANZ Holdings Director may also be paid additional remuneration for performance of extra services and is entitled to reimbursement of reasonable out-of-pocket expenses. The remuneration of the Managing Director and CEO may be fixed by the ANZ Holdings Board. The remuneration may consist of salary, bonuses or any other elements but must not be a commission on or percentage of profits or operating revenue.

²⁴ As part of the NOHC restructure, ANZ agreed to appoint an additional Non-Executive Director to the ANZ Board and the Board of ANZ BH, being the entities at the head of the ANZ Bank Group, who is not also a director of ANZ Holdings or the ANZ Non-Bank Group. Mr Hodges has been appointed to fill that role.

8.8 ASX RELIEF

ASX has granted the following waivers and confirmations to ANZ and ANZ Holdings in connection with the Offer:

- confirmation that Listing Rule 3.20.2 and Appendix 3A will not apply to the Conversion of Notes following the occurrence of a Trigger Event;
- confirmation that the Note Terms are appropriate and equitable for the purposes of Listing Rule 6.1;
- confirmation that the ASX does not consider the Notes to be preference securities for the purposes of Listing Rules 6.4 – 6.7;
- confirmation that the terms of the APRA constraints on the payment of Distributions do not amount to a removal of a right to a distribution for the purposes of Listing Rule 6.10;
- confirmation that Conversion, Redemption, Resale or Write Off by ANZ as provided in the Note Terms is appropriate and equitable for the purposes of Listing Rule 6.12; and
- a waiver of Listing Rule 10.11 to permit Directors (and their associates) and ANZ Holdings Directors (and their associates) to participate in the Offer, without ANZ Holdings Ordinary Shareholder approval, on the following conditions:
 - the Directors (and their associates) and ANZ Holdings Directors (and their associates) are collectively restricted to applying for no more than 0.20% of the total number of Notes issued under the Offer;
 - ANZ releases the terms of the waiver to the market; and
 - when Notes are issued, ANZ and ANZ Holdings announce to the market the total number of Notes issued to the Directors (and their associates) and ANZ Holdings Directors (and their associates) in aggregate; and
- confirmation that the timetable for the Offer is acceptable.

8.9 ASIC RELIEF

ANZ obtained relief from section 734(2) of the Corporations Act to enable it to provide its securityholders with details on the structure of the Offer before the release of the Original Prospectus. ANZ also obtained relief from the requirement under the Corporations Act (as modified by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71) that ANZ Holdings Ordinary Shares need to have been 'continuously quoted' on the ASX for the 3 months before the date of this Prospectus.

8.10 FOREIGN SELLING RESTRICTIONS

As at the date of this Prospectus, no action has been taken to register or qualify Notes or the Offer or to otherwise permit a public offering of Notes outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law. If you come into possession of this Prospectus outside Australia, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In particular, Notes have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, a US Person.

Any offer, sale or resale of Notes in the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act.

Notes may be offered in a jurisdiction outside Australia under the Offer where such offer is made in accordance with the laws of that jurisdiction.

Each person submitting an Application will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 8.10 and to have represented and warranted that it is able to apply for and acquire Notes in compliance with those restrictions.

8.11 PRIVACY STATEMENT

If you apply for Notes, you will be asked to provide personal information to ANZ and its agents. ANZ and its agents may collect, hold, use and disclose that personal information to assess and process your Application, to service your needs as a Holder, to provide facilities and services that you request, to carry out appropriate administration of your investment, to identify, prevent or investigate any fraud, unlawful activity or misconduct (or suspected fraud, unlawful activity or misconduct) and to identify you or your controlling persons (where applicable). The information collected may include tax residency details and/or tax residency status and other information required under any Australian or foreign legislation, regulation or treaty or pursuant to any tax regime or intergovernmental agreement for tax purposes. Company and tax laws, including the Anti-Money Laundering and Counter-Terrorism Financing Act (Cth), the Financial Sector (Collection of Data) Act (Cth), the Corporations Act, the Taxation Administration Act (Cth), the Tax Act, and the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (Cth), also requires various items of personal information to be collected and ANZ and its agents may use your information to comply with these requirements.

To do these things, ANZ may (subject to applicable law) disclose your personal information to:

- its agents, contractors or third party service providers to whom ANZ outsources services such as mailing and registry functions;
- its related bodies corporate or their agents, contractors or third party service providers; and
- regulatory bodies, government agencies, law enforcement bodies and courts.

You consent to ANZ using your personal information to keep you informed about ANZ's business activities, progress and development and bring to your attention a range of products and services offered by ANZ. You can contact ANZ or the Registry on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8:30am to 5:30pm) to withdraw your consent to

ANZ using or disclosing your personal information in the way described in the previous sentence. It is important that you contact ANZ or the Registry if you do not consent to this use because, by investing in Notes, you will be taken to have otherwise consented.

ANZ may disclose information to recipients which are located outside Australia. You can find details about the location of some of these recipients in ANZ's Privacy Policy and at anz.com/privacy.

If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

ANZ's Privacy Policy (available at anz.com/privacy) contains information about:

- the circumstances in which ANZ may collect personal information from other sources (including from a third party);
- how to access personal information and seek correction of personal information; and
- how you can raise concerns that ANZ has breached the Privacy Act or an applicable code and how ANZ will deal with those matters.

If the Registry's record of your personal information is incorrect or out of date, it is important that you contact ANZ or the Registry so that your records can be corrected. To assist ANZ with this, please contact ANZ or the Registry if any of the details you have provided have changed.

8.12 CORPORATIONS ACT

This Prospectus is issued by ANZ under section 713 of the Corporations Act (as modified by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71).



APPENDIX A
NOTE
TERMS

**THIS APPENDIX A CONTAINS
THE FULL NOTE TERMS.**

1 ANZ CAPITAL NOTES

1.1 ANZ Capital Notes 8

ANZ Capital Notes 8 are fully paid mandatorily convertible subordinated perpetual securities (**ANZ Capital Notes 8** or **Notes**) in the form of unsecured notes issued by ANZ. ANZ Capital Notes 8 are issued in registered form by entry in the Register. They are issued, and may be Exchanged, according to these Note Terms.

ANZ Capital Notes 8 are not deposit liabilities of ANZ, are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act, are not any other kind of account with ANZ and are not guaranteed or insured by any government, government agency or compensation scheme in Australia or any other jurisdiction or by ANZ Holdings or any other person.

1.2 Face value

The denomination and face value of each Note (**Face Value**) is \$100.

2 TITLE AND TRANSFER

2.1 Title

Title to a Note passes when details of the transfer are entered in the Register.

2.2 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

2.3 Non-recognition of interests

Except as required by law and as provided in this clause 2.3, ANZ must treat the person whose name is entered in the Register as the Holder in respect of a Note as the absolute owner of that Note.

No notice of any trust, Encumbrance or other interest in, or claim to, any Note will be entered in the Register. None of ANZ, ANZ Holdings nor the Registry need take notice of any trust, Encumbrance or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by law, and no trust, Encumbrance or other interest in, or claim to, any Note will in any way affect any provision of these Note Terms.

This clause 2.3 applies whether or not a payment has been made when scheduled on a Note and despite any notice of ownership, trust or interest in the Note.

2.4 Joint Holders

Where two or more persons are entered in the Register as the joint holders of a Note, they are taken to hold the Note as joint tenants with rights of survivorship, but the Registry is not bound to register more than three persons as joint holders of a Note.

2.5 Dealings in whole

At all times, the Notes may be held or transferred only in whole Notes.

2.6 Transfer

- (a) A Holder may transfer a Note:
 - (i) while the Note is lodged in CHESS, in accordance with the ASX Settlement Operating Rules;
 - (ii) at any other time:
 - (A) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act; or
 - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law.
- (b) The Registry must register a transfer of a Note to or by a person who is entitled to make or receive the transfer as a consequence of:
 - (i) death, bankruptcy, liquidation or winding-up of a Holder; or
 - (ii) a vesting order by a court or other body with power to make the order on receiving the evidence that the Registry or ANZ requires.

3 DISTRIBUTIONS

3.1 Distributions

Subject to these Note Terms, each Note entitles the Holder on a Record Date to receive on the relevant Distribution Payment Date a cash distribution (**Distribution**) calculated according to the following formula:

$$\text{Distribution} = \frac{\text{Face Value} \times \text{Distribution Rate} \times N}{365}$$

where:

Distribution Rate (expressed as a percentage per annum) is calculated according to the following formula:

$$\text{Distribution Rate} = (\text{BBSW Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

where:

BBSW Rate means:

- (a) subject to paragraph (b), BBSW; and
- (b) if ANZ determines that a Reference Rate Disruption Event has occurred, then, subject to APRA's prior written approval, ANZ:
 - (i) shall use as the reference rate such Alternative Reference Rate as it may determine;

- (ii) shall make such adjustments to these Note Terms as it determines are reasonably necessary to calculate Distributions in accordance with such Alternative Reference Rate; and
- (iii) in making the determinations under paragraphs (i) and (ii) above:
 - (A) shall act in good faith and in a commercially reasonable manner;
 - (B) may consult with such sources of market practice as it considers appropriate; and
 - (C) may otherwise make such determination in its discretion.

Holders should note that APRA's approval may not be given for any Alternative Reference Rate (or related adjustments) it considers to have the effect of increasing the rate of Distributions contrary to applicable prudential standards.

For the purposes of the foregoing:

- (c) **BBSW Rate** means, for a Distribution Period:
 - (i) the rate (expressed as a percentage per annum) designated "**BBSW**" in respect of prime bank eligible securities having a tenor of 3 months which rate ASX (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am (Sydney time) (or such other time at which such rate is accustomed to be so published) on the Determination Date; or
 - (ii) if ANZ determines that such rate (expressed as a percentage per annum) as is described in paragraph (i) above:
 - (A) is not published by midday (or such other time that ANZ considers appropriate on that day); or
 - (B) is published, but is affected by an obvious error,
 such other rate (expressed as a percentage per annum) that ANZ determines as appropriate having regard to comparable indices then available.
- (d) "**Determination Date**" means:
 - (i) in the case of the first Distribution Period, on the Issue Date; and
 - (ii) in the case of any other Distribution Period, on the first Business Day of that Distribution Period;
- (e) "**Reference Rate Disruption Event**" means that, in ANZ's opinion, the rate described in paragraph (a) above:
 - (i) has been discontinued or otherwise ceased to be calculated or administered; or
 - (ii) is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of Notes; and
- (f) "**Alternative Reference Rate**" means a rate other than the rate described in paragraph (a) above that is generally accepted in the Australian market as the successor to BBSW, or if there is no such rate:

- (i) a reference rate that is, in ANZ's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to that of Notes; or
- (ii) such other reference rate as ANZ considers appropriate having regard to available comparable indices.

Margin (expressed as a percentage per annum) means the margin determined under the Bookbuild;

Tax Rate (expressed as a decimal) means the Australian corporate tax rate applicable to the franking account of ANZ Holdings as at the relevant Distribution Payment Date; and

N means in respect of:

- (a) the first Distribution Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Distribution Payment Date; and
- (b) each subsequent Distribution Payment Date, the number of days from (and including) the preceding Distribution Payment Date until (but not including) the relevant Distribution Payment Date.

3.2 Franking adjustments

If any Distribution is not franked to 100% under Part 3-6 of the Tax Act (or any provisions that revise or replace that Part), the Distribution will be calculated according to the following formula:

$$\text{Distribution} = \frac{D}{(1 - [\text{Tax Rate} \times (1 - F)])}$$

where:

D means the Distribution calculated under clause 3.1;

Tax Rate has the meaning given in clause 3.1; and

F means the applicable Franking Rate.

3.3 Payment of a Distribution

Each Distribution is subject to:

- (a) ANZ's absolute discretion; and
- (b) no Payment Condition existing in respect of the relevant Distribution Payment Date.

3.4 Distributions are non-cumulative

- (a) Distributions are non-cumulative. If all or any part of a Distribution is not paid because of clause 3.3 or because of any applicable law, ANZ has no liability to pay the unpaid amount of the Distribution and Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an event of default.
- (b) No interest accrues on any unpaid Distributions and the Holders have no claim or entitlement in respect of interest on any unpaid Distributions.

3.5 Distribution Payment Dates

Subject to this clause 3, Distributions in respect of a Note will be payable in arrears on the following dates (each a **Distribution Payment Date**):

- (a) each 20 March, 20 June, 20 September and 20 December commencing on 20 June 2023 until (but not including) the date on which a Redemption or Conversion of that Note occurs in accordance with these Note Terms (a **Scheduled Distribution Payment Date**); and
- (b) each date on which a Conversion, Redemption or Resale of that Note occurs, in each case in accordance with these Note Terms.

If a Distribution Payment Date is a day which is not a Business Day, then the Distribution Payment Date will be the next day which is a Business Day.

3.6 Record Dates

A Distribution is only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution.

3.7 Restrictions in the case of non-payment

If for any reason a Distribution has not been paid in full on a Distribution Payment Date (the **Relevant Distribution Payment Date**), ANZ must not, without approval of a Special Resolution, until and including the next Distribution Payment Date:

- (a) resolve to pay or pay any ANZ Ordinary Share Dividend; or
- (b) undertake any Buy-Back or Capital Reduction, unless the Distribution is paid in full within 3 Business Days of the Relevant Distribution Payment Date.

3.8 Exclusions from restrictions in case of non-payment

The restrictions in clause 3.7 do not apply:

- (a) to a Buy-Back or Capital Reduction in connection with any employment contract, employee share scheme, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of ANZ or any Controlled Entity; or
- (b) to the extent that at the time a Distribution has not been paid on the relevant Distribution Payment Date, ANZ is legally obliged to pay on or after that date an ANZ Ordinary Share Dividend or complete on or after that date a Buy-Back or Capital Reduction.

Nothing in these Note Terms prohibits ANZ or a Controlled Entity from purchasing ANZ Holdings Shares (or an interest therein) in connection with transactions for the account of customers of ANZ or customers of entities that ANZ Controls or, with the prior written approval of APRA, in connection with the distribution or trading of ANZ Holdings Shares in the ordinary course of business. This includes (for the avoidance of doubt and without affecting the foregoing) any acquisition resulting from:

- (a) taking security over ANZ Holdings Shares in the ordinary course of business; and
- (b) acting as trustee for another person where neither ANZ Holdings nor any entity it Controls has a beneficial interest in the trust (other than a beneficial interest that arises from a security given for the purposes of a transaction entered into in the ordinary course of business).

4 MANDATORY CONVERSION

4.1 Mandatory Conversion

Subject to the occurrence of a Trigger Event, on the Mandatory Conversion Date ANZ must Convert all (but not some) Notes on issue at that date into Ordinary Shares in accordance with clause 6 and this clause 4.

4.2 Mandatory Conversion Date

The **Mandatory Conversion Date** will be the earlier of:

- (a) 20 September 2032 (the **Scheduled Mandatory Conversion Date**); and
- (b) the first Distribution Payment Date after the Scheduled Mandatory Conversion Date (a **Subsequent Mandatory Conversion Date**),

(each a **Relevant Date**) on which the Mandatory Conversion Conditions are satisfied.

4.3 Mandatory Conversion Conditions

The Mandatory Conversion Conditions for each Relevant Date are:

- (a) the VWAP on the 25th Business Day immediately preceding (but not including) the Relevant Date (the **First Test Date**, provided that if no trading in Ordinary Shares took place on that date, the First Test Date is the first Business Day before the 25th Business Day immediately preceding (but not including) the Relevant Date on which trading in Ordinary Shares took place) is greater than 56.00% of the Issue Date VWAP (the **First Mandatory Conversion Condition**);
- (b) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Relevant Date (the **Second Test Period**) is greater than 50.51% of the Issue Date VWAP (the **Second Mandatory Conversion Condition**); and
- (c) no Delisting Event applies in respect of the Relevant Date (the **Third Mandatory Conversion Condition** and, together with the First Mandatory Conversion Condition and the Second Mandatory Conversion Condition, the **Mandatory Conversion Conditions**).

4.4 Non-Conversion Notices

If:

- (a) the First Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, ANZ will notify Holders between the 25th and the 21st Business Day before the Relevant Date; or

(b) the Second Mandatory Conversion Condition or the Third Mandatory Conversion Condition is not satisfied in relation to a Relevant Date, ANZ will notify Holders on or as soon as practicable after the Relevant Date, in either case that Mandatory Conversion will not (or, as the case may be, did not) occur on the Relevant Date (a **Non-Conversion Notice**).

4.5 Common Equity Capital Trigger Event

A **Common Equity Capital Trigger Event** means ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%. ANZ must immediately notify APRA in writing if it makes a determination under this clause 4.5.

4.6 Non-Viability Trigger Event

A **Non-Viability Trigger Event** means the earlier of:

- (a) the issuance of a notice in writing by APRA to ANZ that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or
- (b) a determination by APRA, notified to ANZ in writing, that without a public sector injection of capital, or equivalent support, ANZ would become non-viable.

4.7 Trigger Event Conversion Date

A Trigger Event Conversion Date means:

- (a) in the case of a Common Equity Capital Trigger Event, the date on which the determination or notification is made under clause 4.5; and
- (b) in the case of a Non-Viability Trigger Event, the date on which APRA notifies ANZ of such Non-Viability Trigger Event as contemplated in clause 4.6.

4.8 Conversion on Trigger Event Conversion Date

If a Trigger Event occurs:

- (a) on the Trigger Event Conversion Date, subject only to clause 4.9(c), so many of the Notes will immediately Convert as is:
 - (i) in the case of a Common Equity Capital Trigger Event, sufficient (as determined by ANZ in accordance with paragraph (b) below) to increase the relevant Common Equity Capital Ratio to a percentage above 5.125% determined by ANZ in consultation with APRA; or
 - (ii) in the case of a Non-Viability Trigger Event, required by APRA's notice under clause 4.6 and, where such notice does not require all Relevant Securities to be converted into Ordinary Shares or written off, sufficient (determined by ANZ in accordance with paragraph (b) below) to satisfy APRA that ANZ is viable without further conversion or write off.

If a Non-Viability Trigger Event under clause 4.6(b) occurs, all the Notes are required to be Converted;

- (b) in determining the number of Notes which must be Converted in accordance with this clause, ANZ will:
 - (i) first, convert into Ordinary Shares or write off Relevant Securities whose terms require or permit them to be converted into Ordinary Shares or written off either before Conversion of Notes or in full; and
 - (ii) secondly, if conversion into Ordinary Shares or write off of those Relevant Securities is not sufficient to satisfy the requirements of clause 4.8(a)(i) or 4.8(a)(ii) (as applicable), subject to clause 4.8(e)(iv):
 - (A) ANZ will endeavour to Convert Notes and convert into Ordinary Shares or write off other Relevant Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZ, fair and reasonable (subject to such adjustment as ANZ may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and any Notes or other Relevant Securities remaining on issue); and
 - (B) where the currency of the principal amount of Relevant Securities is not the same for all Relevant Securities, ANZ may treat the Relevant Securities as if converted into a single currency of ANZ's choice at such rate of exchange for each such currency as ANZ in good faith considers reasonable;
- (c) on the Trigger Event Conversion Date ANZ must determine the Holders whose Notes will be Converted at the time on that date that the Conversion is to take effect and in making that determination may make any decisions with respect to the identity of the Holders at that time and date as may be necessary or desirable to ensure Conversion occurs immediately in an orderly manner, including disregarding any transfers of Notes that have not been settled or registered at that time;
- (d) ANZ must give notice of that event (a **Trigger Event Notice**) as soon as practicable to Holders which must specify:
 - (i) the Trigger Event Conversion Date;
 - (ii) the number of Notes Converted; and
 - (iii) the relevant number of other Relevant Securities converted or written off;
- (e) despite any other provision in this clause 4.8, none of the following events shall prevent, impede or delay the immediate Conversion of Notes as required by clause 4.8(a):
 - (i) any failure or delay in the conversion or write off of other Relevant Securities;
 - (ii) any failure or delay in giving a Trigger Event Notice;

- (iii) any failure or delay in quotation of Ordinary Shares to be issued on Conversion; and
- (iv) any requirement to select or adjust the number of Notes to be Converted or any right to make determinations in accordance with clause 4.8(b)(ii) or 4.8(c);
- (f) from the Trigger Event Conversion Date, subject to clauses 6.13 and 10.2, ANZ and ANZ Holdings shall treat the Holder of any Note which is required to be Converted as the holder of the relevant number of Ordinary Shares and will take all such steps, including updating any register, required to record the Conversion.

4.9 Priority of Conversion obligations

- (a) Conversion on account of the occurrence of a Trigger Event is not subject to the matters described in clause 4.3 as Mandatory Conversion Conditions.
- (b) A Conversion required on account of a Trigger Event takes place on the date, and in the manner, required by clause 4.8, notwithstanding anything in clauses 4.1, 4.10, 5 or 9.
- (c) If Conversion has not been effected within 5 Business Days after the relevant Trigger Event Conversion Date for any reason (including an Inability Event), Conversion of those Notes on account of the Trigger Event will not occur and those Notes shall be Written Off in accordance with clause 6.13 and the provisions of clauses 4.8(b), 4.8(c) and 4.8(d) shall apply in respect of that Write Off and those Notes as if each reference in those clauses to "Conversion" or "Convert" were a reference to "Write Off".

4.10 Mandatory Conversion on Change of Control

- (a) If a Change of Control Event occurs, ANZ must notify Holders as soon as practicable after becoming aware of that event by providing a notice to Holders (a **Change of Control Conversion Notice**) and Convert all (but not some only) Notes on the Change of Control Conversion Date, subject to and in accordance with this clause 4 and clause 6.
- (b) A Change of Control Conversion Notice must specify:
 - (i) the details of the relevant Change of Control Event;
 - (ii) the date on which Conversion is to occur (the **Change of Control Conversion Date**), which must be:
 - (A) the Business Day prior to the date reasonably determined by ANZ to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such other earlier date as ANZ may reasonably determine having regard to the timing for implementation of the bid or scheme concerned; or
 - (B) such later date as APRA may require; and

- (iii) whether any Distribution will be paid on the Change of Control Conversion Date.
- (c) A Change of Control Conversion Notice is taken to be revoked and Conversion will not occur if, on the Change of Control Conversion Date:
 - (i) the Second Mandatory Conversion Condition (calculated as if it referred to 20.21% of the Issue Date VWAP); or
 - (ii) the Third Mandatory Conversion Condition, would not be satisfied, in each case, determined as if each reference to "Relevant Date" in those conditions were a reference to the "Change of Control Conversion Date".
- (d) If clause 4.10(c) applies, ANZ must:
 - (i) notify Holders as soon as practicable that Conversion will not (or did not) occur (a **Deferred Change of Control Conversion Notice**); and
 - (ii) subject to this clause 4.10, give a new Change of Control Conversion Notice on or before the 25th Business Day prior to the immediately succeeding Scheduled Distribution Payment Date (under clause 3.5(a)) which is at least 25 Business Days after the date on which the Deferred Change of Control Conversion Notice was given.
- (e) If a new Change of Control Conversion Notice is revoked, clause 4.10(d) shall be reapplied in respect of each subsequent Distribution Payment Date (under clause 3.5(a)) until a Conversion occurs.
- (f) Nothing in this clause 4.10 limits the operation of clause 4.8.

5 OPTIONAL EXCHANGE BY ANZ

5.1 Optional Exchange by ANZ

ANZ may by notice to Holders (an **Exchange Notice**) elect to Exchange:

- (a) all or some Notes on an Exchange Date following the occurrence of a Tax Event or a Regulatory Event; or
- (b) all or some Notes on an Optional Exchange Date.

An Exchange Notice once given is irrevocable, subject to clauses 4.8 and 4.9.

5.2 Contents of Exchange Notice

An Exchange Notice must specify:

- (a) the details of any Tax Event or Regulatory Event to which the Exchange Notice relates;
- (b) the date on which Exchange is to occur (the **Exchange Date**), which:
 - (i) in the case of a Tax Event or a Regulatory Event, will be the last Business Day of the month following the month in which the Exchange Notice was given by ANZ unless ANZ determines an earlier Exchange Date having regard to the best interests of Holders as a whole and the relevant event; or

- (ii) in the case of an Optional Exchange Date, the Optional Exchange Date which must fall:
 - (A) no earlier than 25 Business Days after the date on which the Exchange Notice is given, where the Exchange Method is Conversion; and
 - (B) no earlier than 5 Business Days after the date on which the Exchange Notice is given, where the Exchange Method is Redemption or Resale;
- (c) the Exchange Method, which may not be Redemption unless either:
 - (i) Notes the subject of the Exchange are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the Notes is done under conditions that are sustainable for ANZ's income capacity; or
 - (ii) APRA is satisfied that the capital position of the ANZ Level 1 Group, the ANZ Level 2 Group and, if applicable, the ANZ Level 3 Group is well above its minimum capital requirements after ANZ elects to Redeem the Notes;
- (d) if less than all Outstanding Notes are subject to Exchange, which Notes are subject to Exchange; and
- (e) whether any Distribution will be paid on the Exchange Date.

5.3 Exchange Method

If ANZ elects to Exchange Notes in accordance with this clause 5, it must, subject to APRA's prior written approval and clause 5.2(c) and clause 5.4, elect which of the following (or which combination of the following) it intends to do in respect of Notes (the **Exchange Method**):

- (a) Convert Notes into Ordinary Shares in accordance with clause 6;
- (b) Redeem Notes in accordance with clause 7; or
- (c) Resell Notes in accordance with clause 8.

If ANZ issues an Exchange Notice to Exchange only some Notes, ANZ must endeavour to treat Holders on an approximately proportionate basis, but may discriminate to take account of the effect on holdings which would be Non-marketable Parcels and other considerations.

5.4 Restrictions on election by ANZ of Conversion as Exchange Method

ANZ may not elect Conversion as the Exchange Method in respect of an Exchange under this clause 5 if:

- (a) on the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) (the **Non-Conversion Test Date**) the VWAP on that date is less than or equal to 22.50% of the Issue Date VWAP (the **First Optional Conversion Restriction**); or

- (b) a Delisting Event applies in respect of the Non-Conversion Test Date (the **Second Optional Conversion Restriction** and, together with the First Optional Conversion Restriction, the **Optional Conversion Restrictions**).

5.5 Conditions to Conversion occurring once elected by ANZ

If ANZ has given an Exchange Notice in which it has elected Conversion as the Exchange Method but, if the Exchange Date were a Relevant Date for the purposes of clause 4, either the Second Mandatory Conversion Condition (as if it referred to 20.21% of the Issue Date VWAP) or the Third Mandatory Conversion Condition would not be satisfied in respect of that date, then, notwithstanding any other provision of these Note Terms:

- (a) the Exchange Date will be deferred until the first Distribution Payment Date (under clause 3.5(a)) on which the Mandatory Conversion Conditions would be satisfied if that Distribution Payment Date were a Relevant Date for the purposes of clause 4 (the **Deferred Conversion Date**);
- (b) ANZ must Convert the Notes on the Deferred Conversion Date (unless the Notes are earlier Exchanged in accordance with these Note Terms); and
- (c) until the Deferred Conversion Date, all rights attaching to the Notes will continue as if the Exchange Notice had not been given.

ANZ will notify Holders on or as soon as practicable after an Exchange Date in respect of which this clause 5.5 applies that Conversion did not occur on that Exchange Date (a **Deferred Conversion Notice**).

5.6 Purchases

ANZ or any other member of the ANZ Group may at any time purchase the Notes in the open market or otherwise and at any price or consideration, subject to the prior written approval of APRA.

Holders should not expect that APRA's approval will be given for any purchase of Notes under these Note Terms.

6 CONVERSION MECHANICS

6.1 Conversion

If ANZ elects to Convert Notes or must Convert Notes in accordance with these Note Terms, then, subject to this clause 6 and clause 11, the following provisions apply:

- (a) Each Note will be automatically transferred free from any Encumbrance to ANZ Holdings on the Mandatory Conversion Date, the Trigger Event Conversion Date, the Exchange Date or the Change of Control Conversion Date (as the case may be);
- (b) ANZ Holdings will allot and issue on the Mandatory Conversion Date, the Trigger Event Conversion Date, the Exchange Date or the Change of Control

Conversion Date (as the case may be) a number of Ordinary Shares in respect of each Note held by the Holder equal to the Conversion Number, where the Conversion Number (but subject to the Conversion Number being no more than the Maximum Conversion Number) is a number calculated according to the following formula:

$$\text{Conversion Number} = \frac{\text{Face Value}}{(99\% \times \text{VWAP})}$$

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period and where the

Maximum Conversion Number means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{\text{Issue Date VWAP} \times \text{Relevant Number}}$$

where **Relevant Number** means:

- (i) if Conversion is occurring on a Mandatory Conversion Date, 0.5; and
 - (ii) if Conversion is occurring at any other time, 0.2;
- (c) each Holder's rights (including to payment of Face Value and Distributions other than the Distribution, if any, payable on a date when Conversion is required that is not a Trigger Event Conversion Date) in relation to each Note that is being Converted will be automatically transferred for an amount equal to the Face Value of that Note and ANZ Holdings will apply that Face Value by way of payment for subscription for the Ordinary Shares to be allotted and issued under clause 6.1(b) and in accordance with the Deed Poll. Each Holder is taken to have irrevocably directed that any amount payable under this clause 6.1 is to be applied as provided for in this clause 6.1 and no Holder has any right to payment in any other way;
- (d) if the total number of additional Ordinary Shares to be allotted to a Holder in respect of their aggregate holding of Notes upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded;
- (e) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5:00pm (Melbourne time) on the Mandatory Conversion Date, the Trigger Event Conversion Date (unless another time is required for Conversion on that date), the Exchange Date or the Change of Control Conversion Date (as the case may be). At that time all other rights conferred or restrictions imposed on that Note under these Note Terms will no longer have effect (except for rights relating to a Distribution which is payable but has not been paid on or before a date when Conversion is required that is not a Trigger Event Conversion Date which will continue); and

- (f) as agreed between, amongst others, ANZ Holdings and ANZ under the Implementation Deed, ANZ Holdings, ANZ and their Related Bodies Corporate will deal with the Notes being Converted so that they are converted into ANZ Ordinary Shares and terminated (the **Related Conversion Steps**).

6.2 Adjustments to VWAP

For the purposes of calculating VWAP in these Note Terms:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (**Cum Value**) equal to:
 - (i) in case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
 - (ii) in the case of any other entitlement that is not a dividend or other distribution under clause 6.2(a)(i) which is traded on ASX on any of those Business Days, the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or
 - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the ANZ Holdings Directors; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

6.3 Adjustments to VWAP for divisions and similar transactions

Where during the relevant VWAP Period there is a change in the number of the Ordinary Shares on issue as a result of a division, consolidation or reclassification of ANZ Holdings' share capital (not involving any cash payment or other distribution (or compensation) to or by Ordinary Shareholders) (a **Reorganisation**), in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant VWAP Period which falls before the

date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying such VWAP by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

6.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, adjustments to VWAP will be made in accordance with clause 6.2 and clause 6.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made in accordance with clauses 6.5 to 6.7 (inclusive); and
- (b) if so made, will correspondingly affect the application of the Mandatory Conversion Conditions, the Optional Conversion Restrictions, and cause an adjustment to the Maximum Conversion Number.

6.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to clause 6.5(b) below, if ANZ Holdings makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times \frac{RD}{RD + RN}$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V₀ means the Issue Date VWAP applying immediately prior to the application of this formula;

RN means the number of Ordinary Shares issued pursuant to the bonus issue; and

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue.

- (b) Clause 6.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of clause 6.5(a), an issue will be regarded as a pro rata issue notwithstanding that ANZ Holdings does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing ANZ Holdings is not in contravention of the ASX Listing Rules.

- (d) No adjustments to the Issue Date VWAP will be made under this clause 6.5 for any offer of Ordinary Shares not covered by clause 6.5(a), including a rights issue or other essentially pro rata issue.

- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 6.5(a) shall not in any way restrict ANZ Holdings from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Holders.

6.6 Adjustment to Issue Date VWAP for divisions and similar transactions

- (a) If at any time after the Issue Date, a Reorganisation occurs, ANZ shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Each Holder acknowledges that ANZ Holdings may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Holders.

6.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 6.5 and 6.6, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

6.8 Announcement of adjustment to VWAP or Issue Date VWAP

ANZ will notify Holders (an **Adjustment Notice**) of any adjustment to the VWAP or the Issue Date VWAP under this clause 6 within 10 Business Days of ANZ determining the adjustment and the adjustment set out in the announcement will be final and binding on all Holders and these Note Terms will be construed accordingly.

6.9 Ordinary Shares

Each Ordinary Share issued upon Conversion ranks pari passu with all other fully paid Ordinary Shares.

6.10 Foreign Holders

Where Notes held by a Foreign Holder are to be Converted, unless ANZ is satisfied that the laws of the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which ANZ is not bound to enquire), either unconditionally

or after compliance with conditions which ANZ in its absolute discretion regards as acceptable and not unduly onerous, the Ordinary Shares which the Foreign Holder is obliged to accept will be issued to a nominee (which may not be ANZ or a Related Entity of ANZ) who will sell those Ordinary Shares and pay a cash amount equal to the Proceeds to the Foreign Holder.

6.11 FATCA Withholding on Conversion

Where a FATCA Withholding would be required or permitted to be made in respect of Ordinary Shares issued on Conversion of Notes, the Ordinary Shares which the Holder is obliged to accept will be issued, at ANZ's election, either:

- (a) to the Holder of the Notes net of FATCA Withholding, and the balance of the Ordinary Shares (if any) will be issued to a nominee; or
- (b) entirely to a nominee,

and in each case, the nominee (which may not be ANZ or a Related Entity of ANZ) will sell the Ordinary Shares issued to it, deal with any proceeds of their disposal in accordance with FATCA and, where paragraph (b) applies pay a cash amount equal to the Proceeds net of any FATCA Withholding to the Holder.

6.12 Listing Ordinary Shares issued on Conversion

ANZ Holdings shall use all reasonable endeavours to list the Ordinary Shares issued upon Conversion of the Notes on ASX.

6.13 Write Off

Notwithstanding clause 9.1(a), if Conversion has not been effected within 5 Business Days after the relevant Trigger Event Conversion Date for any reason (including an Inability Event), each Note which, but for clause 4.9(c) and this clause 6.13, would be Converted, will be Written Off with effect on and from the Trigger Event Conversion Date.

In this clause 6.13, **Written Off** means that, in respect of a Note and a Trigger Event Conversion Date:

- (a) the Note will not be Converted on that date and will not be Converted, Redeemed or Resold under these Note Terms on any subsequent date; and
- (b) the relevant Holders' rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and written off.

6.14 No duties on sale

For the purposes of clauses 6.10 and 6.11, none of ANZ, ANZ Holdings or the nominee owes any obligations or duties to Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of Ordinary Shares.

7 REDEMPTION MECHANICS

7.1 Redemption mechanics to apply to Redemption

If, subject to APRA's prior written approval and compliance with the conditions in clause 5.2(c), ANZ elects to Redeem Notes in accordance with these Note Terms, the provisions of this clause 7 apply to that Redemption.

Holders should not expect that APRA's approval will be given for any Exchange of Notes under the Note Terms.

7.2 Redemption

Notes will be Redeemed by payment on the Exchange Date of the Face Value to the Holder.

7.3 Effect of Redemption on Holders

On the Exchange Date the only right Holders will have in respect of Notes will be to obtain the Face Value payable in accordance with these Note Terms. Upon the Face Value being paid (or taken to be paid in accordance with clause 13.3), all other rights conferred, or restrictions imposed, by the Notes will no longer have effect.

8 RESALE ON EXCHANGE DATE

- (a) If, subject to APRA's prior written approval, ANZ elects to Resell Notes in accordance with these Note Terms, the provisions of this clause 8 apply to that Resale.
- (b) ANZ may appoint one or more Purchasers for the Resale on such terms as may be agreed between ANZ and the Purchaser (and to the extent that any such terms may cause the Notes to cease to be Additional Tier 1 Capital, with the prior written approval of APRA) including:
 - (i) as to the conditions of any Resale, the procedures for settlement of such Resale and the circumstances in which the Exchange Notice specifying Resale as the Exchange Method may be amended, modified, added to or restated;
 - (ii) as to the substitution of another entity (not being ANZ or a Related Entity of ANZ) as Purchaser if, for any reason, ANZ is not satisfied that the Purchaser will perform its obligations under this clause 8; and
 - (iii) as to the terms (if any) on which any Notes acquired by a Purchaser may be redeemed, converted or otherwise dealt with.
- (c) If ANZ appoints more than one Purchaser in respect of a Resale, all or any of the Notes held by a Holder which are being Resold may be purchased by any one or any combination of the Purchasers, as determined by ANZ.
- (d) ANZ may not appoint itself or any Related Entity of ANZ as a Purchaser.
- (e) If ANZ issues an Exchange Notice specifying Resale as the Exchange Method:
 - (i) each Holder is taken irrevocably to offer to sell the relevant number of their Notes to the Purchaser on the Exchange Date for a cash amount per Note equal to the Face Value;

- (ii) subject to payment by the Purchaser of the Face Value to Holders, all right, title and interests in the relevant number of Notes will be transferred from the Holders to the Purchaser on the Exchange Date; and
 - (iii) if the Purchaser does not pay the Face Value to the relevant Holders on the Exchange Date, the Exchange Notice specifying Resale as the Exchange Method will be void as it relates to that Purchaser, the relevant number of Notes will not be transferred to the Purchaser, those Notes are not Resold on that date and a Holder has no claim on ANZ as a result of that non-payment.
- (f) Clause 13 will apply to payments by the Purchaser as if the Purchaser was ANZ. If any payment to a particular Holder is not made or treated as made on the Exchange Date because of any error by or on behalf of the Purchaser, the relevant Notes of that Holder will not be transferred until payment is made but the transfer of all other relevant Notes will not be affected by the failure.

9 GENERAL RIGHTS IN RESPECT OF NOTES

9.1 Ranking in a winding-up

- (a) If an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 30 days), or an effective resolution passed, for the winding-up of ANZ in Australia, the Notes are redeemable for the Face Value in accordance with this clause 9.1.
- (b) In a winding-up of ANZ in Australia, a Note confers upon the Holder, subject to clauses 4.8 and 6.13, the right to payment in cash of the Face Value on a subordinated basis in accordance with clause 9.1(c), but no further or other claim on ANZ in the winding-up of ANZ in Australia, including with respect to any unpaid Distribution.
- (c) Holders will rank for payment of the Face Value in a winding-up of ANZ in Australia:
 - (i) in priority to ANZ Ordinary Shares;
 - (ii) equally among themselves and with all Equal Ranking Instruments with respect to priority of payment in a winding-up; and
 - (iii) junior to the claims of all Senior Creditors with respect to priority of payment in a winding-up in that:
 - (A) all claims of Senior Creditors must be paid in full (including in respect of any entitlement to interest under section 563B of the Corporations Act) before the claims of the Holders are paid; and
 - (B) until the Senior Creditors have been paid in full, the Holders must not claim in the winding-up of ANZ in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive, so that the Holder receives, for each Note it holds, an amount equal to the amount it would have received if, in the winding-up of ANZ, it had held an issued and fully paid Preference Share.

9.2 No charge

Nothing in clause 9.1 or clause 9.3 shall be taken to:

- (a) create a charge or security interest on or over any right of the Holder; or
- (b) require the consent of any Senior Creditor to any amendment of these Note Terms made in accordance with clause 14.

9.3 Agreements of Holders as to subordination

Each Holder irrevocably agrees:

- (a) that clause 9.1 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) that it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a Preference Share would not be entitled to such interest;
- (c) not to exercise any voting or other rights as a creditor in the winding-up of ANZ in any jurisdiction:
 - (i) until after all Senior Creditors have been paid in full; or
 - (ii) otherwise in a manner inconsistent with the subordination contemplated by clause 9.1;
- (d) that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding-up of ANZ in respect of a Note in excess of its entitlement under clause 9.1; and
- (e) that the debt subordination effected by clause 9.1 is not affected by any act or omission of ANZ or a Senior Creditor which might otherwise affect it at law or in equity.

9.4 Calculations and rounding of payments

Unless otherwise specified in these Note Terms:

- (a) all calculations of amounts payable in respect of a Note will be rounded to four decimal places; and
- (b) for the purposes of making payment to a Holder in respect of the Holder's aggregate holding of Notes, any fraction of a cent will be disregarded.

9.5 No set-off or offsetting rights

A Holder:

- (a) may not exercise any right of set-off against ANZ in respect of any claim by ANZ against that Holder; and
- (b) will have no offsetting rights or claims on ANZ if ANZ does not pay a Distribution when scheduled under the Note Terms. ANZ may not exercise any right of set-off against a Holder in respect of any claim by that Holder against ANZ.

9.6 No security

Notes are unsecured.

9.7 Shortfall on winding-up

If, upon a return of capital on a winding-up of ANZ, there are insufficient funds to pay in full the Face Value and the amounts payable in respect of any other instruments in ANZ ranking equally with Notes on a winding-up of ANZ, Holders and the holders of any such other instruments will share in any distribution of assets of ANZ in proportion to the amounts to which they are entitled respectively.

9.8 No other claim

Notes do not confer on the Holders any claim on ANZ in a winding-up beyond payment of the Face Value.

9.9 Power of Attorney

- (a) Each Holder appoints each of ANZ, ANZ Holdings, their respective officers and any External Administrator of ANZ or ANZ Holdings (each an **Attorney**) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Note Terms including, but not limited to, effecting any transfer or Conversion of Notes, making any entry in the Register or exercising any voting power in relation to any consent or approval required for Conversion, Redemption or Resale or in respect of an Approved Successor Event or the transfer of Notes to an Approved NOHC as contemplated by clause 14.2.
- (b) The power of attorney given in this clause 9.9 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Note Terms and is irrevocable.

9.10 Holder acknowledgments

Each Holder irrevocably:

- (a) upon Conversion of a Note in accordance with clause 6, consents to becoming a member of ANZ Holdings and agrees to be bound by the Constitution, in each case in respect of the Ordinary Shares issued on Conversion (or, where an Approved Successor Notice has been given, consents to becoming a member of that Approved NOHC and agrees to be bound by its constitution);
- (b) acknowledges and agrees that an Approved NOHC may be substituted for ANZ Holdings as issuer of ordinary shares on Conversion and that if such a substitution is effected on the terms provided by the amendment in accordance with clause 14.2, the Holder is obliged to accept ordinary shares in that Approved NOHC on a Conversion, and will not receive Ordinary Shares;
- (c) acknowledges and agrees that any amendment made in accordance with clause 14.2 to effect the substitution of an Approved NOHC as the issuer of ordinary shares on Conversion does not require the consent of Holders;
- (d) acknowledges and agrees that it is obliged to accept ordinary shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of Notes including:
 - (i) any change in the financial position of ANZ, ANZ Holdings or any Approved NOHC since the Issue Date;
 - (ii) any disruption to the market or potential market for the ordinary shares or to capital markets generally;
 - (iii) any breach by ANZ, ANZ Holdings or any Approved NOHC of any obligation in connection with Notes; and
 - (iv) any dispute as to the calculation of the Common Equity Capital Ratio or the occurrence of a Non-Viability Trigger Event;
- (e) acknowledges and agrees that:
 - (i) where clause 4.8 applies, there are no other conditions to Conversion occurring as and when provided in clauses 4.5 to 4.9 (inclusive);
 - (ii) the only conditions to a Mandatory Conversion are the Mandatory Conversion Conditions;
 - (iii) the only conditions to a Conversion pursuant to clause 4.10 or on account of an Exchange under clause 5 are the conditions expressly applicable to such Conversion as provided in clauses 4.10 and 5 of these Note Terms and no other conditions or events will affect Conversion; and
 - (iv) the Holder should not expect that APRA's approval will be given for any Exchange of Notes under the Note Terms;
- (f) agrees to provide to ANZ and ANZ Holdings any information necessary to give effect to a Conversion and, if applicable, to surrender any certificate relating to the Notes on the occurrence of the Conversion;
- (g) acknowledges and agrees that a Holder has no right to request an Exchange;
- (h) acknowledges it has no remedies on account of a failure by ANZ, ANZ Holdings or any other member of the ANZ Group:
 - (i) to make any payment in respect of a Conversion;
 - (ii) to issue Ordinary Shares in accordance with clause 6 other than (and subject always to clause 4.9) to

seek specific performance of ANZ Holdings' obligation to issue the Ordinary Shares; or
 (iii) to perform any of the Related Conversion Steps; and

- (i) acknowledges and agrees that if, in respect of a Conversion, ANZ Holdings has issued the Conversion Number of Ordinary Shares to the Holder but the Note has not been transferred free from Encumbrance to ANZ Holdings, the Note shall be Written Off in accordance with clause 6.13 without prejudice to the issue of the Ordinary Shares.

9.11 No other rights

- (a) Notes do not confer any claim on ANZ, ANZ Holdings or any other member of the ANZ Group except as set out in these Note Terms.
- (b) Notes do not confer on Holders any right to subscribe for new securities in ANZ, ANZ Holdings or any other member of the ANZ Group (other than on a Conversion) or to participate in any bonus issues of securities of ANZ, ANZ Holdings or any other member of the ANZ Group.
- (c) Nothing in these Note Terms prevents ANZ or ANZ Holdings from:
- (i) issuing securities of any kind (whether ranking equally with, in priority to or junior to or having different rights from the Notes);
 - (ii) except as provided in clause 3.7, redeeming, buying back, converting, returning capital on or converting any securities, other than the Notes; or
 - (iii) the incurring or guaranteeing by ANZ, ANZ Holdings or any other member of the ANZ Group of any indebtedness upon such terms as ANZ, ANZ Holdings or any other member of the ANZ Group thinks fit in its sole discretion.

9.12 CHESS

The Notes will be entered in and dealt with in CHESS. While the Notes remain in CHESS:

- (a) the rights and obligations of a person holding Notes; and
- (b) all dealings (including transfers and payments) in relation to the Notes within CHESS,

will be subject to and governed by the ASX Settlement Operating Rules (but without affecting any provisions in these Note Terms which may affect the eligibility of the Notes as Additional Tier 1 Capital).

No certificates will be issued to Holders unless ANZ determines that certificates should be available or are required by law.

9.13 Independent obligations

Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Holder of the indebtedness to, and obligations of, ANZ and ANZ Holdings to the relevant Holder. The Holder to whom

those obligations are owed is entitled to enforce them without having to join any other Holder or any predecessor in title of a Holder.

10 VOTING AND OTHER RIGHTS

10.1 Meetings

Meetings of Holders may be held in accordance with the Meeting Provisions. A meeting may consider any matter affecting the interests of Holders, including any amendment to these Note Terms proposed by ANZ in accordance with clause 14.

10.2 No voting

Notes do not confer on Holders a right to vote at any meeting of members of ANZ, ANZ Holdings or any other member of the ANZ Group.

10.3 No right to apply for the winding-up

Each Holder acknowledges and agrees that a Holder has no right to apply for ANZ, ANZ Holdings or any other member of the ANZ Group to be wound up, or placed in administration, or to cause a receiver, or a receiver and manager, to be appointed in respect of ANZ, ANZ Holdings or any other member of the ANZ Group in any jurisdiction merely on the grounds that ANZ does not pay a Distribution when scheduled in respect of Notes.

10.4 No events of default

Each Holder acknowledges and agrees that these Note Terms contain no events of default. Accordingly (but without limitation) failure to pay in full, for any reason, a Distribution on the scheduled Distribution Payment Date will not constitute an event of default.

11 SUBSTITUTIONS

11.1 ANZ may give Approved Successor Notice

ANZ may give a notice (an **Approved Successor Notice**) if an Approved Successor Event is proposed to occur and the Approved Successor agrees for the benefit of Holders:

- (a) where the substitution is in respect only to the Conversion of Notes:
 - (i) to deliver Approved Successor Ordinary Shares under all circumstances when ANZ Holdings would have otherwise been obliged to deliver Ordinary Shares on a Conversion, subject to the same terms and conditions as set out in these Note Terms as amended by this clause 11; and
 - (ii) to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of all Approved Successor Ordinary Shares issued under these Note Terms (with all necessary modifications) on the securities exchanges on which the other Approved Successor Ordinary Shares are quoted at the time of a Conversion; or

- (b) where the substitution is in respect of all obligations:
- (i) to assume all such obligations in connection with the Notes, including that it makes the agreements contemplated in clause 11.1(a) to the extent such Approved Successor has not already undertaken or assumed them; and
 - (ii) unless APRA otherwise approves, where the substitution and assumption would reduce the Additional Tier 1 Capital of ANZ, the Approved Successor has entered into arrangements with ANZ to maintain the level of Additional Tier 1 Capital that would have existed had that substitution and assumption not occurred,

and in each case the Notes are expected to be listed on ASX immediately following that substitution.

An Approved Successor Notice must be given no later than 10 Business Days before the Approved Successor Event occurs specifying the amendments to these Note Terms which will be made in accordance with clause 14.2 to effect the substitution (the **Substitution Terms**).

Subject to the foregoing, an Approved Successor Notice may be given at any time and from time to time. An Approved Successor Notice, once given, is irrevocable (subject to its terms and any subsequent Approved Successor Notice).

11.2 Consequences of Approved Successor Notice

If ANZ gives an Approved Successor Notice to Holders in accordance with clause 11.1, the Substitution Terms will have effect on and from the date specified in the Approved Successor Notice.

11.3 No obligation to substitute

A Holder has no right to require ANZ to give an Approved Successor Notice.

12 NOTICES

12.1 Notices to Holders

All notices, certificates, consents, approvals, waivers and other communications in connection with a Note to the Holders must be in writing and may be:

- (a) sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication) or sent by email to the email address (if any) nominated by that person;
- (b) given by an advertisement published in the Australian Financial Review or The Australian; or
- (c) in the case of a Non-Conversion Notice, a Deferred Conversion Notice, a Deferred Change of Control Conversion Notice, an Exchange Notice, a Change of Control Conversion Notice, a Trigger Event Notice, an Adjustment Notice, an Approved Successor Notice and an ANZ Details Notice, given to Holders by ANZ publishing the notice on its website and announcing the publication of the notice to ASX.

12.2 Non-receipt of notices by Holders

The non-receipt of a notice by a Holder or an accidental omission to give notice to a Holder will not invalidate the giving of that notice either in respect of that Holder or generally.

12.3 Notices to ANZ

All notices or other communications by a Holder to ANZ in respect of these Note Terms must be:

- (a) in legible writing or typing and in English;
- (b) addressed as shown below

Attention: Company Secretary
Australia and New Zealand
Banking Group Limited

Address: ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands 3008 Victoria Australia
Email address: cosec@anz.com

or to such other address or email address as ANZ notifies to Holders as its address or email address (as the case may be) for notices or other communications in respect of these Note Terms from time to time (an **ANZ Details Notice**);
- (c) signed by the person making the communication or by a person duly authorised by that person; and
- (d) delivered or posted by prepaid post to the address, or sent by email to the email address, specified in clause 12.3(b).

12.4 Receipt

A notice or other communication will be taken to be received:

- (a) if sent by email, the earlier of:
 - (i) the time when the sender receives confirmation of receipt from the intended recipient or an automated message confirming delivery; and
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) (or, if sent on a day that is not a Business Day or after 5:00pm (Melbourne time), 9:00am (Melbourne time) on the next Business Day) unless the sender receives an automated message that the email has not been delivered;
- (b) if sent by post, six Business Days after posting if posted to an address in Australia and 10 Business Days after posting if posted to an address outside of Australia;
- (c) if published by an announcement on ASX, when the announcement is made on ASX; and
- (d) if published in a newspaper, on the first date that publication has been made in the chosen newspaper.

13 PAYMENTS

13.1 Payments to Holders on the Record Date

Distributions are only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution payment.

13.2 Manner of payment to Holders

Payments will be made by ANZ in its absolute discretion by:

- (a) crediting on the relevant payment date the amount due to an Australian dollar bank account maintained in Australia with a financial institution (excluding credit card accounts), notified by the Holder to the Registry by close of business on the Record Date in respect of that payment; or
- (b) at ANZ's option if no such account is notified, by sending a cheque through the post at the Holder's risk directed to:
 - (i) the address of the Holder (or in the case of a jointly held Note, the address of the joint Holder named first in the Register); or
 - (ii) to any other address the Holder (or in the case of a jointly held Note, all the joint Holders) directs in writing.

A cheque sent through the post on or before the date for payment is taken to have been received on the payment date.

13.3 Uncompleted payments

If:

- (a) a Holder has not notified the Registry of an Australian dollar bank account maintained with a financial institution (excluding credit card accounts) to which payments in respect of the Notes may be credited; or
- (b) the transfer of any amount for payment to the credit of the nominated account does not complete for any reason, the amount of the uncompleted payment will be held in a special purpose account maintained by ANZ or the Registry until:
 - (i) the Holder nominates a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited or ANZ elects to pay the amount by cheque;
 - (ii) ANZ determines as permitted by clause 13.4 to refuse any claim in respect of that amount in which case ANZ may treat that amount as its own (subject to clause 13.3(b)(iii)); or
 - (iii) ANZ is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

Where this clause 13.3 applies the amount payable in respect of the Notes shall be treated as having been paid on the date scheduled for payment. A Holder is not entitled to any interest in respect of the account in which uncompleted payments are held or in respect of any delay in payment.

13.4 Time limit on claims

ANZ is entitled to refuse any claim against it for a payment under a Note where the claim is made more than 10 years (in the case of Face Value) or 5 years (in the case of Distributions and other amounts) from the date on which payment first became due.

13.5 Determination and calculation final

Except where there is fraud or a manifest error, any determination or calculation which ANZ makes in accordance with these Note Terms is final and binds ANZ, the Registry and each Holder.

13.6 Payment to joint Holders

A payment to any one of joint Holders will discharge ANZ's liability in respect of that payment.

13.7 Payment on Business Days

If a payment is to be made to an account on a Business Day on which banks are not open for business in the place the account is located, payment will be made on the next day on which banks are open for business in that place, and no additional interest is payable in respect of that delay in payment. Nothing in this clause applies to any payment referred to in clause 6.1(c).

13.8 No interest accrues

No interest accrues on any unpaid amount in respect of any Note.

13.9 Payments subject to law

All payments are subject to applicable law.

13.10 Taxation deductions and withholdings

ANZ, ANZ Holdings or the Purchaser, as applicable, may make any deduction or withholding from any amount payable in respect of the Notes (or upon or with respect to the issue of any Ordinary Shares upon a Conversion), as required by law or any agreement with a governmental authority. If any such deduction or withholding has been paid to the relevant governmental authority and the balance paid (or, in the case of a Conversion, Ordinary Shares issued) to the relevant Holder, then the full amount payable (or, in the case of a Conversion, the Conversion Number of Ordinary Shares) to such Holder shall be deemed to have been duly paid and satisfied (or, in the case of a Conversion, issued) by ANZ, ANZ Holdings or the Purchaser, as applicable.

If any withholding or deduction arises, ANZ, ANZ Holdings or the Purchaser, as applicable, will not be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction.

13.11 FATCA

Without limiting clause 13.10, ANZ, ANZ Holdings or the Purchaser, as applicable, may withhold or make deductions from payments or from the issue of Ordinary Shares to a Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Notes may be subject to FATCA, and may deal with such payment and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, neither ANZ nor ANZ Holdings will be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction.

ANZ or ANZ Holdings, in each case, in its absolute discretion, may require information from a Holder to be provided to any relevant authority, to determine the applicability of any withholding under or in connection with FATCA.

13.12 Tax File Number

Without limiting clause 13.10, ANZ will, if required, withhold an amount from payments of Distributions on the Notes at the highest marginal tax rate plus the highest Medicare levy if a Holder has not supplied an appropriate tax file number, Australian business number or exemption details.

14 AMENDMENT OF THESE NOTE TERMS

14.1 Amendment without consent

Subject to complying with all applicable laws and clause 14.4, ANZ may amend these Note Terms without the authority, assent or approval of Holders where the amendment in the reasonable opinion of ANZ:

- (a) is made to correct a manifest error;
- (b) is of a formal, minor or technical nature;
- (c) is necessary to comply with any law, the provisions of any statute or the requirements of any statutory authority;
- (d) is made in accordance with ANZ's adjustment rights in clause 6;
- (e) is expedient for the purpose of enabling the Notes to be listed or to remain listed on a securities exchange (including, without limitation, in connection with any change in the principal securities exchange on which Ordinary Shares are listed) or lodged in a clearing system or to remain lodged in a clearing system or to be offered for sale or for subscription under the laws for the time being in force in any place;
- (f) amends any date or time period stated, required or permitted in connection with any Mandatory Conversion or Exchange in a manner necessary to facilitate the Mandatory Conversion or Exchange; or
- (g) in any other case, will not materially adversely affect the rights of Holders as a whole.

14.2 Amendment without consent for substitution

Subject to complying with all applicable laws and the requirement for APRA approval in accordance with clause 14.4, if the circumstances described in clauses 11.1(a) or 11.1(b) apply, without the authority, assent or approval of Holders, ANZ may:

- (a) in the case where the Approved Successor is an Approved NOHC substituted only in respect of the Conversion of Notes in accordance with clause 11.1(a) give an Approved Successor Notice which amends the definition of "Conversion" in clause 6 such that, unless APRA otherwise agrees, on the date Notes are to be Converted:
 - (i) each Note that is being Converted will be automatically transferred by each Holder free from Encumbrance to the Approved NOHC (or another member of the ANZ Group which is a holding company of ANZ) (the "Transferee") on the date the Conversion is to occur;
 - (ii) each Holder (or nominee where clause 6.10 applies) will be issued a number of Approved NOHC Ordinary Shares equal to the Conversion Number; and
 - (iii) as between ANZ and the Transferee, each Note held by the Transferee as a result of the transfer will be automatically Converted into ANZ Ordinary Shares in a number and at a price such that the issued ordinary share capital of ANZ held by the Transferee (or a wholly owned subsidiary of the Transferee) increases by the amount by which the issued ordinary share capital of the Approved NOHC increases on Conversion;
- (b) in the case where the Approved Successor has assumed obligations of ANZ in accordance with clause 11.1(b) appoint a trustee for Holders and reconstitute the Notes under a trust deed compliant with Chapter 2L of the Corporations Act (unless not required to do so by applicable law) and enter into such other documents or do any other things as are in ANZ's reasonable opinion necessary or appropriate to effect the substitution consistent with the requirements of APRA in relation to Additional Tier 1 Capital and instruments eligible to fund Additional Tier 1 Capital;
- (c) in each case, give an Approved Successor Notice which makes such other amendments as are in ANZ's reasonable opinion necessary or appropriate to effect the substitution consistent with the requirements of APRA in relation to Additional Tier 1 Capital and instruments eligible to fund Additional Tier 1 Capital,

and having regard to whether the substitution is of some or all of the obligations in connection with the Notes, including without limitation:

- (i) amendments to references to a party to the Approved Successor;
- (ii) amendments and additions to the definition of "ANZ Group", "ANZ Holdings Shares", "ANZ Ordinary Share Dividend", "Equal Ranking Instruments", "Franking Rate", "Inability Event", "Ordinary Shares", "Payment Condition", "Preference Share", "Regulatory Event", "Senior Creditors" and "Tax Event";
- (iii) amendments to the mechanics for adjusting the Conversion Number;
- (iv) any term defining the rights of Holders if the Conversion is not effected which is appropriate for the Notes to remain as Additional Tier 1 Capital or an instrument eligible to fund Additional Tier 1 Capital; or
- (v) any other amendments as APRA may require.

14.3 Amendment with consent

Without limiting clause 14.1 or clause 14.2, but subject to clause 14.4, ANZ may amend these Note Terms if the amendment has been approved by a Special Resolution.

14.4 APRA approval

No amendment to these Note Terms is permitted without APRA's prior written approval if such amendment may affect the classification of Notes as Additional Tier 1 Capital on a Level 1, Level 2 or (if applicable) Level 3 basis. This applies regardless of whether such amendment would require Holder approval.

14.5 Meanings

In this clause 14, amend includes modify, cancel, alter or add to, and amendment has a corresponding meaning.

15 QUOTATION ON ASX

ANZ must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, quotation of the Notes on ASX.

16 GOVERNING LAW AND JURISDICTION

16.1 Governing law

The Notes and these Note Terms are governed by and shall be construed in accordance with the laws in force in the State of Victoria, Australia.

16.2 Jurisdiction

ANZ and ANZ Holdings irrevocably agree for the benefit of the Holders that the courts of Victoria, Australia are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes

and accordingly has submitted to the non-exclusive jurisdiction of the courts of Victoria, Australia. ANZ and ANZ Holdings waive any objection to the courts of Victoria, Australia on the grounds that they are an inconvenient or inappropriate forum.

16.3 Service of process

- (a) ANZ agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of ANZ, which, as at the Issue Date is located at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands 3008 Victoria, Australia.
- (b) ANZ Holdings agrees that process in connection with any proceedings in Victoria, Australia may be served at the principal office of ANZ Holdings, which, as at the Issue Date is located at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands 3008 Victoria, Australia.
- (c) Nothing in these Note Terms affects the right to serve process in any other manner permitted by law.

17 INTERPRETATION AND DEFINITIONS

17.1 Interpretation

- (a) Unless otherwise specified, a reference to a clause is a reference to a clause of these Note Terms.
- (b) If a calculation is required under these Note Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.
- (c) Any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to ANZ or ANZ Holdings only if ANZ or ANZ Holdings (as the case may be) is an entity, or the holding company of an entity, or is a direct or indirect Subsidiary of a NOHC, subject to regulation and supervision by APRA at the relevant time.
- (d) Any provisions which require APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time.
- (e) Any provisions in these Note Terms requiring the prior approval of APRA for a particular course of action to be taken by ANZ do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.
- (f) A reference to any term defined by APRA (including, without limitation, "Common Equity Tier 1 Capital", "Level 1", "Level 2", "Level 3", "Additional Tier 1 Capital", "Tier 1 Capital" and "Tier 1 Capital Ratio") shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term.

- (g) The terms takeover bid, relevant interest, scheme of arrangement, buy-back and voting shares when used in these Note Terms have the meaning given in the Corporations Act.
- (h) Headings and boldings are for convenience only and do not affect the interpretation of these Note Terms.
- (i) The singular includes the plural and vice versa.
- (j) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (k) Other than in relation to a Trigger Event and a Conversion on a Trigger Event Conversion Date, if an event under these Note Terms must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day.
- (l) A reference to dollars, A\$, \$ or cents is a reference to the lawful currency of Australia.
- (m) A reference to a term defined by the ASX Listing Rules, the ASX Settlement Operating Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.
- (n) If the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).
- (o) Calculations, elections and determinations made by ANZ or ANZ Holdings under these Note Terms are binding on Holders in the absence of manifest error.
- (p) So long as the Notes are quoted on ASX and in CHES, the Note Terms are to be interpreted in a manner consistent with the ASX Listing Rules and ASX Settlement Operating Rules except to the extent that an interpretation consistent with those rules may affect the eligibility of the Notes as Additional Tier 1 Capital.
- (q) A reference to Australia includes any political subdivision of, or authority in, the Commonwealth of Australia.

17.2 Definitions

Additional Tier 1 Capital means the additional tier 1 capital of the ANZ Level 1 Group or the ANZ Level 2 Group (or, if applicable, the ANZ Level 3 Group) as defined by APRA from time to time.

Adjustment Notice has the meaning given in clause 6.8.

Alternative Reference Rate has the meaning given in clause 3.1.

ANZ means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

ANZ Capital Notes 8 has the meaning given in clause 1.1

ANZ Capital Notes 8 Deed Poll means the deed poll relating to the Notes made by ANZ and ANZ Holdings on or about 15 February 2023.

ANZ Constitution means the constitution of ANZ as amended from time to time.

ANZ Details Notice has the meaning given in clause 12.3.

ANZ Group means ANZ Holdings and its Controlled Entities.

ANZ Holdings means ANZ Group Holdings Limited (ABN 16 659 510 791).

ANZ Holdings Directors means some or all of the directors of ANZ Holdings acting as a board.

ANZ Holdings Shares means Ordinary Shares or any other shares in the capital of ANZ Holdings.

ANZ Level 1 Group means ANZ and those of its controlled entities included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 1 basis.

ANZ Level 2 Group means ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 2 basis.

ANZ Level 3 Group means ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 3 basis.

ANZ Ordinary Share means a fully paid ordinary share in the capital of ANZ.

ANZ Ordinary Share Dividend means any interim, final or special dividend payable in accordance with the Corporations Act and the ANZ Constitution in relation to ANZ Ordinary Shares.

ANZ Perpetual Subordinated Contingent Convertible Securities means the 6.75% fixed rate resetting perpetual subordinated contingent convertible securities issued by ANZ London Branch on 15 June 2016 (as amended).

Approved NOHC means a NOHC arising as a result of an Approved NOHC Event.

Approved NOHC Event means a NOHC Event in respect of which the proviso to the definition of "Change of Control Event" is satisfied.

Approved NOHC Ordinary Share means a fully paid ordinary share in the capital of the Approved NOHC.

Approved Successor means:

- (a) an Approved NOHC;
- (b) ANZ Holdings; or
- (c) ANZ,

provided that to the extent such entity undertakes on and from the date of that substitution to deliver Approved Successor Ordinary Shares such shares will be quoted on ASX immediately following the substitution.

Approved Successor Event means the substitution of an Approved Successor in respect of the Notes and the assumption by the Approved Successor of some or all of the obligations in connection with them in accordance with clause 11.

Approved Successor Notice means a notice given in accordance with clause 11.1.

Approved Successor Ordinary Share means a fully paid ordinary share in the capital of the Approved Successor.

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZ, the ANZ Group, ANZ Holdings or any NOHC.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires, or any successor.

ASX Listing Rules means the listing rules of ASX as amended, varied or waived (whether in respect of ANZ, ANZ Holdings or generally) from time to time.

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of ANZ, ANZ Holdings or generally) from time to time.

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modifications or waivers granted by ASX.

Attorney has the meaning given in clause 9.9.

Banking Act means the Banking Act 1959 (Cth).

BBSW Rate has the meaning given in clause 3.1.

Bookbuild means the process conducted by ANZ or its agents before the opening of the Offer whereby certain investors lodge bids for Notes and, on the basis of those bids, ANZ determines the Margin and announces its determination on ASX before the opening of the Offer.

Business Day means:

- (a) a day which is a business day within the meaning of the ASX Listing Rules; and
- (b) for the purposes of determining an Exchange Date (except where the Exchange is by way of Conversion on account of a Trigger Event), the calculation or payment of a Distribution or of any other sum, a day on which banks are open for general business in Melbourne, Victoria.

Buy-Back means a transaction involving the acquisition by ANZ of ANZ Ordinary Shares pursuant to an offer made in its discretion in accordance with the provisions of Chapter 2J of the Corporations Act.

Capital Notes 3 means the convertible notes issued by ANZ in 2015 under a prospectus dated 5 February 2015 (which replaced a prospectus dated 23 January 2015) (as amended).

Capital Notes 4 means the convertible notes issued by ANZ in 2016 under a prospectus dated 24 August 2016 (which replaced a prospectus dated 16 August 2016) (as amended).

Capital Notes 5 means the convertible notes issued by ANZ in 2017 under a prospectus dated 24 August 2017 (which replaced a prospectus dated 16 August 2017) (as amended).

Capital Notes 6 means the convertible notes issued by ANZ in 2021 under a prospectus dated 9 June 2021 (which replaced a prospectus dated 1 June 2021) (as amended).

Capital Notes 7 means the convertible notes issued by ANZ in 2022 under a prospectus dated 23 February 2022 (which replaced a prospectus dated 15 February 2022) (as amended).

Capital Reduction means a reduction in capital initiated by ANZ in its discretion in respect of ANZ Ordinary Shares in any way permitted by the provisions of Chapter 2J of the Corporations Act.

Change of Control Conversion Date has the meaning given in clause 4.10(b).

Change of Control Conversion Notice has the meaning given in clause 4.10(a).

Change of Control Event means:

- (a) a takeover bid (as defined in the Corporations Act) is made to acquire all or some of the Ordinary Shares or all or some of the ANZ Ordinary Shares (as the case may be) and such offer is, or becomes, unconditional and:
 - (i) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares or more than 50% of the ANZ Ordinary Shares on issue (as the case may be); or
 - (ii) the ANZ Holdings Directors or the Directors (as the case may be), in each case, acting as a board, issue a statement that at least a majority of the ANZ Holdings Directors or the Directors (as the case may be) who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer),

and all regulatory approvals necessary for the acquisition to occur have been obtained;

- (b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares or more than 50% of the ANZ Ordinary Shares that will be on issue after the scheme is implemented and:
 - (i) all classes of members of ANZ Holdings or ANZ (as the case may be) pass all resolutions required to approve the scheme by the majorities required under the Corporations Act to approve the scheme;
 - (ii) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares or ANZ Ordinary Shares (as the case may be); and
 - (iii) all conditions to the implementation of the scheme, including any necessary regulatory or

shareholder approvals (but not including approval of the scheme by the court) have been satisfied or waived; or

- (c) a person together with its associates (as defined in section 12 of the Corporations Act):
- (i) acquires or comes to hold beneficially more than 50% of the voting shares in the capital of ANZ; or
 - (ii) enters into an agreement to acquire beneficially more than 50% of the voting shares in the capital of ANZ and the agreement to acquire is, or becomes, unconditional.

Notwithstanding the foregoing, none of the events described above will constitute a Change of Control Event if:

- (i) the event would be a NOHC Event and:
 - (A) the acquirer (or its ultimate holding company) assumes all of ANZ Holdings' obligations to Convert the Notes into Ordinary Shares by undertaking to convert such Notes into ordinary shares of the acquirer (or its ultimate holding company) on any Mandatory Conversion Date, or earlier upon the occurrence of a Trigger Event or a Change of Control Event in respect of the acquirer (or its ultimate holding company) (for which purposes all references in this clause to ANZ Holdings will be read as a reference to the acquirer (or its ultimate holding company)); and
 - (B) the ordinary shares of the acquirer (or its ultimate holding company) are listed on ASX; or
- (ii) without limiting paragraph (i), in the case of ANZ, the person acquiring the relevant interest in or acquiring voting shares in ANZ is a wholly owned Subsidiary of ANZ Holdings or another NOHC.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) or its affiliates, or any system that replaces it relevant to the Notes (including in respect of the transfer or Conversion of the Notes).

Common Equity Capital Ratio means either of:

- (a) in respect of the ANZ Level 1 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 1 Group; and
- (b) in respect of the ANZ Level 2 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 2 Group,

in each case, as prescribed by APRA from time to time.

Common Equity Capital Trigger Event has the meaning given in clause 4.5.

Common Equity Tier 1 Capital has the meaning given by APRA from time to time.

Constitution means the constitution of ANZ Holdings as amended from time to time.

Control has the meaning given in the Corporations Act.

Controlled Entity means an entity ANZ Holdings Controls.

Conversion means, in relation to a Note, the allotment and issue of Ordinary Shares and the termination of the Holder's rights in relation to that Note, in each case in accordance with clause 6 and **Convert** and **Converted** have corresponding meanings.

Conversion Number has the meaning given in clause 6.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Cum Value has the meaning given in clause 6.2.

Deferred Change of Control Conversion Notice has the meaning given in clause 4.10(d).

Deferred Conversion Date has the meaning given in clause 5.5.

Deferred Conversion Notice has the meaning given in clause 5.5.

Delisting Event means, in respect of a date, that:

- (a) Ordinary Shares ceased to be listed or admitted to trading on ASX on or before that date (and where the cessation occurred before that date, Ordinary Shares continue not to be listed or admitted to trading on that date); or
- (b) trading of Ordinary Shares on ASX is suspended for a period of consecutive days which includes:
 - (i) at least five consecutive Business Days prior to that date; and
 - (ii) that date; or
- (c) an Inability Event subsists.

Determination Date has the meaning given in clause 3.1.

Directors means some or all of the directors of ANZ acting as a board.

Distribution has the meaning given in clause 3.1.

Distribution Payment Date has the meaning given in clause 3.5 whether or not a Distribution is, or is able to be, paid on that date.

Distribution Period means in respect of:

- (a) the first Distribution Period, the period from (and including) the Issue Date until (but not including) the first Distribution Payment Date following the Issue Date; and
- (b) each subsequent Distribution Period, the period from (and including) the preceding Distribution Payment Date until (but not including) the next Distribution Payment Date.

Distribution Rate has the meaning given in clause 3.1.

Encumbrance means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the Personal Property Securities Act 2009 (Cth)) and any other arrangement of any kind having the same effect as any of the foregoing other than liens arising by operation of law.

Equal Ranking Instruments means, in respect of the return of capital in a winding-up:

- (a) each preference share that ANZ may issue that ranks or is expressed to rank equally with the Notes in respect of distributions or for the return of capital in a winding-up of ANZ (as the case may be);
- (b) Capital Notes 3;
- (c) Capital Notes 4;
- (d) Capital Notes 5;
- (e) Capital Notes 6;
- (f) Capital Notes 7;
- (g) ANZ Perpetual Subordinated Contingent Convertible Securities; and
- (h) any present or future securities or other instruments that rank or are expressed to rank in respect of the return of capital in a winding-up equally with those securities and the Notes.

Exchange means the Conversion, Redemption or Resale of the Notes and Exchanged has a corresponding meaning.

Exchange Date has the meaning given in clause 5.2(b).

Exchange Method has the meaning given in clause 5.3.

Exchange Notice has the meaning given in clause 5.1.

External Administrator means, in respect of a person:

- (a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or
- (b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertaking of that person, or in either case any similar official.

Face Value means the face value and denomination of the Notes as specified in clause 1.2.

FATCA means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

FATCA Withholding means any deduction or withholding imposed or required pursuant to FATCA.

First Mandatory Conversion Condition has the meaning given in clause 4.3.

First Optional Conversion Restriction has the meaning given in clause 5.4.

First Test Date has the meaning given in clause 4.3.

Foreign Holder means a Holder whose address in the Register is a place outside Australia or who ANZ otherwise believes may not be a resident of Australia.

Franking Rate (expressed as a decimal) means the franking percentage (within the meaning of Part 3-6 of the Tax Act or any provisions that revise or replace that Part) applicable to the franking account of ANZ Holdings as at the relevant Distribution Payment Date.

Holder means a person whose name is registered in the Register as the holder of a Note.

Implementation Deed means the deed titled "ANZ Capital Notes 8 Implementation Deed" entered into between, amongst others, ANZ Holdings and ANZ on or about 15 February 2023.

Inability Event means ANZ or ANZ Holdings is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding-up or other external administration of ANZ or ANZ Holdings) or any other reason from performing any of their obligations necessary to effect the Conversion of any Notes.

Issue Date means the date on which Notes are issued.

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which any Notes were issued, as adjusted in accordance with clauses 6.5 to 6.7 (inclusive).

Level 1, Level 2 and Level 3 means those terms as defined by APRA from time to time.

Mandatory Conversion means the mandatory conversion under clause 4 of the Notes to Ordinary Shares on the Mandatory Conversion Date.

Mandatory Conversion Condition has the meaning given in clause 4.3.

Mandatory Conversion Date has the meaning given in clause 4.2.

Margin has the meaning given in clause 3.1.

Maximum Conversion Number has the meaning given in clause 6.1(b).

Meeting Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in schedule 2 of the ANZ Capital Notes 8 Deed Poll.

NOHC means the ultimate holding company of ANZ after a NOHC Event which must be a "non-operating holding company" within the meaning of the Banking Act.

NOHC Event means an event which:

- (a) is initiated by the ANZ Holdings Directors, acting as a board; and
- (b) would otherwise be a Change of Control Event, but the result of which would be that the person who would be the ultimate holding company of ANZ would be a NOHC.

Non-Conversion Notice has the meaning given in clause 4.4.

Non-Conversion Test Date has the meaning given in clause 5.4.

Non-marketable Parcel has the meaning given in the Constitution.

Non-Viability Trigger Event has the meaning given in clause 4.6.

Note has the meaning given in clause 1.1.

Note Terms means these terms of issue of Notes.

Notification Date has the meaning given in the Meeting Provisions.

Offer means the invitation under the Prospectus made by ANZ for persons to subscribe for Notes.

Optional Conversion Restrictions has the meaning given in clause 5.4.

Optional Exchange Date means the Distribution Payment Date falling on 20 March 2030, 20 June 2030 or 20 September 2030.

Ordinary Share means a fully paid ordinary share in the capital of ANZ Holdings.

Ordinary Shareholder means a person whose name is registered as the holder of an Ordinary Share.

Outstanding Notes has the meaning given in the Meeting Provisions.

Payment Condition means, with respect to a Distribution payment on the Notes on a Distribution Payment Date:

- (a) making the Distribution payment on the Notes on the payment date would result in ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, Level 3 basis) not complying with APRA's then current capital adequacy requirements;
- (b) making the Distribution payment would result in ANZ becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or
- (c) APRA objecting to the Distribution payment on the Notes on the payment date.

Preference Share means a notional preference share in the capital of ANZ conferring a claim in the winding-up of ANZ equal to the Face Value and ranking equally in respect of return of capital in a winding-up senior to ANZ Ordinary Shares and equally with each of the securities which is an Equal Ranking Instrument.

Proceeds means the net proceeds of a sale of Ordinary Shares actually received by the nominee calculated

after deduction of any applicable brokerage, stamp duty and other taxes and charges, including the nominee's reasonable out of pocket costs, expenses and charges properly incurred by it or on its behalf in connection with such sale from the sale price of the Ordinary Shares.

Prospectus means the prospectus for the Offer including these Note Terms.

Purchaser means, subject to clause 8(d), one or more third parties selected by ANZ in its absolute discretion.

Record Date means for payment of a Distribution:

- (a) the date which is 12 calendar days before the Distribution Payment Date for that Distribution; or
- (b) such other date as is determined by the Directors in their absolute discretion and communicated to ASX not less than seven Business Days before the specified Record Date,

or in either case such other date as may be required by ASX.

Redeem means, in relation to a Note, redeem it in accordance with clause 7, and **Redeemed** and **Redemption** have corresponding meanings.

Reference Rate Disruption Event has the meaning given in clause 3.1.

Register means a register of holders of Notes established and maintained by or on behalf of ANZ. The term Register includes:

- (a) any sub-register maintained by, or on behalf of ANZ under the Corporations Act, the ASX Listing Rules or ASX Settlement Operating Rules; and
- (b) any branch register, provided that, in the event of any inconsistency, the principal register will prevail over any sub-register or branch register.

Registry means ANZ or any other registrar that maintains the Register.

Regulatory Event means:

- (a) the receipt by the Directors of an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect (each, a **Regulatory Change**), more than de minimis additional requirements would be imposed on ANZ or ANZ Holdings or there would be a more than de minimis negative impact on ANZ or ANZ Holdings in relation to or in connection with Notes which the Directors (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) determine at their absolute discretion, to be unacceptable; or

(b) the determination by the Directors (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) that, as a result of a Regulatory Change, ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital, except where the reason ANZ is not or will not be entitled to treat all Notes as Additional Tier 1 Capital is because ANZ has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by ANZ to come into effect.

Related Bodies Corporate has the meaning given in the Corporations Act.

Related Conversion Steps has the meaning given in clause 6.1.

Related Entity has the meaning given by APRA from time to time.

Relevant Date has the meaning given in clause 4.2.

Relevant Distribution Payment Date has the meaning given in clause 3.7.

Relevant Number has the meaning given in clause 6.1.

Relevant Security means, where a Trigger Event occurs, a Tier 1 Capital instrument that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written off where that event occurs. It includes Notes, Capital Notes 3, Capital Notes 4, Capital Notes 5, Capital Notes 6, Capital Notes 7 and ANZ Perpetual Subordinated Contingent Convertible Securities.

Reorganisation has the meaning given in clause 6.3.

Resale means the sale of Notes by Holders to the Purchaser in accordance with clause 8 and Resell and Resold have corresponding meanings.

Scheduled Distribution Payment Date has the meaning given in clause 3.5.

Scheduled Mandatory Conversion Date has the meaning given in clause 4.2.

Second Mandatory Conversion Condition has the meaning given in clause 4.3 (but in clause 4.10 and clause 5.5, as adjusted in that clause).

Second Optional Conversion Restriction has the meaning given in clause 5.4.

Second Test Period has the meaning given in clause 4.3.

Senior Creditors means all present and future creditors of ANZ, including depositors, whose claims are:

- (a) entitled to be admitted in the winding-up of ANZ; and
- (b) not expressed to rank equally with, or subordinate to, the claims of a Holder.

Special Resolution means either (i) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and

entitled to vote on the resolution or (ii) a resolution signed within one month from the Notification Date by Holders representing at least 75% of the aggregate nominal amount of Outstanding Notes as at the Notification Date.

Subsequent Mandatory Conversion Date has the meaning given in clause 4.2.

Subsidiary has the meaning given in the Corporations Act.

Substitution Terms has the meaning given in clause 11.1.

Tax Act means:

- (a) the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) as the case may be and a reference to any Section of the Income Tax Assessment Act 1936 (Cth) includes a reference to that Section as rewritten in the Income Tax Assessment Act 1997 (Cth);
- (b) any other law setting the rate of income tax payable and any regulation promulgated under it; and
- (c) any regulation made under any of those laws.

Tax Event means the receipt by the Directors of an opinion from a reputable legal counsel or other tax adviser in Australia experienced in such matters to the effect that, as a result of:

- (a) any amendment to, clarification of, or change (including any announcement of a change that will be introduced) in, the laws or treaties or any regulations affecting taxation in Australia;
- (b) any judicial decision, official administrative pronouncement, published or private ruling or advice (including a failure or refusal to provide a ruling or advice), regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation in Australia (**Administrative Action**);
- (c) any amendment to, clarification of, or change in, an Administrative Action that provides for a position that differs from the current generally accepted position; or
- (d) a challenge asserted or threatened in writing by the Australian Taxation Office or other relevant taxing authority in Australia in connection with the Notes,

in each case, by any legislative body, court, governmental authority (including, without limitation, a tax authority) or regulatory body in Australia, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which on the Issue Date is not expected by ANZ to come into effect, there is more than an insubstantial risk which the Directors determine (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) at their absolute discretion to be unacceptable that:

- (i) ANZ, ANZ Holdings or another member of the ANZ Group would be exposed to more than a de minimis adverse tax consequence or increased cost (including without limitation through the imposition of any taxes, duties, assessments or other charges) in relation to Notes; or
 - (ii) ANZ Holdings would not be entitled to treat any Distribution as a frankable distribution within the meaning of Division 202 of the Tax Act (or would only be able to do so subject to requirements which the ANZ Holdings Directors determine, in their absolute discretion, to be unacceptable).
- (b) in the case of a Conversion resulting from a Trigger Event, the period of 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Conversion Date;
 - (c) in the case of any other Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the date on which Conversion is to occur in accordance with these Note Terms; or
 - (d) otherwise, the period for which VWAP is to be calculated in accordance with these Note Terms.

Tax Rate has the meaning given in clause 3.1.

Third Mandatory Conversion Condition has the meaning given in clause 4.3.

Tier 1 Capital means the tier 1 capital of the ANZ Level 1 Group or the ANZ Level 2 Group (or, if applicable, the ANZ Group on a Level 3 basis) as defined by APRA from time to time.

Tier 1 Capital Ratio means that ratio as defined by APRA from time to time.

Transferee has the meaning given in clause 14.2.

Trigger Event means a Common Equity Capital Trigger Event or a Non-Viability Trigger Event.

Trigger Event Conversion Date has the meaning given in clause 4.7.

Trigger Event Notice has the meaning given in clause 4.8(d).

VWAP means, subject to any adjustments under clause 6, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant period or on the relevant days but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

VWAP Period means:

- (a) in the case of a Conversion resulting from a Change of Control Event the lesser of:
 - (i) 20 Business Days on which trading in Ordinary Shares took place; and
 - (ii) the number of Business Days after the occurrence of the Change of Control Event on which:
 - (A) the Ordinary Shares are quoted for trading on ASX; and
 - (B) trading in Ordinary Shares took place,
- in each case immediately preceding (but not including) the Business Day before the Change of Control Conversion Date;

Written Off has the meaning given in clause 6.13, and **Write Off** has the corresponding meaning.



APPENDIX B

GLOSSARY

THIS APPENDIX B IS A GLOSSARY OF TERMS USED THROUGHOUT THIS PROSPECTUS. THERE IS ALSO A LIST OF DEFINED TERMS IN CLAUSE 17.2 OF THE NOTE TERMS.

Term	Meaning
ABN	Australian Business Number
Additional Tier 1 Capital	the Additional Tier 1 Capital of the ANZ Level 1 Group or the ANZ Level 2 Group (or, if applicable, the ANZ Level 3 Group) as defined by APRA from time to time
ADI	authorised deposit-taking institution, as defined in the Banking Act
Affiliate	of any person means any other person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person; and "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of securities, by contract or agency or otherwise
AFSL	Australian Financial Services Licence
Allocation	the number of Notes allocated under this Prospectus to: <ul style="list-style-type: none"> • applicants at the end of the Offer Period; and • Syndicate Brokers and Institutional Investors under the Bookbuild
ANZ	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522, AFSL 234527)
ANZ Bank Group	holds the ANZ Group's banking businesses (including ANZ and ANZ NZ), all international regulated bank operations and insurance businesses
ANZ BH	ANZ BH Pty Limited (ABN 45 658 939 952)
ANZ Capital Notes 8 or Notes	fully paid notes issued by ANZ which will Mandatorily Convert into ANZ Holdings Ordinary Shares (subject to certain conditions being satisfied), and which are to be issued under this Prospectus
ANZ Capital Notes 8 Deed Poll	the deed poll relating to the Notes made by ANZ and ANZ Holdings on 15 February 2023
ANZ Capital Securities	CN3, CN4, CN5, CN6, CN7 and ANZ Perpetual Subordinated Contingent Convertible Securities
ANZ Group or Group	ANZ Holdings and its controlled entities
ANZ Holdings	ANZ Group Holdings Limited (ABN 16 659 510 791)
ANZ Holdings Board or ANZ Holdings Directors	some or all of the directors of ANZ Holdings acting as a board
ANZ Holdings Ordinary Share or Ordinary Share	a fully paid ordinary share in the capital of ANZ Holdings
ANZ Holdings Ordinary Shareholder	a person whose name is registered as the holder of an ANZ Holdings Ordinary Share
ANZ Level 1 Group	ANZ and those of its controlled entities included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 1 basis
ANZ Level 2 Group	ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 2 basis
ANZ Level 3 Group	ANZ together with each Related Entity included by APRA from time to time in the calculation of ANZ's capital ratios on a Level 3 basis
ANZ Non-Bank Group	holds certain non-banking businesses and assets, being the ANZ Group's interests in the 1835i trusts, the Worldline merchant acquiring joint venture, Pollination, Lygon and the Trade Information Network

Term	Meaning
ANZ NZ	ANZ Bank New Zealand Limited
ANZ Ordinary Share	a fully paid ordinary share in the capital of ANZ
ANZ Ordinary Share Dividend	any interim, final or special dividend payable in accordance with the Corporations Act and the Constitution in relation to ANZ Ordinary Shares
ANZ Perpetual Subordinated Contingent Convertible Securities	the 6.75% fixed rate resetting perpetual subordinated contingent convertible securities issued by ANZ London Branch on 15 June 2016 as amended on 3 January 2023
ANZ Securities	ANZ Securities Limited (ABN 16 004 997 111, AFSL 237531)
ANZ Share Investing	Share Investing Limited (ABN 93 078 174 973, AFSL 238277)
Application	a valid application for a specified number of Notes made through a Syndicate Broker (including on an Application Form)
Application Form	the application form accompanying this Prospectus upon which an applicant can make an Application
Application Payment	the monies payable on each Application, calculated as the number of Notes applied for multiplied by the Face Value
Approved NOHC	a NOHC arising as a result of an Approved NOHC Event
Approved NOHC Event	a NOHC Event in respect of which the proviso to the definition of "Change of Control Event" is satisfied
Approved NOHC Ordinary Shares	a fully paid ordinary share in the capital of the Approved NOHC
Approved Successor	<ul style="list-style-type: none"> • an Approved NOHC; • ANZ Holdings; or • ANZ, <p>provided that where such entity agrees to deliver ordinary shares on Conversion such shares will be quoted on ASX immediately following substitution</p>
Approved Successor Event	the substitution of an Approved Successor in respect of the Notes and the assumption by the Approved Successor of some or all of the obligations in connection with them in accordance with clause 11 of the Terms
Approved Successor Ordinary Share	a fully paid ordinary share in the capital of the Approved Successor
APRA	Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of ANZ, the ANZ Group or any NOHC
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	the settlement operating rules of ASX Settlement from time to time
ATO	Australian Taxation Office
Attorney	an attorney of a Holder appointed in accordance with clause 9.9 of the Note Terms

Term	Meaning
Australian Accounting Standards	the accounting standards as developed and issued by the Australian Accounting Standards Board
Banking Act	Banking Act 1959 (Cth)
Basel III	the revised framework issued between 2010 and 2012 by the Basel Committee for the calculation of capital adequacy for banks
Basel Committee	the Bank for International Settlements' Basel Committee on Banking Supervision
BBSW Rate	the rate (expressed as a percentage per annum) designated "BBSW" in respect of prime bank eligible securities having a tenor of 3 months which rate ASX (or its successor as administrator of that rate) publishes through information vendors at approximately 10:30am (Sydney time) (or such other time at which such rate is accustomed to be so published) on the Determination Date, or a successor to that rate. For the full definition – see clause 3.1 of the Note Terms
Bell Potter	Bell Potter Securities Limited (ABN 25 006 390 772)
Board or Directors	some or all of the directors of ANZ acting as a board
Bookbuild	the process conducted prior to the opening of the Offer whereby certain investors lodged bids for Notes and, on the basis of those bids, ANZ and the Joint Lead Managers determined the Margin, as described in this Prospectus
Business Day	<ul style="list-style-type: none"> • a day which is a business day within the meaning of the Listing Rules; and • for the purposes of determining an Exchange Date (except where the Exchange is by way of Conversion on account of a Trigger Event), the calculation or payment of a Distribution or of any other sum, a day on which banks are open for general business in Melbourne, Victoria
Capital Reduction	a reduction in capital initiated by ANZ in its discretion in respect of its ANZ Ordinary Shares in any way permitted by the provisions of Chapter 2J of the Corporations Act
CGT	capital gains tax
Change of Control Conversion Date	the date on which Conversion as a result of a Change of Control Event is to occur, as discussed in Section 2.4.3 For the full definition – see clause 4.10(b) of the Note Terms
Change of Control Conversion Notice	a notice given by ANZ following a Change of Control Event pursuant to clause 4.10(a) of the Note Terms
Change of Control Event	broadly, occurs when: <ul style="list-style-type: none"> • certain takeover bids or schemes of arrangement occur in relation to ANZ or ANZ Holdings and certain further approvals or conditions needed for the acquisition to occur or be implemented have been obtained or satisfied or waived; or • an entity outside the ANZ Group acquires (or comes to hold beneficially) more than 50% of the voting shares in ANZ's capital. For the full definition – see clause 17.2 of the Note Terms
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement or its affiliates, or any system that replaces it relevant to the Notes (including in respect of the transfer or Conversion of the Notes)
Closing Date	the last day on which Applications will be accepted, which is expected to be: <ul style="list-style-type: none"> • 5:00pm on 9 March 2023 for Applications under the Reinvestment Offer; and • 10:00am on 22 March 2023 for Applications under the New Money Offer

Term	Meaning
CN3	fully paid convertible notes issued by ANZ acting through its New Zealand branch under a prospectus dated 5 February 2015 (which replaced a prospectus dated 23 January 2015). The CN3 terms were amended on 3 January 2023
CN3 Redemption	the redemption of all CN3 for \$100 per CN3 on 24 March 2023 in accordance with the CN3 terms and the redemption notice issued by ANZ (acting through its New Zealand branch) on 15 February 2023
CN3 Redemption Price	\$100 per CN3 under the CN3 Redemption (being the face value of CN3)
CN3 Redemption Proceeds	the amount equal to the number of CN3 redeemed under the CN3 Redemption multiplied by the CN3 Redemption Price
CN4	fully paid convertible notes issued by ANZ under a prospectus dated 24 August 2016 (which replaced a prospectus dated 16 August 2016). The CN4 terms were amended on 3 January 2023
CN5	fully paid convertible notes issued by ANZ under a prospectus dated 24 August 2017 (which replaced a prospectus dated 16 August 2017). The CN5 terms were amended on 3 January 2023
CN6	fully paid convertible notes issued by ANZ under a prospectus dated 9 June 2021 (which replaced a prospectus dated 1 June 2021). The CN6 terms were amended on 3 January 2023
CN7	fully paid convertible notes issued by ANZ under a prospectus dated 23 February 2022 (which replaced a prospectus dated 15 February 2022). The CN7 terms were amended on 3 January 2023
Co-Managers	Bell Potter and LGT Crestone Wealth Management
Common Equity Capital Ratio	<p>either of:</p> <ul style="list-style-type: none"> in respect of the ANZ Level 1 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 1 Group; and in respect of the ANZ Level 2 Group, the ratio of Common Equity Tier 1 Capital to risk weighted assets of the ANZ Level 2 Group, <p>in each case, as prescribed by APRA from time to time</p>
Common Equity Capital Trigger Event	ANZ determines, or APRA has notified ANZ in writing that it believes, that a Common Equity Capital Ratio is equal to or less than 5.125%
Common Equity Tier 1 Capital	has the meaning given by APRA from time to time
Common Equity Tier 1 Capital Deductions	the deductions from Common Equity Tier 1 Capital as described by APRA from time to time, which includes intangible assets (including goodwill), investments in insurance subsidiaries and financial institutions, the excess of expected losses over eligible provisions, capitalised expenses and software and net deferred tax assets
Commonwealth Bank of Australia	Commonwealth Bank of Australia Limited (ABN 48 123 123 124, AFSL 234945)
Confirmation Statement	a statement issued to Holders by the Registry which sets out details of Notes allotted to them under the Offer
Consenting Party	each of the consenting parties named in Section 8.5.2
Constitution	the constitution of ANZ as amended from time to time

Term	Meaning
Conversion	in relation to a Note, the conversion of that Note into a variable number of ANZ Holdings Ordinary Shares, or ordinary shares of an Approved NOHC following an Approved NOHC Event, under the Note Terms. Convert and Converted have corresponding meanings For the full description of the Conversion mechanics – see clause 6 of the Note Terms
Corporations Act	Corporations Act 2001 (Cth)
DDO Legislation	the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019
DDO Regime	the design and distribution obligations regime in Part 7.8A of the Corporations Act
DDO Regulations	the Corporations Amendment (Design and Distribution Obligations) Regulations 2019
Delisting Event	in respect of a date, that: <ul style="list-style-type: none"> • ANZ Holdings Ordinary Shares have ceased to be listed or admitted to trading on ASX on or before that date; • trading of ANZ Holdings Ordinary Shares on ASX has been suspended for at least five consecutive Business Days before that date, and the suspension is continuing on that date; or • an Inability Event subsists For the full definition – see clause 17.2 of the Note Terms
Distribution	a distribution on Notes For the full definition – see clause 3.1 of the Note Terms
Distribution Payment Date	in respect of a Note, 20 June 2023, and after that each 20 March, 20 June, 20 September and 20 December until the date that each Note is Converted or Redeemed. For the full definition – see clause 3.5 of the Note Terms
Distribution Period	a period from (and including) either the Issue Date or a subsequent Distribution Payment Date until (but not including) the following Distribution Payment Date
Distribution Rate	the distribution rate on Notes calculated using the formula described in Section 2.1.1 For the full definition – see clause 3.1 of the Note Terms
Distribution Restriction	the restriction discussed in Section 2.1.7 For more information – see clauses 3.8 and 3.9 of the Note Terms
D-SIB	A domestic systematically important bank, as determined by APRA from time to time
E&P Corporate Advisory	E&P Corporate Advisory Pty Limited (ABN 21 137 980 520; AFSL 338 885)
Eligible CN3 Holder	a person who: <ul style="list-style-type: none"> • was a registered holder of CN3 at 7:00pm on 10 February 2023; • is shown on the CN3 register as having an address in Australia; • is not in the United States or acting as a nominee for, or for the account or benefit of, a US Person or not otherwise prevented from receiving the invitation to participate in the Offer or ANZ Capital Notes 8 under the laws of any jurisdiction; and • is an Institutional Investor or a client of a Syndicate Broker who is either a Wholesale Investor or a Retail Investor within the Notes Target Market who has received personal advice from a licensed professional adviser

Term	Meaning
Equal Ranking Instruments	<p>in respect of the return of capital in a winding-up:</p> <ul style="list-style-type: none"> • each preference share that ANZ may issue that ranks or is expressed to rank equally with the foregoing and the Notes in respect of distributions or for the return of capital in a winding-up of ANZ (as the case may be); • Capital Notes 3; • Capital Notes 4; • Capital Notes 5; • Capital Notes 6; • Capital Notes 7; • ANZ Perpetual Subordinated Contingent Convertible Securities; and • any present or future securities or other instruments that rank or are expressed to rank in respect of the return of capital in a winding-up equally with those preference shares and the Notes
Exchange	<p>any of the following:</p> <ul style="list-style-type: none"> • Conversion in accordance with clause 6 of the Note Terms; • Redemption in accordance with clause 7 of the Note Terms; or • Resale in accordance with clause 8 of the Note Terms <p>Exchanged has a corresponding meaning</p> <p>For the full definition – see clause 17.2 of the Note Terms</p>
Exchange Date	<p>the date on which Exchange is to occur</p> <p>For the full definition – see clause 5.2(b) of the Note Terms</p>
Exchange Method	<p>the means by which Exchange is effected</p> <p>For the full definition – see clause 5.3 of the Note Terms</p>
Exchange Notice	<p>a notice issued by ANZ to a Holder under clause 5.1 of the Note Terms</p>
Exposure Period	<p>the seven day period after the date the Original Prospectus was lodged with ASIC during which the Corporations Act prohibited the processing of Applications</p>
Face Value	<p>the face value for Notes, being \$100 per Note</p>
FATCA	<p>(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;</p> <p>(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or</p> <p>(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction</p>
FATCA Withholding	<p>any deduction or withholding imposed or required pursuant to FATCA</p>
Final CN3 Distribution	<p>the final distribution of \$2.4408 per CN3 scheduled to be paid on all CN3 on 24 March 2023 (subject to the payment conditions in the CN3 terms and ANZ's absolute discretion)</p>
Financial Claims Scheme	<p>the scheme established under Division 2AA of Part II of the Banking Act</p>
First Mandatory Conversion Condition	<p>the VWAP on the 25th Business Day immediately preceding (but not including) the Relevant Date (the First Test Date, provided that if no trading in ANZ Holdings Ordinary Shares took place on that date, the First Test Date is the first Business Day before the 25th Business Day immediately preceding (but not including) the Relevant Date on which trading in ANZ Holdings Ordinary Shares took place) is greater than 56.00% of the Issue Date VWAP</p>

Term	Meaning
First Optional Conversion Restriction	on the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in ANZ Holdings Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in ANZ Holdings Ordinary Shares occurred) the VWAP on that date is less than or equal to 22.50% of the Issue Date VWAP
First Test Date	has the meaning given in clause 4.3(a) of the Note Terms
GST	goods and services tax
Holder	a person whose name is registered in the Register as the holder of a Note
Implementation Deed	the deed titled "ANZ Capital Notes 8 Implementation Deed" entered into between, amongst others, ANZ Holdings and ANZ on 15 February 2023
Inability Event	ANZ or ANZ Holdings is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding-up or other external administration of ANZ or ANZ Holdings) or any other reason from performing any of their obligations necessary to effect the Conversion of any Notes
Institutional Investor	an institutional investor who is a wholesale client for the purposes of section 761G of the Corporations Act and participated in the Bookbuild
Institutional Offer	the invitation by ANZ Securities to certain Institutional Investors to bid for Notes in the Bookbuild
Issue Date	the date Notes are issued to Holders under this Prospectus, expected to be 24 March 2023
Issue Date VWAP	the VWAP during the period of 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Issue Date, subject to any adjustments under clause 6 of the Note Terms For the full definition – see clause 17.2 of the Note Terms
Joint Lead Managers	ANZ Securities, Commonwealth Bank of Australia, E&P Corporate Advisory, Morgan Stanley, Morgans, Ord Minnett, Shaw and Partners, UBS and Westpac
Level 1, Level 2 and Level 3	those terms as defined by APRA from time to time
LGT Crestone Wealth Management	LGT Crestone Wealth Management Limited (ABN 50 005 311 937)
Listing Rules	the listing rules of ASX, with any modification or waivers which ASX may grant to ANZ or generally from time to time
Lygon	Lygon 1B Pty Ltd (ACN 633 568 411)
Mandatory Conversion	the mandatory conversion under clause 4 of the Note Terms of the Notes to ANZ Holdings Ordinary Shares on the Mandatory Conversion Date. Mandatorily Convert has a corresponding meaning
Mandatory Conversion Conditions	the following conditions: <ul style="list-style-type: none"> • First Mandatory Conversion Condition; • Second Mandatory Conversion Condition; and • Third Mandatory Conversion Condition. For the full definition – see clause 4.3 of the Note Terms
Mandatory Conversion Date	the earlier of 20 September 2032 and the next Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied
Margin	2.75% per annum, as determined under the Bookbuild

Term	Meaning
Maximum Conversion Number	has the meaning given in clause 6.1(a) of the Note Terms
Melbourne time	the time in Melbourne, Australia
Morgan Stanley	Morgan Stanley Australia Securities Limited (ABN 55 078 652 276, AFSL 233741)
Morgans	Morgans Financial Limited (ABN 49 010 669 726, AFSL 235410)
New Money Offer	the offer under which a client of a Syndicate Broker who is either a Wholesale Investor or a Retail Investor within the Notes Target Market who has received personal advice from a licensed professional adviser may apply through their Syndicate Broker for an allocation of ANZ Capital Notes 8 (other than under the Reinvestment Offer)
NOHC	the ultimate holding company of ANZ after any NOHC Event which must be a “non-operating holding company” within the meaning of the Banking Act
NOHC Event	<p>an event which:</p> <ul style="list-style-type: none"> • is initiated by the Directors, acting as a Board; and • would otherwise be a Change of Control event, <p>but the result of which would be that the person who would be the ultimate holding company of ANZ would be a NOHC</p>
Non-Conversion Test Date	the second Business Day before the date on which an Exchange Notice is to be sent by ANZ (or, if trading in ANZ Holdings Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in ANZ Holdings Ordinary Shares occurred)
Non Resident Holder	a Holder who is not a tax resident of Australia
Non-Viability Trigger Event	<p>the earlier of:</p> <ul style="list-style-type: none"> • the issuance of a notice in writing by APRA to ANZ that conversion or write off of Relevant Securities is necessary because, without it, APRA considers that ANZ would become non-viable; or • a determination by APRA, notified to ANZ in writing, that without a public sector injection of capital, or equivalent support, ANZ would become non-viable
Note Terms	the full terms of issue of Notes, as set out in Appendix A
Notes Target Market	the class of Retail Investors within the target market for ANZ Capital Notes 8, as set out in the Target Market Determination and described in Section 4.1
Notification Date	has the meaning given in the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in schedule 2 of the ANZ Capital Notes 8 Deed Poll
Offer	the offer by ANZ of Notes under this Prospectus to raise \$1.5 billion with the ability to raise more or less
Offer Management Agreement or OMA	the offer management agreement entered into between ANZ and the Joint Lead Managers in connection with the Offer
Offer Period	the period from the Opening Date to the last Closing Date
Opening Date	the day the Offer opens, which is 23 February 2023
Optional Conversion Restrictions	the First Optional Conversion Restriction and the Second Optional Conversion Restriction
Optional Exchange Date	means the Distribution Payment Date falling on 20 March 2030, 20 June 2030 or 20 September 2030 – see clause 17.2 of the Note Terms

Term	Meaning
Ordinary Share or ANZ Holdings Ordinary Share	a fully paid ordinary share in the capital of ANZ Holdings
Ord Minnett	Ord Minnett Limited (ABN 86 002 733 048)
Original Prospectus	the prospectus dated 15 February 2023 that was lodged with ASIC on that date which this Prospectus replaces
Outstanding Notes	all Notes other than those that are Converted, Redeemed or Written Off
Participating Broker	any participating organisation of ASX selected by the Joint Lead Managers to participate in the Bookbuild
Payment Conditions	<p>the tests which need to be satisfied so that ANZ can pay a Distribution, summarised as follows:</p> <ul style="list-style-type: none"> • payment of the Distribution not resulting in ANZ (on a Level 1 basis) or the ANZ Group (on a Level 2 basis or, if applicable, Level 3 basis) not complying with APRA's then current capital adequacy requirements as they are applied to ANZ or the Group (as the case may be) at the time; • payment of the Distribution not resulting in ANZ becoming, or being likely to become, insolvent; and • APRA not otherwise objecting to the payment of the Distribution <p>For the full description of the tests – see the definition of Payment Condition in clause 17.2 of the Note Terms</p>
Pollination	Pollination Global Holdings Limited Company No. 11892654, a company incorporated under the laws of England and Wales
Preference Share	a notional preference share in the capital of ANZ conferring a claim in the winding-up of ANZ equal to the Face Value and ranking equally in respect of return of capital in a winding-up senior to ANZ Ordinary Shares and equally with each of the securities which is an Equal Ranking Instrument
Privacy Act	Privacy Act 1988 (Cth)
Prospectus	this document (including the electronic form of this document), and any supplementary or replacement prospectus in relation to this document
Prudential Standards	the ADI prudential standards issued by APRA, which define and document APRA's framework for assessing, among other things, the capital adequacy of an ADI
Purchaser	one or more third parties selected by ANZ in its absolute discretion
RBA	Reserve Bank of Australia
RBNZ	Reserve Bank of New Zealand
Redeem	in relation to a Note, to redeem, in accordance with clause 7 of the Note Terms, and Redeemed and Redemption have corresponding meanings
Register	the official register of ANZ Holdings Ordinary Shares, CN3, CN4, CN5, CN6, CN7 and/or ANZ Capital Notes 8 (if issued) as the context requires, each being maintained by ANZ, ANZ Holdings or the Registry on behalf of ANZ or ANZ Holdings and including any subregister established and maintained in CHESS
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that ANZ appoints to maintain the Register

Term	Meaning
Regulatory Event	broadly, occurs when ANZ receives legal advice that, as a result of a change of law or regulation in Australia or statement of APRA on or after the Issue Date (each, a Regulatory Change), more than de minimis additional requirements would be imposed on ANZ or there would be a more than de minimis negative impact on ANZ in relation to Notes which the Directors determine to be unacceptable, or the Directors determine that, as a result of a Regulatory Change, ANZ will not be entitled to treat all Notes as Additional Tier 1 Capital. A Regulatory Event will not arise where, at the Issue Date, ANZ expected the event would occur For the full definition – see clause 17.2 of the Note Terms
Reinvestment Application	an online Application by an Eligible CN3 Holder under the Reinvestment Offer made by following the instructions at capitalnotes.anz.com
Reinvestment Offer	the invitation to Eligible CN3 Holders to apply through their Syndicate Broker to have their CN3 Redemption Proceeds reinvested in Notes
Related Entity	has the meaning given by APRA from time to time
Relevant Date	each of: <ul style="list-style-type: none"> • the Scheduled Mandatory Conversion Date; and • the first Distribution Payment Date after the Scheduled Mandatory Conversion Date
Relevant Distribution Payment Date	a Distribution Payment Date if, for any reason, a Distribution has not been paid in full on that date
Relevant Security	where a Trigger Event occurs, a Tier 1 Capital instrument that, in accordance with its terms or by operation of law, is capable of being converted into ANZ Holdings Ordinary Shares or written off where that event occurs. It includes Notes, CN3, CN4, CN5, CN6, CN7 and ANZ Perpetual Subordinated Contingent Convertible Securities
Resale	means the sale of Notes by Holders to the Purchaser in accordance with clause 8 of the Note Terms and Resell and Resold have corresponding meanings
Resident Holder	an Australian tax resident Holder
Retail Investor	an investor who is a “retail client” under the Corporations Act
Scheduled Mandatory Conversion Date	20 September 2032
Second Mandatory Conversion Condition	the VWAP during the period of 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Relevant Date is greater than 50.51% of the Issue Date VWAP (but in clause 4.10 and clause 5.5 of the Note Terms, as adjusted in that clause)
Second Optional Conversion Restriction	a Delisting Event applies in respect of the Non-Conversion Test Date
Second Test Period	the period of 20 Business Days on which trading in ANZ Holdings Ordinary Shares took place immediately preceding (but not including) the Relevant Date
Senior Creditors	all present and future creditors of ANZ, including depositors, whose claims are: <ul style="list-style-type: none"> • entitled to be admitted in the winding-up of ANZ; and • not expressed to rank equally with, or subordinate to, the claims of a Holder
Shaw and Partners	Shaw and Partners Limited (ABN 24 003 221 583, AFSL 236048)
Special Resolution	either (i) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution or (ii) a resolution signed within one month from the Notification Date by Holders representing at least 75% of the aggregate nominal amount of Outstanding Notes as at the Notification Date

Term	Meaning
Syndicate Broker	any of the Joint Lead Managers, Co-Manager or Participating Brokers
Target Market Determination	the target market determination for ANZ Capital Notes 8 issued by ANZ in accordance with its obligations under the DDO Regime, that can be obtained electronically from capitalnotes.anz.com
Tax	any deduction or withholding required by any applicable law or other taxes, levies, imposts, charges or duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them
Tax Act	<ul style="list-style-type: none"> the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) as the case may be and a reference to any Section of the Income Tax Assessment Act 1936 (Cth) includes a reference to that Section as rewritten in the Income Tax Assessment Act 1997 (Cth); any other law setting the rate of income tax payable and any regulation promulgated under it; and any regulation made under any of those laws
Tax Event	<p>broadly, occurs when ANZ receives professional advice that, as a result of a change in Australian law, or an administrative pronouncement or ruling affecting taxation in Australia, on or after the Issue Date (and which on the Issue Date was not expected by ANZ to occur), there is a more than insubstantial risk which the Directors determine to be unacceptable that ANZ would be exposed to more than an insignificant adverse tax consequence or increased cost in relation to Notes or any Distribution would not be a frankable distribution for tax purposes</p> <p>For the full definition – see clause 17.2 of the Note Terms</p>
Tax Rate	the Australian corporate tax rate applicable to the franking account of ANZ as at the relevant Distribution Payment Date. As at the date of this Prospectus, the Tax Rate is 30%
TFN	Tax File Number
Third Mandatory Conversion Condition	no Delisting Event applies in respect of the Relevant Date
Tier 1 Capital	Tier 1 Capital of ADIs (including ANZ) as described by APRA from time to time
Tier 1 Capital Ratio	that ratio as defined by APRA from time to time
Tier 2 Capital	Tier 2 Capital of ADIs (including ANZ) as defined by APRA from time to time
Total Capital Ratio	that ratio as defined by APRA from time to time
Trade Information Network	Trade Information Network Limited Company No. 12210032, a company incorporated under the laws of England and Wales
Trigger Event	a Common Equity Capital Trigger Event or a Non-Viability Trigger Event
Trigger Event Conversion Date	<ul style="list-style-type: none"> in the case of a Common Equity Capital Trigger Event, the date on which the determination or notification is made under clause 4.5 of the Note Terms; and in the case of a Non-Viability Trigger Event, the date on which APRA notifies ANZ of such Non-Viability Trigger Event as contemplated in clause 4.6 of the Note Terms
UBS	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087)
US Person	has the meaning given in Regulation S of the US Securities Act
US Securities Act	United States Securities Act of 1933, as amended
VWAP	broadly, the average of the daily volume weighted average sale prices of ANZ Holdings Ordinary Shares sold on ASX during the relevant period or on the relevant days (such average rounded to the nearest full cent), as defined in clause 17.2 of the Note Terms and subject to any adjustments under clause 6 of the Note Terms

Term	Meaning
Westpac or Westpac Institutional Bank	Westpac Institutional Branch, a division of Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714)
Wholesale Investor	a person who is a wholesale client for the purposes of section 761G of the Corporations Act
Written Off	<p>in respect of a Note and a Trigger Event Conversion Date:</p> <ul style="list-style-type: none"> • the Note will not be Converted on that date and will not be Converted, Redeemed or Resold under these Note Terms on any subsequent date; and • the relevant Holders' rights (including to payment of Distributions and Face Value) in relation to such Note are immediately and irrevocably terminated and written off

CORPORATE DIRECTORY

ISSUER

Australia and New Zealand Banking Group Limited

ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008

AUDITOR

KPMG

Level 36, Tower Two
Collins Square
727 Collins Street
Melbourne VIC 3008

AUSTRALIAN LEGAL AND TAX ADVISERS

King & Wood Mallesons

Level 27, Collins Arch
447 Collins Street
Melbourne VIC 3000

REGISTRY

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

HOW TO CONTACT US

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JOINT LEAD MANAGERS

ANZ Securities Limited

ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008

Commonwealth Bank of Australia

Level 1, CBP South
11 Harbour Street
Sydney NSW 2000

E&P Corporate Advisory Pty Limited

Mayfair Building,
171 Collins Street
Melbourne VIC 3000

Morgan Stanley Australia Securities Limited

Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Morgans Financial Limited

Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Ord Minnett Limited

Level 18, Grosvenor Place
225 George Street
Sydney NSW 2000

Shaw and Partners Limited

Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

UBS AG, Australia Branch

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Westpac Institutional Bank

Level 18, Westpac Place
275 Kent Street
Sydney NSW 2000

CO-MANAGERS

Bell Potter Securities Limited

Level 29
101 Collins Street
Melbourne VIC 3000

LGT Crestone Wealth Management Limited

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Sydney NSW 2000

