



Media Release

For Release: 23 January 2015

ANZ launches A\$750 million ANZ Capital Notes 3 Offer

- Open to Australian investors; expected margin of between 3.6% and 3.8% p.a. above bank bill swap rate -

ANZ today announced that it intends to issue ANZ Capital Notes 3 to raise A\$750 million with the ability to increase or decrease the size of the offer.

The offer is expected to open on 5 February 2015 and forms part of ANZ's ongoing capital management strategy. ANZ will use the proceeds of the offer for general corporate purposes.

ANZ Capital Notes 3 will constitute Basel III-compliant Additional Tier 1 Capital under the Australian Prudential Regulation Authority's (APRA) current capital adequacy standards.

ANZ Securities, Citi, Commonwealth Bank of Australia, Goldman Sachs, J.P. Morgan, Morgans, Morgan Stanley and UBS have been appointed as Joint Lead Managers, and Bell Potter, JBWere and Ord Minnett have been appointed as Co-Managers on the transaction.

See below for the key features of ANZ Capital Notes 3.

ANZ Capital Notes 3 Offer Structure

The Offer comprises:

- an ANZ Securityholder Offer, a priority offer open to Australian resident holders of:
 - ANZ Ordinary Shares;
 - Convertible Preference Shares issued by ANZ in December 2009 (CPS2) and September 2011 (CPS3);
 - ANZ Subordinated Notes issued in March 2012; or
 - ANZ Capital Notes issued in August 2013 (CN1) and March 2014 (CN2), who were on the Register for those securities at 7.00pm (AEDT) on 31 December 2014;
- a General Offer, open to Australian residents;
- a Broker Firm Offer, open to retail clients of Syndicate Brokers invited to participate through the Broker Firm Offer; and
- an Institutional Offer, open to investors that have been invited by ANZ Securities to bid for ANZ Capital Notes 3 through the Institutional Offer.

If there is excess demand for ANZ Capital Notes 3, priority will be given to ANZ Securityholder Applicants over Applicants under the General Offer in the allocation of ANZ Capital Notes 3.

The closing date for the ANZ Securityholder Offer and General Offer is scheduled to be at 5:00pm (AEDT) on Thursday 26 February 2015. The Broker Firm Offer is scheduled to close at 10:00am (AEDT) on Friday 4 March 2015.

Shareholder approval is not required for the issue of ANZ Capital Notes 3.

Further Information

The ANZ Capital Notes 3 Prospectus, attached to this release, has been lodged with ASIC and is available within Australia at www.anz.com/capitalnotes3 or by calling the ANZ Information Line on 1800 113 399 (Australia) or +61 3 9415 4010 (international). A replacement Prospectus, containing the Margin and Application Forms, will be made available when the Offer opens.

Investors will need to consider the Prospectus in deciding whether to apply for ANZ Capital Notes 3. Applications may only be made using the Application Form attached to or accompanying the replacement Prospectus.

For investor enquiries about ANZ Capital Notes 3 please call the ANZ Information Line on 1800 113 399 (Australia) or +61 3 9415 4010 (international).

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Key features of ANZ Capital Notes 3

- ANZ Capital Notes 3 are notes issued by ANZ, acting through its New Zealand Branch.
- Distributions on ANZ Capital Notes 3 are non-cumulative and based on a floating rate. Distributions are scheduled to be paid half-yearly in arrears, subject to a Payment Condition not existing and ANZ exercising its discretion to pay.
- The Distribution Rate will be calculated as the sum of the 180 day Bank Bill Rate plus the Margin, together multiplied by (1 – corporate tax rate which is currently 30%). The Distributions are expected to be fully or substantially franked.
- The Margin will be determined following the Bookbuild scheduled for Tuesday 4 February 2015 and is expected to be in the range of 3.6% to 3.8%.
- On 24 March 2023, ANZ has the right to Exchange ANZ Capital Notes 3, subject to certain conditions including APRA's prior written approval.
- The ANZ Capital Notes 3 will Convert into a variable number of ANZ Ordinary Shares on 24 March 2025 (subject to certain conditions being satisfied), unless they are Exchanged earlier.
- ANZ must Convert some or all Notes where ANZ encounters severe financial difficulty. In these circumstances there are no conditions to conversion and the Notes will convert into a variable number of ANZ Ordinary Shares, subject to a maximum number of ANZ Ordinary Shares. This restriction may result in Holders suffering a loss.
- ANZ must convert all ANZ Capital Notes 3 if a Change of Control Event occurs and may Exchange all or some ANZ Capital Notes 3 if a Tax Event or Regulatory Event occurs, in each case subject to certain conditions.

Capitalised terms in this release have the meaning given to them in the Prospectus.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE U.S. This statement does not constitute an offer of any securities for sale. The securities offered will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

Key dates for the ANZ Capital Notes 3 Offer	
Lodgement of the Prospectus with ASIC	23 January 2015
Bookbuild to determine the Margin	4 February 2015
Announcement of the Margin and lodgement of the replacement Prospectus with ASIC	5 February 2015
Opening Date	5 February 2015
Closing Date for ANZ Securityholder Offer and General Offer	5.00pm AEDT on 26 February 2015
Closing Date for Broker Firm Offer	10.00am AEDT on 4 March 2015
Issue Date	5 March 2015
ANZ Capital Notes 3 commence trading on ASX (deferred settlement basis)	6 March 2015
Confirmation Statements despatched by	10 March 2015
ANZ Capital Notes 3 commence trading on ASX (normal settlement basis)	11 March 2015
First half yearly Distribution Payment Date	24 September 2015
Optional Exchange Date	24 March 2023
Mandatory Conversion Date	24 March 2025

The key dates and times for the Offer are indicative only and may change without notice.